

Heimar hf.: Annual General Meeting – March 11, 2025

Agenda and proposals for the Annual General Meeting of Heimar hf., to be held at Gróska, in the Eiríkisdóttir hall, Bjargargata 1, 102 Reykjavík, on Tuesday, March 11, 2025, at 16:00.

Agenda of the Meeting

1. Report of the Board of Directors on the Company's activities during the past operating year.
2. Presentation and confirmation of the annual financial statements for the past operating year, including the auditor's report.
3. Decision on dividend payments and the allocation of profit or loss for the previous financial year.
4. Proposal from the Board regarding the Company's remuneration policy for approval.
5. Decision on authorizing the Board to repurchase the Company's own shares.
6. Proposal to authorize the Board to increase the Company's share capital in connection with the acquisition of all shares in Gróska ehf. and Gróðurhúsið ehf., along with the corresponding amendments to the Company's Articles of Association.
7. Proposals for amendments to the Articles of Association:
 - a) Proposal to amend paragraph 2 of Article 4 of the Company's Articles of Association, reducing share capital to cancel treasury shares.
 - b) Proposal to amend Article 15 of the Articles of Association, adding the appointment of a member to the Audit Committee.
8. Election of the Board of Directors.
9. Election of an Auditor.
10. Appointment of a member to the Audit Committee.
11. Election of a member to the Nomination Committee.
12. Decision on remuneration for Board members, committee members, and the Nomination Committee for the next term.
13. Amendments to the rules of procedure of the Nomination Committee.
14. Other



Proposals from the Board of Directors of Heimar hf.

2. Annual Financial Statements

The Board of Directors of Heimar hf. proposes to the Annual General Meeting that the Annual Financial Statements for the year 2024 be approved.

3. Dividend

The Board of Directors of Heimar hf. proposes that a dividend of ISK 750 million be paid to shareholders for the previous financial year, which corresponds to ISK 0.43 per nominal value of outstanding share capital.

Shares traded on or after March 12, 2025, will not carry dividend rights (ex-dividend date). The record date for determining shareholder entitlement to the dividend will be the close of trading on March 17, 2025. The dividend payment date will be April 9, 2025.

Further details regarding the allocation of profits and other changes in the company's equity accounts for the year can be found in the Annual Financial Statements.

Explanatory Notes:

Heimar hf.'s dividend policy aims to distribute approximately one-third of the net profit from the previous financial year to shareholders, either in the form of dividend payments or through share buybacks and capital reduction. The dividend policy also considers external risk factors, growth outlooks, and the need to maintain a strong equity and liquidity position for the future. The Board of Directors proposes a dividend payment of ISK 750 million in 2025 and seeks continued authorization to repurchase up to 10% of the company's share capital to support the dividend policy.

4. Remuneration Policy

The Board of Directors of Heimar hf. proposes that the Annual General Meeting approve the submitted remuneration policy, which remains unchanged from the policy approved at the shareholders' meeting on August 30, 2024. The Board's report to shareholders on the implementation of the remuneration policy, along with other relevant documents, is included with the notice of the Annual General Meeting.

5. Authorization for the Board to Repurchase Own Shares

The Board of Directors of Heimar hf. proposes that the Annual General Meeting, in accordance with Article 55 of the Companies Act No. 2/1995, authorize the company to repurchase its own shares, so that, together with its subsidiaries and subject to other legal requirements, the company may hold up to 10% of its total share capital. The purpose of the repurchase is to facilitate market-making activities for the company's shares and/or to implement a formal share buyback program pursuant to the authorization under The Act on Markets for Financial Instruments No. 115/2021, The Companies Act No. 2/1995, Regulation (EU) No. 596/2014 of the European Parliament and of the Council on Market Abuse, Delegated Regulation (EU) No. 2016/1052 of the European Commission, The Act on Measures Against Market Abuse No. 60/2021

The purchase price of shares acquired under this authorization shall not exceed the price of the last independent trade or the highest current independent purchase offer in the trading systems where the shares are traded, whichever is higher. However, such purchases are permitted if conducted by a market maker as defined by the Act on Markets for Financial Instruments or in connection with buyback programs or price stabilization as defined under Regulation (EU) No. 596/2014 on Market Abuse and the Act on Measures Against Market Abuse No. 60/2021.

This authorization replaces the previous authorization granted to the Board for repurchasing own shares, which was approved at the Annual General Meeting on March 12, 2024, and will remain in force for 18 months from the date of approval. It shall be recorded as an annex to the Articles of Association of Heimar hf., in accordance with paragraph 2 of Article 12 of the company's Articles of Association, replacing any previous annexes on the same subject.

6. Proposal for Authorization to Increase Share Capital

The Board of Directors of Heimar hf. submits the following proposal for authorization to increase share capital at the Annual General Meeting on March 11, 2025:

„The Annual General Meeting of Heimar hf., held on March 11, 2025, approves granting the Board of Directors the authorization to issue new share capital in the company with a nominal value of up to ISK 258,000,000. This authorization shall only be used to fulfill the company's obligations regarding the purchase price payment pursuant to the terms agreement between Heimar hf. and Bat Real Estate S.á.r.l., Lonin ehf., Vera Dagg Antonsdóttir, Sigbór Sigmarsson, and LL66 ehf., dated February 6, 2025, regarding Heimar hf.'s acquisition of all shares in Gróska ehf. and Gróðurhúsið ehf. The preemptive rights of shareholders under paragraph 1 of Article 5 of the company's Articles of Association shall not apply to the new share capital, and shareholders therefore waive their subscription rights in accordance with paragraph 3 of Article 34 of the Companies Act No. 2/1995. The newly issued shares shall belong to the same class and carry the same rights as other shares in the company. The new shares shall confer rights from the date of registration of the share capital increase. This authorization shall be valid for one year. The Board of Directors shall be authorized to make necessary amendments to the company's Articles of Association in relation to the use of this authorization. Once the authorization has been utilized, it shall be removed from the Articles of Association.“

If the proposal is approved by the shareholders' meeting, it shall be incorporated into the company's Articles of Association as a new paragraph 3 in Article 4.

Explanatory Notes:

The Board of Directors of Heimar hf. requests shareholder authorization to increase the company's share capital by issuing new shares with a nominal value of ISK 258,000,000, in accordance with the terms agreement dated February 6, 2025, between Heimar hf. and Bat Real Estate S.á.r.l., Lonin ehf., Vera Dögg Antonsdóttir, Sigbór Sigmarsson, and LL66 ehf., regarding the acquisition of all shares in Gróska ehf. and Gróðurhúsið ehf.

The Board's proposal includes a waiver of shareholders' pre-emptive rights, in accordance with paragraph 3 of Article 34 of the Companies Act No. 2/1995, and paragraph 1 of Article 5 of the company's Articles of Association.

The authorization to increase share capital shall remain valid for one year. The newly issued shares shall belong to the same class and carry the same rights as existing shares, except that the sellers are prohibited under the agreement from transferring shares with a nominal value of ISK 250,000,000 for 12 months from the date of delivery, unless written approval is obtained from Heimar hf.

At the request of the Board, the company's auditor has prepared an expert report in accordance with the relevant provisions of Companies Act No. 2/1995. The report includes: A valuation by the auditor of the shares in Gróska ehf. and Gróðurhúsið ehf., Details of the valuation method used, An explanation of how the consideration was determined in alignment with the share price of Heimar hf., A statement confirming that the value of the shares in Gróska ehf. and Gróðurhúsið ehf. at least corresponds to the agreed consideration in the form of shares in Heimar hf. The expert report, along with other relevant documents, is included with the notice of the Annual General Meeting.

7. Proposal by the Board for Amendments to the Company's Articles of Association

The Board of Directors of Heimar hf. proposes that, if the proposal under agenda item 5 is approved, the following annex be added to the company's Articles of Association, in accordance with paragraph 2 of Article 12 of the Articles of Association, replacing any previous annexes:

ANNEX

At the Annual General Meeting of Heimar hf. held on March 11, 2025, the following proposal was approved:

"The Board of Directors of Heimar hf. proposes that the Annual General Meeting, in accordance with the authorization in Article 55 of the Companies Act No. 2/1995, grants the company permission to purchase its own shares, either in a single transaction or multiple transactions, so that, together with its subsidiaries and subject to other legal requirements, the company may hold up to 10% of its total share capital.

The purpose of these purchases is to facilitate market-making activities for the company's shares and/or to implement a formal share buyback program pursuant to the authorization in the Act on Markets for Financial Instruments No. 115/2021, the Companies Act No. 2/1995, Regulation (EU) No. 596/2014 of the European Parliament and of the Council on Market Abuse, Delegated Regulation (EU) No. 2016/1052 of the European Commission, and the Act on Measures Against Market Abuse No. 60/2021.

The purchase price of shares acquired under this authorization shall not exceed the price of the last independent trade or the highest current independent purchase offer in the trading systems where the shares are traded, whichever is higher. However, such purchases are permitted if conducted by a market maker as defined by the Act on Markets for Financial Instruments or in connection with buyback programs or price stabilization as

defined under Regulation (EU) No. 596/2014 on Market Abuse and the Act on Measures Against Market Abuse No. 60/2021.

This authorization replaces the previous authorization granted to the Board for repurchasing own shares, which was approved at the Annual General Meeting on March 12, 2024, and will remain in force for 18 months from the date of approval. It shall be recorded as an annex to the Articles of Association of Heimar hf., in accordance with paragraph 2 of Article 12 of the company's Articles of Association."

The Board of Directors of Heimar hf. further proposes that amendments be made to Articles 4 and 15 of the company's Articles of Association.

- a) Proposal for Amendment to Paragraph 2 of Article 4 of the Articles of Association – Reduction of Share Capital for Cancellation of Own Shares.

The Board of Directors of Heimar hf. proposes that the Annual General Meeting approve the following proposal for a reduction in share capital:

"The Annual General Meeting of Heimar hf. approves a reduction in the company's share capital by ISK 45,645,833 in nominal value, corresponding to 45,645,833 shares, for the purpose of canceling own shares. The reduction pertains to the company's own shares acquired through repurchase programs authorized by the Board. The company has paid ISK 1,499,999,989 for these shares. Reference is made to the decision of the Annual General Meeting on March 12, 2024, regarding the authorization to repurchase own shares."

Upon approval of this proposal, Article 4 of the Articles of Association will be amended as follows:

"The company's share capital is ISK 1,763,901,137 (one billion seven hundred sixty-three million nine hundred one thousand one hundred thirty-seven ISK). Shares shall be registered in the name of their holders.

The Board of Directors is authorized to increase the company's share capital in increments or in one instance by up to ISK 24,000,000 in nominal value (or up to 1.33% of the total share capital based on the issued share capital as of August 30, 2024) through the issuance of new shares to fulfill stock option agreements that may be entered into with the CEO, executives, and other managers of the company under the stock option scheme applicable at any given time. The purchase price of the shares and terms of sale shall be in accordance with agreements made by the Board of Directors with the relevant parties, which shall be based on a stock option plan approved by the company's shareholders.

Shareholders shall not have preemptive rights to subscribe for new shares issued under this authorization. The new shares shall confer rights in the company from the date of registration of the share capital increase, and the company's Articles of Association shall apply to them. No restrictions shall apply to the transfer of these new shares, and they shall belong to the same class and carry the same rights as other shares in the company.

This authorization shall remain valid for five years from its approval."**

b) Proposal for Amendment to Article 15 of the Articles of Association – Addition of the Appointment of an Audit Committee Member

The Board of Directors of Heimar hf. proposes that Article 15 of the Articles of Association be amended to formally include the appointment of a member to the Audit Committee as part of the Annual General Meeting agenda.

The revised Article 15 would specify that the following matters shall be addressed at the Annual General Meeting:

1. *Report of the Board of Directors on the company's activities during the past financial year.*
2. *Presentation and confirmation of the annual financial statements for the past financial year, including the auditor's report..*
3. *Decision on dividend payments and allocation of profit or loss for the previous financial year.*
4. *Proposal from the Board regarding the company's remuneration policy for approval.*
5. *Decision on authorization for the Board to repurchase own shares.*
6. *Proposals for amendments to the Articles of Association, if any have been submitted.*
7. *Election of the Board of Directors.*
8. *Election of the Auditor*
9. *Appointment of a member to the Audit Committee.*
10. *Election of members to the Nomination Committee, if their term has expired or if a member has stepped down.*
11. *Decision on remuneration for Board members and members of the Nomination Committee for the next term.*
12. *Other."*

Explanatory Notes:

This proposal ensures that the appointment of an Audit Committee member is explicitly included in the Annual General Meeting agenda, when applicable, in accordance with Article 108(a) of the Annual Accounts Act No. 3/2006.

8. Election of the Board of Directors

The deadline for board candidacies expires seven days before the Annual General Meeting, i.e., at 16:00 on Tuesday, March 4, 2025. As a result, the final list of candidates is not yet available. The Nomination Committee's report was published alongside the AGM notice on the stock exchange on February 18, 2025.

Special attention is drawn to the fact that, while the deadline for board candidacies is seven days before the AGM, any request for proportional or cumulative voting in the board election must be submitted to the Board of Directors at least five days before the AGM.

Candidacies for the Board of Directors must be submitted in writing. The submission must include the candidate's full name, identification number, and address, along with information on their primary occupation, other board memberships, education, experience, and shareholding in the company. Furthermore, candidates must disclose any connections to key business partners and competitors of the company, as well as to any shareholders holding more than 10% of the company's shares.

Candidacies must be sent to tilnefningarnefnd@heimar.is

The final list of board candidates will be published no later than two days before the AGM, in accordance with Article 63(a) of the Companies Act No. 2/1995.

9. Election of the Auditor

The Board of Directors of Heimar hf. proposes that the Annual General Meeting elect Deloitte ehf. as the company's auditor for the next year.

10. Appointment of a Member to the Audit Committee

The Board of Directors of Heimar hf. proposes that the Annual General Meeting appoint Anna Þórðardóttir as a member of the Audit Committee.

Explanatory Notes:

Heimar hf. is classified as a public interest entity under the Annual Accounts Act No. 3/2006 and is therefore required to maintain an Audit Committee. On February 7, 2024, amendments to Article 108(a) of the Annual Accounts Act took effect, specifying that if a member of the Audit Committee is an external party, they must be appointed by the Annual General Meeting. Based on this legal interpretation, the Annual General Meeting shall appoint the external Audit Committee member, and the Board of Directors shall subsequently confirm their position within the committee.

11. Election of a Member to the Nomination Committee

At the Annual General Meeting of Heimar hf. held on March 12, 2024, the members of the Nomination Committee were elected for a term lasting until the 2026 Annual General Meeting. However, Guðfinna S. Bjarnadóttir, the Chair of the Committee, has requested to step down from her position. As a result, the election of one new member to the Nomination Committee has been added to the agenda. The deadline for candidacies for the Nomination Committee expires seven days before the Annual General Meeting, i.e., at 16:00 on Tuesday, March 4, 2025.

Candidacies for the Nomination Committee must be submitted in writing and include the candidate's full name, identification number, and address, along with information on their primary occupation, other board memberships, education, experience, and shareholding in the company. Additionally, candidates must disclose any affiliations with key business partners and competitors of the company, as well as any shareholders holding more than 10% of the company's shares.

According to the rules of procedure of the Nomination Committee, nominations must be submitted no later than seven days before the meeting, i.e., by 16:00 on Tuesday, March 4, 2025. Candidacies must be sent to stjorn@heimar.is

The final list of candidates for the Nomination Committee will be published no later than two days before the Annual General Meeting.

12. Amendment to the Rules of Procedure of the Nomination Committee

The Board of Directors of Heimar hf. proposes that the Annual General Meeting approve the submitted Rules of Procedure of the Nomination Committee.

The content of the rules remains unchanged from the version last approved in 2018. The only revision in the updated rules is the update of the company's name.

13. Decision on Remuneration for Board Members for the 2025 Term

The Board of Directors of Heimar hf. proposes that the Annual General Meeting approve the remuneration for Board members and committee members for the year 2025. The monthly remuneration for each Board member shall be ISK 437,000, while the Chairman of the Board shall receive twice the remuneration of a regular Board member.

The remuneration for committee memberships shall be structured as follows. Each member of the Remuneration Committee shall receive ISK 82,000 per month. Each member of the Audit Committee shall receive ISK 117,000 per month, while the Chairman of the Audit Committee shall receive ISK 186,000 per month. Each member of the Nomination Committee shall receive ISK 64,000 per month, while the Chairman of the Nomination Committee shall receive ISK 101,000 per month.

14. Other

Further Information:

The agenda and proposals outlined above, along with the documents to be presented at the Annual General Meeting, are available for shareholders to review at the company's headquarters. These documents are also accessible on the company's website at www.heimar.is/fjarfestar.

The Annual General Meeting will be paperless.

Kópavogur, February 18, 2025

The Board of Directors of Heimar hf.

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