

Hagar hf.
Financial Summary
1 March - 31 August 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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Iceland

Reg. no. 670203-2120

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Consolidated Statement of Comprehensive Income for the six months ended 31 August 2019

	Second quarter		First half	
	2019	2018	2019	2018
	1.6.-31.8.	1.6.-31.8.	1.3.-31.8.	1.3.-31.8.
	*	*		
Sales	30.914	19.142	59.504	37.734
Cost of goods sold	(24.244)	(14.579)	(46.402)	(28.579)
Gross profit	<u>6.670</u>	<u>4.563</u>	<u>13.102</u>	<u>9.155</u>
Other operating income	156	50	264	106
Salaries and related expenses	(2.965)	(1.951)	(6.023)	(4.005)
Other operating expenses	(1.372)	(1.479)	(2.820)	(2.880)
Profit from operating activities before depreciation and amortisation	2.489	1.183	4.523	2.376
Depreciation and amortisation	(936)	(256)	(1.869)	(505)
Profit from operating activities	1.553	927	2.654	1.871
Finance income	57	7	113	21
Finance expenses	(374)	(49)	(728)	(97)
Net finance expense	<u>(317)</u>	<u>(42)</u>	<u>(615)</u>	<u>(76)</u>
Share of profit of associates	67	0	90	0
Profit before income tax	1.303	885	2.129	1.795
Income tax	(247)	(177)	(408)	(359)
Comprehensive income for the period	<u>1.056</u>	<u>708</u>	<u>1.721</u>	<u>1.436</u>
Earnings per share:				
Basic and diluted earnings per share of ISK 1	0,87	0,64	1,42	1,30

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

Consolidated Balance Sheet as at 31 August 2019

	31.8.2019	28.2.2019
Assets		
Property, plant and equipment	20.016	19.430
Investment property	3.888	3.863
Intangible assets	10.301	10.323
Leased assets	9.155	0
Investments in associates	1.159	1.171
Investments in other companies	39	39
Bonds	82	70
Total non-current assets	44.640	34.896
Assets classified as held for sale	0	430
Inventories	7.868	7.746
Trade and other receivables	3.858	3.212
Trade receivable - customers' credit cards	906	3.831
Cash and cash equivalents	2.759	736
Total current assets	15.391	15.955
Total assets	60.031	50.851
 Equity		
Share capital	1.202	1.213
Share premium	4.570	5.023
Legal reserve	301	303
Restricted reserve	4.430	5.092
Retained earnings	13.321	12.648
Total equity	23.824	24.279
 Liabilities		
Loans and borrowings	4.476	4.594
Lease liabilities	8.269	0
Deferred income tax liabilities	2.959	2.283
Total non-current liabilities	15.704	6.877
Borrowings	7.037	7.631
Bank borrowings	0	800
Current tax liabilities	788	653
Lease liabilities	1.556	0
Trade and other payables	10.898	10.309
Provisions	224	302
Total current liabilities	20.503	19.695
Total liabilities	36.207	26.572
Total equity and liabilities	60.031	50.851

Consolidated Statement of Changes in Equity

for the six months ended 31 August 2019

	Share capital	Share premium	Legal reserve	Restricted reserve	Retained earnings	Total equity
Changes in equity from 1 March to 31 August 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 period					1.721	1.721
Purchased own share	(11)	(453)				(464)
Transferred from legal reserves			(2)		2	0
Dividends paid, 0,955 ISK per share					(1.159)	(1.159)
Transferred from restricted reserves				(662)	662	0
Equity at 31 August 2019	1.202	4.570	301	4.430	13.321	23.824
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 restricted 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 2019

	Second quarter		First half	
	2019	2018	2019	2018
	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	1.056	708	1.721	1.436
Adjustments for:				
Gain on sale of assets	(23)	0	(30)	(1)
Depreciation and amortisation	936	256	1.869	505
Net finance expense	317	42	615	76
Effect of results of associates	(67)	0	(90)	0
Other items	(46)	0	(46)	0
Income tax	247	177	408	359
Working capital provided by operating activities	<u>2.420</u>	<u>1.183</u>	<u>4.447</u>	<u>2.375</u>
Change in current assets	537	(216)	2.631	(1.034)
Change in current liabilities	(54)	781	1.240	1.223
Cash from operations before interest and taxes	<u>2.903</u>	<u>1.748</u>	<u>8.318</u>	<u>2.564</u>
Interest income received	29	8	54	20
Interest expenses paid	(373)	(50)	(729)	(95)
Income taxes paid	(117)	(233)	(234)	(466)
Net cash provided by operating activities	<u>2.442</u>	<u>1.473</u>	<u>7.409</u>	<u>2.023</u>
Cash flows used in investing activities				
Acquisition of real estate	(337)	79	(343)	(42)
Acquisition of investments properties	18	0	(33)	0
Acquisition of fixtures and equipment	(522)	(248)	(1.250)	(393)
Acquisition of intangible assets	(3)	(6)	(5)	43
Proceeds from the sale of operating assets	41	5	54	15
Long-term bonds, change	13	0	(23)	0
Dividends received	102	0	102	0
Net cash used in investing activities	<u>(688)</u>	<u>(170)</u>	<u>(1.498)</u>	<u>(377)</u>
Cash flows used in financing activities				
Repayment of borrowings	(473)	(193)	(712)	(385)
Bank borrowings, change	(250)	0	(800)	0
Dividends paid	(1.159)	(1.129)	(1.159)	(1.129)
Purchased own share	(464)	0	(464)	0
Lease liabilities, repayments	(363)	0	(753)	0
Net cash used in financing activities	<u>(2.709)</u>	<u>(1.322)</u>	<u>(3.888)</u>	<u>(1.514)</u>
Net increase / (decrease) in cash and cash equivalents	(955)	(19)	2.023	132
Cash and cash equivalents at beginning of the period.....	3.714	373	736	222
Cash and cash equivalents at 31 August	<u>2.759</u>	<u>354</u>	<u>2.759</u>	<u>354</u>

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