



Q1 Earnings Preview – Investor Presentation

May 2025



Stable Operations and Diverse Opportunities

Real Revenue Growth on Like-for-Like Portfolio

Real Like-for-Like Growth

- Rental income increases by 4.3% year-over-year.
- 1.2% real revenue growth on a like-for-like portfolio.
- EBITDA totalled ISK 2.45 billion, increasing by 3.2% year-over-year.
- Net profit for the quarter was ISK 1.4 billion.

NIB – Financing From an International Bank

- Heimar and the Nordic Investment Bank initiated a partnership through a ISK 4.5 billion loan facility.
- The loan is inflation-indexed in ISK with a 12-year maturity and favorable terms.
- The funding is allocated to investments in nursing homes and other social infrastructure.

Major Investment Initiatives in the Pipeline

- Gróska – Purchase Agreement signed on April 23rd.
- Exeter – Purchase Agreement signed on February 20th.
- Conditions precedent in the purchase agreements are currently being waived.
- Construction is set to commence on a 10,000 square meter building at Dvergshöfði 4.
- Silfursmári 12 will be added to the property portfolio later this year.

Dividend and Share Buyback

- A dividend of ISK 750 million was paid to shareholders in April.
- A share buyback program has been initiated in line with the company's dividend policy.
- Share buybacks for the year could amount to up to ISK 2 billion.



Strong Performance Driven by Heimar's Core Areas

Like-for-Like Revenue Growth

Operations 

Profitability 

Financial Position 

4.3% (1.2% real growth*)
Rental Income Increases year-over-year

3.2% (0.2% real decrease*)
EBITDA Increases year-over-year

70.3% (71.1%)
EBITDA % of Rental Income

97.2% (97.0%)
Occupancy Rate

1.4 bn. (3.9 bn.)
Profit after Tax

1.5 bn. (5.2 bn.)
Revaluation of Investment Properties

5.3% (5.3%)
Yield of Investment Properties

8.9% (30.0%)
Return on Equity

194.0 bn. (188.9 bn.)
Investment Properties

119.7 bn. (117.1 bn.)
Interest-Bearing Liabilities

62.8% (63.1%)
Leverage Ratio

31.9% (31.1%)
Equity Ratio

(Same period in 2024)

**On a Like-for-Like Portfolio*



Purposeful Steps Toward Clear Goals

Clear Strategic Focus Delivers Measurable Results



Properties in the Portfolio

94



Occupancy Rate

97%



Customers

400



Proportion of Green Buildings

38%



Investment Properties

194 (billion ISK)



m² Located Within
Core Areas

67%



Public Entites and Listed
Companies

45%



Proportion of Green
Financing

37%



Rental Income from Core
Areas

71%



Total squaremeters

365 (thousand)



Average Lease Terms

5 years











EV Charging Stations

149



Heimar's Deliberate Steps Toward Long-Term Goals

The Company is Leading in Shaping Core Areas

		% of Rental Income Q1 25		Long Term Goal	
	Core Areas	71%		70 - 80%	In recent years, Heimar has focused on investing in properties in designated core areas. According to the company's investment strategy, property location is a key factor in investment decisions.
	Listed Companies	12%		10 - 15%	A strong client base reduces counterparty risk for Heimar. The company has invested in recent years to increase the number of listed companies among its clients
	Public Entities	33%		30 - 40%	Heimar established early on a vision to place special emphasis on collaboration with public entities.
	Environmentally Certified Buildings	38%		50%	Heimar are committed to being leaders in the development of core areas, with a focus on sustainable property management that promotes community welfare, improved quality of life, and the environment for residents.

Finance and Operations

The background features an abstract geometric design. It consists of several overlapping shapes: a large teal triangle pointing downwards from the top center, a smaller teal triangle pointing downwards to its left, a yellow triangle pointing downwards to the right of the first teal triangle, a white horizontal bar on the right side, an orange horizontal bar below the white bar, a teal triangle pointing downwards from the bottom center, and a yellow triangle pointing downwards from the bottom right corner.



Real Revenue Growth on a Solid Foundation on a Like-for-Like Basis

Lower Inflation Results in a Significant Reduction in Financial Expenses

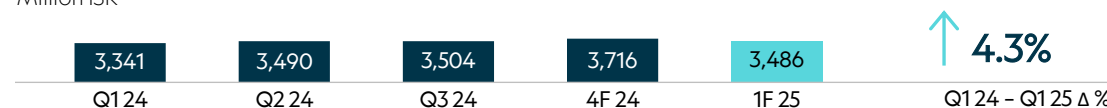
Income Statement

Million ISK

	Q125	Q124	Δ %
Rental Income	3,486	3,341	4.3%
Other Income	200	191	4.7%
Operating Income	3,686	3,532	4.4%
Operating Costs of Investment Properties	-715	-681	5.0%
Operations Within Real Estate	-297	-280	5.9%
Administrative Costs	-225	-197	14.4%
Operating Profit Before Valuation Change (EBITDA)	2,449	2,374	3.2%
EBITDA as Proportion of Rental Income	70.3%	71.5%	
Valuation Change of Investment Properties, Capital Gains and Depreciation	1,517	5,171	
Operating Profit After Valuation Change	3,966	7,534	
Net Financial Expenses	-2,226	-2,752	-19.1%
Share in the Profits of Affiliates	-12	-8	
Profit Before Income Tax	1,729	4,774	-6.8%
Income Tax	-346	-885	
Profit for the Period	1,383	3,919	-64.7%

Rental Income

Million ISK



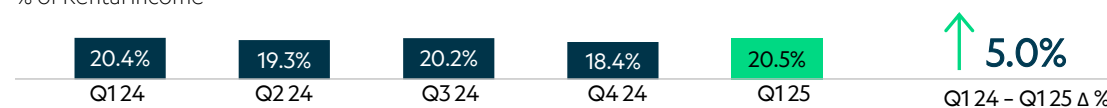
Operating Profit before Valuation Change (EBITDA)

Million ISK



Operating Costs of Investment Properties

% of Rental Income



Administrative Costs

% of Rental Income





Stong Financial Position

Reduction in Leverage in Line With the Company's Strategy

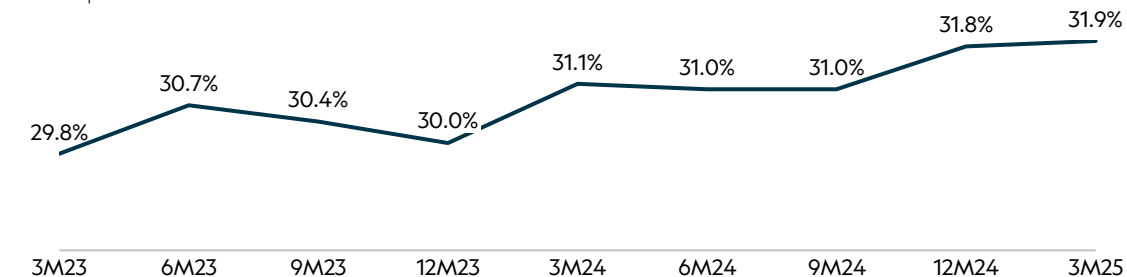
Balance Sheet

Million ISK

	31.03.25	31.12.24
Investment Properties	193,983	191,427
Cash and Cash Equivalents	5,113	3,780
Accounts Recievable	437	638
Total Assets	206,641	202,862
Equity	65,912	64,521
Interest-Bearing Liabilities	119,716	117,688
<i>Leverage Ratio</i>	<i>62.8%</i>	<i>62.5%</i>
<i>Equity Ratio</i>	<i>31.9%</i>	<i>31.8%</i>

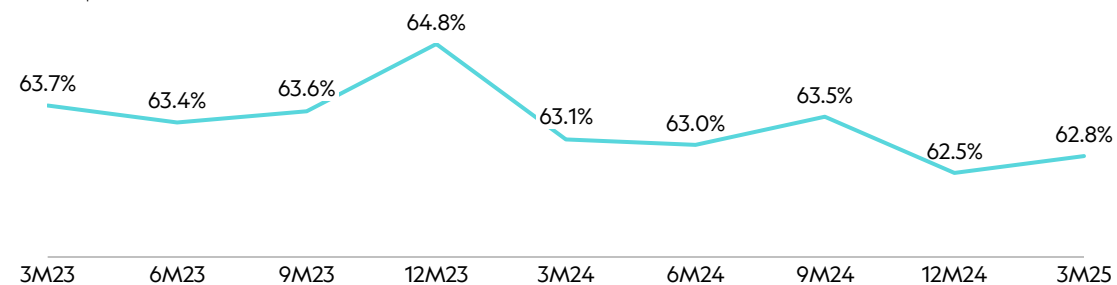
Equity Ratio

Development since 2023



Leverage Ratio

Development since 2023

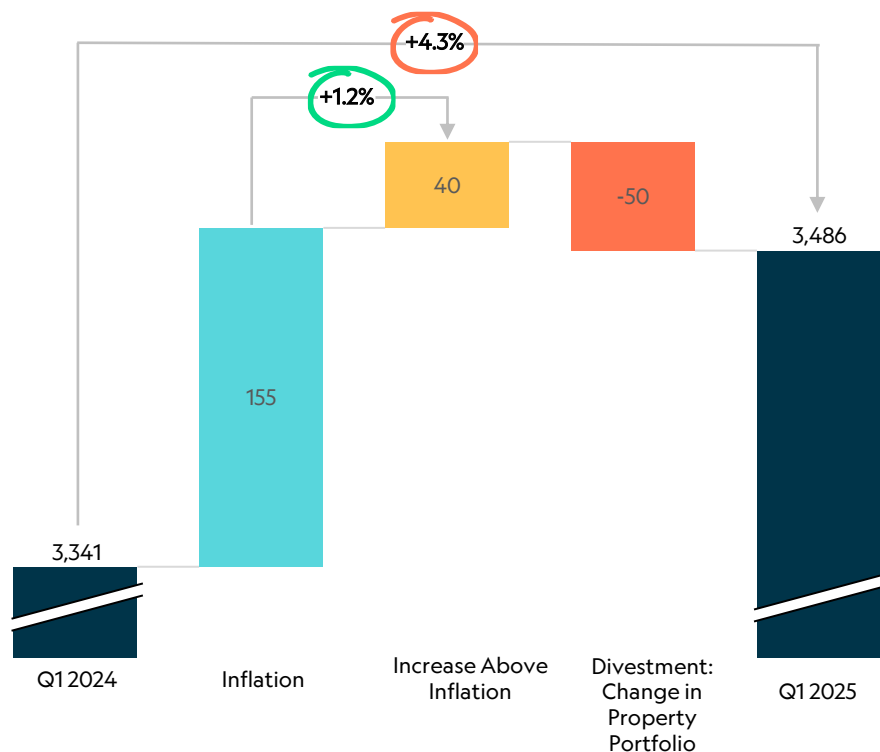




1.2% Real Revenue Growth on a Like-for-Like Portfolio

Revenue Development

Million ISK Q1 24 - Q1-25



- Rental income grew by 4.3% year-over-year.
- Price levels increased by 4.7% year-over-year.
- The sale of assets outside core areas has reduced year-on-year revenue growth.
- Like-for-like real revenue growth of 1.2%
- There is strong demand for commercial real estate within the company, with occupancy rates remaining high at over 97%.
- 24 lease agreements were signed in Q1 2025 for nearly 8 thousand square meters.
- There is significant interest among operators in the new dining and entertainment area in Smáralind, set to open in fall of 2025.

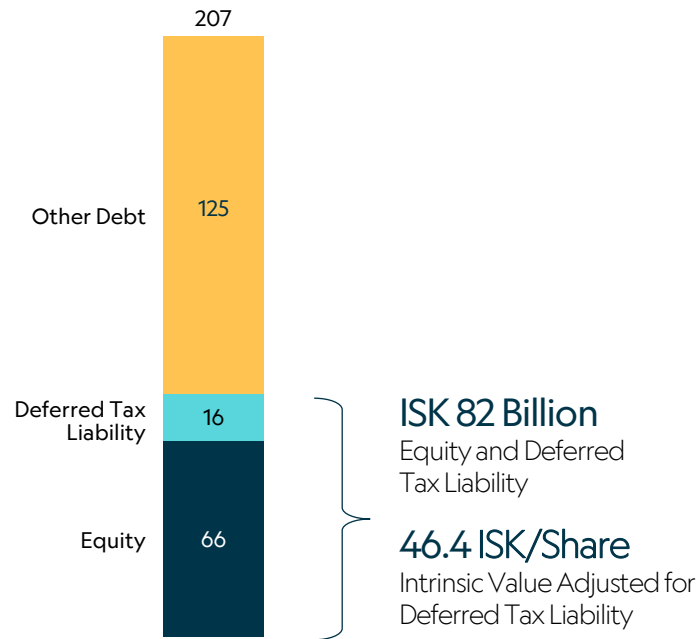


Shareholder-Focused: Intrinsic Value is the Benchmark for Buybacks

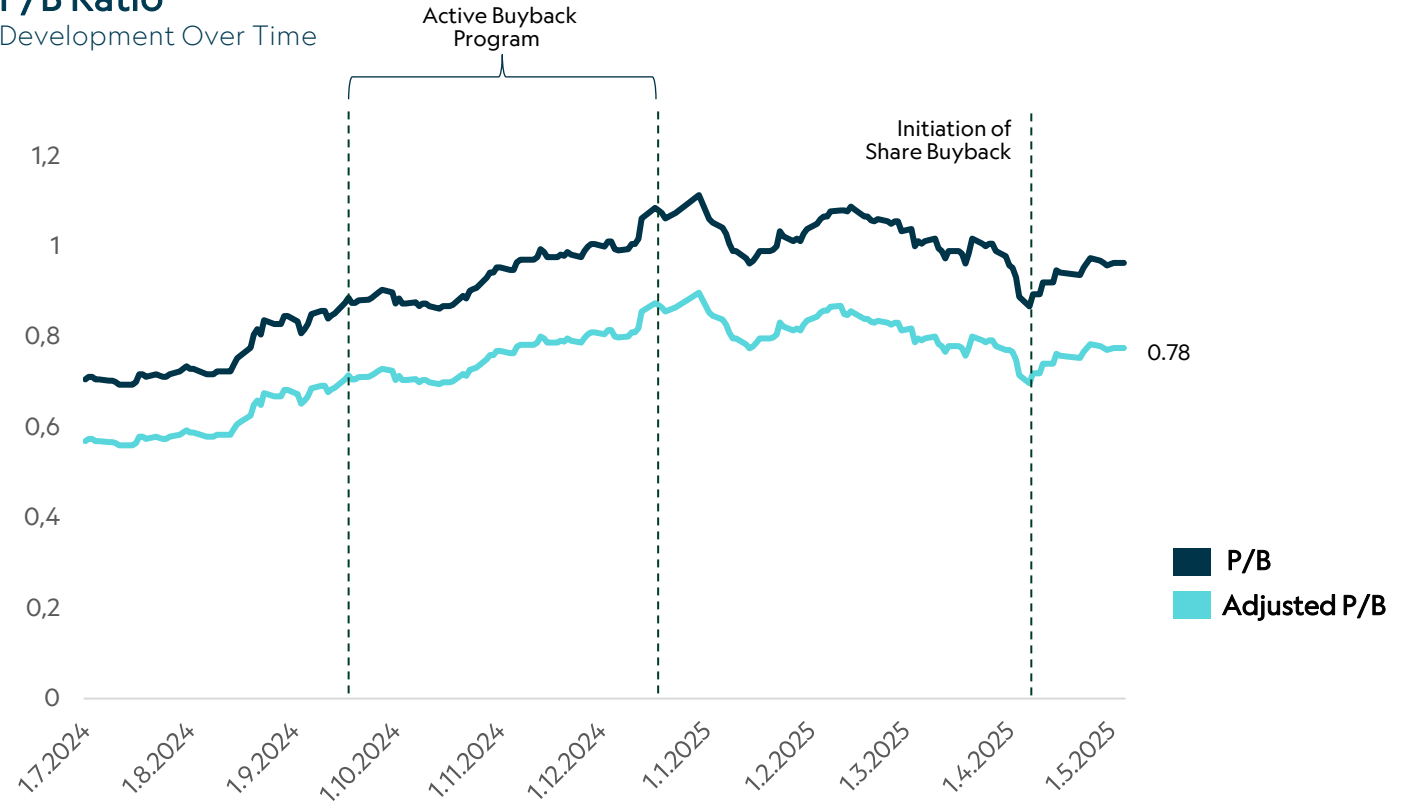
P/B Ratio Adjusted For Non-Interest-Bearing Deferred Tax Liability

Debt and Equity

Billion ISK



P/B Ratio Development Over Time



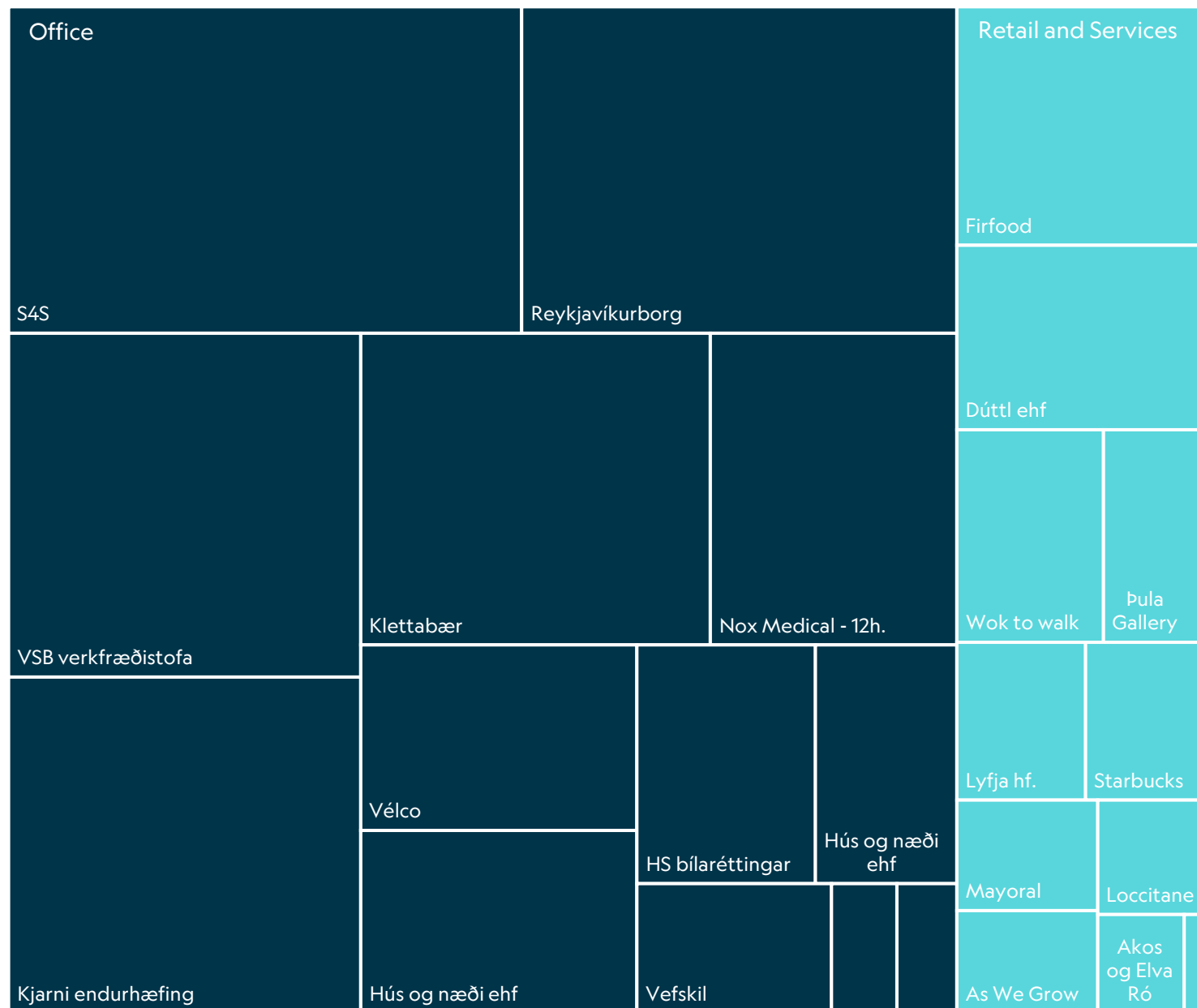


24 Lease Agreements Signed in Q1 2025

11 Renewed Agreements
~3,390 m²

13 New Agreements
~4,380 m²

24 Total Agreements
~7,770 m²





New Revenue

Upcoming Deliveries

Tenant	Property	Square Meters	Revenue Generating
IV Treatment	Silfursmári 8	137.0	Q2
Verslunin Bræðurnir Eyjólfsson	Hafnarstræti 18	87.6	Q2
HS bílaréttingar og sprautun	Miðhella 2	274.0	Q2
Wok to Walk	Borgartún 29	200.4	Q2
Mayroal	Smáralind	100.0	Q2
Loccitane	Smáralind	82.2	Q2
Umami Sushi Hafnartorg	Hafnartorg	16.1	Q2
Kjarni endurhæfing	Síðumúli 28	326.0	Q3
As we grow	Hafnartorg	93.0	Q3
Starbucks	Hafnartorg	125.6	Q3
Smárabíó	Smáralind	320.0	Q4
Reykjavíkurborg	Ármúli 6	914.1	Q4

2,616



Global corporations continue to choose Hafnartorg

Starbucks opens in Hafnartorg this Summer





A positive fair value adjustment of ISK 1.5 billion was recorded in the first quarter

- Fair value change in line with inflation.
- ISK 970 million was invested during the period.
- WACC remains unchanged at 6.46%.



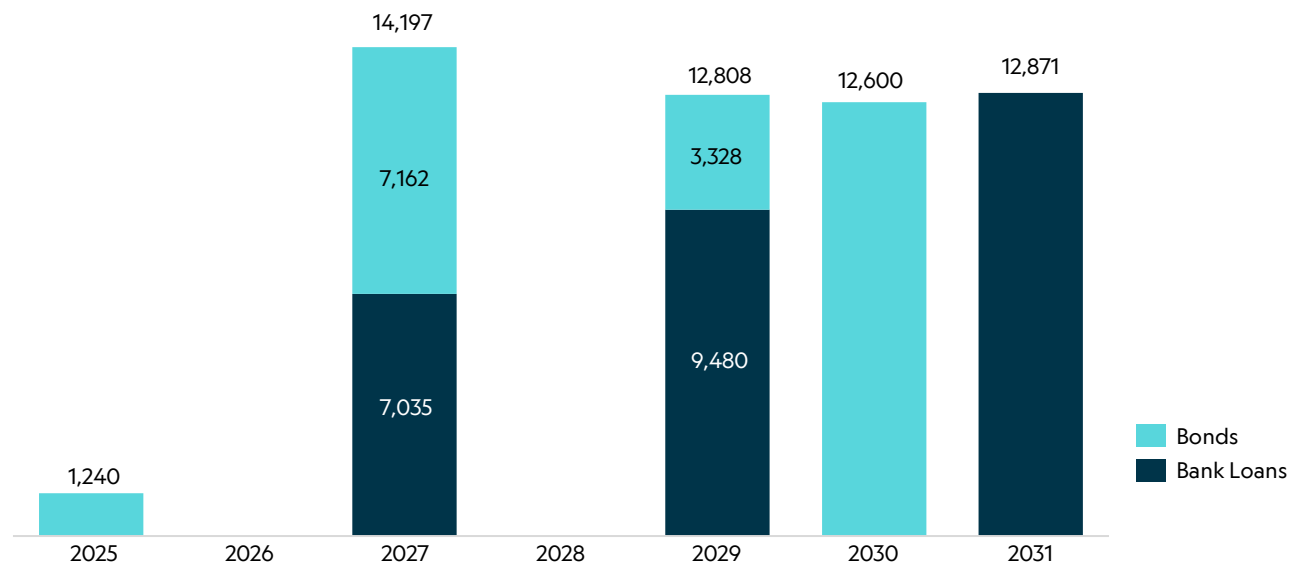


Limited Refinancing Need in the Coming Years

Enviably Debt Profile

Refinancing Plan

Million ISK 2025-2031



- Minimal refinancing need in 2025
- Bank loans maturing in 2026 have been refinanced, extending the final maturity to 2031.
- Green financing accounts for 37% of total interest-bearing debt.
- Approximately 28% of interest-bearing loans are bank loans.
- The average interest rate on indexed loans was 3.30% at the end of Q1, representing a decrease of 3 basis points since year-end.

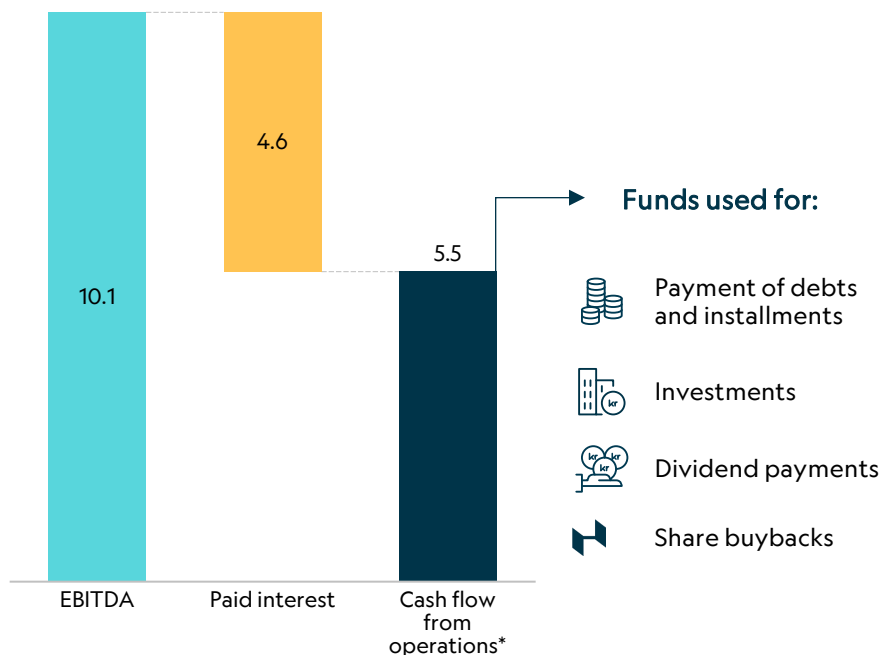


Operational Assets Generate Strong Cash Flow

Equity Adjusted for Non-Operating Assets – Associates

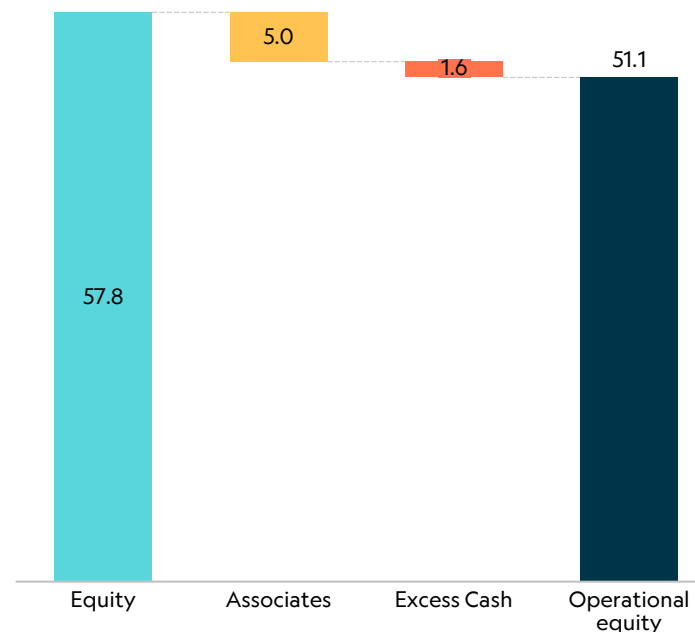
Cash Flow From Operations 2024

ISK Billion



Operational Equity at the Beginning of 2024

ISK Billion



Return on
Operational
Equity

$\frac{\text{Cash flow from operations}}{\text{Operational Equity}}$

10.7%

*Excluding Changes in Operational Assets and Liabilities Amounts from Annual Report 2024



ISK 4.5 Billion Loan Agreement With the Nordic Investment Bank

Recognition of the Company's Strategy and its Execution

- 12-year inflation-indexed loan of ISK 4.5 billion.
- The loan has been provided to finance three sustainable and strategically important infrastructure projects:
 - Sunnuhlíð in Akureyri
 - Sóltún in Reykjavík
 - Silfursmári 12



- NIB's first ISK bond issued in two decades.
- Growing interest from international investors is underscored by foreign shareholders and financing secured from an international bank.



Significant opportunities in underutilized revenue streams

Implementation is ongoing, and a revenue outlook will be presented in August



Key Revenue Streams



LED Ad Screens



Parking



EV Charging Infrastructure



Other Revenue Streams



ATMs



Assorted Services



Vending Machines



P.O. Boxes



Smart Waste Solutions



Key Considerations

- Does the arrangement strengthen core areas?
- Does the arrangement improve service for tenants?
- Does the arrangement improve service for customers and visitors?



Successful Rebranding

- Heimar was nominated as the best Icelandic brand in the corporate market for 2024 in the annual 'Best Icelandic Brands' awards hosted by Brandr. The recognition came just a few months after the company unveiled its new name and visual identity
- In February 2025, Heimar received the Lúður Award for Best Branding at the ÍMARK Awards – the highest recognition a rebranding project can receive in Iceland.



Sustainability





Sustainability at the Forefront

Ongoing projects are aimed at improving the operation of the company's real estate assets, strengthening information management, and ensuring the continued integration of sustainability as an integral part of the company's operations.

BREEAM Certifications:

- Dvergshöfði 2: Certification in final stages
- Smáralind: Recertification underway
- Dvergshöfði 4: Preparation for certification is ongoing.

EV Charging Stations

- Installation of equipment and reinforcement of electrical connections at Katrínartún 2, Lóuhólar 2-4, and Litlatún 3.

Human Resources

- Kjarni, a HR and payroll system, was implemented to improve operational efficiency and enhance oversight across the company.

Governance

Corporate governance practices, policies, and procedures are under continuous review to ensure they reflect the company's goals and strategic priorities.

The background features a dark teal color with several abstract geometric shapes. In the top right, there are overlapping triangles in teal and orange. A white horizontal bar is positioned in the middle right, with a teal shape overlapping its bottom edge. Below this bar is a solid orange horizontal bar. In the bottom right, there are two more triangles, one teal and one orange, pointing towards the center.

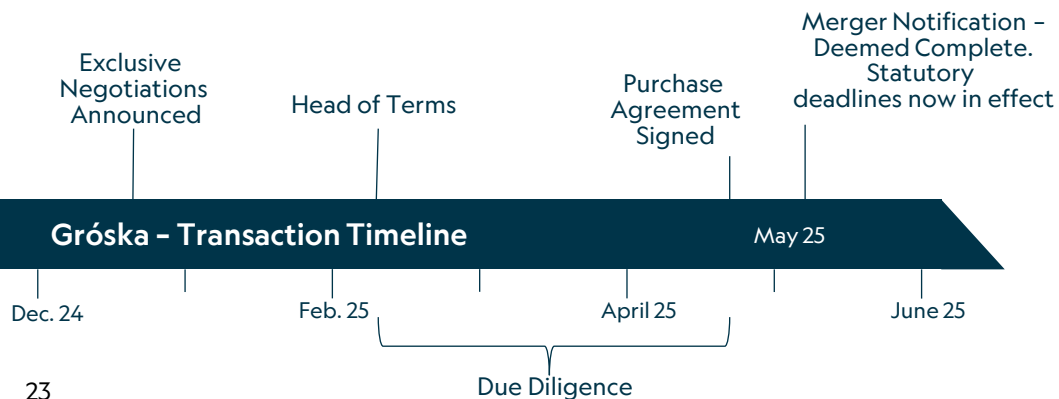
Development of the Property Portfolio



Two Major Transactions in Progress

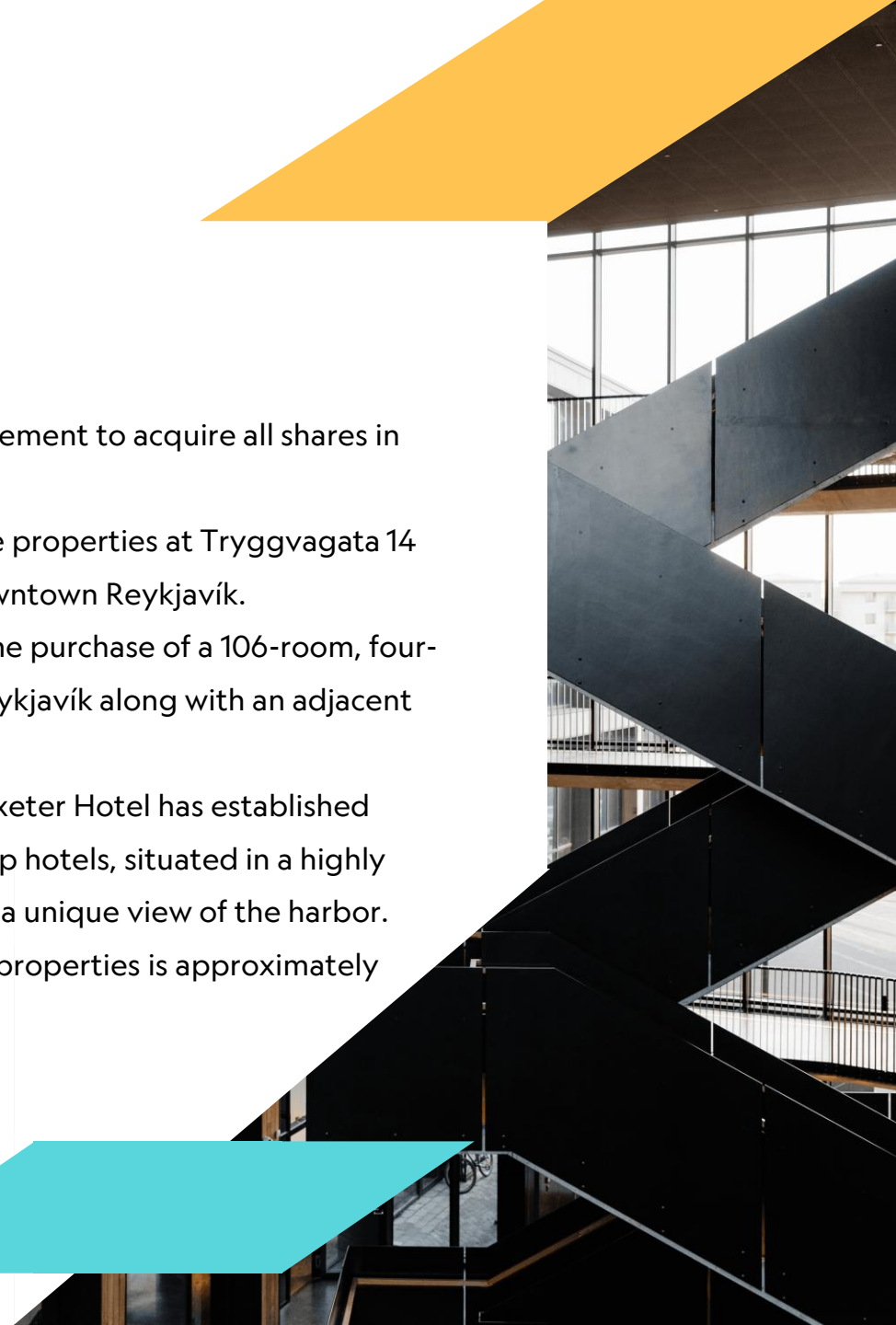
Gróska

- Heimar has signed an agreement to acquire all shares in Gróska ehf. and Gróðurhúsið ehf.
- Gróska owns the property Gróska at Bjargargata 1, 102 Reykjavík.
- The property comprises approximately 18,600 m², plus a 6,200 m² parking garage.
- The agreement is subject to customary closing conditions, including the approval of the Icelandic Competition Authority.

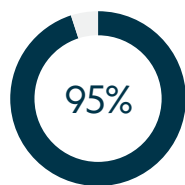


Exeter Hotel

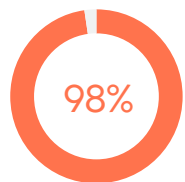
- Heimar has signed an agreement to acquire all shares in Tryggvagata ehf.
- Tryggvagata ehf. owns the properties at Tryggvagata 14 and Tryggvagata 10 in downtown Reykjavík.
- The transaction involves the purchase of a 106-room, four-star hotel in downtown Reykjavík along with an adjacent office building.
- Over the past few years, Exeter Hotel has established itself as one of the city's top hotels, situated in a highly sought-after location with a unique view of the harbor.
- The total floor area of the properties is approximately 5,500 square meters.



Heimar's Core Areas

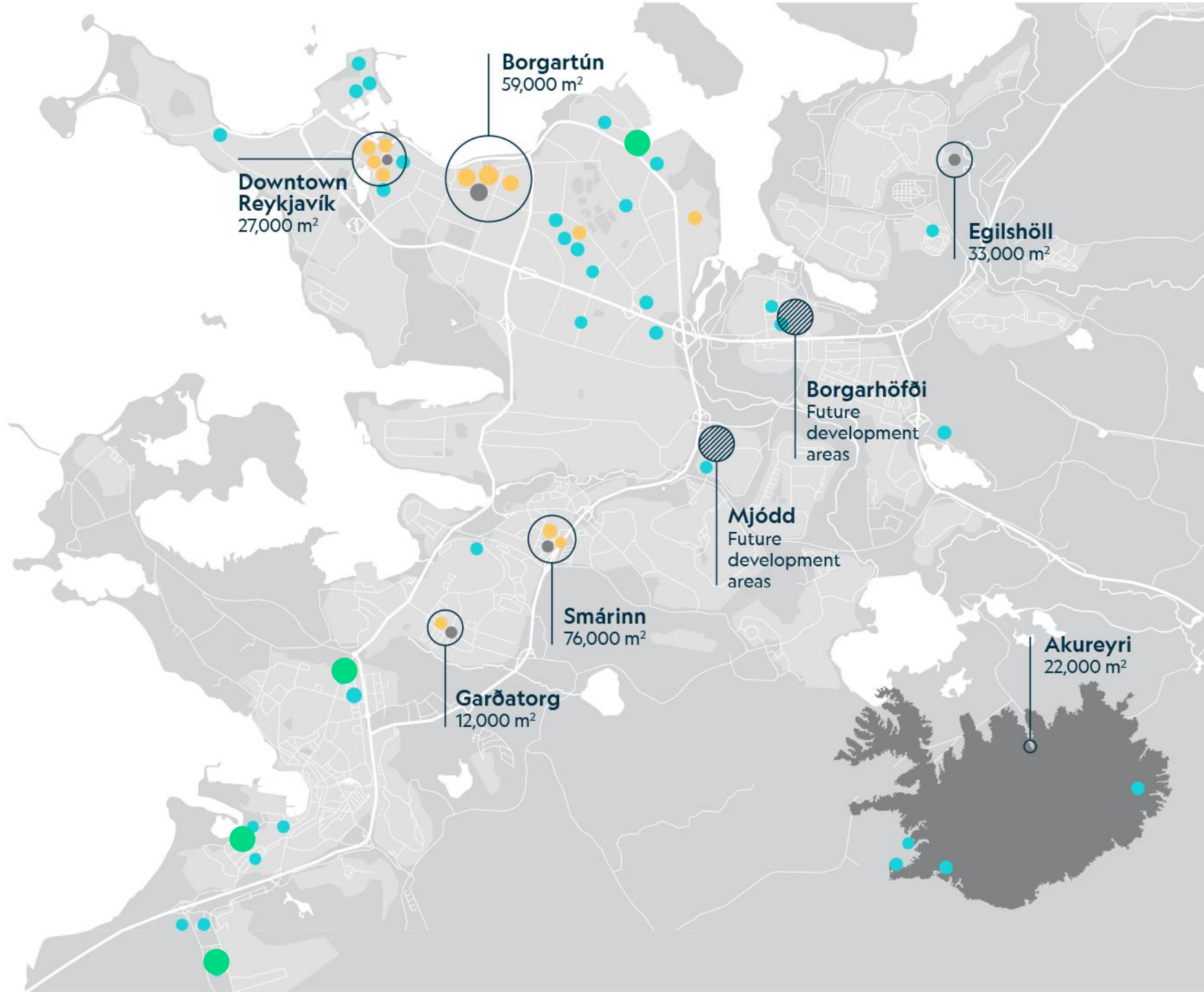


95%
Acquired Properties Within
Core Areas



98%
Sold Properties Outside Core
Areas

- Properties Acquired from 2018
60 thousand m² | 13 properties
- Sold Properties
41 thousand m² | 42 properties
- Properties Sold in 2024
- Properties in Core Areas
Acquired/Built Before 2018





Heimar's Largest Properties are in the Heart of Core Areas

Key Properties in the Capital Area



Smáralind
Iceland's largest shopping center – 62,100 m²



Höfðatorg
Offices – 37,867 m²



Egilshöll
Sport and entertainment – 33,057 m²



Hafnartorg
Retail and services – 11,354 m²



Other Significant Assets

High-Quality Properties in Prime Locations



Mjólnisholt 12-14
Hotels and Tourism – 6,742 m²



Litlatún 3
Retail and Services – 5,261 m²



Austurstræti 16
Hotels and Tourism – 2,773 m²



Áslandsskóli
Education and Sports – 6,162 m²



Hafnarstræti 17-19
Hotels and Tourism – 3,930 m²



Suðurhraun 3
Offices – 5,963 m²



Diverse Properties for Public Entities

Number of Properties in Core Areas Leased and Operated for Public Entities



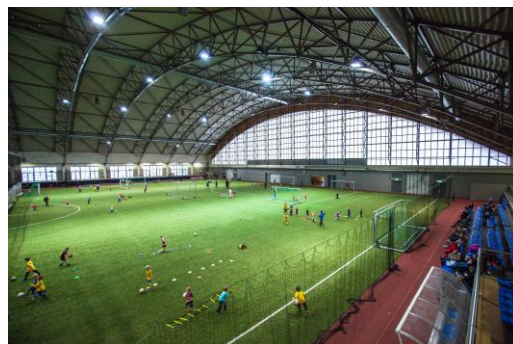
Schools

Primary Schools:

- Áslandsskóli in Hafnarfjörður

Preschools:

- Tjarnarás Hafnarfirði
- Hörðuvellir Hafnarfirði
- Sjaland Garðabæ
- Múlaborg Reykjavík



Sport Facilities

Egilshöll in Reykjavík:

- Football Hall
- Gymnastics Center
- Multipurpose Sports Hall
- Ice Rink
- Shooting Range
- Track and Field Facilities
- In addition to leasing the Egilshöll facility, Heimar manages all operations and staffing.



Offices

Number of institutions rent offices from Heimar for their operations:

- Reykjavíkurborg
- Akureyrarbær
- Landsvirkjun
- Vegagerðin
- Sýslumaðurinn á höfuðborgarsvæðinu
- Tryggingastofnun
- RARIK



Other

- The National Museum – Conservation and Research Center, Tjarnarvellir 11
- Guesthouse for Refugees and Asylum Seekers.
- Icelandic Museum of Design and Applied Art, Garðabær
- Sóltún Nursing Home

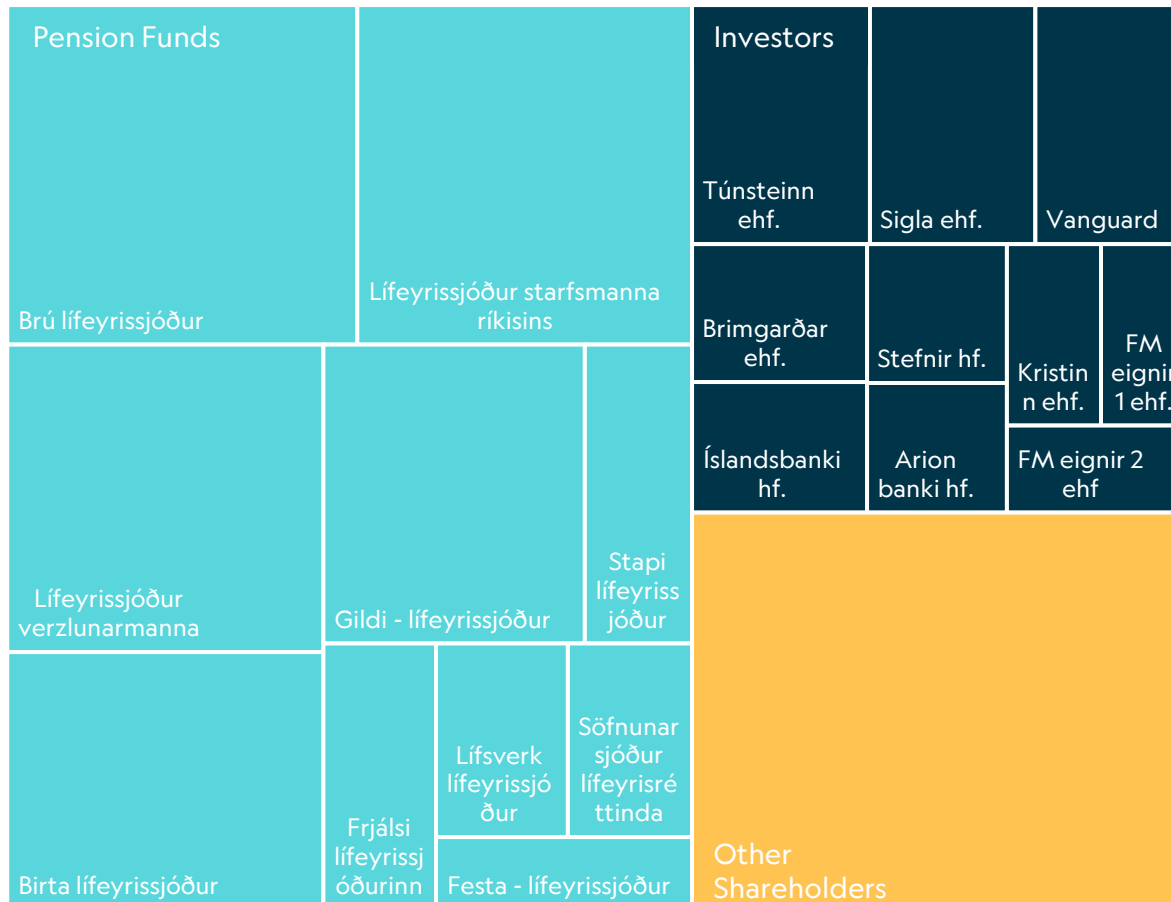
Shareholders





20 largest shareholders of Heimar

Distribution



Nr.	Name	Shares	%	Δ*
1	Brú lífeyrissjóður	195,459,192	11.14%	▼
2	Lífeyrissjóður starfsmanna ríkisins	186,787,919	10.64%	▼
3	Lífeyrissjóður verzlunarmanna	159,684,560	9.10%	▲
4	Birta lífeyrissjóður	134,069,562	7.64%	▼
5	Gildi - lífeyrissjóður	128,395,988	7.32%	▼
6	Túnsteinn ehf.	70,000,000	3.99%	-
7	Sigla ehf.	65,000,000	3.70%	-
8	Vanguard	59,668,150	3.40%	▲
9	Stapi lífeyrissjóður	52,581,044	3.00%	▲
10	Frjálsi lífeyrissjóðurinn	49,298,684	2.81%	-
11	Lífsværk lífeyrissjóður	4,016,842	2.39%	▼
12	Brimgarðar ehf.	39,669,349	2.26%	-
13	Söfnunarsjóður lífeyrisréttinda	39,441,779	2.25%	-
14	Íslandsbanki hf.	37,626,160	2.14%	▲
15	Stefmir hf.	31,905,320	1.82%	▼
16	Festa - lífeyrissjóður	30,644,234	1.75%	▼
17	Arion banki hf.	29,796,500	1.70%	▼
18	Kristinn ehf.	28,000,000	1.60%	-
19	FM eignir 1 ehf.	25,771,241	1.47%	-
20	FM eignir 2 ehf	25,771,240	1.47%	-
20 Largest		1,431,587,764	81.58%	

Shareholders on 8.5.2025

* Change in equity holding since 7.2.25



FTSE Russell - Vanguard

Heimar Shares Included in FTSE Russell Indices

In early 2025, Heimar was included in the OMXI15 index. This inclusion marks a significant milestone in the company's development and reflects its strong financial position and growing market recognition.

Subsequently, the company was also included in FTSE Russell indices. Participation in these global indices increases Heimar's visibility among international investors and strengthens its presence in global financial markets.

As a direct result, Vanguard index funds became active participants in trading Heimar shares during Q1 2025. Vanguard is now the seventh-largest shareholder in the company, holding approximately 3.4% of total shares – despite not being among shareholders at year-end 2024.



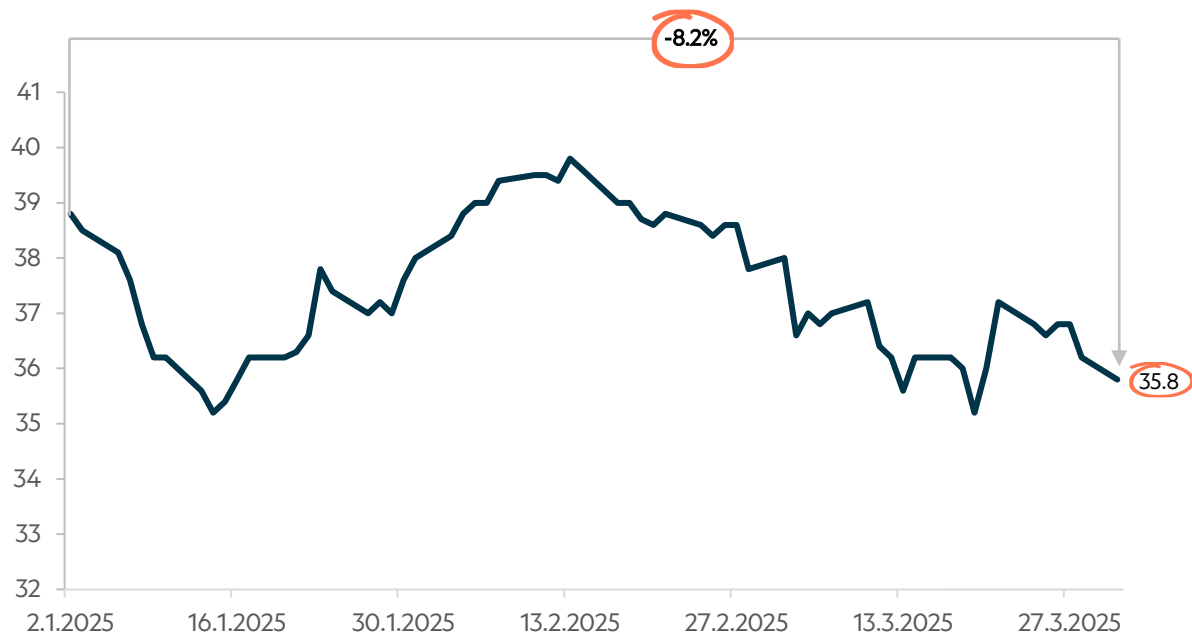


Challenging Market Conditions

Resilient Trading in Heimar Shares Amid Market Volatility

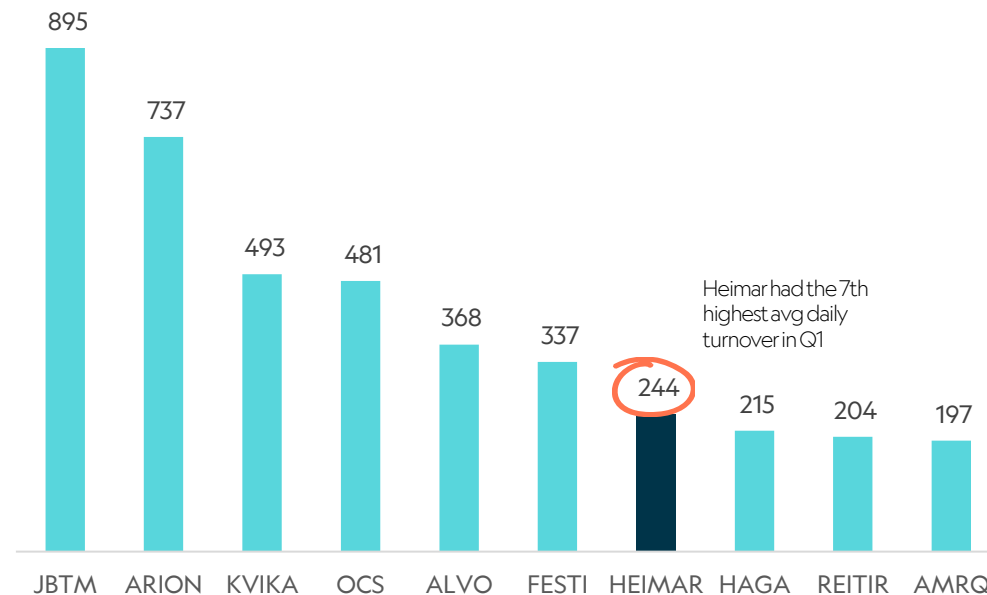
Heimar's Share Price

Closing Price in ISK - Q1 2025



Most Actively Traded Shares on Nasdaq Iceland

Average Daily Turnover in ISK - Q1 2025



Heimar had the 7th highest avg daily turnover in Q1



Heimar's Financial Calendar

Q2 2025 Results	August 21, 2025
Q3 Earnings Preview	October 22, 2025
Preliminary Financial Report	February 5, 2026
Q4 2025 Results	March 4, 2026
AGM	March 26, 2026



The image features a dark blue background with several abstract geometric shapes. In the upper right, there is a large teal triangle pointing downwards, partially overlapping a white horizontal bar. Below the white bar is a thin orange horizontal bar. In the lower right, there is a yellow triangle pointing downwards. In the lower left, there is a teal triangle pointing downwards. The text "Building Tomorrow Today" is centered in the lower right area.

Building Tomorrow Today



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