Interim Financial Statements of Heimar hf.

Key highlights of the interim results

- Operating revenues amounted to ISK 8.7 billion in the first six months of the year, with rental income increasing by 16.1% year-on-year, representing an 11.3% increase above inflation over the same period.
- Real growth in rental income on a Like-for-Like portfolio year-on-year was 3.1%.
- EBITDA amounted to ISK 5.8 billion, an increase of 14.6% compared to the same period in 2025.
- Net profit amounted to ISK 4.6 billion, compared to ISK 1.1 billion in the same period last year.
- Return on equity was 11.8%.
- Investment properties were recorded at ISK 243 billion at the end of the period.
- The fair value change of investment properties amounted to ISK 7.7 billion in the first six months of the year.
- Cash and cash equivalents stood at ISK 4.8 billion at the end of the period.
- Interest-bearing debt amounted to ISK 146 billion at the end of the period.
- The leverage ratio was 61.6% and the equity ratio was 32.1% at the end of the period.

Halldór Benjamín Þorbergsson, CEO of Heimar

"Operations at Heimar are stable and the Company's revenue base is solid. The occupancy rate remains high at 96%, and 42% of rental income derives from public entities and listed companies. The focus on the development and enhancement of core areas continues to strengthen the property portfolio and the Company's revenue base over the longer term.

The collaboration with Klasi, which began in 2022 with the aim of creating additional value from Heimar's development assets, has now for the first time delivered a fully completed project to the Company's portfolio through Heimar's acquisition of Silfursmári 12. The first project has thereby completed the entire cycle, from development and construction at Klasi to a fully built, income-generating asset owned by Heimar. Demand for space at Silfursmári has been strong and the property is now fully leased. This underlines the strength of the Smáralind area and the potential inherent in its continued development."

Operations and Performance

Operating revenues amounted to ISK 8,745 million in the first six months of the year, of which rental income amounted to ISK 8,325 million. Rental income increased by 16.1% compared to the same period in 2025, corresponding to a real increase of just under 11.3%. Several changes to the property portfolio between years have had an impact on rental income. Operating profit before fair value change and depreciation (EBITDA) amounted to ISK 5,830 million, representing an increase of 14.6% compared to the same period in 2025.

Assets and Financial Position

The fair value of the Company's investment properties, excluding lease assets, is estimated at ISK 236,865 million. The portfolio now consists of 98 properties with a total area of approximately 392 thousand square metres. The occupancy rate remains high at around 96%, based on revenues that would be generated under full occupancy, underlining strong demand for commercial real estate. The total fair value change for the first six months of the year amounted to ISK 7,669 million.

Activity and Outlook

In total, 26 lease agreements covering approximately 9,070 square metres were concluded in the second quarter.

Among the largest lease agreements during the period was a new agreement with Rarik for approximately 2,450 square metres at Dvergshöfði 4, a new, high-quality office building under construction at Borgarhöfði, where lease agreements have already been signed for around 60% of the building. In addition, a renewal was concluded with Líf og List for approximately 960 square metres in Smáralind and a renewal with BBA//Fjeldco for approximately 870 square metres at Katrínartún 2.

Smárinn continues to strengthen its position as one of Heimar's key core areas. During the quarter, Silfursmári 12, approximately 2,700 square metres of high-quality office and retail space, was added to the portfolio, and the building is already fully leased, reflecting strong demand for rental space in the area. That demand and momentum are also reflected in Smáralind, which continues to advance. Footfall in Smáralind increased by 27% and tenants' turnover by 21% year-on-year in the second quarter, compared with increases of 20% and 18% in the first quarter.

The earnings guidance for the year has been updated to reflect inflation and the development of rental income. Rental income for the year 2026 is now estimated in the range of ISK 16,850–17,200 million. EBITDA, being operating profit before fair value change and depreciation, is expected to be in the range of ISK 12,050–12,400 million.

Sustainability

During the period, the Company's green financing framework was updated and published, following verification by an independent third party.

Work on environmental certifications within the portfolio continues, and Egilshöll received BREEAM In-Use recertification during the period.

Heimar improved its overall score by one point in Reitun's 2026 ESG assessment and remains in category B1. In both environmental factors and governance, Heimar improved by one category and is now in category A3, with 86 points. Heimar also received recognition from Stjórnvísi as an Exemplary Company in Good Corporate Governance.

Financing

The Company's financial position is strong, with an equity ratio of 32.1%. At the end of the period, cash and cash equivalents amounted to ISK 4,786 million, in addition to unused credit facilities of ISK 4,600 million.

On June 11, the Company completed the expansion of two green bond series. Bonds with a nominal value of ISK 2,500 million were sold at a yield of 3.98% in the HEIMAR50 GB series, which following the expansion has a nominal value of ISK 18,720 million. In addition, bonds with a nominal value of ISK 1,400 million were sold at par, or a credit spread of 0.90%, in the HEIMAR230628 GB series, which following the expansion has a nominal value of ISK 2,520 million.

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 15:45. 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:

https://www.heimar.is/en/investor-meetings/q2-2026-results/

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 a discrepancy between the English and the Icelandic versions, the Icelandic version shall prevail.

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