

Hagar hf.
Financial Summary
1 March - 30 November 2017

*This financial summary is translated from the Condensed Consolidated Interim 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 nine months ended 30 November 2017

	Q3 2017	Q3 2016	2017	2016
	1.9.-30.11.	1.9.-30.11.	1.3.-30.11.	1.3.-30.11.
Sales	16.915	18.951	54.084	59.663
Cost of goods sold	<u>(12.719)</u>	<u>(14.119)</u>	<u>(40.691)</u>	<u>(44.796)</u>
Gross profit	4.196	4.832	13.393	14.867
Other operating income	141	47	244	156
Salaries and related expenses	<u>(2.014)</u>	<u>(1.947)</u>	<u>(6.012)</u>	<u>(5.701)</u>
Other operating expenses	<u>(1.429)</u>	<u>(1.534)</u>	<u>(4.353)</u>	<u>(4.744)</u>
Profit from operating activities before depreciation and amortisation	894	1.398	3.272	4.578
Depreciation and amortisation	<u>(366)</u>	<u>(296)</u>	<u>(822)</u>	<u>(758)</u>
Profit from operating activities	528	1.102	2.450	3.820
Finance income	26	63	119	216
Finance expenses	<u>(53)</u>	<u>(72)</u>	<u>(173)</u>	<u>(242)</u>
Net finance expense	<u>(27)</u>	<u>(9)</u>	<u>(54)</u>	<u>(26)</u>
Share of profit of associates	0	0	20	0
Profit before income tax	501	1.093	2.416	3.794
Income tax	<u>(100)</u>	<u>(219)</u>	<u>(483)</u>	<u>(759)</u>
Comprehensive income for the period	<u>401</u>	<u>874</u>	<u>1.933</u>	<u>3.035</u>
Earnings per share:				
Basic and diluted earnings per share of ISK 1	0,35	0,75	1,69	2,59

Consolidated Balance Sheet as at 30 November 2017

	30.11.2017	28.2.2017
Assets		
Operating assets	12.189	10.927
Intangible assets	8.082	7.950
Total non-current assets	20.271	18.877
Inventories	5.311	4.419
Trade and other receivables	475	587
Trade receivable - customers' credit cards	3.768	3.752
Cash and cash equivalents	232	2.474
Total current assets	9.786	11.232
Total assets	30.057	30.109
 Equity		
Share capital	1.127	1.153
Share premium	0	291
Restricted reserve	3.081	3.893
Retained earnings	14.202	12.075
Total equity	18.410	17.412
 Liabilities		
Loans and borrowings	2.411	2.986
Deferred income tax liabilities	601	601
Total non-current liabilities	3.012	3.587
Loans and borrowings	770	767
Current tax liabilities	629	833
Trade and other payables	7.236	7.362
Provisions	0	148
Total current liabilities	8.635	9.110
Total liabilities	11.647	12.697
Total equity and liabilities	30.057	30.109

Consolidated Statement of Changes in Equity for the nine months ended 30 November 2017

	Share capital	Share premium	Restricted reserve	Retained earnings	Total equity
Changes in equity from 1 March to 30 November 2016:					
Equity at 1 March 2016	1.172	1.272	0	13.924	16.368
Comprehensive income for the period				3.035	3.035
Dividends paid, 1.70 ISK per share				(1.992)	(1.992)
Purchased own share	(19)	(981)			(1.000)
Transferred to reserves			3.051	(3.051)	0
Equity at 30 November 2016	1.153	291	3.051	11.916	16.412
 Changes in equity from 1 March to 30 November 2017:					
Equity at 1 March 2017	1.153	291	3.893	12.075	17.412
Comprehensive income for the period				1.933	1.933
Purchased own share	(26)	(291)		(618)	(935)
Transferred from reserves			(812)	812	0
Equity at 30 November 2017	1.127	0	3.081	14.202	18.410

Consolidated Statement of Cash Flows for the nine months ended 30 November 2017

	Q3 2017 1.9.-30.11.	Q3 2016 1.9.-30.11.	2017 1.3.-30.11.	2016 1.3.-30.11.
Cash flows from operating activities				
Profit for the period	401	874	1.933	3.035
Adjustments for:				
Gain on sale of assets	(85)	(2)	(87)	(4)
Incentives from operating lease	0	(4)	0	(25)
Depreciation and amortisation	366	296	822	758
Net finance expense	27	9	54	26
Share of profit of associates	0	0	(20)	0
Income tax	100	219	483	759
Working capital provided by operating activities	809	1.392	3.185	4.549
Change in current assets	(499)	(442)	(727)	(1.388)
Change in current liabilities	77	980	(257)	1.659
Cash from operations before interest and taxes	387	1.930	2.201	4.820
Interest income received	26	63	109	214
Interest expenses paid	(54)	(75)	(170)	(240)
Income taxes paid	(202)	(316)	(687)	(794)
Net cash provided by operating activities	157	1.602	1.453	4.000
Cash flows used in investing activities				
Acquisition of real estate	(7)	(476)	(82)	(509)
Acquisition of fixtures and equipment	(1.249)	(229)	(2.014)	(738)
Acquisition of intangible assets	(30)	0	(155)	0
Proceeds from the sale of operating assets	2	4	37	25
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	(1.284)	(701)	(2.185)	(1.222)
Cash flows used in financing activities				
Repayment of loans and borrowings	(192)	(189)	(575)	(568)
Dividends paid	0	0	0	(1.992)
Purchased own share	(637)	(1.000)	(935)	(1.000)
Net cash used in financing activities	(829)	(1.189)	(1.510)	(3.560)
Net decrease in cash and cash equivalents	(1.956)	(288)	(2.242)	(782)
Cash and cash equivalents at beginning of the period.....	2.188	3.316	2.474	3.810
Cash and cash equivalents at 30 November	232	3.028	232	3.028
Non cash investing and financing activities				
Acquisition of real estate	0	0	(85)	0
Debt of acquired subsidiary	0	0	85	0
Sale of real estate	85	0	85	0
Debt related to disposed real estate	(85)	0	(85)	0