Heimar hf.: Interim Financial Statements

Key highlights of the first nine months

- Operating revenues amounted to ISK 13.2 billion during the first nine months of the year, with rental income increasing by 12.2% year-on-year, representing a 7.2% increase above inflation over the same period.
- Real growth in rental income on a Like-for-Like portfolio was 3.1% year-on-year.
- EBITDA amounted to ISK 8.9 billion, an increase of 10.3% compared to the same period in 2025.
- Net profit amounted to ISK 4.2 billion, compared to ISK 2.9 billion during the same period last year.
- Return on equity was 7.1%.
- Net cash from operating activities over the last 12 months amounted to approximately 9.9% of the company's market value at the end of the quarter.
- Investment properties had a carrying amount of ISK 244 billion at the end of the period.
- Fair value changes of investment properties amounted to ISK 7.5 billion during the first nine months of the year.
- Cash and cash equivalents amounted to ISK 3.6 billion at the end of the period.
- Interest-bearing debt totaled ISK 147 billion at the end of the period.
- The leverage ratio was 61.5% and the equity ratio was 31.9% at the end of the period.

Halldór Benjamín Þorbergsson, CEO of Heimar

„Heimar's operations are stable and the company's revenue base is solid. The occupancy ratio remains high at 96%, and 42% of rental income originates from public entities and listed companies. The focus on the development of core areas continues to strengthen the property portfolio and the company's revenue base over the long term.

The Board of Heimar has approved a new dividend policy based on solid underlying operations and a clear investment strategy. In the coming months, major revenue-generating investment projects with strong tenants will be added to the portfolio. Through targeted development, a foundation has been laid for increased distributions to shareholders alongside continued investment.

The aim is to distribute to shareholders each year an amount equal to at least 60% of net cash from operating activities. The Board will place greater emphasis on dividend payments over share buybacks. This shift in emphasis reflects the company's current position and its increased capacity to let shareholders benefit from the strong operations and development of recent years. This marks a new milestone in the company's development, as it stands on a solid foundation and is well positioned to move forward."

Operations and Performance

Operating revenues amounted to ISK 13,179 million during the first nine months of the year, of which rental income totaled ISK 12,548 million. Rental income increased by 12.2% compared to the same period in 2025, corresponding to just under 7.2% real growth. Several changes have occurred within the property portfolio year-on-year which impact rental income. Operating profit before gains on sale, fair value changes and depreciation (EBITDA) amounted to ISK 8,880 million, representing a 10.3% increase compared to the same period in 2025.

Assets and Financial Position

The value of the company's investment properties, excluding leasehold assets, is estimated at ISK 238,523 million. The portfolio currently consists of 98 properties totaling approximately 392 thousand square meters. The occupancy ratio remains high at approximately 96%, based on income as a percentage of full occupancy potential, underlining strong demand for commercial real estate. Total fair value changes during the first nine months of the year amounted to ISK 7,468 million.

Agreements were recently finalized for the sale of two properties for a total of approximately ISK 1,200 million, and the transactions are expected to close in the coming months.

Development of the property portfolio continues. FSRE has notified Heimar that the company's offer for the development and leasing of a nursing home at Eirhöfði 2 has been selected in a market survey for nursing homes in the capital region. The offer involves the development of an

approximately 6,200 m² nursing home with approximately 95 nursing care rooms. A final agreement is subject to the parties reaching agreement on the terms of the lease. The company is also in discussions with FSRE on the development and long-term lease of premises for a health center at Tjarnarvellir 9 in Hafnarfjörður.

Activity and Outlook

During the third quarter, 11 lease agreements were signed covering approximately 9,770 square meters.

The largest agreements during the period included renewals of agreements with Kea hótelrekstur ehf. for approximately 5,083 square meters at Hafnarstræti 83-89 (Hótel KEA, Akureyri) and with BM Vallá for approximately 1,903 square meters at Norðurhraun 1.

New lease agreements were signed with DineOut for 459 square meters at Silfursmári 12, along with two new agreements at Katrínartún 2, with Múlakaffi ehf. and Ripple ehf.

Sustainability and Responsible Operations

Work on environmental certifications across the property portfolio continued during the period, with a focus on certifying larger properties operated by the company. Dvergshöfði 4, Katrínartún 2, Borgartún 8-16 and Gróska are currently in the certification process. In addition, Silfursmári 12 received the Green Shovel Award for high-quality design and environmental quality. The property is a 2,400 square meter office and service building by Smáralind, designed in accordance with Nordic Swan Ecolabel criteria.

Heimar was recognized by Creditinfo as an Excellent Company 2026, ranking 4th out of just over 1,200 companies, and was also ranked 7th on Viðskiptablaðið and Keldan's list of Model Companies in Operations.

Financing

The company maintains a strong financial position and the equity ratio was 31.9% at the end of the period. At the end of the period, cash and cash equivalents amounted to ISK 3,568 million. In addition, the company had access to undrawn credit facilities totaling ISK 4,600 million.

Presentation of Financial Results

In conjunction with the publication of the financial results, Heimar hf. will host an open investor presentation on the same day at 16:15 local time. The meeting will take place at the company's headquarters at Smáralind, Hagasmári 1, 201 Kópavogur, and light refreshments will be served.

Halldór Benjamín Þorbergsson, CEO of Heimar, will present the results and respond to questions following the presentation. Registration for the presentation is available via email at: ir@heimar.is. The event will also be live-streamed online at the following link:

https://www.heimar.is/en/investor-meetings/q3-2026-results/

The interim financial statements for the first nine months of the year and presentation materials are available at: https://www.heimar.is/en/investors/financial-information/financial-reports/

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

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