

Hagar hf.
Financial Summary
for Year Ended 28 February 2022

*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 28 February 2022

	2021/22	2020/21
Sales	135.758	119.582
Cost of goods sold	(107.317)	(93.067)
Gross profit	28.441	26.515
Other operating income	874	409
Salaries and related expenses	(12.992)	(12.812)
Other operating expenses	(5.805)	(5.307)
Profit from operating activities before depreciation and amortisation	10.518	8.805
Depreciation and amortisation	(4.241)	(4.258)
Profit from operating activities	6.277	4.547
Finance income	34	53
Finance expenses	(1.537)	(1.606)
Net finance expense	(1.503)	(1.553)
Share of profit of associates	209	125
Profit before income tax	4.983	3.119
Income tax	(982)	(600)
Comprehensive income for the year	4.001	2.519
Total comprehensive income for the period is attributable to:		
Shareholders of Hagar hf.	3.991	2.522
Non-controlling interests	10	(3)
	4.001	2.519
Earnings per share		
Basic earnings per share of ISK 1	3,47	2,15
Diluted earnings per share of ISK 1	3,43	2,15

Consolidated Balance Sheet as at 28 February 2022

	28.2.2022	28.2.2021
Assets		
Property, plant and equipment	21.215	23.444
Investment property	3.474	4.326
Intangible assets	10.723	10.547
Right of use assets	8.151	8.255
Investments in associates	1.443	1.202
Investments in other companies	40	41
Bonds	18	1
Total non-current assets	45.064	47.816
Inventories	10.707	8.791
Trade and other receivables	4.871	3.219
Trade receivable - customers' credit cards	1.379	1.434
Cash and cash equivalents	783	388
Total current assets	17.740	13.832
Assets classified as held for sale	2.388	0
Total assets	65.192	61.648
 Equity		
Share capital	1.139	1.154
Share premium	1.147	2.132
Legal reserve	285	289
Restricted reserve	5.286	4.433
Retained earnings	18.869	17.181
Capital and reserves attributable to owners of Hagar hf.	26.726	25.189
Non-controlling interest	0	(2)
Total equity	26.726	25.187
 Liabilities		
Loans and borrowings	11.720	9.368
Lease liabilities	6.918	7.010
Deferred income tax liability	2.312	2.214
Total non-current liabilities	20.950	18.592
Borrowings	451	2.957
Bank borrowings	0	601
Current tax liabilities	770	471
Lease liabilities	1.966	2.019
Trade and other payables	14.329	11.821
Total current liabilities	17.516	17.869
Total liabilities	38.466	36.461
Total equity and liabilities	65.192	61.648

Consolidated Statement of Changes in Equity for the Year Ended 28 February 2022

	Share capital	Share premium	Legal reserve	Restricted reserve	Restricted stock option reserve	Retained earnings	Total	Non controlling interests	Total equity
Changes in equity 2021/22									
Equity at 1 March 2021	1.154	2.132	289	4.433	0	17.181	25.189	(2)	25.187
Purchased own share	(15)	(985)					(1.000)		(1.000)
Comprehensive income for the year						3.991	3.991	10	4.001
Transferred from legal reserve			(4)			4	0		0
Transferred to restricted reserves				841		(841)	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)
Equity at 28 February 2022	1.139	1.147	285	5.274	12	18.869	26.726	0	26.726
Changes in equity 2020/21									
Equity at 1 March 2020	1.189	4.017	297	5.947	0	13.136	24.586	1	24.587
Purchased own share	(35)	(1.885)					(1.920)		(1.920)
Comprehensive income for the year						2.522	2.522	(3)	2.519
Transferred to legal reserve			(8)			8	0		0
Transferred to restricted reserves				(1.514)		1.514	0		0
Equity at 28 February 2021	1.154	2.132	289	4.433	0	17.181	25.189	(2)	25.187

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 Year Ended 28 February 2022

	2021/22	2020/21
Cash flows from operating activities		
Profit for the year	4.001	2.519
Adjustments for:		
Gain on sale of assets	(147)	(14)
Depreciation and amortisation	4.241	4.258
Net finance expense	1.503	1.553
Effect of results of associates	(209)	(125)
Other items	12	0
Income tax	982	600
Working capital from operating activities	10.383	8.791
Change in current assets	(3.678)	(513)
Change in current liabilities	2.389	68
Cash from operations before interest and taxes	9.094	8.346
Interest income received	32	64
Interest expenses paid	(1.146)	(1.211)
Income taxes paid	(569)	(572)
Net cash from operating activities	7.411	6.627
Cash flows used in investing activities		
Share capital to subsidiaries	(2)	0
Acquisition of real estate	(129)	(1.835)
Acquisition of investments properties	(51)	(35)
Acquisition of fixtures and equipment	(1.651)	(2.040)
Acquisition of intangible assets	(368)	(53)
Proceeds from sale of fixtures and equipment	132	256
Shares hold in subsidiaries	141	0
Shares sold in other companies	0	(1)
Investment in associates	(156)	0
Dividends received from associates	124	89
Long-term bonds, change	96	28
Net cash used in investing activities	(1.864)	(3.591)
Cash flows from financing activities		
Repayments of borrowings	(2.958)	(535)
Bank borrowings	(601)	(672)
Dividends paid	(1.466)	0
Proceeds from borrowings	2.500	0
Purchased own share	(1.000)	(1.920)
Lease liabilities, repayments	(1.627)	(1.753)
Net cash used in financing activities	(5.152)	(4.880)
Net increase (decrease) in cash and cash equivalents	395	(1.844)
Cash and cash equivalents at the beginning of the year	388	2.232
Cash and cash equivalents at the end of the year	783	388

Quarterly statements (unaudited)

Year 2021/22	Q1	Q2	Q3	Q4	Total
Sales	32.034	34.885	33.551	35.288	135.758
Cost of goods sold	(25.185)	(27.501)	(26.635)	(27.996)	(107.317)
Gross profit	<u>6.849</u>	<u>7.384</u>	<u>6.916</u>	<u>7.292</u>	<u>28.441</u>
Other operating income	184	394	125	171	874
Salaries and related expenses	(3.250)	(3.182)	(3.132)	(3.428)	(12.992)
Other operating expenses	(1.505)	(1.333)	(1.374)	(1.593)	(5.805)
Profit from operating activities before depreciation and amortisation	<u>2.278</u>	<u>3.263</u>	<u>2.535</u>	<u>2.442</u>	<u>10.518</u>
Depreciation and amortisation	(1.005)	(897)	(1.105)	(1.234)	(4.241)
Profit from operating activities	<u>1.273</u>	<u>2.366</u>	<u>1.430</u>	<u>1.208</u>	<u>6.277</u>
Financial income	7	7	(5)	25	34
Financial expenses	(397)	(348)	(368)	(424)	(1.537)
Net finance expense	<u>(390)</u>	<u>(341)</u>	<u>(373)</u>	<u>(399)</u>	<u>(1.503)</u>
Effect of results of associates	31	90	23	65	209
Profit before income tax	<u>914</u>	<u>2.115</u>	<u>1.080</u>	<u>874</u>	<u>4.983</u>
Income tax	(187)	(406)	(239)	(150)	(982)
Comprehensive income for the year	<u>727</u>	<u>1.709</u>	<u>841</u>	<u>724</u>	<u>4.001</u>
Year 2020/21	Q1	Q2	Q3	Q4	Total
Sales	28.241	30.924	29.787	30.630	119.582
Cost of goods sold	(22.412)	(23.657)	(23.392)	(23.606)	(93.067)
Gross profit	<u>5.829</u>	<u>7.267</u>	<u>6.395</u>	<u>7.024</u>	<u>26.515</u>
Other operating income	98	85	96	130	409
Salaries and related expenses	(3.276)	(3.064)	(3.197)	(3.275)	(12.812)
Other operating expenses	(1.354)	(1.269)	(1.347)	(1.337)	(5.307)
Profit from operating activities before depreciation and amortisation	<u>1.297</u>	<u>3.019</u>	<u>1.947</u>	<u>2.542</u>	<u>8.805</u>
Depreciation and amortisation	(1.024)	(1.068)	(1.038)	(1.128)	(4.258)
Profit from operating activities	<u>273</u>	<u>1.951</u>	<u>909</u>	<u>1.414</u>	<u>4.547</u>
Financial income	17	16	9	11	53
Financial expenses	(448)	(435)	(390)	(333)	(1.606)
Net finance expense	<u>(431)</u>	<u>(419)</u>	<u>(381)</u>	<u>(322)</u>	<u>(1.553)</u>
Effect of results of associates	30	95	25	(25)	125
Profit before income tax	<u>(128)</u>	<u>1.627</u>	<u>553</u>	<u>1.067</u>	<u>3.119</u>
Income tax	32	(306)	(105)	(221)	(600)
Comprehensive income for the year	<u>(96)</u>	<u>1.321</u>	<u>448</u>	<u>846</u>	<u>2.519</u>