

Hagar hf.  
Financial Summary  
1 March - 31 August 2017

Hagar hf.  
Hagasmári 1  
201 Kópavogur  
Iceland

Reg. no. 670203-2120

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# Consolidated Statement of Comprehensive Income

## for the six months ended 31 August 2017

	Second quarter		First half	
	2017	2016	2017	2016
	1.6.-31.8.	1.6.-31.8.	1.3.-31.8.	1.3.-31.8.
	*	*		
Sales .....	18.121	20.731	37.169	40.712
Cost of goods sold .....	( 13.660)	( 15.608)	( 27.972)	( 30.677)
<b>Gross profit</b> .....	<u>4.461</u>	<u>5.123</u>	<u>9.197</u>	<u>10.035</u>
Other operating income .....	49	55	103	109
Salaries and related expenses .....	( 1.955)	( 1.814)	( 3.998)	( 3.754)
Other operating expenses .....	( 1.454)	( 1.557)	( 2.924)	( 3.210)
<b>Profit from operating activities before depreciation and amortisation</b> .....	1.101	1.807	2.378	3.180
Depreciation and amortisation .....	( 231)	( 271)	( 456)	( 462)
<b>Profit from operating activities</b> .....	870	1.536	1.922	2.718
Finance income .....	39	71	93	153
Finance expenses .....	( 56)	( 91)	( 120)	( 170)
<b>Net finance expense</b> .....	<u>( 17)</u>	<u>( 20)</u>	<u>( 27)</u>	<u>( 17)</u>
Share of profit of associates .....	0	0	20	0
<b>Profit before income tax</b> .....	853	1.516	1.915	2.701
Income tax .....	( 171)	( 303)	( 383)	( 540)
<b>Comprehensive income for the period</b> .....	<u><u>682</u></u>	<u><u>1.213</u></u>	<u><u>1.532</u></u>	<u><u>2.161</u></u>
<b>Earnings per share:</b>				
Basic and diluted earnings per share of ISK 1 .....	0,59	0,95	1,33	1,70

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

## Consolidated Balance Sheet as at 31 August 2017

	31.8.2017	28.2.2017
<b>Assets</b>		
Operating assets .....	11.374	10.927
Intangible assets .....	8.064	7.950
Total non-current assets	19.438	18.877
Inventories .....	4.319	4.419
Trade and other receivables .....	651	587
Trade receivable - customers' credit cards .....	3.962	3.752
Cash and cash equivalents .....	2.188	2.474
Total current assets	11.120	11.232
<b>Total assets</b>	30.558	30.109
 <b>Equity</b>		
Share capital .....	1.145	1.153
Share premium .....	1	291
Restricted reserve .....	2.687	3.893
Retained earnings .....	14.813	12.075
Total equity	18.646	17.412
 <b>Liabilities</b>		
Loans and borrowings .....	2.602	2.986
Deferred income tax liabilities .....	601	601
Total non-current liabilities	3.203	3.587
Loans and borrowings .....	769	767
Current tax liabilities .....	731	833
Trade and other payables .....	7.209	7.362
Provisions .....	0	148
Total current liabilities	8.709	9.110
Total liabilities	11.912	12.697
<b>Total equity and liabilities</b>	30.558	30.109

## Consolidated Statement of Changes in Equity for the six months ended 31 August 2017

	Share capital	Share premium	Restricted reserve	Retained earnings	Total equity
<b>Changes in equity from 1 March to 31 August 2016:</b>					
Equity at 1 March 2016 .....	1.172	1.272	0	13.924	16.368
Comprehensive income for the period .....				2.161	2.161
Dividends paid, 1.70 ISK per share .....				( 1.992 )	( 1.992 )
Transferred to reserves .....			2.166	( 2.166 )	0
Equity at 31 August 2016 .....	<u>1.172</u>	<u>1.272</u>	<u>2.166</u>	<u>11.927</u>	<u>16.537</u>
<b>Changes in equity from 1 March to 31 August 2017:</b>					
Equity at 1 March 2017 .....	1.153	291	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 .....	<u>1.145</u>	<u>1</u>	<u>2.687</u>	<u>14.813</u>	<u>18.646</u>

# Consolidated Statement of Cash Flows for the six months ended 31 August 2017

	Second quarter		First half	
	2017 1.6.-31.8. *	2016 1.6.-31.8. *	2017 1.3.-31.8.	2016 1.3.-31.8.
<b>Cash flows from operating activities</b>				
Profit for the period .....	682	1.213	1.532	2.161
Adjustments for:				
Gain on sale of assets .....	( 1)	( 1)	( 2)	( 2)
Incentives from operating lease .....	0	( 11)	0	( 21)
Depreciation and amortisation .....	231	271	456	462
Net finance expense .....	17	20	27	17
Share of profit of associates .....	0	0	( 20)	0
Income tax .....	171	303	383	540
Working capital provided by operating activities	<u>1.100</u>	<u>1.795</u>	<u>2.376</u>	<u>3.157</u>
Change in current assets .....	( 171)	15	( 228)	( 946)
Change in current liabilities .....	( 466)	( 505)	( 334)	679
Cash from operations before interest and taxes	<u>463</u>	<u>1.305</u>	<u>1.814</u>	<u>2.890</u>
Interest income received .....	42	71	83	151
Interest expenses paid .....	( 56)	( 89)	( 116)	( 165)
Income taxes paid .....	( 243)	( 239)	( 485)	( 478)
Net cash provided by operating activities	<u>206</u>	<u>1.048</u>	<u>1.296</u>	<u>2.398</u>
<b>Cash flows used in investing activities</b>				
Acquisition of real estate .....	( 1)	( 9)	( 75)	( 33)
Acquisition of fixtures and equipment .....	( 546)	( 282)	( 765)	( 509)
Acquisition of intangible assets .....	( 39)	0	( 125)	0
Proceeds from the sale of operating assets .....	31	9	35	21
Proceeds from the sale of shares in other companies .....	0	0	9	0
Repayment from associates .....	0	0	20	0
Net cash used in investing activities	<u>( 555)</u>	<u>( 282)</u>	<u>( 901)</u>	<u>( 521)</u>
<b>Cash flows used in financing activities</b>				
Repayment of loans and borrowings .....	( 192)	( 191)	( 383)	( 379)
Dividends paid .....	0	( 1.992)	0	( 1.992)
Purchased own share .....	( 298)	0	( 298)	0
Net cash used in financing activities	<u>( 490)</u>	<u>( 2.183)</u>	<u>( 681)</u>	<u>( 2.371)</u>
<b>Net decrease in cash and cash equivalents .....</b>	<b>( 839)</b>	<b>( 1.417)</b>	<b>( 286)</b>	<b>( 494)</b>
<b>Cash and cash equivalents at beginning of the period.....</b>	<b>3.027</b>	<b>4.733</b>	<b>2.474</b>	<b>3.810</b>
<b>Cash and cash equivalents at 31 August .....</b>	<b><u>2.188</u></b>	<b><u>3.316</u></b>	<b><u>2.188</u></b>	<b><u>3.316</u></b>
<b>Non cash investing and financing activities</b>				
Acquisition of real estate .....	( 85)	0	( 85)	0
Debt of acquired subsidiary .....	85	0	85	0

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