

Hagar hf.
Financial Summary
1 March - 30 November 2019

*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 2019

	Q3 2019	Q3 2018	2019	2018
	1.9.-30.11.	1.9.-30.11.	1.3.-30.11.	1.3.-30.11.
Sales	28.240	18.521	87.744	56.255
Cost of goods sold	<u>(21.970)</u>	<u>(14.124)</u>	<u>(68.372)</u>	<u>(42.703)</u>
Gross profit	6.270	4.397	19.372	13.552
Other operating income	121	55	385	161
Salaries and related expenses	<u>(2.991)</u>	<u>(2.107)</u>	<u>(9.014)</u>	<u>(6.112)</u>
Other operating expenses	<u>(1.187)</u>	<u>(1.611)</u>	<u>(4.007)</u>	<u>(4.491)</u>
Profit from operating activities before depreciation and amortisation	2.213	734	6.736	3.110
Depreciation and amortisation	<u>(1.013)</u>	<u>(265)</u>	<u>(2.882)</u>	<u>(770)</u>
Profit from operating activities	1.200	469	3.854	2.340
Finance income	25	12	138	34
Finance expenses	<u>(465)</u>	<u>(56)</u>	<u>(1.193)</u>	<u>(154)</u>
Net finance expense	<u>(440)</u>	<u>(44)</u>	<u>(1.055)</u>	<u>(120)</u>
Share of profit of associates	21	0	111	0
Profit before income tax	781	425	2.910	2.220
Income tax	<u>(153)</u>	<u>(97)</u>	<u>(561)</u>	<u>(456)</u>
Comprehensive income for the period	<u>628</u>	<u>328</u>	<u>2.349</u>	<u>1.764</u>
Total comprehensive income for the period is attributable to:				
Owners of Hagar hf.	628	328	2.349	1.764
Non-controlling interests	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	628	328	2.349	1.764
Earnings per share:				
Basic and diluted earnings per share of ISK 1	0,52	0,30	1,95	1,60

Consolidated Balance Sheet as at 30 November 2019

	30.11.2019	28.2.2019
Assets		
Property, plant and equipment	20.654	19.430
Investment properties	3.748	3.863
Intangible assets	10.378	10.323
Leased assets	9.184	0
Investments in associates	1.136	1.171
Investments in other companies	39	39
Bonds	75	70
Total non-current assets	45.214	34.896
Assets classified as held for sale	0	430
Inventories	8.557	7.746
Trade and other receivables	3.394	3.212
Trade receivable - customers' credit cards	771	3.831
Cash and cash equivalents	3.365	736
Total current assets	16.087	15.955
Total assets	61.301	50.851
 Equity		
Share capital	1.196	1.213
Share premium	4.321	5.023
Legal reserve	299	303
Restricted reserve	5.202	5.092
Retained earnings	13.174	12.648
Capital and reserves attributable to owners of Hagar hf.	24.192	24.279
Non-controlling interest	1	0
Total equity	24.193	24.279
 Liabilities		
Loans and borrowings	12.250	4.594
Lease liabilities	7.851	0
Deferred income tax liabilities	3.263	2.283
Total non-current liabilities	23.364	6.877
Borrowings	420	7.631
Bank borrowings	0	800
Current tax liabilities	621	653
Lease liabilities	2.057	0
Trade and other payables	10.468	10.309
Provisions	178	302
Total current liabilities	13.744	19.695
Total liabilities	37.108	26.572
Total equity and liabilities	61.301	50.851

Consolidated Statement of Changes in Equity for the nine months ended 30 November 2019

	Share capital	Share premium	Legal reserve	Restricted reserve	Retained earnings	Total	Non controlling interests	Total equity
1 March to 30 November 2019:								
Equity at 1 March 2019	1.213	5.023	303	5.092	12.648	24.279	0	24.279
IFRS 16, effects of implementation					(559)	(559)		(559)
Purchased own shares	(17)	(702)				(719)		(719)
Comprehensive income for the year					2.349	2.349	0	2.349
Transferred from legal reserves			(4)		4	0		0
Non-controlling interests on acquisition of subsidiary						0	1	1
Dividends paid, 0,955 ISK per share					(1.159)	(1.159)		(1.159)
Transferred to restricted reserves				110	(110)	0		0
Equity at 30 November 2019	<u>1.196</u>	<u>4.321</u>	<u>299</u>	<u>5.202</u>	<u>13.174</u>	<u>24.192</u>	<u>1</u>	<u>24.193</u>
1 March to 30 November 2018:								
Equity at 1 March 2018	1.103	0	239	3.664	12.951	17.957	0	17.957
Comprehensive income for the year					1.764	1.764		1.764
Transferred to legal reserve			64		(64)	0		0
Dividends paid, 1.024 ISK per share					(1.129)	(1.129)		(1.129)
Issue of ordinary share as consideration for business combination	42	1.901				1.943		1.943
Own shares granted as consideration for business combination	69	3.122				3.191		3.191
Transferred from restricted reserves				(3)	3	0		0
Equity at 30 November 2018	<u>1.213</u>	<u>5.023</u>	<u>303</u>	<u>3.661</u>	<u>13.526</u>	<u>23.726</u>	<u>0</u>	<u>23.726</u>

Consolidated Statement of Cash Flows for the nine months ended 30 November 2019

	Q3 2019 1.9.-30.11.	Q3 2018 1.9.-30.11.	2019 1.3.-30.11.	2018 1.3.-30.11.
Cash flows from operating activities				
Profit for the period	628	328	2.349	1.764
Adjustments for:				
Gain on sale of assets	(23)	62	(53)	61
Depreciation and amortisation	1.013	265	2.882	770
Net finance expense	440	44	1.055	120
Other items	46	0	0	0
Effect of results of associates	(21)	0	(111)	0
Income tax	153	97	561	456
Working capital provided by operating activities	<u>2.236</u>	<u>796</u>	<u>6.683</u>	<u>3.171</u>
Change in current assets	51	(809)	2.682	(1.843)
Change in current liabilities	(519)	749	721	872
Cash from operations before interest and taxes	<u>1.768</u>	<u>736</u>	<u>10.086</u>	<u>2.200</u>
Interest income received	13	12	67	32
Interest expenses paid	(406)	(57)	(1.135)	(152)
Income taxes paid	(109)	62	(343)	(404)
Net cash provided by operating activities	<u>1.266</u>	<u>753</u>	<u>8.675</u>	<u>1.676</u>
Cash flows used in investing activities				
Payment for acquisition of subsidiary, net of cash acquired	(65)	(4.967)	(65)	(4.967)
Acquisition of real estate	(427)	(39)	(770)	(81)
Acquisition of investments properties	(13)	0	(46)	0
Acquisition of fixtures and equipment	(607)	(403)	(1.857)	(796)
Acquisition of intangible assets	(18)	(6)	(23)	37
Proceeds from the sale of operating assets	57	8	111	23
Long-term bonds, change	(37)	0	(60)	0
Dividends received	44	0	146	0
Net cash used in investing activities	<u>(1.066)</u>	<u>(5.407)</u>	<u>(2.564)</u>	<u>(5.784)</u>
Cash flows provided by (used in) financing activities				
Repayment of borrowings	(6.867)	(193)	(7.579)	(578)
Bank borrowings, change	0	(16)	(800)	1.084
Dividends paid	0	0	(1.159)	(1.129)
Proceeds from borrowings	8.000	5.282	8.000	5.282
Purchased own share	(255)	0	(719)	0
Lease liabilities, repayments	(472)	0	(1.225)	0
Net cash provided by (used in) financing activities	<u>406</u>	<u>5.073</u>	<u>(3.482)</u>	<u>4.659</u>
Net increase in cash and cash equivalents	606	419	2.629	551
Cash and cash equivalents at beginning of the period	2.759	354	736	222
Cash and cash equivalents at 30 November	3.365	773	3.365	773
Non-cash investing and financing activities				
Acquisition of subsidiary, paid with ordinary shares	0	(5.134)	0	(5.134)
Issue of ordinary share as consideration for business combination	0	1.943	0	1.943
Own shares granted as consideration for business combination	0	3.191	0	3.191