

Hagar hf.
Financial Summary
1 March - 30 November 2021

*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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Consolidated Statement of Comprehensive Income

for the nine months ended 30 November 2021

	Q3 2021	Q3 2020	2021	2020
	1.9.-30.11.	1.9.-30.11.	1.3.-30.11.	1.3.-30.11.
Sales	33.551	29.787	100.470	88.952
Cost of goods sold	<u>(26.635)</u>	<u>(23.392)</u>	<u>(79.321)</u>	<u>(69.461)</u>
Gross profit	6.916	6.395	21.149	19.491
Other operating income	125	96	354	279
Profit from the sale of companies	0	0	349	0
Salaries and related expenses	<u>(3.132)</u>	<u>(3.197)</u>	<u>(9.564)</u>	<u>(9.537)</u>
Other operating expenses	<u>(1.374)</u>	<u>(1.347)</u>	<u>(4.212)</u>	<u>(3.970)</u>
Profit from operating activities before depreciation and amortisation	2.535	1.947	8.076	6.263
Depreciation and amortisation	<u>(1.105)</u>	<u>(1.038)</u>	<u>(3.007)</u>	<u>(3.130)</u>
Profit from operating activities	1.430	909	5.069	3.133
Finance income	<u>(5)</u>	9	9	42
Finance expenses	<u>(368)</u>	<u>(390)</u>	<u>(1.113)</u>	<u>(1.273)</u>
Net finance expense	<u>(373)</u>	<u>(381)</u>	<u>(1.104)</u>	<u>(1.231)</u>
Share of profit of associates	23	25	144	150
Profit before income tax	1.080	553	4.109	2.052
Income tax	<u>(239)</u>	<u>(105)</u>	<u>(832)</u>	<u>(379)</u>
Comprehensive income for the period	<u>841</u>	<u>448</u>	<u>3.277</u>	<u>1.673</u>
Total comprehensive income for the period is attributable to:				
Owners of Hagar hf.	841	448	3.267	1.676
Non-controlling interests	<u>0</u>	<u>0</u>	<u>10</u>	<u>(3)</u>
	841	448	3.277	1.673
Earnings per share:				
Basic and diluted earnings per share of ISK 1	0,73	0,37	2,84	1,42
Diluted earnings per share of ISK 1	0,73	0,37	2,82	1,42

Consolidated Balance Sheet as at 30 November 2021

	30.11.2021	28.2.2021
Assets		
Property, plant and equipment	21.283	23.444
Investment properties	3.492	4.326
Intangible assets	10.733	10.547
Leased assets	8.338	8.255
Investments in associates	1.377	1.202
Investments in other companies	41	41
Bonds	19	1
Total non-current assets	45.283	47.816
Assets classified as held for sale	2.388	0
Inventories	10.776	8.791
Trade and other receivables	4.754	3.219
Trade receivable - customers' credit cards	519	1.434
Cash and cash equivalents	2.056	388
Total current assets	20.493	13.832
Total assets	65.776	61.648
 Equity		
Share capital	1.146	1.154
Share premium	1.640	2.132
Legal reserve	287	289
Restricted reserve	4.382	4.433
Retained earnings	19.047	17.181
Capital and reserves attributable to owners of Hagar hf.	26.502	25.189
Non-controlling interest	0	(2)
Total equity	26.502	25.187
 Liabilities		
Loans and borrowings	11.759	9.368
Lease liabilities	7.106	7.010
Deferred income tax liabilities	2.867	2.214
Total non-current liabilities	21.732	18.592
Borrowings	455	2.957
Bank borrowings	0	601
Current tax liabilities	926	471
Lease liabilities	1.951	2.019
Trade and other payables	14.210	11.821
Total current liabilities	17.542	17.869
Total liabilities	39.274	36.461
Total equity and liabilities	65.776	61.648

Consolidated Statement of Changes in Equity for the nine months ended 30 November 2021

	Share capital	Share premium	Legal reserve	Restricted equity reserve	Restricted stock option reserve	Retained earnings	Total	Non controlling interests	Total equity
1 March to 30 November 2021									
Equity at 1 March 2021	1.154	2.132	289	4.433	0	17.181	25.189	(2)	25.187
Purchased own shares	(8)	(492)					(500)		(500)
Comprehensive income for the period						3.267	3.267	10	3.277
Transferred from restricted reserves				(63)		63	0		0
Accrued costs due to stock option agreements					12		12		12
Non-controlling interests in sale of a subsidiary							0	(8)	(8)
Dividends paid, 1,27 ISK per share						(1.466)	(1.466)		(1.466)
Transferred from legal reserves			(2)			2	0		0
Equity at 30 November 2021	<u>1.146</u>	<u>1.640</u>	<u>287</u>	<u>4.370</u>	<u>12</u>	<u>19.047</u>	<u>26.502</u>	<u>0</u>	<u>26.502</u>
1 March to 30 November 2020:									
Equity at 1 March 2020	1.189	4.017	297	5.947	0	13.136	24.586	1	24.587
Purchased own shares	(18)	(902)					(920)		(920)
Comprehensive income for the period						1.676	1.676	-3	1.673
Transferred from legal reserves			(4)			4	0		0
Transferred from restricted reserves				(2.450)		2.450	0		0
Equity at 30 November 2020	<u>1.171</u>	<u>3.115</u>	<u>293</u>	<u>3.497</u>	<u>0</u>	<u>17.267</u>	<u>25.343</u>	<u>(2)</u>	<u>25.341</u>

At June 3, 2021 the annual general meeting approved that dividends should be paid to shareholders for the year 2020/21, amounting to ISK 1,27 per share or ISK 1.466 million. The annual general meeting also agreed to reduce the share capital of the company by nominal value ISK 26,4 million, by invalidating its own shares. The registered share capital after the reduction will be ISK 1.154 million.

Consolidated Statement of Cash Flows for the nine months ended 30 November 2021

	Q3 2021	Q3 2020	2021	2020
	1.9.-30.11.	1.9.-30.11.	1.3.-30.11.	1.3.-30.11.
Cash flows from operating activities				
Profit for the period	841	448	3.277	1.673
Adjustments for:				
Gain on sale of assets	0	(2)	(131)	(3)
Depreciation and amortisation	1.105	1.038	3.007	3.130
Net finance expense	373	381	1.104	1.231
Effect of results of associates	(23)	(25)	(144)	(150)
Income tax	239	105	832	379
Other items	0	0	12	0
Working capital provided by operating activities	<u>2.535</u>	<u>1.945</u>	<u>7.957</u>	<u>6.260</u>
Change in current assets	(780)	(828)	(2.754)	(1.329)
Change in current liabilities	1.141	1.697	3.169	2.444
Cash from operations before interest and taxes	<u>2.896</u>	<u>2.814</u>	<u>8.372</u>	<u>7.375</u>
Interest income received	(5)	36	9	53
Interest expenses paid	(275)	(308)	(875)	(925)
Income taxes paid	(138)	(214)	(471)	(572)
Net cash provided by operating activities	<u>2.478</u>	<u>2.328</u>	<u>7.035</u>	<u>5.931</u>
Cash flows used in investing activities				
Investments in other companies	0	(1)	0	(1)
Acquisition of real estate	(17)	(353)	(75)	(1.694)
Acquisition of investments properties	(6)	(6)	(80)	(17)
Acquisition of fixtures and equipment	(314)	(502)	(1.168)	(1.357)
Acquisition of intangible assets	(147)	(31)	(191)	(41)
Proceeds from the sale of operating assets	23	19	107	58
Long-term bonds, change	94	(10)	77	28
Shares sold in a subsidiary	0	0	141	0
Investment in associates	0	0	(156)	0
Dividends received	0	90	124	90
Net cash used in investing activities	<u>(367)</u>	<u>(794)</u>	<u>(1.221)</u>	<u>(2.934)</u>
Cash flows provided by (used in) financing activities				
Repayment of borrowings	(2.606)	(117)	(2.844)	(344)
Bank borrowings, change	0	0	(601)	(1.273)
Dividends paid	0	0	(1.466)	0
Proceeds from borrowings	2.500	0	2.500	0
Purchased own share	(500)	(500)	(500)	(920)
Lease liabilities, repayments	(400)	(433)	(1.235)	(1.319)
Net cash used in financing activities	<u>(1.006)</u>	<u>(1.050)</u>	<u>(4.146)</u>	<u>(3.856)</u>
Net increase (decrease) in cash and cash equivalents	1.105	484	1.668	(859)
Cash and cash equivalents at beginning of the period.....	951	889	388	2.232
Cash and cash equivalents at the end of the period.....	<u>2.056</u>	<u>1.373</u>	<u>2.056</u>	<u>1.373</u>