

# Skeljungur hf.

Consolidated Financial Statements

1 January to 31. March 2019

*These financial statements are translated from the original which is in Icelandic. Should there be discrepancies between the two versions, the Icelandic version will take priority over the translated version.*

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## Endorsement by the Board of Directors and the CEO

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The Consolidated Financial Statements of Skeljungur hf. (the “Company” or “Skeljungur”) for the period 1 January to 31 March 2019 include the Company and its subsidiaries (Group). The Condensed Consolidated Interim Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group’s Annual Consolidated Financial Statements.

Total operating revenue for the period 1 January to 31 March 2019 amounted to ISK 11.506 million (2018: 9.909 million) and profit for the period amounted to ISK 411 million (2018: 416 million). According to the Statement of Financial Position, the Group’s total assets amounted to ISK 26.016 million (2018: 24.751 million ) and debt amounted to ISK 16.647 million (2018: 15.747 million ). Total Equity amounted to ISK 9.369 million (2018: 9.004 million ) and the equity ratio was 36% (2018: 36%).

The Board of Directors and the CEO of Skeljungur hf. hereby confirm the Condensed Consolidated Interim Financial Statements for the period 1 January to 31 March 2019 by means of their signatures.

Reykjavik, 21 May 2019.

### The Board of Directors

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Jens Meinhard Rasmussen,  
chairman

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Birna Ósk Einarsdóttir

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Ata María Bærentsen

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Kjartan Örn Sigurðsson

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Baldur Már Helgason

### CEO

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Hendrik Egholm

# Consolidated Income Statement

## 1 January to 31 March 2019

	Notes	2019 1.1. - 31.3	2018 1.1. - 31.3
Sales .....	5	11.506	9.909
Cost of goods sold .....	6	( 9.399)	( 8.163)
<b>Gross profit</b>		<b>2.107</b>	<b>1.746</b>
Other income .....		41	151
Salaries and salary related expenses .....	(	606)	( 459)
Sales and distribution expenses .....	(	494)	( 499)
Other operating expenses .....	(	156)	( 124)
		( 1.256)	( 1.082)
<b>Profit before depreciation and financial items (EBITDA) .....</b>		<b>892</b>	<b>815</b>
Depreciation of operating assets .....	(	261)	( 198)
<b>Operating profit before financial items (EBIT) .....</b>		<b>631</b>	<b>617</b>
Financial income .....		5	6
Financial expenses .....	(	116)	( 81)
		( 111)	( 75)
Share of loss from associated companies .....	(	12)	( 16)
<b>Profit before income tax .....</b>		<b>508</b>	<b>526</b>
Income tax expense .....	7	( 97)	( 110)
<b>Profit for the period .....</b>		<b>411</b>	<b>416</b>
<b>Net earnings for the year attributable to:</b>			
Owners of the Company .....		403	399
Non-controlling interest .....		8	17
		<b>411</b>	<b>416</b>
<b>Earnings per share:</b>			
Earnings per ISK one of share capital and diluted share capital .....		0,20	0,20
Diluted earnings per each ISK one of share capital .....		0,20	0,20

The notes on pages 9-16 are an integral part of these consolidated financial statements.

# Consolidated Statement of Comprehensive Income

## 1 January to 31 March 2019

	Notes	2019 1.1. - 31.3	2018 1.1. - 31.3
Profit for the period .....		411	416
Other comprehensive income that will be reclassified to profit or loss:			
Translation difference of associates and subsidiaries .....		130 (	95)
Translation difference of net investment hedge .....	(	88)	59
Income tax relating to net investment hedge .....		18 (	12)
		60 (	48)
Total comprehensive income .....		<u>471</u>	<u>368</u>
Total comprehensive income for the year attributable to:			
Owners of the Company .....		459	351
Non-controlling interest .....		12	17
		<u>471</u>	<u>368</u>

The notes on pages 9-16 are an integral part of these consolidated financial statements.

# Consolidated Statement of Financial Position as of 31.3.2019

	Notes	31.03.2019	31.12.2018
<b>Non-current assets</b>			
Goodwill .....		3.397	3.333
Other intangible assets .....		699	691
Operating assets .....	12	11.278	10.385
Shares in associated companies .....		529	540
Long term receivables .....		8	1
Non-current assets		<u>15.910</u>	<u>14.949</u>
<b>Current assets</b>			
Inventories .....		3.900	4.491
Trade receivables .....		5.265	4.266
Other receivables .....	8	362	226
Cash and cash equivalents .....		579	818
Current assets		<u>10.106</u>	<u>9.802</u>
<b>Total assets</b>		<u><b>26.016</b></u>	<u><b>24.751</b></u>
<b>Equity</b>			
Share capital .....		2.053	2.053
Share premium .....		3.210	3.210
Restricted equity .....		1.211	819
Retained earnings .....		2.726	2.764
Total equity attributable to equity holders of the Company		<u>9.200</u>	<u>8.847</u>
Non-controlling interest .....		169	157
Total equity		<u>9.369</u>	<u>9.004</u>
<b>Liabilities</b>			
Deferred tax liability .....	9	657	671
Lease liabilities .....	12	1.029	0
Loans and borrowings .....	10	6.243	5.613
Non-current liabilities		<u>7.930</u>	<u>6.284</u>
<b>Current liabilities</b>			
Short term borrowings .....	10	1.938	3.579
Trade payables .....		2.312	2.018
Current maturities of long-term debt .....		492	460
Related party debt .....		9	13
Taxes for the year .....	7	101	371
Other current liabilities .....		3.866	3.022
Current liabilities		<u>8.718</u>	<u>9.463</u>
Total liabilities		<u>16.647</u>	<u>15.747</u>
<b>Total equity and liabilities</b>		<u><b>26.016</b></u>	<u><b>24.751</b></u>

The notes on pages 9-16 are an integral part of these consolidated financial statements.

## Consolidated Statement of Changes in Equity

### 1 January to 31 March 2019

	Share capital	Share premium	Statutory reserve	Share option reserve	Translation difference	Reserve for profit from subsidiaries	Retained earnings	Total equity of the Company	Non controlling interest	Total Equity
2018										
Shareholders' equity 31. 12.2017 .....	2.077	3.210	407	1	( 1.132)	867	2.442	7.872	9	7.881
Profit for the period .....							399	399	17	416
Other earnings .....					( 48)			( 48)	( 48)	
Total comprehensive income .....					( 48)	0	399	351	17	368
Reserve for profit in subs. and associates .....					27	( 3)	( 23)	0		0
Issued share capital .....							( 500)	( 500)	( 500)	
Purchased own shares .....	( 25)						( 145)	( 169)	( 169)	
Changes in non-controlling interest .....								0	4	4
Contribution to statutory reserve .....			20				( 20)	0		0
Balance at 31 March 2018 .....	2.053	3.210	427	1	( 1.154)	863	2.153	7.553	30	7.583
2019										
Shareholders' equity 31. 12 2018 .....	2.053	3.210	459	1	( 1.116)	1.476	2.764	8.847	157	9.004
Profit for the period .....							403	403	8	411
Other earnings .....					56			56	4	60
Total comprehensive income .....					56	0	403	459	12	471
Reserve for profit in subs. and associates .....					( 46)	378	( 332)	0		0
Contribution to statutory reserve .....			4				( 4)	0		0
IFRS 16 transition .....							( 106)	( 106)	0	( 106)
Balance at 31 March 2019 .....	2.053	3.210	462	1	( 1.106)	1.854	2.726	9.200	169	9.369

The notes on pages 9-16 are an integral part of these consolidated financial statements.

# Consolidated Statement of Cash Flows 1 January to 31 March 2019

	2019 1.1 - 31.3	2018 1.1 - 31.3
<b>Cash flows from operating activities:</b>		
Profit for the period .....	411	416
Adjustments:		
Depreciation and impairment .....	261	198
Profit (loss) from associated companies .....	12	16
Financial income and financial expenses .....	107	70
Gain on sale of assets .....	( 1)	( 104)
Income tax .....	97	110
Cash flow from operations less interest and taxes	887	707
<b>Changes in operating assets and liabilities:</b>		
Inventories, change .....	614	383
Trade and other receivables, change .....	( 1.029)	( 739)
Trade and other payables, change .....	682	335
	267	( 21)
Cash generated from operating activities before interest and taxes	1.154	685
Interest income received .....	5	6
Interest expenses .....	( 112)	( 76)
Taxes paid .....	( 47)	( 28)
Cash generated from operating activities	1.000	587
<b>Investing activities</b>		
Investment in operating assets .....	( 100)	( 155)
Proceeds from sale of operating assets .....	2	124
Investment in associated companies .....	0	( 122)
Securities, change .....	( 7)	2
Net cash used in investing activities	( 108)	( 152)
<b>Financing activities</b>		
Share capital increase .....	0	12
Purchase of own shares .....	0	( 169)
Instalments of long-term liabilities .....	( 105)	( 66)
New long-term liabilities .....	624	( 37)
Payables to associated companies .....	( 4)	( 66)
Short-term borrowing, change .....	( 1.658)	( 167)
Net cash from financing activities	( 1.144)	( 485)
<b>Net increase / (decrease) in cash and cash equivalents .....</b>	( 251)	( 49)
<b>Cash and cash equivalents at the beginning of the year .....</b>	818	428
<b>Effects of movements in exchange rates on cash held .....</b>	11	( 4)
<b>Cash and cash equivalents at the end of period .....</b>	579	375

The notes on pages 9-16 are an integral part of these consolidated financial statements.



# Notes to the Consolidated Financial Statements

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## 1. Reporting entity

Skeljungur hf. (the "Company") is an Icelandic limited liability company domiciled in Iceland. The address of the Company's registered office is at Borgartun 26, Reykjavik. The Consolidated Financial Statements of the Company comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates.

The main activities of the Company are import, storage, sale, and distribution of oil and oil related products. In addition, the Company sells chemical products, fertilizer and various commodity products. Skeljungur's main geographical areas of operations are Iceland and the Faroe Islands. The Company is also active in the North Atlantic region as provider of ship bunkering, both via own depots and from partners in the neighbouring countries. In Iceland, Skeljungur owns and operates 65 gas stations and 4 oil depots. In the Faroe Island the company owns and operates 11 retail stations and 2 oil depots. In both countries the customer base is a wide variety of sectors and industries, both in B2B and B2C. Skeljungur owns the brand names Orkan in Iceland and Magn in the Faroe Islands.

## 2. Basis of preparation

### a. Statement of compliance with International Financial Reporting Standards

The Group's interim financial statements are prepared according to IFRS as adopted by the EU for interim financial reporting, IAS 34 and additional requirements in the Icelandic Financial Statement Act.

The condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 2018, which is available at the Company's website; [www.skeljungur.is](http://www.skeljungur.is)

The Board of Directors of Skeljungur confirmed the Group's interim financial statements on 21. May 2019.

### b. Significant accounting policies

The interim financial statements are prepared based on the same accounting policies as the Group's annual financial statements for the year 2018 except for new standards on leases, IFRS 16 as further described in note 12. These changes in accounting policies are also expected to be reflected in the consolidated financial statements for 2019.

### c. Presentation and functional currency

The consolidated financial statements are presented in Icelandic krona (ISK), which is the Company's functional currency. All financial information presented in ISK has been rounded to the nearest million except when otherwise indicated.

### d. Management's use of judgements and estimates

In preparing these consolidated financial statements in accordance with IFRSs, management has made judgements, estimates and assumptions that effect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

### e. Seasonality

The Group's operations are generally more extensive during the second and third quarters of the year than in the first and fourth quarters. Therefore the carrying amounts of the Group's operating assets and liabilities are generally lower at the end of the first and fourth quarters than at the end of the second and third quarters.

## Notes, contd.:

### 3. Geographic information

P/F Magn, a subsidiary of Skeljungur hf, purchased of 70% of shares in P/F Demich. Demich became part of the consolidated accounts 1st of September 2018. The impact on the consolidated financial statement was an increase in total assets of 962 million, thereof 633 million in non-current assets and 643 million in total liabilities.

### 4. Geographic information

The geographic information below shows the Group by the companies' countries of domicile.

#### Year 2019

##### Income Statement 01.01. - 31.3.

	Iceland	Faroe Islands	Total
Total revenue .....	7.211	4.996	12.207
Inter-Group revenues .....	( 701)	0	( 701)
Revenue .....	6.510	4.996	11.506
Gross profit .....	1.189	918	2.107
EBITDA .....	386	506	892
EBIT .....	180	450	631

##### Balance Sheet 31.3.

Non-current assets .....	10.808	5.102	15.910
Current assets .....	6.948	3.157	10.106
Total assets .....	17.756	8.260	26.016
Long term liabilities .....	6.129	1.800	7.930
Current liabilities .....	5.982	2.736	8.718
Total liabilities .....	12.111	4.536	16.647

#### Year 2018

##### Income Statement 01.01. - 31.3.

	Iceland	Faroe Islands	Total
Total revenue .....	6.508	3.419	9.928
Inter-Group revenues .....	( 19)	0	( 19)
Revenue .....	6.490	3.419	9.909
Gross profit .....	1.162	584	1.746
EBITDA .....	498	317	815
EBIT .....	342	275	617

##### Balance Sheet 31.12.

Non-current assets .....	10.129	4.820	14.949
Current assets .....	6.873	2.929	9.802
Total assets .....	17.002	7.749	24.751
Long term liabilities .....	4.653	1.631	6.284
Current liabilities .....	6.618	2.845	9.463
Total liabilities .....	11.271	4.476	15.747

### 5. Sales

Sales are specified as follows:

	2019 1.1. - 31.3.	2018 1.1. - 31.3.
Fuel .....	10.118	9.047
Other goods .....	1.388	862
Total sales .....	11.506	9.909

## Notes, contd.:

### 5. Sales (cont.)

Sales are attributable to the following products:

	2019 1.1. - 31.3.	2018 1.1. - 31.3.
Gasoline and Diesel .....	5.647	4.697
Jet fuel .....	617	609
Marine fuel .....	2.722	2.741
Other Fuel .....	1.133	1.000
Other Products .....	1.388	862
Total sales .....	<u>11.506</u>	<u>9.909</u>

### 6. Cost of goods sold

Cost of goods sold is specified as follows:

Fuel .....	8.508	7.558
Other goods .....	891	605
Total cost of goods sold .....	<u>9.399</u>	<u>8.163</u>

### 7. Income tax

Expensed income tax is specified as follows:

Income tax payable .....	101	334
Deferred income tax .....	( 4)	( 224)
Expensed income tax .....	<u>97</u>	<u>110</u>

Effective income tax is specified as follows:

	1.1.- 31.3.2019	1.1.- 31.3.2018
Profit before income tax .....	508	526
Income tax using the corporate tax rate .....	20,00% 102	20,00% ( 105)
Effects of tax rates in foreign jurisdictions .....	1,63% ( 8)	( 0,84%) 4
Other items .....	( 0,78%) 4	1,75% ( 9)
Income tax in Income Statement .....	<u>20,84% 97</u>	<u>20,91% ( 110)</u>

### 8. Other receivables

Other receivables are specified as follows:

	31.3.2019	31.12.2018
Receivables due from the government .....	171	117.869
Current maturities for long term receivables .....	1	8.739
Other receivables .....	190	99.330
Total other receivables .....	<u>362</u>	<u>225.938</u>

### 9. Deferred tax liability

Deferred tax liability is specified as follows:

Deferred tax liability at the beginning of the year .....	671	609
Translation difference .....	83	83
Consolidation of new subsidiary .....	0	0
Income tax expensed from change in equity .....	( 18)	( 13)
Income tax expensed from continuing operations .....	97	363
Income tax payable .....	( 177)	( 371)
Deferred tax liability at period/year end .....	<u>657</u>	<u>671</u>

## Notes, contd.:

### 9. Deferred tax liability (cont.)

31.3.2019      31.12.2018

The Group's deferred tax liability is attributable to the following items:

Operating assets .....	650	650
Intangible assets .....	70	70
Inventories .....	( 14)	( 14)
Trade receivables .....	2	2
Currency adjustments according to Icelandic tax laws .....	( 29)	( 37)
Other items .....	( 22)	0
Deferred tax liability at period/year end .....	<u>657</u>	<u>671</u>

### 10. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortized cost.

	31.3.2019			31.12.2018	
	Final due date	Average interest rate	Carrying amount	Average interest rate	Carrying amount
Loans in foreign currency:					
Loans in DKK .....	2027	2,6%	4.864	2,5%	4.195
Current loans in USD .....	2019	5,6%	1.020	5,7%	954
Current loans in DKK .....	2019	2,5%	395	2,6%	599
			<u>6.279</u>		<u>5.748</u>
Loans in ISK:					
Non-indexed loans in ISK .....	2022	5,5%	1.871	5,5%	1.878
Current loans in ISK .....	2019	5,7%	523	5,7%	2.026
			<u>2.394</u>		<u>3.904</u>
Total interest-bearing loans .....			<u>8.673</u>		<u>9.652</u>
Aggregated annual maturities of long-term debt are specified as follows:				<b>31.3.2019</b>	
1.4.2019 - 30.3.2020 .....					492
31.3.2020 - 30.3.2021 .....					496
1.4.2021 - 31.3.2022 .....					497
1.4.2022 - 31.3.2023 .....					2.285
1.4.2023 - 30.3.2024 .....					487
Later .....					2.477
Long-term debt including current maturities .....					<u>6.735</u>

On 28th of March contracts regarding re-financing of the company's interest bearing loans in USD and ISK were finalized and the company also switched commercial banks in Iceland. This decision was made in connection with the company's previous Icelandic commercial bank's decision to utilize a clause in their contract which allowed them to increase the interest premium. The goal with the re-financing was to decrease interest payments and to further reduce currency risk. The re-financing will have unsubstantial effects on financial costs, re-payment terms and other terms from the current situation. The re-financing was partly finalized before the end of the period and partly in April.

## Notes, contd.:

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### 11. Hedge accounting

Starting from 21st of April 2017 the Group applied net investment hedge accounting to foreign currency differences arising between the functional currency of its Faroe Islands subsidiary (DKK), Magn and the Company's functional currency (ISK).

The Group's investment in Magn is hedged by a DKK-denominated bank borrowing of the Company with a carrying amount as at 31st March 2019 of DKK 187 million. The Group has designated the entire borrowing as a hedging instrument against the foreign currency risk arising from the corresponding amount of the total net investment in Magn.

The Group measures the effectiveness of the hedge based on the amount of the net assets hedged. To the extent that the hedge is effective, foreign currency differences arising on the translation of the entire bank borrowing designated as the hedging instrument are recognised in other comprehensive income and accumulated in the hedge reserve. The Group will reclassify these foreign currency differences from equity to profit or loss upon disposal of Magn. The Group recognises any ineffectiveness in profit or loss immediately. No ineffectiveness arose from this net investment hedge during the reporting period.

### 12. New Accounting standards

#### *IFRS 16 Leases*

The Group has initially adopted IFRS 16 Leases from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group's financial statements.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019 as a decrease in the amount of ISK 106 million. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

#### *Definition of a lease*

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining Whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

#### *As a lessee*

The Group leases many assets, including properties, vehicles and equipment. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

## Notes, contd.:

### 12. New accounting standards, contd.:

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at - their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application.

#### *As a lessor*

The accounting policies applicable to the Group as a lessor are not different from those under IAS 17. However, when the Group is an intermediate lessor the sub-leases are classified with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

#### *Impacts on transition*

If the standard would not have been adopted at 1. January 2019 the effects on EBITDA in Q1 would have been ISK 44 million lower and profit decreased by ISK 1 million. The impacts on transition for the first quarter 2019 is summarised below:

Income statement	2019 1.1. - 31.3.	Transition impacts	2018 1.1. - 31.3.
Sales .....	11.506	0	11.506
Cost of goods sold .....	( 9.399)	0	( 9.399)
<b>Gross profit .....</b>	<b>2.107</b>	<b>0</b>	<b>2.107</b>
Operating expenses .....	( 1.476)	( 11)	( 1.487)
<b>Operating profit before financial items EBIT .....</b>	<b>631</b>	<b>( 11)</b>	<b>620</b>
Net financial income .....	( 111)	15	( 96)
Share of loss from associated companies .....	( 12)	0	( 12)
<b>Operating profit before tax .....</b>	<b>508</b>	<b>4</b>	<b>513</b>
Income tax .....	( 97)	1	( 96)
<b>Profit for the period .....</b>	<b>411</b>	<b>5</b>	<b>416</b>
<b>EBITDA .....</b>	<b>892</b>	<b>( 44)</b>	<b>848</b>

## Notes, contd.:

### 12. New accounting standards, contd.:

#### *Impacts on transition*

On transition to IFRS 16, the Group recognised additional right-of-use assets, including office space, gas stations, vehicles, land and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

Balance sheet	31.3.2019	Transition impacts	31.3.2018
Operating assets .....	10.385	887	11.272
Other operating assets .....	4.564	0	4.564
Non-current assets	14.949	887	15.836
Inventories .....	4.491	0	4.491
Trade and other receivables .....	4.492	0	4.492
Cash and cash equivalents .....	818	0	818
Current assets	9.802	0	9.802
<b>Total assets</b>	<b>24.751</b>	<b>887</b>	<b>25.638</b>
Equity .....	9.004	( 106)	8.898
Loans and borrowings .....	5.613	0	5.613
Deferred tax liability .....	671	0	671
Lease liabilities .....	0	864	864
Non-current liabilities	6.284	864	7.148
Current maturities of long term lease .....	0	129	129
Short term borrowings .....	3.579	0	3.579
Trade payables and other current liabilities .....	5.884	0	5.884
Current liabilities	9.463	129	9.592
Total liabilities	15.747	993	16.740
<b>Total equity and liabilities</b>	<b>24.751</b>	<b>887</b>	<b>25.638</b>

## Notes, contd.:

### 13. Subsidiaries

The consolidated financial statements include the following subsidiaries:

	Shares	
	31.3.2019	31.12.2018
Bensínorkan ehf., Reykjavík .....	100%	100%
Tollvörugeymsla Skeljungs ehf., Reykjavík .....	100%	100%
P/F Magn, Faroe Islands .....	100%	100%
Íslenska vetnisfélagið ehf. ....	90%	90%
P/F Demich, Faroe Islands .....	70%	70%
Barkur ehf, Reykjavík .....	67%	67%

### 14. Financial Ratios

The Group's key ratios are as follows:

	2019	2018
	1.1. - 31.3.	1.1. - 31.3.
<b>Operations:</b>		
Average margin - contribution margin / sales .....	18,3%	17,6%
EBITDA / gross profit .....	42,3%	46,7%
EBIT / gross profit .....	29,9%	35,3%
Salaries / gross profit .....	28,8%	26,3%
Sales and distribution / gross profit .....	23,4%	28,6%
Opex / gross profit .....	59,6%	62,0%
Return on equity .....	19,0%	22,6%
	31.3.2019	31.12.2018
<b>Balance Sheet:</b>		
Current ratio - Current assets / current liabilities .....	1,16	1,04
Quick ratio - (Current assets - inventory) / current liabilities .....	0,71	0,56
NIBD/EBITDA (TTM) .....	2,43	2,71
Equity ratio - Shareholders' equity / total capital .....	36,0%	36,4%
Internal value of share capital .....	4,6	4,4