

Heimavellir hf.
Condensed Consolidated Interim
Financial Statements
1 of January to 31 of March 2019

*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.

Heimavellir hf.
Lágmúla 6
108 Reykjavík

Reg.no. 440315-1190

Table of Contents

	Page
Consolidated Statement of Comprehensive Income	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Changes in Equity	5
Consolidated Statement of Cash Flows	6

Consolidated Statement of Comprehensive Income

for the three months ended 31 March 2019

	2019	2018
	1.1.-31.03.	1.1.-31.03.
Rental revenue	897.707	906.278
Operating expenses of investment properties	(234.669)	(275.705)
Net rental income	663.038	630.573
Other operating expenses	(124.026)	(97.108)
Operating profit before fair value adjustment	539.012	533.465
Profit from sale of investment properties	132.587	48.450
Fair value adjustment of investment properties	33.789	197.568
Operating profit	705.388	779.483
Finance income	14.465	2.194
Financial expenses	(603.328)	(657.902)
Net financial cost	(588.863)	(655.708)
Profit before income tax	116.525	123.775
Income tax	(23.305)	(24.755)
Profit for the period	93.220	99.020

Consolidated Statement of Financial Position as at 31 March 2019

	31.03.2019	31.12.2018
Assets		
Investment properties	52.910.437	53.142.221
Investment properties under construction	827.724	1.232.941
Fixed assets	29.003	33.442
Long term bonds	20.800	20.848
Non-current assets	53.787.964	54.429.452
Trade receivables	28.778	24.007
Other receivables	2.073.104	1.201.513
Cash and cash equivalents	1.463.773	1.171.714
Current assets	3.565.655	2.397.234
Total assets	57.353.619	56.826.686
Equity		
Share capital	11.251.398	11.251.398
Share premium	987.268	1.155.558
Statutory reserve	6.324	6.324
Restricted share reserve	6.644.514	6.383.004
Total equity	18.889.504	18.796.284
Non-current liabilities		
Deferred income-tax liability	2.619.742	2.596.437
Lease payables	794.476	0
Loans and borrowings	32.501.602	33.431.652
Non-current liabilities	35.915.820	36.028.089
Current liabilities		
Loans and borrowings	1.797.969	1.269.989
Trade and other payables	750.326	732.324
Current liabilities	2.548.295	2.002.313
Total liabilities	38.464.115	38.030.402
Total equity and liabilities	57.353.619	56.826.686

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 2018						
Equity as at 1.1.2018	10.282.420	1.470.265	6.324	5.828.412	0	17.587.421
Profit and total comprehensive income					99.020	99.020
Reserved equity				131.264	(131.264)	0
Transferred from share premium		(32.244)			32.244	0
Equity 31.03.2018	10.282.420	1.438.021	6.324	5.959.676	0	17.686.441
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
Loss and total comprehensive loss				0	93.220	93.220
Reserved equity				261.510	(261.510)	0
Transferred from share premium		(168.290)			168.290	0
Equity 31.03.2019	11.251.398	987.268	6.324	6.644.514	0	18.889.504

Consolidated Statement of Cash Flows for the three months ended 31 March 2019

	2019	2018
	1.1.-31.03.	1.1.-31.03.
Cash flows from operating activities		
Profit for the period	93.220	99.020
Adjusted for:		
Value adjustment of investment properties	(33.789)	(197.568)
Profit from sale of investment properties	(132.587)	(48.450)
Depreciation	11.209	4.558
Net finance expenses	588.863	655.708
Income tax	23.305	24.755
	550.221	538.023
Change in operating assets and liabilities:		
Current assets, increase	(13.811)	(20.600)
Current liabilities, increase (decrease)	18.002	(17.483)
	4.191	(38.083)
Net cash provided by operating activities before financial income and expenses	554.412	499.940
Interest income received	14.465	2.194
Interest expenses paid	(434.253)	(422.552)
Net cash provided by operating activities	134.624	79.582
Cash flows from investing activities		
Investment in investment properties	(1.599.644)	(841.037)
Sales price of investment properties	2.331.774	808.462
Investment in fixed assets	0	(5.005)
Long term bonds, change	48	3.460
Net cash used in investing activities	732.178	(34.120)
Cash flows from financing activities		
New long-term borrowings	4.389.723	2.986.672
Repayments of interest bearing liabilities	(5.529.504)	(2.835.682)
Interest bearing short-term liabilities, change	565.038	12.706
Related companies, change	0	(21.001)
Net cash provided by financing activities	(574.743)	142.695
Increase in cash and cash equivalents	292.059	188.157
Cash and cash equivalents at the beginning of the year	1.171.714	155.932
Cash and cash equivalents at the end of the period	1.463.773	344.089