

Hagar hf.
Financial Summary
1 March - 31 August 2018

Hagar hf.
Hagasmári 1
201 Kópavogur
Iceland

Reg. no. 670203-2120

Contents

Consolidated Statement of Comprehensive Income	3
Consolidated Balance Sheet	4
Consolidated Statement of Changes in Equity	5
Consolidated Statement of Cash Flows	6

Consolidated Statement of Comprehensive Income

for the six months ended 31 August 2018

	Second quarter		First half	
	2018	2017	2018	2017
	1.6.-31.8.	1.6.-31.8.	1.3.-31.8.	1.3.-31.8.
	*	*		
Sales	19.142	18.121	37.734	37.169
Cost of goods sold	<u>(14.579)</u>	<u>(13.660)</u>	<u>(28.579)</u>	<u>(27.972)</u>
Gross profit	4.563	4.461	9.155	9.197
Other operating income	50	49	106	103
Salaries and related expenses	<u>(1.951)</u>	<u>(1.955)</u>	<u>(4.005)</u>	<u>(3.998)</u>
Other operating expenses	<u>(1.479)</u>	<u>(1.454)</u>	<u>(2.880)</u>	<u>(2.924)</u>
Profit from operating activities before depreciation and amortisation	1.183	1.101	2.376	2.378
Depreciation and amortisation	<u>(256)</u>	<u>(231)</u>	<u>(505)</u>	<u>(456)</u>
Profit from operating activities	927	870	1.871	1.922
Finance income	7	39	21	93
Finance expenses	<u>(49)</u>	<u>(56)</u>	<u>(97)</u>	<u>(120)</u>
Net finance expense	<u>(42)</u>	<u>(17)</u>	<u>(76)</u>	<u>(27)</u>
Share of profit of associates	0	0	0	20
Profit before income tax	885	853	1.795	1.915
Income tax	<u>(177)</u>	<u>(171)</u>	<u>(359)</u>	<u>(383)</u>
Comprehensive income for the period	<u>708</u>	<u>682</u>	<u>1.436</u>	<u>1.532</u>
Earnings per share:				
Basic and diluted earnings per share of ISK 1	0,64	0,59	1,30	1,33

*Quarterly financial information has not been reviewed by the Company's auditors.

Consolidated Balance Sheet as at 31 August 2018

	31.8.2018	28.2.2018
Assets		
Property, plant and equipment	10.682	10.733
Investment property	1.514	1.530
Intangible assets	8.041	8.101
Total non-current assets	20.237	20.364
Inventories	4.569	4.574
Trade and other receivables	965	678
Trade receivable - customers' credit cards	4.299	3.546
Cash and cash equivalents	354	222
Total current assets	10.187	9.020
Total assets	30.424	29.384
Equity		
Share capital	1.103	1.103
Legal reserve / share premium	276	239
Restricted reserve	4.472	3.664
Retained earnings	12.413	12.951
Total equity	18.264	17.957
Liabilities		
Loans and borrowings	1.832	2.217
Deferred income tax liabilities	718	718
Total non-current liabilities	2.550	2.935
Loans and borrowings	773	771
Bank borrowings	1.100	0
Current tax liabilities	272	379
Trade and other payables	7.091	6.897
Provisions	374	445
Total current liabilities	9.610	8.492
Total liabilities	12.160	11.427
Total equity and liabilities	30.424	29.384

Consolidated Statement of Changes in Equity for the six months ended 31 August 2018

	Share capital	Share premium	Legal reserve	Restricted reserve	Retained earnings	Total equity
Changes in equity from 1 March to 31 August 2017:						
Equity at 1 March 2017	1.153	291	0	3.893	12.075	17.412
Comprehensive income for the period					1.532	1.532
Purchased own share	(8)	(290)				(298)
Transferred to reserves				(1.206)	1.206	0
Equity at 31 August 2017	1.145	1	0	2.687	14.813	18.646
Changes in equity from 1 March to 31 August 2018:						
Equity at 1 March 2018	1.103	0	239	3.664	12.951	17.957
Comprehensive income for the period					1.436	1.436
Transferred to legal reserves			37		(37)	0
Dividends paid, 1.024 ISK per share					(1.129)	(1.129)
Transferred to reserves				808	(808)	0
Equity at 31 August 2018	1.103	0	276	4.472	12.413	18.264

Consolidated Statement of Cash Flows for the six months ended 31 August 2018

	Second quarter		First half	
	2018	2017	2018	2017
	1.6.-31.8.	1.6.-31.8.	1.3.-31.8.	1.3.-31.8.
	*	*		
Cash flows from operating activities				
Profit for the period	708	682	1.436	1.532
Adjustments for:				
Gain on sale of assets	0	(1)	(1)	(2)
Depreciation and amortisation	256	231	505	456
Net finance expense	42	17	76	27
Share of profit of associates	0	0	0	(20)
Income tax	177	171	359	383
Working capital provided by operating activities	<u>1.183</u>	<u>1.100</u>	<u>2.375</u>	<u>2.376</u>
Change in current assets	(216)	(171)	(1.034)	(228)
Change in current liabilities	781	(466)	1.223	(334)
Cash from operations before interest and taxes	<u>1.748</u>	<u>463</u>	<u>2.564</u>	<u>1.814</u>
Interest income received	8	42	20	83
Interest expenses paid	(50)	(56)	(95)	(116)
Income taxes paid	(233)	(243)	(466)	(485)
Net cash provided by operating activities	<u>1.473</u>	<u>206</u>	<u>2.023</u>	<u>1.296</u>
Cash flows used in investing activities				
Acquisition of real estate	79	(1)	(42)	(75)
Acquisition of fixtures and equipment	(248)	(546)	(393)	(765)
Acquisition of intangible assets	(6)	(39)	43	(125)
Proceeds from the sale of operating assets	5	31	15	35
Proceeds from the sale of shares in other companies	0	0	0	9
Repayment from associates	0	0	0	20
Net cash used in investing activities	<u>(170)</u>	<u>(555)</u>	<u>(377)</u>	<u>(901)</u>
Cash flows used in financing activities				
Repayment of loans and borrowings	(193)	(192)	(385)	(383)
Dividends paid	(1.129)	0	(1.129)	0
Purchased own share	0	(298)	0	(298)
Net cash used in financing activities	<u>(1.322)</u>	<u>(490)</u>	<u>(1.514)</u>	<u>(681)</u>
Net decrease in cash and cash equivalents	(19)	(839)	132	(286)
Cash and cash equivalents at beginning of the period.....	373	3.027	222	2.474
Cash and cash equivalents at 31 August	<u>354</u>	<u>2.188</u>	<u>354</u>	<u>2.188</u>
Non cash investing and financing activities				
Acquisition of real estate	0	(85)	0	(85)
Debt of acquired subsidiary	0	85	0	85

*Quarterly financial information has not been reviewed by the Company's auditors.