



Semi Annual Impact Report

June 2024



Introduction

On March 31st 2020 Heimar published its first green financing framework Heimar developed the Green Financing Framework (the “Framework”) in order to issue Green Financing Instruments (“Green Financing Instruments”) such as Green Bonds, Green Commercial Papers, Green Loans and other types of debt instruments where the use of proceeds will be exclusively applied to fully or partly finance or refinance eligible Green Assets.

To ensure full transparency, Heimar publishes an annual and semi-annual Impact Report as long as it has Green Financing Instruments outstanding in English on Heimar’s website for Green Financing, <https://www.heimar.is/fjarfestar/fjarmoegnun/graen-fjarmoegnun/>



Heimar and Green Financing

Real estate is responsible for about a third of global greenhouse gas emission, including emissions generated from the operation of the properties. As a real estate company that also manages about a third of its property portfolio, the company is in a unique position to reduce the negative environmental impact of its properties. A major factor in meeting these negative consequences is the environmental certification of properties. In March 2020, the company registered a Green Financing Framework with the aim of financing environmentally certified properties and environmentally friendly investments. The Green financing framework is based on Green Bond Principles (GBP) with the independent opinion of CICERO, the International Centre for Climate and Environmental Research.

Green Assets, Green financing and allocations

Heimar's Green Asset Pool amounted to ISK 66.2bn as of June 30th 2024 and is comprised of Green Asset Category 1: Green buildings. Total outstanding Green Financing Instruments amounted to ISK 46.8bn and thus

the Green borrowing capacity amounted to ISK 19.4bn at the period end. All proceeds from Green Financing Instruments were used for refinancing and all the proceeds have been allocated to the Green Asset Pool.

Green Asset Pool

Category 1: Green Buildings	ISK	66.2bn
Total Green Asset pool	ISK	66.2bn

Outstanding Green Financing Instruments

Reginn25 GB ISIN: IS0000035194	ISK	1.2bn
REGINN27 GB ISIN: IS0000033140	ISK	7.2bn
REGINN181037 GB ISIN: IS0000034544	ISK	8.4bn
REGINN100740 ISIN: IS0000035202	ISK	6.6bn
REGINN50GB ISIN: IS000003201	ISK	14.7bn
Green Loan 505 200885	ISK	1.5bn
Green Loan 505 201004	ISK	7.2bn
Total outstanding Green Financing Instruments	ISK	46.8bn
Green Borrowing Capacity	ISK	19.4bn



Full list of buildings under Green Buildings Category*

Property	Built	Function	Size (sqm)	Sustainable Energy %	Certification category	Energy usage (kwh/m ²)	Carbon footprint (kg/m ²)	Water usage (m ³ /m ²)
Smáralind	2001	Retail	62,077	100%	BREEAM In-Use Very Good	188.2	2.13	2.94
Katrínartún 2	2009	Office	23,473	100%	BREEAM In-Use Very Good	181.2	1.71	4.43
Borgartún 8-16	2007	Office	14,074	100%	BREEAM In-Use Very Good	149.2	1.41	2.21
Egilshöll	2003	Recreation and sports center	37,305	100%	BREEAM In-Use Very Good	146.9	1.38	2.04



Smáralind

Smáralind is Heimar's largest property, in total about 62,100 m² and was also the first building to obtain the BREEAM In - Use certification in Iceland, in January 2020. Extensive emphasis has been placed on environmental matters and sustainability in Smáralind's operations including comprehensive waste sorting, installations of charging stations, roofed bicycle parking for guests and employees with bicycle stands and new

building management systems. With new building management systems better control is achieved such as for ventilation, floor heating systems, lighting, smoke extraction and snow melting systems. Renovation of these systems increases both energy savings and work optimisation. Installation of smart waste in Smáralind has been finalized with the aim to increase percentage of sorted waste in the building.

* The referred Smáralind, Egilshöll Katrínartún 2 and Borgartún 8-16 energy consumption, carbon footprint and water usage include all energy consumption, waste, and water usage in the property and on site including the usage and carbon footprint of the tenants in the property from these elements. Further information regarding the methodology can be found in the Sustainability Report for the year 2023 (in Icelandic).

<https://heimar-headless.azurewebsites.net/media/sq2nqwzv/reginn-sjalfbaerniskyrsla-2023.pdf>



Katrínartún 2 - Höfðatorg

Katrínartún 2, better known as Höfðatorg, is one of the most elaborate office buildings in the country and located in Reykjavík's main business zone. The building is on 19 levels, stands out admirably and offers a unique view. Internal access is to the basement with 1,300 parking spaces, charging stations and a washing station. Spacious bicycle storage is in the basement as well as changing facilities, with all services nearby and public transport within walking distance. Emphasis has been placed on environmentally friendly aspects and sustainability in the building operations, where a house management system monitors e.g. energy consumption, ventilation and cooling systems. In progress is also work to commence smart waste in the building with the aim of increasing environmental awareness and waste sorting as well as reducing costs.

Borgartún 8-16 - Höfðatorg

Borgartún 8-16 is 7-floor office building that shares the site with Katrínartún 2. It is one of the largest Heimar's properties of about 14,400 m². The asset offers good access to various services and public transportation. There are numerous environmentally friendly solutions in the building: water and energy saving equipment as well as house management system in the asset controls ventilation, heating and cooling thus increasing building's users comfort and saving energy. Energy and water meters are connected to a monitoring system that helps to reduce operational costs of the building. Air quality is monitored in part of the asset by measuring CO₂ levels. There are numerous solutions that support alternative modes of transport, like charging stations for electric vehicles, bicycle storage and facilities for cyclists.



Egilshöll

Egilshöll is the biggest recreation and sports center in Iceland and one of Heimar's largest properties, in total about 33,000 m². The building is equipped with a leak detection system which alerts facility management team in case of high water use, potentially reducing water consumption as well as preventing significant damage from water leaks. There are also various

environmentally friendly facilities around the asset for alternative transportation methods, like charging stations for electric cars and bicycle storage. Moreover, smart waste system is planned to be installed in the building to increase waste sorting and reduce operational costs.