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## **Independent Auditor's Assurance Report**

To the board of Félagsbústaðir hf (Reykjavík Social Housing or RSH) and its Social Bond holders.

### **Assurance scope**

The scope of our work was limited to verifying that the proceeds of RSH's Social Bond issuances were used for funding of affordable housing as reported in RSH's Social Bond Impact Report 2020.

### **Responsibilities of RSH**

The net proceeds from the Social Bond issuances is managed by RSH's Office of Finance. It is the responsibility of the Office of Finance to allocate the proceed to the financing of both new and existing Eligible Projects, i.e. affordable housing. The Office of Finance is also responsible for the preparation and data gathering for its Annual Social Bond Impact Report (impact report) and should ensure it is free from material misstatements, whether due to fraud or error, in accordance with the Reykjavík Social Housing - Social Bond Framework from February 2020.

### **Responsibility of the auditor**

Our responsibility is to express an assurance conclusion for the subject matter at hand and which is included in the Impact Report, based on the procedures we have performed and the evidence we have obtained.

We conducted our assurance engagement in accordance with *ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the IASB.

### **Our independence and quality control**

We have complied with independence and other ethical requirements of the Code of Ethics for professional Accountants issued by the International Ethics Standards Boards for Accountants which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply *ISQC 1 International Standard on Quality Control* and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Work performed**

During our assurance engagement we reconciled the list of refinanced and new financed assets to assess the validity of the information. We performed assurance procedures on accounting transactions and capital movements. We have also reviewed RSH's Impact Report for 2020 and performed assurance procedures on the completeness and accuracy of reported information as described in RSH's Social Bond Framework.

## Conclusion

Based on the assurance procedures we have performed and the evidence we have obtained, we conclude, in all material aspects, that the proceeds of RSH's Social Bond issuances has been used to fund Eligible Projects as reported in the Impact Report for 2020.

Reykjavík, 26. April 2021

On behalf of Grant Thornton endurskoðun ehf



Sturla Jónsson

State Authorized Public Accountant