

Annual Financial Report

Key Highlights of the Annual Financial Report

- Operating revenue amounted to ISK 16.2 billion for the year, with rental income increasing by 9.6% compared to the previous year, which is 5.4% above the inflation rate during the same period.
- EBITDA totaled approximately ISK 11 billion, representing a year-on-year increase of 9.3%.
- Net profit for the year amounted to ISK 8.4 billion, compared to ISK 8.2 billion in the previous year. Investment properties were recognised at ISK 229 billion.
- The fair value adjustment of investment properties amounted to approximately ISK 7.5 billion during the year.
- Cash flow from operating activities amounted to ISK 5.5 billion, and cash and cash equivalents totalled ISK 2.9 billion at year-end.
- Interest-bearing debt amounted to ISK 134.5 billion at year-end.
- The loan-to-value ratio was 60.3%, and the equity ratio was 33.1% at year-end, increasing from 31.8% at year-end 2024.
- Return on equity was 12.0%. Earnings per share for the year amounted to 4.42, compared to 4.57 in 2024.
- Share buybacks during the year amounted to ISK 2 billion. The Board of Directors proposes a dividend payment of ISK 0.4 per share, corresponding to approximately ISK 790 million. In line with the Company's dividend policy, it is anticipated that share buybacks of up to a similar amount will be undertaken in 2026.

Halldór Benjamín Þorbergsson, CEO of Heimar

„We are pleased with the Company's operating performance for the year, which is at the upper end of Heimar's revised revenue and EBITDA guidance for 2025. During the year, the Company's investments amounted to ISK 27 billion, clearly reflecting increased revenue growth and further strengthening of the portfolio.

The Company's largest assets in its core areas are almost fully leased, and demand for high-quality properties remains strong, as lease agreements were signed for approximately 51 thousand square metres during the year. Rental income increased by 9.6% year-on-year, corresponding to 5.4% real growth in rental revenues. EBITDA totalled just under ISK 11 billion, increasing by 9.3% compared to the previous year. Profit after tax amounted to nearly ISK 8.4 billion, representing an improvement from the prior year.

Heimar's financial position strengthened during the year. The equity ratio increased to 33.1% at year-end, while the loan-to-value ratio declined to 60.3% at the end of the year. Heimar secured its first international financing with a ISK 4.5 billion loan from the Nordic Investment Bank (NIB).

Shareholder returns remain at the forefront of our decision-making. Share buybacks during the year amounted to approximately ISK 2 billion, and the Company's shares were among the ten most actively traded stocks on the Nasdaq OMX exchange. Heimar's new investments are disciplined and aimed at reinforcing the Company's core areas. We are also continuing to develop new revenue streams within our operations, and development projects within the portfolio will deliver continued value creation for shareholders. Exciting times lie ahead — the Company's strategy is clear, and we are well positioned to seize new opportunities in the market.”

Operations and Performance

Operating revenue amounted to ISK 16,229 million during the year, of which rental income totalled ISK 15,404 million. Rental income increased by 9.6% year-on-year, corresponding to approximately 5.4% real growth. Changes in the Company's property portfolio also had a positive impact on revenue growth compared to the previous year. Operating profit before gains on sale, fair value adjustments and depreciation (EBITDA) amounted to ISK 10,984 million, representing a 9.3% increase compared to 2024.

Heimar hf.'s dividend policy provides for distributing to shareholders an amount equivalent to approximately one-third of the profit for the preceding financial year, either in the form of dividend payments or through share buybacks and a reduction of share capital. The dividend policy further states that consideration shall be given to risks in the external environment, growth prospects, and the Company's long-term maintenance of a sound equity and liquidity position. The Board of Directors proposes a dividend payment of ISK 0.40 per share in 2026, corresponding to approximately ISK 790 million, and the renewal of an authorisation to repurchase up to 10% of

the Company's share capital in order to implement the dividend policy. Based on operating results, this would correspond to share buybacks of approximately ISK 2 billion, in line with the previous year.

In conjunction with the annual results, the Company presents its operating guidance for 2026, which is based on an assumption of 4% year-on-year inflation. Rental income for 2026 is projected to be in the range of ISK 16,600–16,950 million. Furthermore, operating profit before fair value adjustments and depreciation (EBITDA) is expected to be in the range of ISK 11,800–12,150 million.

Assets and Financial Position

The value of the Company's investment properties, excluding leased assets, is estimated at ISK 222,951 million. The portfolio now consists of 97 properties, comprising a total of approximately 389 thousand square metres. The occupancy rate remains high at around 96%, based on the revenue level that would be generated by full occupancy, underscoring strong demand for commercial real estate. The total fair value adjustment for the year amounted to ISK 7,516 million.

During the year, two high-quality properties were added to the Company's portfolio: Gróska, comprising 24,800 m², and Tryggvagata 14, a hotel property comprising 5,004 m².

The Company continues to systematically develop its portfolio through major construction and expansion projects, such as Dvergshöfði 4 and the extension of the Sóltún nursing home. In June 2025, a new long-term lease agreement was signed for Sóltún, which includes an expansion of the existing nursing home by 3,500 m², adding a total of 67 new nursing care units. Upon completion, the facility will comprise a total of 159 nursing care units. Construction has commenced, and completion is expected in autumn 2027.

Dvergshöfði 4 will be a high-quality office building of approximately 10,300 m² across seven floors, in addition to an underground parking garage, bringing the total gross area to approximately 14,000 m². The building is exceptionally well located in Heimar's new core area at Borgarhöfði. The first leased premises are expected to be delivered in early 2027, based on lease agreements already signed.

Activity and Outlook

The Company's management continues to experience strong demand for commercial real estate within the Company's core areas. During the year, 103 lease agreements were concluded covering approximately 50,840 m², making it the largest leasing year in the Company's history. The vast majority of agreements signed during the year were new leases, supporting the strong demand, visibility, and interest in the Company.

Among the largest lease agreements of the year were a new long-term lease for the Sóltún nursing home, as well as agreements with Teledyne Gavia at Vesturvör 29 for approximately

5,150 m², Smárabíó at Smáralind for approximately 3,400 m², and Wise lausnir ehf. at Dvergshöfði 4 for approximately 3,300 m². This represents the first lease agreement in that building, which is a new high-quality office development currently under construction at Borgarhöfði.

The Garðurinn food hall at Smáralind opened its doors in the latter part of November 2025, featuring thirteen food operators. The arrival of Garðurinn, alongside the opening of new high-end retail stores and the revitalisation of Smárabíó, has strengthened the centre's attractiveness and contributed to record visitor numbers at Smáralind.

Sustainability

Heimar's environmental reporting is increasingly based on actual data and reflects the Company's active role in the operation of its property portfolio. Actual energy consumption data is available for approximately 65% of the portfolio and, together with operational activities in around one-third of the properties, supports the continued mapping of emissions across the Company's value chain. The share of certified properties now amounts to 42% of the Company's portfolio, and during the year Gróska and Dvergshöfði 2 were added as certified assets.

In addition, the fast-charging station at Smáralind was doubled in scale and nearly tripled in capacity, supporting the energy transition and improving accessibility for customers, visitors, and the surrounding community.

In the latter part of November 2025, the Company received one of the most significant recognitions in Icelandic business for environmental performance, when it was named Environmental Company of the Year 2025 at the Business Environment Day. The award is presented to companies that excel in environmental and climate matters and demonstrate how targeted actions, innovation, and responsible governance deliver tangible results.

Financing

The Company's financial position is strong with an equity ratio of 33.1%. At the end of the period, cash and cash equivalents amounted to ISK 2,908 million. In addition, the Company had access to undrawn credit facilities totalling ISK 2,600 million at period-end.

A milestone in Heimar's financing history was reached in 2025 with the signing of a ISK 4.5 billion loan agreement with the Nordic Investment Bank (NIB). The loan was granted on the basis of the sustainable and socially important infrastructure projects undertaken by the Heimar group.

During the year, the Company issued bonds totalling approximately ISK 6 billion, including under the indexed green bond series HEIMAR50 GB. In addition, two new green bond series were issued under the Company's Green Bond Framework: HEIMAR301036 GB, an indexed fixed-rate

series, and HEIMAR230628 GB, Heimar's first floating-rate bond series, bearing interest at three-month REIBOR plus a 0.90% margin.

Annual General Meeting

The Company's Annual General Meeting (AGM) will be held on 9 March 2026. The notice convening the meeting and the relevant meeting documents are expected to be distributed three weeks prior to the AGM.

The Board of Directors intends to submit a proposal to amend the Company's Articles of Association to provide for the appointment of two additional alternate directors to the Board.

The deadline for submitting nominations for election to the Board of Directors is seven days prior to the AGM, specifically Monday, 2 March 2026. Nominations shall be submitted to the offices of Heimar hf., Hagasmári 1, 201 Kópavogur, Iceland, or by email to tilnefningarnefnd@heimar.is.

Presentation of the Annual Financial Report

In connection with the publication of the financial results announcement, Heimar will host an open presentation meeting on the same day at 16:15. The meeting will be held at the Company's headquarters at Smáralind, Hagasmári 1, 201 Kópavogur, Iceland. 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 fjarfestatengsl@heimar.is. The meeting will also be webcast online at the following link: <https://www.heimar.is/en/investor-meetings/annual-results-2025/>. The annual report and presentation materials can be accessed at: <https://www.heimar.is/fjarfestar/fjarhagsupplysingar/>

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

For further information, please contact Halldór Benjamín Þorbergsson, CEO of Heimar hf., tel.: +354 821 0001.