

Hagar hf.

Financial Summary

1 March 2019 - 31 May 2019

*This financial summary is translated from the Consolidated Financial Statements of Hagar hf. which is in Icelandic. Should there be discrepancies between the two versions, the Icelandic version will take priority over the translated version.

Hagar hf.
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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 three months ended 31 May 2019

	2019	2018
	1.3.-31.5.	1.3.-31.5.
Sales	28.590	18.592
Cost of goods sold	(22.158)	(14.000)
Gross profit	<u>6.432</u>	<u>4.592</u>
Other operating income	108	56
Salaries and related expenses	(3.058)	(2.054)
Other operating expenses	(1.448)	(1.401)
Profit from operating activities before depreciation and amortisation	2.034	1.193
Depreciation and amortisation	(933)	(249)
Profit from operating activities	1.101	944
Finance income	56	14
Finance expenses	(354)	(48)
Net finance expense	<u>(298)</u>	<u>(34)</u>
Effect of results of associates	23	0
Profit before income tax	826	910
Income tax	(161)	(182)
Comprehensive income for the period	<u><u>665</u></u>	<u><u>728</u></u>
 Earnings per share		
Basic earnings per share of ISK 1	0,55	0,66

Consolidated Balance Sheet as at 31 May 2019

	31.5.2019	28.2.2019
Assets		
Property, plant and equipment	19.680	19.430
Investment property	3.910	3.863
Intangible assets	10.298	10.323
Lease assets	9.405	0
Investments in associates	916	1.171
Investments in other companies	317	39
Bonds	87	70
Total non-current assets	44.613	34.896
Assets classified as held for sale	119	430
Inventories	8.084	7.746
Trade and other receivables	3.750	3.212
Trade receivables - customers' credit cards	1.189	3.831
Cash and cash equivalents	3.714	736
Total current assets	16.856	15.955
Total assets	61.469	50.851
Equity		
Share capital	1.213	1.213
Share premium	5.023	5.023
Legal reserve	303	303
Restricted reserve	5.664	5.092
Retained earnings	12.188	12.648
Total equity	24.391	24.279
Liabilities		
Borrowings	4.544	4.594
Lease liabilities	8.534	0
Deferred income tax liability	2.466	2.283
Total non-current liabilities	15.544	6.877
Borrowings	7.692	8.431
Current tax liabilities	658	653
Lease liabilities	1.561	0
Trade and other payables	11.366	10.309
Provisions	257	302
Total current liabilities	21.534	19.695
Total liabilities	37.078	26.572
Total equity and liabilities	61.469	50.851

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

	Share capital	Share premium	Legal reserve	Restricted reserve	Retained earnings	Total equity
Changes in equity from 1 March to 31 May 2019:						
Equity at 1 March 2019	1.213	5.023	303	5.092	12.648	24.279
IFRS 16, effects of implementation					(554)	(554)
Comprehensive income for the year					665	665
Transferred to restricted reserves				572	(572)	0
Equity at 31 May 2019	1.213	5.023	303	5.664	12.188	24.391
Changes in equity from 1 March to 31 May 2018:						
Equity at 1 March 2018	1.103	0	239	3.664	12.951	17.957
Comprehensive income for the year					728	728
Transferred to legal reserve			36		(36)	0
Transferred to restricted reserves				778	(778)	0
Equity at 31 May 2018	1.103	0	275	4.442	12.865	18.685

At June 7 2019 the annual meeting agreed to pay dividend amounting 50% of the prior years profit or ISK 1.158,5 million. The dividend was paid at June 27 2019. The effect of the dividend payment is not represented in these interim financial statements as the approval was made after the accounting date.

Consolidated Statement of Cash Flows

for the three months ended 31 May 2019

	2019	2018
	1.3.-31.5.	1.3.-31.5.
Cash flows from operating activities		
Profit for the period	665	728
Adjustments for:		
Gain on sale of assets	(7)	(1)
Depreciation and amortisation	933	249
Net finance expense	298	34
Effect of results of associates	(23)	0
Income tax	161	182
Working capital from operating activities	2.027	1.192
Change in current assets	2.094	(818)
Change in current liabilities	1.294	442
Cash from operations before interest and taxes	5.415	816
Interest income received	25	12
Interest expenses paid	(356)	(45)
Income taxes paid	(117)	(233)
Net cash from operating activities	4.967	550
Cash flows used in investing activities		
Acquisition of real estate	(6)	(121)
Acquisition of investments properties	(51)	0
Acquisition of fixtures and equipment	(728)	(145)
Acquisition of intangible assets	(2)	49
Proceeds from sale of fixtures and equipment	13	10
Long-term bonds, change	(36)	0
Net cash used in investing activities	(810)	(207)
Cash flows used in financing activities		
Repayments of borrowings	(239)	(192)
Line of credit, change	(550)	0
Lease liabilities, repayments	(390)	0
Net cash used in financing activities	(1.179)	(192)
Net increase in cash and cash equivalents	2.978	151
Cash and cash equivalents at the beginning of the period	736	222
Cash and cash equivalents at the end of the period	3.714	373