

Hagar hf.

Financial Summary

1 March 2021 - 31 May 2021

*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
Reg. no. 670203-2120

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Consolidated Statement of Comprehensive Income

for the three months ended 31 May 2021

	2021	2020
	1.3.-31.5.	1.3.-31.5.
Sales	32.034	28.241
Cost of goods sold	(25.185)	(22.412)
Gross profit	<u>6.849</u>	<u>5.829</u>
Other operating income	104	98
Profit from sale of a subsidiary	80	0
Salaries and related expenses	(3.250)	(3.276)
Other operating expenses	(1.505)	(1.354)
Profit from operating activities before depreciation and amortisation	2.278	1.297
Depreciation and amortisation	(1.005)	(1.024)
Profit from operating activities	1.273	273
Finance income	7	17
Finance expenses	(397)	(448)
Net finance expense	<u>(390)</u>	<u>(431)</u>
Share of profit of associates	31	30
Profit (loss) before income tax	914	(128)
Income tax	(187)	32
Comprehensive income (loss) for the period	<u>727</u>	<u>(96)</u>
 Total comprehensive income (loss) for the period is attributable to:		
Shareholders of Hagar hf.	717	(94)
Non-controlling interest	10	(2)
	<u>727</u>	<u>(96)</u>
 Earnings per share:		
Basic earnings per share of ISK 1, basic and diluted	0,63	(0,08)

Consolidated Balance Sheet as at 31 May 2021

	31.5.2021	28.2.2021
Assets		
Property, plant and equipment	23.129	23.444
Investment property	4.606	4.326
Intangible assets	10.486	10.547
Lease assets	7.943	8.255
Investments in associates	1.233	1.202
Investments in other companies	41	41
Bonds	16	1
Total non-current assets	47.454	47.816
Inventories	8.990	8.791
Trade and other receivables	3.757	3.219
Trade receivable - customers' credit cards	1.335	1.434
Cash and cash equivalents	1.331	388
Total current assets	15.413	13.832
Total assets	62.867	61.648
Equity		
Share capital	1.154	1.154
Share premium	2.132	2.132
Legal reserve	289	289
Restricted reserve	5.257	4.433
Retained earnings	17.074	17.181
Capital and reserves attributable to owners of Hagar hf.	25.906	25.189
Non-controlling interest	0	(2)
Total equity	25.906	25.187
Liabilities		
Loans and borrowings	9.355	9.368
Lease liabilities	6.700	7.010
Deferred income tax liability	2.569	2.214
Total non-current liabilities	18.624	18.592
Borrowings	2.958	2.957
Bank borrowings	0	601
Current tax liabilities	491	471
Lease liabilities	2.020	2.019
Trade and other payables	12.868	11.821
Total current liabilities	18.337	17.869
Total liabilities	36.961	36.461
Total equity and liabilities	62.867	61.648

Consolidated Statement of Changes in Equity for the three months ended 31 May 2021

	Share capital	Share premium	Legal reserve	Restricted reserve	Retained earnings	Total	Non- controlling interest	Total equity
Changes in equity from 1 March to 31 May 2021:								
Equity at 1 March 2021	1.154	2.132	289	4.433	17.181	25.189	(2)	25.187
Comprehensive income for the period					717	717	10	727
Transferred to restricted reserves				824	(824)	0		0
Non-controlling interests in sale of a subsidiary						0	(8)	(8)
Equity at 31 May 2021	<u>1.154</u>	<u>2.132</u>	<u>289</u>	<u>5.257</u>	<u>17.074</u>	<u>25.906</u>	<u>0</u>	<u>25.906</u>
Changes in equity from 1 March to 31 May 2020:								
Equity at 1 March 2020	1.189	4.017	297	5.947	13.136	24.586	1	24.587
Purchased own share	(8)	(412)				(420)		(420)
Comprehensive loss for the period					(94)	(94)	(2)	(96)
Transferred to restricted reserves				163	(163)	0		0
Equity at 31 May 2020	<u>1.181</u>	<u>3.605</u>	<u>297</u>	<u>6.110</u>	<u>12.879</u>	<u>24.072</u>	<u>(1)</u>	<u>24.071</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 about ISK 1.500 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 three months ended 31 May 2021

	2021		2020
	1.3.-31.5.	(	1.3.-31.5.
Cash flows from operating activities			
Profit (loss) for the period	727	(	96)
Adjustments for:			
(Gain) loss on sale of assets	(136)		1
Depreciation and amortisation	1.005		1.024
Net finance expense	390		431
Effect of results of associates	(31)	(	30)
Income tax	187	(	32)
Working capital from operating activities	2.142		1.298
Change in current assets	(652)	(	134)
Change in current liabilities	1.470		2.071
Cash from operations before interest and taxes	2.960		3.235
Interest income received	7		1
Interest expenses paid	(277)	(	302)
Income taxes paid	(183)	(	273)
Net cash from operating activities	2.507		2.661
Cash flows used in investing activities			
Acquisition of real estate	(49)	(	287)
Acquisition of investments properties	(33)	(	13)
Acquisition of fixtures and equipment	(489)	(	597)
Acquisition of intangible assets	(15)	(	6)
Proceeds from sale of fixtures and equipment	24		28
Long-term bonds, change	(17)		17
Shares sold in a subsidiary	141		0
Net cash used in investing activities	(438)	(	858)
Cash flows used in financing activities			
Repayments of borrowings	(114)	(	116)
Bank borrowings	(601)		415
Purchased own share	0	(	420)
Lease liabilities, repayments	(411)	(	439)
Net cash used in financing activities	(1.126)	(	560)
Net increase in cash and cash equivalents	943		1.243
Cash and cash equivalents at the beginning of the period	388		2.232
Cash and cash equivalents at the end of the period	1.331		3.475