

Interim Financial Statement of Heimar hf.

Heimar records a profit of ISK 1.1 billion in the first six months of the year – EBITDA increases by 4.5%.

An overview of the key operating figures Q2 2025

- Operating revenues amounted to ISK 7.6 billion in the first six months of the year, with rental income increasing by 4.9% year-on-year, which is approximately 0.5% higher than the rise in the consumer price index over the same period.
- Real growth in rental income on a Like-for-Like portfolio year-on-year was 0.3%.
- EBITDA amounted to ISK 5.1 billion, an increase of 4.5% compared to the same period in 2024.
- Net profit amounted to ISK 1.1 billion, compared to ISK 4.3 billion in the same period last year. Investment properties were recorded at ISK 218.6 billion.
- The fair value change of investment properties amounted to approximately ISK 1.4 billion in the first six months of the year.
- Cash generated from operations amounted to ISK 2.3 billion, and cash and cash equivalents stood at ISK 3.4 billion at the end of the period.
- Interest-bearing debt amounted to ISK 131.2 billion at the end of the period.
- The leverage ratio was 61.6% and the equity ratio was 32.2% at the end of the period.
- Earnings per share for the period amounted to ISK 0.62, compared to ISK 2.36 for the same period last year.

Halldór Benjamín Þorbergsson, CEO of Heimar

"Operations are performing well and, following two major transactions in the first half of the year, the Company's earnings guidance has been revised. Rental income is now estimated at ISK 15,200–15,500 million and EBITDA at ISK 10,800–11,100 million for the year 2025.

We are experiencing strong demand for commercial real estate. Rental income increased by 4.9% compared to the same period last year. Changes to the property portfolio have had a positive impact on year-on-year rental growth, while like-for-like rental growth amounts to 0.3%.

Two major transactions were completed in the second quarter of 2025, adding two outstanding properties, Gróska and the Exeter Hotel, to the Company's portfolio. These properties are highly consistent with the Company's strategy as they are both located within designated core areas, with tenants including both listed companies and public entities. The additional annual rental income from these assets is estimated at ISK 1,600 million as of 2026.

The occupancy rate is 97%, in line with previous levels. Approximately 43% of the Company's rental income derives from public entities and listed companies. Tenant defaults remain low and numerous leasing projects are in the pipeline."

Operations and Performance

Operating revenues amounted to ISK 7,578 million in the first six months of the year, of which rental income amounted to ISK 7,169 million. Rental income increased by 4.9% compared to the same period in 2024, corresponding to a real increase of just under 0.5%. Several changes to the property portfolio between years have had an impact on rental income. EBITDA amounted to ISK 5,088 million, representing an increase of 4.5% compared to the same period in 2024.

At the publication of the 2024 annual results, the Company presented its operating plan for 2025. Earnings guidance for 2025 has now been revised following transactions completed during the year. Rental income is now estimated at ISK 15,200–15,500 million and EBITDA at ISK 10,800–11,100 million. As a result of the investments made during the year, The Company's Management expects rental income from the current property portfolio for the next twelve months to be in the range of ISK 16.4–16.7 billion

Assets and Financial Position

The fair value of the Company's investment properties, excluding lease assets, is estimated at ISK 212,955 million. The portfolio now consists of 97 properties with a total area of approximately 389 thousand square metres. The occupancy rate is around 97%, based on revenues that would be generated under full occupancy. The total fair value adjustment for the first six months of the year amounted to ISK 1,414 million.

Activity and Outlook

In June, the Company completed two major transactions. Firstly, it acquired all the share capital in Gróska ehf. and Gróðurhúsið ehf. Gróska ehf. owns the property Gróska, comprising approximately 18,600 sqm together with a 6,200 sqm underground car park, or a total of around

24,800 sqm. Secondly, the Company acquired Tryggvagata ehf., which owns the properties at Tryggvagata 14 and 10. The total floor area of these properties is approximately 5,500 sqm, consisting of a 106-room, four-star hotel in downtown Reykjavík (Exeter Hotel) and an adjoining office building. The additional annual rental income from these two transactions is estimated at ISK 1,600 million as of 2026.

In total, 36 lease agreements covering approximately 17,290 sqm were concluded in the second quarter, equal to the same period last year, which was the largest quarter in the Company's history.

Among the largest lease agreements during the period were: an agreement with Öldungur for 10,384 sqm in the property at Sóltún 2; an agreement with Samherji for 1,255 sqm for its new headquarters at Hagasmári 1; an agreement with EFLA for 1,009 sqm in the property at Glerárgata 32; and an agreement with Arctica Finance for 825 sqm at Katrínartún 2.

All restaurant units in the new food hall, set to open in Smáralind in the coming months, have been leased — thirteen in total. There was strong demand for participation in the project.

Recently, Starbucks opened a new café at Hafnartorg Gallery, Bryggjugata 2. This is Starbucks' second location in Iceland and also its largest. The opening of Starbucks is in line with Heimar's strategy to create vibrant core areas where people can live, work, and enjoy leisure

Sustainability

The number of the Company's environmentally certified properties increased during the period, with six properties now certified, representing approximately 41% of the Company's portfolio. Gróska was recently added to the portfolio of certified assets, and Dvergshöfði 2 is expected to follow in the autumn.

Information on the financial metrics of the Company's certified properties, as well as their carbon footprint, electricity consumption and water usage, can be found in the Green Financing Impact Report available on Heimar's website.

Financing

The Company's financial position is strong and financial covenants are well within limits, with an equity ratio of 32.2% (covenant 25%). At the end of the period, cash and cash equivalents amounted to ISK 3,395 million, in addition to unused credit facilities of ISK 2,700 million.

Bank loans maturing in 2026 have been refinanced, extending their final maturity to 2031.

Presentation of Interim Financial Results

In connection with the publication of the results, Heimar invites investors and other stakeholders to an open presentation on the same day at 16:15. The meeting will be held at the Company's headquarters in Smáralind, Hagasmári 1, 201 Kópavogur, and light refreshments will be served.

Halldór Benjamín Þorbergsson, CEO of Heimar, will present the results and answer questions following the presentation.

Registration for the meeting is available via email at ir@heimar.is.

The presentation will also be webcast at the following link:

[Q2 2025 results - Heimar](#)

The interim financial statements for the first six months of the year and related presentation materials are available at:

<https://www.heimar.is/en/investors/financial-information/financial-reports/>

Please note that in case of discrepancy in the English and the Icelandic versions, the Icelandic version shall prevail.

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