

Heimavellir hf.
Condensed Consolidated Interim
Financial Statements
1 of January to 31 of March 2020

*These Condensed Consolidated Interim Financial Statements are translated from the original which is in Icelandic. Should there be discrepancies between the two versions, the Icelandic version will take priority over the translated version.

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Consolidated Statement of Comprehensive Income

for the three months ended 31 March 2020

	2020	2019
	1.1.-31.03.	1.1.-31.03.
Rental revenue	794.442	897.707
Operating expenses of investment properties	(240.205)	(234.669)
Net rental income	554.237	663.038
Other income	1.271	
Other operating expenses	(75.930)	(124.026)
Operating profit before fair value adjustment	479.578	539.012
Profit from sale of investment properties	(9.722)	132.587
Fair value adjustment of investment properties	44.936	33.789
Operating profit	514.792	705.388
Finance income	17.627	14.465
Financial expenses	(466.986)	(603.328)
Net financial cost	(449.359)	(588.863)
Profit before income tax	65.433	116.525
Income tax	(13.087)	(23.305)
Profit for the period	52.346	93.220

Consolidated Statement of Financial Position as at 31 March 2020

	31.03.2020	31.12.2019
Assets		
Investment properties	45.715.443	45.299.393
Investment properties, under construction	263.417	370.211
Fixed assets	24.993	27.541
Long term bonds	22.500	42.982
Non-current assets	46.026.353	45.740.127
Trade receivables	29.320	15.725
Investment properties, held for sale	2.917.695	4.652.958
Other receivables	1.009.566	1.801.226
Cash and cash equivalents	2.578.684	1.740.164
Current assets	6.535.265	8.210.073
Total assets	52.561.618	53.950.200
Equity		
Share capital	11.115.668	11.163.998
Share premium	408.606	584.633
Statutory reserve	6.324	6.324
Restricted share reserve	8.511.397	8.300.631
Total equity	20.041.995	20.055.586
Non-current liabilities		
Deferred income-tax liability	2.948.792	2.935.705
Lease payables	707.101	717.539
Loans and borrowings	27.527.757	28.607.088
Non-current liabilities	31.183.650	32.260.332
Current liabilities		
Loans and borrowings	435.058	387.590
Trade and other payables	900.915	1.246.692
Current liabilities	1.335.973	1.634.282
Total liabilities	32.519.623	33.894.614
Total equity and liabilities	52.561.618	53.950.200

Consolidated Statement of Changes in Equity for the three months ended 31 March 2019

	Share capital	Share premium	Statutory reserve	Restricted share reserve	Retained earnings	Total
First three months of 2019						
Equity as at 1.1.2019	11.251.398	1.155.558	6.324	6.383.004	0	18.796.284
Profit and total comprehensive income				0	93.220	93.220
Reserved equity				261.510	(261.510)	
Transferred from share premium		(168.290)			168.290	
Equity 31.03.2019	11.251.398	987.268	6.324	6.644.514	0	18.889.504
First three months of 2020						
Equity as at 1.1.2020	11.163.998	584.633	6.324	8.300.631	0	20.055.586
Loss and total comprehensive loss				0	52.346	52.346
Reserved equity				210.766	(210.766)	
Transferred from share premium		(158.420)			158.420	
Repurchasing of own shares	(48.330)	(17.607)				(65.937)
Equity 31.03.2020	11.115.668	408.606	6.324	8.511.397	0	20.041.995

Consolidated Statement of Cash Flows for the three months ended 31 March 2020

	2020	2019
	1.1.-31.03.	1.1.-31.03.
Cash flows from operating activities		
Profit for the period	52.346	93.220
Adjusted for:		
Value adjustment of investment properties	9.722 (132.587)
Profit from sale of investment properties	(44.936) (33.789)
Depreciation	5.537	11.209
Net finance expenses	449.359	588.863
Income tax	13.087	23.305
	485.115	550.221
Change in operating assets and liabilities:		
Current assets, increase	(29.356) (13.811)
Current liabilities, increase (decrease)	51.836	18.002
	22.480	4.191
Net cash provided by operating activities before financial income and expenses	507.595	554.412
Interest income received	17.627	14.465
Interest expenses paid	(254.566) (434.253)
Net cash provided by operating activities	270.656	134.624
Cash flows from investing activities		
Investment in investment properties	(1.313.326) (1.599.644)
Sales price of investment properties	3.174.658	2.331.774
Long term bonds, change	20.482	48
Net cash used in investing activities	1.881.814	732.178
Cash flows from financing activities		
Repurchasing of own shares	(65.937)	0
New long-term borrowings	5.087.402	4.389.723
Repayments of interest bearing liabilities	(6.335.415) (5.529.504)
Interest bearing short-term liabilities, change	0	565.038
Net cash provided by financing activities	(1.313.950)	(574.743)
Increase in cash and cash equivalents	838.520	292.059
Cash and cash equivalents at the beginning of the year	1.740.164	1.171.714
Cash and cash equivalents at the end of the period	2.578.684	1.463.773