

Hagar hf.

Financial Summary

for Year Ended 28 February 2018

*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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Consolidated Statement of Comprehensive Income for the Year Ended 28 February 2018

	2017/18	2016/17
Sales	73.895	80.521
Cost of goods sold	(55.577)	(60.529)
Gross profit	18.318	19.992
Other operating income	294	256
Salaries and related expenses	(8.103)	(7.847)
Other operating expenses	(6.370)	(6.377)
Profit from operating activities before indemnity, depreciation and amortisation .	4.139	6.024
Indemnity provision	0	265
Depreciation and amortisation	(1.122)	(1.225)
Profit from operating activities	3.017	5.064
Finance income	153	281
Finance expenses	(221)	(304)
Net finance expense	(68)	(23)
Share of profit of associates	20	0
Profit before income tax	2.969	5.041
Income tax	(575)	(1.005)
Comprehensive income for the year	2.394	4.036
 Earnings per share		
Basic earnings per share of ISK 1	2,11	3,46

Consolidated Balance Sheet as at 28 February 2018

	28.2.2018	28.2.2017
Assets		
Property, plant and equipment	10.733	9.364
Investment property	1.530	1.563
Intangible assets	8.101	7.950
Total non-current assets	20.364	18.877
Inventories	4.574	4.419
Trade and other receivables	678	587
Trade receivable - customers' credit cards	3.546	3.752
Cash and cash equivalents	222	2.474
Total current assets	9.020	11.232
Total assets	29.384	30.109
Equity		
Share capital	1.103	1.153
Legal reserve / share premium	239	291
Restricted reserve	3.664	3.893
Retained earnings	12.951	12.075
Total equity	17.957	17.412
Liabilities		
Loans and borrowings	2.217	2.986
Deferred income tax liability	718	601
Total non-current liabilities	2.935	3.587
Loans and borrowings	771	767
Current tax liabilities	379	833
Trade and other payables	6.897	7.362
Provisions	445	148
Total current liabilities	8.492	9.110
Total liabilities	11.427	12.697
Total equity and liabilities	29.384	30.109

Consolidated Statement of Changes in Equity for the Year Ended 28 February 2018

	Share capital	Share premium	Legal reserve	Restricted reserve	Retained earnings	Total equity
Changes in equity 2016/17						
Equity at 1 March 2016	1.172	1.272	0	0	13.924	16.368
Purchased own share	(19)	(981)				(1.000)
Comprehensive income for the year					4.036	4.036
Dividends paid, 1.70 ISK per share					(1.992)	(1.992)
Transferred to restricted reserves				3.893	(3.893)	0
Equity at 28 February 2017	1.153	291	0	3.893	12.075	17.412
Changes in equity 2017/18						
Equity at 1 March 2017	1.153	291	0	3.893	12.075	17.412
Purchased own share	(50)	(291)			(1.508)	(1.849)
Comprehensive income for the year					2.394	2.394
Transferred to legal reserve			239		(239)	0
Transferred to restricted reserves				(229)	229	0
Equity at 28 February 2018	1.103	0	239	3.664	12.951	17.957

Consolidated Statement of Cash Flows for the Year Ended 28 February 2018

	2017/18	2016/17
Cash flows from operating activities		
Profit for the year	2.394	4.036
Adjustments for:		
Gain on sale of assets	(90)	(8)
Incentives from operating lease	0	(25)
Depreciation and amortisation	1.122	1.225
Net finance expense	68	23
Share of profit of associates	(20)	0
Income tax	575	1.005
Working capital from by operating activities	4.049	6.256
Change in current assets	(40)	431
Change in current liabilities	(132)	116
Cash from operations before interest and taxes	3.877	6.803
Interest income received	145	283
Interest expenses paid	(220)	(309)
Income taxes paid	(864)	(954)
Net cash from by operating activities	2.938	5.823
Cash flows used in investing activities		
Acquisition of real estate	(111)	(2.057)
Acquisition of fixtures and equipment	(2.367)	(1.226)
Acquisition of intangible assets	(171)	(164)
Proceeds from sale of fixtures and equipment	45	37
Proceeds from sale of investments	10	0
Proceeds from results of associates	20	0
Net cash used in investing activities	(2.574)	(3.410)
Cash flows used in financing activities		
Repayments of loans and borrowings	(767)	(757)
Dividends paid	0	(1.992)
Purchased own share	(1.849)	(1.000)
Net cash used in financing activities	(2.616)	(3.749)
Net decrease in cash and cash equivalents	(2.252)	(1.336)
Cash and cash equivalents at the beginning of the year	2.474	3.810
Cash and cash equivalents at the end of the year	222	2.474
Non cash investing and financing activities		
Acquisition of real estate	(85)	0
Debt of acquired subsidiary	85	0
Sale of real estate	85	0
Debt related to disposed real estate	(85)	0

Quarterly statements (unaudited)

Amounts are in ISK million

Year 2017/18	Q1	Q2	Q3	Q4	Total
Sales	19.048	18.121	16.915	19.811	73.895
Cost of goods sold	(14.312)	(13.660)	(12.719)	(14.886)	(55.577)
Gross profit	4.736	4.461	4.196	4.925	18.318
Other operating income	54	49	141	50	294
Salaries and related expenses	(2.043)	(1.955)	(2.014)	(2.091)	(8.103)
Other operating expenses	(1.470)	(1.454)	(1.429)	(2.017)	(6.370)
Profit from operating activities before indemnity, depreciation and amortisation ...	1.277	1.101	894	867	4.139
Indemnity provision	0	0	0	0	0
Depreciation and amortisation	(225)	(231)	(366)	(300)	(1.122)
Profit from operating activities	1.052	870	528	567	3.017
Finance income	54	39	26	34	153
Finance expenses	(64)	(56)	(53)	(48)	(221)
Net finance expense	(10)	(17)	(27)	(14)	(68)
Share of profit of associates	20	0	0	0	20
Profit before income tax	1.062	853	501	553	2.969
Income tax	(212)	(171)	(100)	(92)	(575)
Comprehensive income for the year	850	682	401	461	2.394
Year 2016/17					
Sales	19.981	20.731	18.951	20.858	80.521
Cost of goods sold	(15.069)	(15.608)	(14.119)	(15.733)	(60.529)
Gross profit	4.912	5.123	4.832	5.125	19.992
Other operating income	54	55	47	100	256
Salaries and related expenses	(1.940)	(1.814)	(1.947)	(2.146)	(7.847)
Other operating expenses	(1.653)	(1.557)	(1.534)	(1.633)	(6.377)
Profit from operating activities before indemnity, depreciation and amortisation ...	1.373	1.807	1.398	1.446	6.024
Indemnity provision	0	0	0	265	265
Depreciation and amortisation	(191)	(271)	(296)	(467)	(1.225)
Profit from operating activities	1.182	1.536	1.102	1.244	5.064
Finance income	82	71	63	65	281
Finance expenses	(79)	(91)	(72)	(62)	(304)
Net finance expense	3	(20)	(9)	3	(23)
Profit before income tax	1.185	1.516	1.093	1.247	5.041
Income tax	(237)	(303)	(219)	(246)	(1.005)
Comprehensive income for the year	948	1.213	874	1.001	4.036