

Stoðir hf.  
Condensed Interim  
Financial Statements  
30 June 2017

Stoðir hf.  
Klapparstigur 25-27  
101 Reykjavík  
Iceland

Reg. no. 601273-0129

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# Endorsement and Statement by the Board of Directors and the CEO

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The interim financial statements comprise the financial statements of Stoðir hf. ("Stodir" or the "Company") for the period from 1 January to 30 June 2017. The Interim Financial Statements have been prepared in accordance with the Icelandic Financial Statements Act.

Stodir's primary asset is a 8.87% shareholding in Refresco Group, which is listed at Euronext Amsterdam. According to the income statement, profit for the first half 2017 amounted to ISK 3.0 billion. According to the statement of financial position, equity at 30 June 2017 amounted to ISK 15.9 billion.

10 largest shareholders of the Company at end of June 2017 were the following:

<b>Shareholders:</b>	<b>Share</b>
S122 ehf. ....	40,28%
Arion banki hf. ....	16,37%
Landsbankinn hf. ....	13,39%
S121 ehf. ....	9,87%
J.P. Morgan Clearing Corporation ....	7,30%
Tavira Securities Ltd. ....	3,53%
Íslandsbanki hf. ....	1,72%
LUX CSD S.A ....	1,06%
Festa lífeyrissjóður ....	0,92%
Lífeyrissjóður Vestmannaeyja ....	0,85%

## **Statement by the Board of Directors and the CEO**

The Condensed Interim Financial Statements for the six months ended 30 June 2017 have been prepared in accordance with Icelandic Financial Statement Act.

According to our best knowledge, it is our opinion that the Condensed Interim Financial Statements give a true and fair view of the financial performance of the Company for the period from 1 January to 30 June 2017, its assets, liabilities and financial position as at 30 June 2017 and its cash flows for the period then ended.

On 30 June 2017, the Company's assets consist primarily of listed shares in Refresco Gerber ("RG"). The valuation of these assets at the end of June 2017 is based on closing price 30 June 2017 of the RG shares (RFRG) at Euronext Amsterdam.

Further, in our opinion, the Condensed Interim Financial Statements and the endorsement of the Board of Directors and the CEO give a fair view of the development and performance of the Company's operations and its financial position and fairly describes the principal risks and uncertainties faced by the Company, as outlined in notes to the financial statements.

The Board of Directors and the CEO have today discussed the Condensed Interim Financial Statements of Stoðir hf. for the six-month period ended 30 June 2017 and confirm them by means of their signatures.

Reykjavík, 28 August 2017.

The Board of Directors:

Jón Sigurðsson  
Iðá Brá Benediktsdóttir  
Örvar Kærnedst

CEO:

Júlíus Þorfinnsson

# Independent Auditor's Review Report

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To the Board of Stoðir hf.

We have reviewed the accompanying condensed interim financial statements of Stoðir hf., which comprise the statement of financial position as at 30 June 2017 and the income statement, statement of changes in equity and statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Board of Directors and CEO are responsible for the preparation and fair presentation of this interim financial information in accordance with the Icelandic Financial Statements Act No. 3/2006. Our responsibility is to express a conclusion on this interim financial information based on our review.

## **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at 30 June, 2017, and of its financial performance and its cash flows for the six-month period then ended in accordance with the Icelandic Financial Statements Act.

Reykjavík, 28 August 2017.

**KPMG ehf.**

Sæmundur Valdimarsson

# Income Statement

## for the Six Months ended 30 June 2017

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	<b>Notes</b>	<b>2017</b>	<b>2016</b>
		<b>1.1.-30.6.</b>	<b>1.1.-30.6.</b>
<b>Net investment income:</b>			
Net income (loss) from investment securities .....		3.076.732	( 3.548.814)
Interest income .....		636	9
Net foreign exchange loss .....		( 3.706)	( 36.727)
		<u>3.073.662</u>	<u>( 3.585.532)</u>
<b>Operating expenses:</b>			
Operating expenses .....		<u>30.953</u>	<u>31.549</u>
<b>Profit (loss) for the period</b> .....		<u><u>3.042.709</u></u>	<u><u>( 3.617.081)</u></u>

# Statement of Financial Position

## as at 30 June 2017

	Notes	30.6.2017	31.12.2016
<b>Assets</b>			
Cash and cash equivalents .....		117.138	547.613
Investments .....	5	15.811.679	12.734.947
Loans and other receivables .....		3.995	9.853
<b>Total assets</b>		<u>15.932.812</u>	<u>13.292.413</u>
<b>Equity</b>			
Ordinary share capital .....		11.885.096	11.885.096
Statutory reserve .....		2.500.433	2.500.433
Retained earnings (accumulated deficit) .....		1.541.622	( 1.501.087)
Total equity		<u>15.927.151</u>	<u>12.884.442</u>
<b>Liabilities</b>			
Unpaid dividend income tax .....		0	398.685
Trade and other payables .....		5.661	9.286
Total liabilities		<u>5.661</u>	<u>407.971</u>
<b>Total equity and liabilities</b>		<u>15.932.812</u>	<u>13.292.413</u>

# Statement of Changes in Equity for Six Months ended 30 June 2017

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	Ordinary share capital	Statutory reserve	Retained earnings (accumulated deficit)	Total equity
<b>1 January to 30 June 2016</b>				
Equity 1.1.2016 .....	11.885.096	2.500.433	8.236.552	22.622.081
Loss for the period .....			( 3.617.081)	( 3.617.081)
Equity 30.6.2016 .....	11.885.096	2.500.433	4.619.471	19.005.000
<b>1 January to 30 June 2017</b>				
Equity 1.1.2017 .....	11.885.096	2.500.433	( 1.501.087)	12.884.442
Profit for the period .....			3.042.709	3.042.709
Equity 30.6.2017 .....	11.885.096	2.500.433	1.541.622	15.927.151

# Statement of Cash Flows

## for the Six Months ended 30 June 2017

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	<b>Notes</b>	<b>2017</b> <b>1.1.-30.6.</b>	<b>2016</b> <b>1.1.-30.6.</b>
<b>Cash flows from operating activities:</b>			
Profit (loss) for the period .....		3.042.709	( 3.617.081)
Adjustments for:			
Investment securities, change .....		( 3.076.732)	3.548.814
Working capital to operations .....		( 34.023)	( 68.267)
Net change in operating assets and liabilities .....		<u>2.233</u>	<u>( 3.561)</u>
Net cash used in operating activities .....		<u>( 31.790)</u>	<u>( 71.828)</u>
<b>Cash flows from investing activities:</b>			
Restricted cash, change .....		0	5.777.892
Net cash provided by investing activities .....		<u>0</u>	<u>5.777.892</u>
<b>Cash flows from financing activities:</b>			
Dividend paid .....		( 398.685)	( 6.066.854)
Net cash used in financing activities .....		<u>( 398.685)</u>	<u>( 6.066.854)</u>
<b>Net decrease in cash and cash equivalents .....</b>		<b>( 430.475)</b>	<b>( 360.790)</b>
<b>Cash and cash equivalents at 1 January .....</b>		<b><u>547.613</u></b>	<b><u>1.066.505</u></b>
<b>Cash and cash equivalents at 30 June .....</b>		<b><u><u>117.138</u></u></b>	<b><u><u>705.715</u></u></b>



# Notes

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## 1. Reporting Entity

Stoðir hf.'s registered office is at Klapparstígur 25-27 in Reykjavík, Iceland. The Condensed Interim Financial Statements of Stoðir hf. ("Stodir" or the "Company") as at and for the six months ended 30 June 2017 comprise the Financial Statements of the Company.

Stodir is a holding company, whose primary asset is a significant stake in Refresco Gerber, Europe's largest manufacturer of private label fruit juice and soft drinks.

## 2. Statement of compliance

These Condensed Interim Financial Statements have been prepared in accordance with Icelandic Financial Statement Act. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Financial Statements of the Company as at and for the year ended 31 December 2016.

These Condensed Interim Financial Statements were approved by the Board of Directors on 28 August 2017.

## 3. Significant accounting policies

The accounting policies and methods of computation applied by the Company in these Condensed Interim Financial Statements are the same as those applied by the Company in its Financial Statements as at and for the year ended 31 December 2016.

### a. Functional and presentation currency

The Condensed Interim Financial Statements are prepared in Icelandic Krona (ISK), which is the Company's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

## 4. Use of estimates and judgements

The preparation of interim financial statements in conformity with Icelandic Financial Statement Act requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

## 5. Investments

Investments are listed on stock exchange.

## 6. Financial Guarantees

On June 2017, the Company is aware of two outstanding financial guarantees, which were provided in the year 2006 in relation to lease contract made by former subsidiary of the Company. Uncertainty exists regarding the amount and the probability of the guarantees coming into effect. According to a legal opinion that the Company has obtained, the outstanding guarantees, if claims were to be declared, would fall under the approved and confirmed composition agreement of the Company from June 2009. It is estimated that the maximum number of shares needed to settle these claims, if declared, would not exceed ISK 150 million.

## 7. VAT matters

At the end of June 2017, the Company has two outstanding issues in regard to VAT matters, relating to the years 2006-2007. Based on a State Internal Revenue Board ruling, the Company expensed ISK 778 million in VAT charges in 2013. The Company filed a case before the District Court in Reykjavík where the State Internal Revenue Board ruling is partly challenged. The other matter relates to interest payments, where the Company claims the VAT charges should not have included penalty interest from 2006/2007. Uncertainty remains whether the Company will recover any value from these cases but downside risk is limited to legal expenses.