



**HALF YEAR REPORT
2025**

STEEN  STROM

STEEN & STRØM – 2025 HALF YEAR REPORT

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Steen & Strøm's shopping center portfolio is showing an improvement of its financial performance compared to the same period last year, mainly driven by indexation and variable revenues. The group is showing a solid financial position, with a net loan to value ratio of 21.7% (21.8% as of December 31, 2024), emphasized by Steen & Strøm's A- rating (S&P).

1. OPERATING PERFORMANCE

Year-to-date retailer sales in our shopping centers are up +1.3% on a comparable portfolio basis, of which Norway -0.9%, Denmark -0.4% and Sweden +3.1%. The increase mainly derives from two prime assets, Emporia with +5.6% and Field's with +1.1%, but also supported by Bryggen in Vejle with +4.8%. With regards to segments, the most significant contributor to growth was health & beauty with +4.6%, followed by supermarkets and cinemas with +3.5%.

Gross rental income (GRI) increased by +4.8% on a like-for-like basis, including the positive effect of indexation of 1.5%. On a non-like-for-like basis, including the FX effect, total GRI increased by +7.8% and amounted to NOK 830.9 million (NOK 770.8 million as of June 30, 2024).

Like-for-like increase in net rental income (NRI) is +6.3%, positively influenced by indexation, increased variable revenues, lower provisions for bad debts (improved collection), offset by an intermediate increase in net vacancy. Total NRI increased by +10.0% and landed at NOK 742.5 million (MNOK 675.2 as of June 30, 2024), influenced by a strengthened DKK and SEK compared to NOK.

The group generated operating income of NOK 958.3 million (NOK 582.1 million as of June 30, 2024) and pre-tax profits of NOK 796.3 million (NOK 508.2 million as of June 30, 2024).

The strengthening in operating income and pre-tax profits compared to last year are positively impacted by an increase in the fair value of our investment properties. Share of earnings in equity investment has been increased, from NOK (36.1) million as of June 30, 2024, to NOK 40.0 million as of June 30, 2025.

2. INVESTMENT PROPERTIES

Investment properties at fair value and projects amounted to NOK 27,487.8 million as of June 30, 2025, versus NOK 27,318.6 million as of December 31, 2024.

The property portfolio valuation is performed by an independent external appraiser and corresponds to an average net initial yield of 5.1% as of June 30, 2025, versus 5.2% as of December 31, 2024.

Overall Gross Asset Value increase of +1.6% driven by a cash-flow effect, while market effect is neutral, however with heterogeneous impacts depending on the country. Positive market effect in Norway due to decreasing discount rates, while a negative effect is observed in Sweden and Denmark, respectively through a risk-free rate uplift and tenancy/liquidity risks increases, reflecting market uncertainties.

3. DEBT AND FINANCING

As of June 30, 2025, consolidated net debt amounted to NOK 6.3 billion, stable compared to end of 2024.

As of June 30, 2025, average maturity of the Group's debt was 13.5 years, and the hedging ratio 94.3%. Interest coverage ratio landed at 8.8x during the first half of 2025.

Average cost of debt is approximately 2.2% (based on annualized financial expenses) and Net Debt to EBITDA ratio at 4.7x (based on annualized EBITDA).

4. CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2025

4.1. CONSOLIDATED INCOME STATEMENT

<i>In millions of NOK</i>	YTD Q2 2025	YTD Q2 2024
Gross rental income	830.9	770.8
Service charges and property taxes	(281.3)	(274.3)
Charges and tax billed to tenants	203.6	200.2
Net property operating charges	(10.7)	(21.5)
Net rental income	742.5	675.2
Management, administrative and related income and other operating income	41.6	42.9
Payroll expenses	(65.7)	(61.7)
Depreciation, amortization and impairment	(7.4)	(5.0)
Provisions		
Other general expenses	(39.5)	(30.6)
Change in value of investment properties	346.9	(37.8)
Income (loss) from disposals and legal liquidations	(60.0)	(0.9)
Operating income	958.3	582.1
Financial income	86.5	437.4
Financial expenses	(260.6)	(495.5)
Interest expense on leases liabilities	(4.4)	(4.3)
Cost of net debt	(178.5)	(62.4)
Net dividends and provisions on non-consolidated investments	0.1	0.1
Change in the fair value of financial instruments	(23.6)	24.6
Share in earnings of equity-accounted companies	40.0	(36.1)
Profit before tax	796.3	508.3
Income tax expense	(138.1)	(157.7)
CONSOLIDATED NET INCOME	658.2	350.6
Average number of shares	29,303,000	29,303,000
Earnings per share (in NOK)	22	12

4.2. CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>In millions of NOK</i>	YTD Q2 2025	YTD Q2 2024
Consolidated net income	658.2	350.6
Other items of comprehensive income (loss) recognized directly in equity	296.6	(36.6)
• Effective portion of gains and losses on cash flow hedging instruments	(47.5)	(9.0)
• Tax on cash flow hedging instruments	10.2	0.8
• Translation gains and losses	333.9	(28.4)
Items that will be reclassified subsequently to profit or loss	296.6	(36.6)
Items that will not be reclassified subsequently to profit or loss		
TOTAL COMPREHENSIVE INCOME	954.8	314.0

4.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

<i>In millions of NOK</i>	06/30/2025	12/31/2024
Goodwill	348.4	348.4
Intangible assets	31.3	23.4
Property, plant and equipment	30.9	28.7
Investment properties at fair value	27,486.3	27,317.1
Investment properties at cost	1.5	1.5
Investments in equity-accounted companies	1,759.0	1,744.1
Other non-current assets	6.2	6.3
Long-term derivative instruments	99.0	166.6
Deferred tax assets	0.0	8.2
Non-current assets	29,762.6	29,644.3
Investment properties held for sale		419.1
Trade accounts receivables	155.3	146.0
Other receivables	476.9	412.6
Cash and cash equivalents	682.8	701.2
Current assets	1,315.0	1,678.9
TOTAL ASSETS	31,077.6	31,323.2

Equity and liabilities

<i>In millions of NOK</i>	06/30/2025	12/31/2024
Share capital	73.3	73.3
Additional paid-in capital and Consolidated reserves	18,041.1	17,368.9
Consolidated net income	658.2	1,209.6
Total equity	18,772.6	18,651.8
Non-current financial liabilities	6,814.8	6,816.8
Non-current lease liabilities	438.1	440.9
Long-term derivative instruments	15.2	6.7
Deposits	141.9	140.9
Deferred tax liabilities	4,097.9	4,058.4
Non-current liabilities	11,507.9	11,463.7
Current financial liabilities	213.5	202.5
Current lease liabilities	8.9	9.1
Trade payables	127.1	189.2
Due to suppliers of fixed assets	1.9	3.8
Other liabilities	129.4	195.5
Payroll and tax liabilities	316.3	607.6
Current liabilities	797.1	1,207.7
TOTAL EQUITY AND LIABILITIES	31,077.6	31,323.2

4.4. CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In millions of NOK</i>	YTD Q2 2025	YTD Q2 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income from consolidated companies	658.2	350.6
Elimination of expenditure and income with no cash effect or not related to operating activities		
• Depreciation, amortization and provisions	1.4	5.0
• Change in value of investment properties	(346.9)	37.8
• Income (loss) from disposals and legal liquidations	60.0	1.6
• Current and deferred income taxes	138.1	157.7
• Share in earnings of equity-accounted companies	(40.0)	36.1
• Reclassification of interest and other items	225.2	308.7
Gross cash flow from consolidated companies	696.0	897.5
Income tax (received) paid	(12.9)	(19.2)
Change in operating working capital	(494.0)	(814.2)
Net cash flow from operating activities	189.1	64.1
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investment properties		474.2
Proceeds from disposals of subsidiaries (net of cash disposed, net of loans and advances repaid)	399.7	(0.9)
Payments in respect of construction work in progress	(103.9)	(56.8)
Acquisitions of other fixed assets	(13.7)	(0.1)
Acquisitions of subsidiaries (net of cash acquired)	(7.5)	
Movement of loans and advance payments granted and other investments	52.5	0.0
Net cash flow from investing activities	327.1	416.4
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends and group contributions paid to the parent company's shareholders	(328.7)	
New loans, borrowings and hedging instruments		605.5
Repayment of loans, borrowings and hedging instruments	(99.6)	(701.6)
Net Repayment of lease liabilities	(5.0)	(3.7)
Interest paid	(73.4)	(324.7)
Interest paid on lease liabilities	(4.4)	(4.3)
Other cash flows related to financing activities		(0.4)
Net cash flow used in financing activities	(511.1)	(429.2)
Effect of foreign exchange rate changes on cash and cash equivalents	(23.5)	6.9
CHANGE IN CASH AND CASH EQUIVALENTS	(18.4)	58.2
Cash and cash equivalents at beginning of period	701.2	598.3
Cash and cash equivalents at end of period	682.8	656.5

4.5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>In millions of NOK</i>	Share capital	Capital reserves	Hedging reserves	Other consolidated reserves	Consolidated net income	Total equity
EQUITY AT 12/31/2023 (restated)	73.3	4,028.6	183.4	13,337.3	(280.4)	17,342.2
Allocation of net income (loss)				(280.4)	280.4	
Dividends						
Net income for the period					350.6	350.6
GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY						
Gains and losses from cash flow hedging net after tax			(8.2)			(8.2)
Translation gains and losses				(28.4)		(28.4)
Other comprehensive income			(8.2)	(28.4)		(36.6)
Group contribution						
Other movements				5.6		5.6
EQUITY AT 06/30/2024 (restated)	73.3	4,028.6	175.3	13,034.2	350.6	17,661.8
Allocation of net income (loss)						
Dividends						
Net income for the period					859.0	859.0
GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY						
Gains and losses from cash flow hedging net after tax			(81.9)			(81.9)
Translation gains and losses				400.1		400.1
Other comprehensive income			(81.9)	400.1		318.2
Group contribution				(205.1)		(205.1)
Other movements				17.9		17.9
EQUITY AT 12/31/2024	73.3	4,028.6	93.3	13,247.0	1,209.6	18,651.8
Allocation of net income (loss)				1,209.6	(1,209.6)	0.0
Dividends						
Net income for the period					658.2	658.2
GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY						
Gains and losses from cash flow hedging			(47.5)			(47.5)
Tax on cash flow hedging instruments			10.2			10.2
Translation gains and losses				333.9		333.9
Other comprehensive income			(37.3)	333.9		296.6
Group contribution				(328.7)		(328.7)
Other movements				(505.3)		(505.3)
EQUITY AT 06/30/2025	73.3	4,028.6	56.0	13,956.5	658.2	18,772.6

In the first half of 2025, Steen & Strøm decided to present investment properties at fair value with transfer taxes excluded. This change of accounting method led to a decrease of the value of investment properties and deferred taxes by a net amount of NOK (505.3) million against equity.

4.6. SEGMENT INFORMATION

In accordance with IFRS 8, operating segments are identified on the basis of the internal reporting used by management when evaluating performance and allocating resources.

The Group's key performance metric – net current cash flow – is not tied to any specific geography in terms of composition, management, or monitoring. The oversight of financial and operating performance, leasing decisions, investments, property valuation, internal control, audit, and risk management is highly centralized.

Consequently, Steen & Strøm operates a single segment: shopping centers in Scandinavia.

Net rental income by geographic area

In accordance with IFRS 8.33, the net rental income by geographic area is presented below:

<i>In millions of NOK</i>	Net Rental Income 06/30/2025	Net Rental Income 06/30/2024
Denmark	292.5	264.7
Norway	169.1	152.1
Sweden	280.9	258.4
TOTAL	742.5	675.2

Investment property by geographic area

The value of investment properties by geographic area, as shown in the consolidated statement of financial position, is presented below:

<i>In millions of NOK</i>	Value of investment properties at 06/30/2025 ^(a)	Value of investment properties at 12/31/2024 ^(a)
Denmark	12,255.4	12,154.8
Norway	4,559.8	4,591.4
Sweden	10,672.6	10,572.4
TOTAL	27,487.8	27,318.6

(a) Including investment properties at fair value, investment properties at cost and excluding investment properties held for sale.