

Hagar hf.

Financial Summary

for Year Ended 29 February 2020

*This financial summary is translated from the Consolidated 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
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Consolidated Statement of Comprehensive Income

for the Year Ended 29 February 2020

	2019/20	2018/19
Sales	116.357	84.179
Cost of goods sold	(90.551)	(64.172)
Gross profit	25.806	20.007
Other operating income	484	340
Salaries and related expenses	(12.087)	(9.194)
Other operating expenses	(5.313)	(6.663)
Profit from operating activities before depreciation and amortisation .	8.890	4.490
Depreciation and amortisation	(3.927)	(1.300)
Profit from operating activities	4.963	3.190
Finance income	178	94
Finance expenses	(1.505)	(389)
Net finance expense	(1.327)	(295)
Share of profit (loss) of associates	139	(12)
Profit before income tax	3.775	2.883
Income tax	(721)	(566)
Comprehensive income for the year	3.054	2.317
Total comprehensive income for the period is attributable to:		
Shareholders of Hagar hf.	3.054	2.317
Non-controlling interests	0	0
	3.054	2.317
Earnings per share		
Basic earnings per share of ISK 1, basic and diluted	2,54	2,05

Consolidated Balance Sheet as at 29 February 2020

	29.2.2020	28.2.2019
Assets		
Property, plant and equipment	21.985	19.430
Investment property	4.386	3.863
Intangible assets	10.531	10.323
Leased assets	9.435	0
Investments in associates	1.166	1.171
Investments in other companies	39	39
Bonds	12	70
Total non-current assets	47.554	34.896
Assets classified as held for sale	0	430
Inventories	8.380	7.746
Trade and other receivables	3.510	2.978
Trade receivable - customers' credit cards	1.032	4.065
Cash and cash equivalents	2.232	736
Total current assets	15.154	15.525
Total assets	62.708	50.421
Equity		
Share capital	1.189	1.213
Share premium	4.017	5.023
Legal reserve	297	303
Restricted reserve	5.947	5.092
Retained earnings	13.136	12.648
Capital and reserves attributable to owners of Hagar hf.	24.586	24.279
Non-controlling interest	1	0
Total equity	24.587	24.279
Liabilities		
Loans and borrowings	12.182	4.594
Lease liabilities	7.984	0
Deferred income tax liability	2.196	2.283
Total non-current liabilities	22.362	6.877
Borrowings	442	7.631
Bank borrowings	1.273	800
Current tax liabilities	579	653
Lease liabilities	2.183	0
Trade and other payables	11.146	10.309
Provisions	137	302
Total current liabilities	15.760	19.695
Total liabilities	38.122	26.572
Total equity and liabilities	62.708	50.851

Consolidated Statement of Changes in Equity for the Year Ended 29 February 2020

	Share capital	Share premium	Legal reserve	Restricted reserve	Retained earnings	Total	Non controlling interests	Total equity
Changes in equity 2019/20								
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 share	(24)	(1.006)				(1.030)		(1.030)
Comprehensive income for the year					3.054	3.054	0	3.054
Transferred from legal reserve			(6)		6	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				855	(855)	0		0
Equity at 29 February 2020	1.189	4.017	297	5.947	13.136	24.586	1	24.587
Changes in equity 2018/19								
Equity at 1 March 2018	1.103	0	239	3.664	12.951	17.957	0	17.957
Comprehensive income for the year					2.317	2.317		2.317
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 to restricted reserves				1.428	(1.428)	0		0
Equity at 28 February 2019	1.213	5.023	303	5.092	12.648	24.279	0	24.279

Consolidated Statement of Cash Flows

for the Year Ended 29 February 2020

	2019/20	2018/19
Cash flows from operating activities		
Profit for the year	3.054	2.317
Adjustments for:		
(Gain) loss on sale of assets	(50)	62
Depreciation and amortisation	3.927	1.300
Net finance expense	1.327	295
Effect of results of associates	(139)	12
Income tax	721	566
Other items	0	(91)
Working capital from operating activities	8.840	4.461
Change in current assets	1.851	(70)
Change in current liabilities	1.230	(865)
Cash from operations before interest and taxes	11.921	3.526
Interest income received	107	94
Interest expenses paid	(1.440)	(381)
Income taxes paid	(760)	(357)
Net cash from operating activities	9.828	2.882
Cash flows used in investing activities		
Payment for acquisition of subsidiary, net of cash acquired	(323)	(4.967)
Acquisition of real estate	(2.486)	(113)
Acquisition of investments properties	(454)	(243)
Acquisition of fixtures and equipment	(2.136)	(1.203)
Acquisition of intangible assets	(45)	7
Proceeds from sale of real estate	21	230
Proceeds from sale of fixtures and equipment	94	34
Long-term bonds, change	(38)	6
Dividends received from associates	144	0
Dividends received from other companies	2	0
Net cash used in investing activities	(5.221)	(6.249)
Cash flows from financing activities		
Repayments of borrowings	(7.721)	(821)
Bank borrowings	473	549
Dividends paid	(1.159)	(1.129)
Proceeds from borrowings	8.000	5.282
Purchased own share	(1.030)	0
Leased liabilities, repayments	(1.674)	0
Net cash (used in) from financing activities	(3.111)	3.881
Net increase in cash and cash equivalents	1.496	514
Cash and cash equivalents at the beginning of the year	736	222
Cash and cash equivalents at the end of the year	2.232	736
Non cash investing and financing activities		
Acquisition of subsidiary, paid with ordinary shares	0	(5.134)
Issue of ordinary shares as consideration for business combination	0	1.943
Own shares granted as consideration for business combination	0	3.191

Quarterly statements (unaudited)

Amounts are in ISK million

Year 2019/20	Q1	Q2	Q3	Q4	Total
Sales	28.590	30.914	28.240	28.613	116.357
Cost of goods sold	(22.158)	(24.244)	(21.970)	(22.179)	(90.551)
Gross profit	<u>6.432</u>	<u>6.670</u>	<u>6.270</u>	<u>6.434</u>	<u>25.806</u>
Other operating income	108	156	121	99	484
Salaries and related expenses	(3.058)	(2.965)	(2.991)	(3.073)	(12.087)
Other operating expenses	(1.448)	(1.372)	(1.187)	(1.306)	(5.313)
Profit from operating activities before depreciation and amortisation	2.034	2.489	2.213	2.154	8.890
Depreciation and amortisation	(933)	(936)	(1.013)	(1.045)	(3.927)
Profit from operating activities	1.101	1.553	1.200	1.109	4.963
Financial income	56	57	25	40	178
Financial expenses	(354)	(374)	(465)	(312)	(1.505)
Net finance expense	(298)	(317)	(440)	(272)	(1.327)
Effect of results of associates	23	67	21	28	139
Profit before income tax	826	1.303	781	865	3.775
Income tax	(161)	(247)	(153)	(160)	(721)
Comprehensive income for the year	<u>665</u>	<u>1.056</u>	<u>628</u>	<u>705</u>	<u>3.054</u>
Year 2018/19					
Sales	18.592	19.142	18.521	27.924	84.179
Cost of goods sold	(14.000)	(14.579)	(14.124)	(21.469)	(64.172)
Gross profit	<u>4.592</u>	<u>4.563</u>	<u>4.397</u>	<u>6.455</u>	<u>20.007</u>
Other operating income	56	50	55	179	340
Salaries and related expenses	(2.054)	(1.951)	(2.107)	(3.082)	(9.194)
Other operating expenses	(1.401)	(1.479)	(1.611)	(2.172)	(6.663)
Profit from operating activities before indemnity, depreciation and amortisation	1.193	1.183	734	1.380	4.490
Depreciation and amortisation	(249)	(256)	(265)	(530)	(1.300)
Profit from operating activities	944	927	469	850	3.190
Financial income	14	7	12	61	94
Financial expenses	(48)	(49)	(56)	(236)	(389)
Net finance expense	(34)	(42)	(44)	(175)	(295)
Effect of results of associates	0	0	0	(12)	(12)
Profit before income tax	910	885	425	663	2.883
Income tax	(182)	(177)	(97)	(110)	(566)
Comprehensive income for the year	<u>728</u>	<u>708</u>	<u>328</u>	<u>553</u>	<u>2.317</u>