

Hagar hf.  
Financial Summary  
1 March 2017 - 31 May 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.  
Hagasmári 1  
201 Kópavogur  
Iceland  
Reg. no. 670203-2120

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# Consolidated Statement of Comprehensive Income

## for the three months ended 31 May 2017

	2017	2016
	1.3.-31.5.	1.3.-31.5.
Sales .....	19.048	19.981
Cost of goods sold .....	( 14.312)	( 15.069)
<b>Gross profit</b> .....	<u>4.736</u>	<u>4.912</u>
Other operating income .....	54	54
Salaries and salary-related expenses .....	( 2.043)	( 1.940)
Other operating expenses .....	( 1.470)	( 1.653)
<b>Profit from operating activities before depreciation and amortisation</b> .....	1.277	1.373
Depreciation and amortisation .....	( 225)	( 191)
<b>Profit from operating activities</b> .....	1.052	1.182
Finance income .....	54	82
Finance expenses .....	( 64)	( 79)
<b>Net finance expense</b> .....	<u>( 10)</u>	<u>3</u>
Share of profit of associates .....	20	0
<b>Profit before income tax</b> .....	1.062	1.185
Income tax .....	( 212)	( 237)
<b>Comprehensive income for the year</b> .....	<u>850</u>	<u>948</u>
 <b>Earnings per share</b>		
Basic earnings per share of ISK 1 .....	0,74	0,81

## Consolidated Balance Sheet as at 31 May 2017

	31.5.2017	28.2.2017
<b>Assets</b>		
Operating assets .....	10.996	10.927
Intangible assets .....	8.031	7.950
Total non-current assets	19.027	18.877
Inventories .....	4.393	4.419
Trade and other receivables .....	529	587
Trade receivable - customer' credit cards .....	3.895	3.752
Cash and cash equivalents .....	3.027	2.474
	11.844	11.232
<b>Total assets</b>	30.871	30.109
<b>Equity</b>		
Share capital .....	1.153	1.153
Share premium .....	291	291
Restricted reserve .....	4.756	3.893
Retained earnings .....	12.062	12.075
Total equity	18.262	17.412
<b>Liabilities</b>		
Loans and borrowings .....	2.795	2.986
Deferred income tax liability .....	814	601
Total non-current liabilities	3.609	3.587
Loans and borrowings .....	768	767
Trade and other payables .....	1.024	833
Current tax liabilities .....	7.208	7.362
Provisions .....	0	148
Total current liabilities	9.000	9.110
Total liabilities	12.609	12.697
<b>Total equity and liabilities</b>	30.871	30.109

## Consolidated Statement of Changes in Equity for the three months ended 31 May 2017

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	Share capital	Share premium	Restricted reserve	Retained earnings	Total equity
<b>Changes in equity from 1 March to 31 May 2016:</b>					
Equity at 1 March 2016 .....	1.172	1.272	0	13.924	16.368
Comprehensive income for the year .....				948	948
Equity at 31 May 2016 .....	1.172	1.272	0	14.872	17.316
 <b>Changes in equity from 1 March to 31 May 2017:</b>					
Equity at 1 March 2017 .....	1.153	291	3.893	12.075	17.412
Comprehensive income for the year .....				850	850
Transferred to reserves .....			863	( 863 )	0
Equity at 31 May 2017 .....	1.153	291	4.756	12.062	18.262

# Consolidated Statement of Cash Flows

## for the three months ended 31 May 2017

	2017	2016
	1.3.-31.5.	1.3.-31.5.
<b>Cash flows from operating activities</b>		
Profit for the year .....	850	948
Adjustments for:		
Gain on sale of assets .....	( 1)	( 1)
Incentives from operating lease .....	0	( 10)
Depreciation and amortisation .....	225	191
Net finance expense .....	10	( 3)
Share of profit of associates .....	( 20)	0
Income tax .....	212	237
Working capital provided by operating activities	1.276	1.362
Change in current assets .....	( 57)	( 635)
Change in current liabilities .....	132	858
Cash from operations before interest and taxes	1.351	1.585
Interest income received .....	41	80
Interest expenses paid .....	( 60)	( 76)
Income taxes paid .....	( 242)	( 239)
Net cash provided by operating activities	1.090	1.350
<b>Cash flows used in investing activities</b>		
Acquisition of real estate .....	( 74)	( 24)
Acquisition of fixtures and equipment .....	( 219)	( 189)
Acquisition of intangible assets .....	( 86)	( 38)
Proceeds from the sale of fixtures and equipment .....	4	12
Proceeds from the sale of shares in other companies .....	9	0
Repayment from associates .....	20	0
Net cash used in investing activities	( 346)	( 239)
<b>Cash flows used in financing activities</b>		
Repayment of loans and borrowings .....	( 191)	( 188)
Net cash used in financing activities	( 191)	( 188)
<b>Net (decrease) increase in cash and cash equivalents</b> .....	553	923
<b>Cash and cash equivalents at the beginning of the year</b> .....	2.474	3.810
<b>Cash and cash equivalents at the end of the year</b> .....	3.027	4.733