

Hagar hf.
Financial Summary
1 March - 30 November 2020

*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 2020

	Q3 2020	Q3 2019	2020	2019
	1.9.-30.11.	1.9.-30.11.	1.3.-30.11.	1.3.-30.11.
Sales	29.787	28.240	88.952	87.744
Cost of goods sold	<u>(23.392)</u>	<u>(21.970)</u>	<u>(69.461)</u>	<u>(68.372)</u>
Gross profit	6.395	6.270	19.491	19.372
Other operating income	96	121	279	385
Salaries and related expenses	<u>(3.197)</u>	<u>(2.991)</u>	<u>(9.537)</u>	<u>(9.014)</u>
Other operating expenses	<u>(1.347)</u>	<u>(1.187)</u>	<u>(3.970)</u>	<u>(4.007)</u>
Profit from operating activities before depreciation and amortisation	1.947	2.213	6.263	6.736
Depreciation and amortisation	<u>(1.038)</u>	<u>(1.013)</u>	<u>(3.130)</u>	<u>(2.882)</u>
Profit from operating activities	909	1.200	3.133	3.854
Finance income	9	25	42	138
Finance expenses	<u>(390)</u>	<u>(465)</u>	<u>(1.273)</u>	<u>(1.193)</u>
Net finance expense	<u>(381)</u>	<u>(440)</u>	<u>(1.231)</u>	<u>(1.055)</u>
Share of profit of associates	25	21	150	111
Profit before income tax	553	781	2.052	2.910
Income tax	<u>(105)</u>	<u>(153)</u>	<u>(379)</u>	<u>(561)</u>
Comprehensive income for the period	<u>448</u>	<u>628</u>	<u>1.673</u>	<u>2.349</u>
Total comprehensive income for the period is attributable to:				
Owners of Hagar hf.	448	628	1.676	2.349
Non-controlling interests	<u>0</u>	<u>0</u>	<u>(3)</u>	<u>0</u>
	448	628	1.673	2.349
Earnings per share:				
Basic and diluted earnings per share of ISK 1	0,37	0,52	1,42	1,95

Consolidated Balance Sheet as at 30 November 2020

	30.11.2020	29.2.2020
Assets		
Property, plant and equipment	23.407	21.985
Investment properties	4.332	4.386
Intangible assets	10.542	10.531
Leased assets	8.582	9.435
Investments in associates	1.226	1.166
Investments in other companies	40	39
Bonds	1	12
Total non-current assets	48.130	47.554
Inventories	9.421	8.380
Trade and other receivables	3.469	3.510
Trade receivable - customers' credit cards	1.350	1.032
Cash and cash equivalents	1.373	2.232
Total current assets	15.613	15.154
Total assets	63.743	62.708
 Equity		
Share capital	1.171	1.189
Share premium	3.115	4.017
Legal reserve	293	297
Restricted reserve	3.497	5.947
Retained earnings	17.267	13.136
Capital and reserves attributable to owners of Hagar hf.	25.343	24.586
Non-controlling interest	(2)	1
Total equity	25.341	24.587
 Liabilities		
Loans and borrowings	12.030	12.182
Lease liabilities	7.305	7.984
Deferred income tax liabilities	2.955	2.196
Total non-current liabilities	22.290	22.362
Borrowings	468	442
Bank borrowings	0	1.273
Current tax liabilities	556	579
Lease liabilities	2.033	2.183
Trade and other payables	13.055	11.146
Provisions	0	137
Total current liabilities	16.112	15.760
Total liabilities	38.402	38.122
Total equity and liabilities	63.743	62.708

Consolidated Statement of Changes in Equity for the nine months ended 30 November 2020

	Share capital	Share premium	Legal reserve	Restricted reserve	Retained earnings	Total	Non controlling interests	Total equity
1 March to 30 November 2020:								
Equity at 1 March 2020	1.189	4.017	297	5.947	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>17.267</u>	<u>25.343</u>	<u>(2)</u>	<u>25.341</u>
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 period					2.349	2.349		2.349
Transferred from legal reserves			(4)		4	0		0
Non-controlling interests on acquisition of subsidiary					0	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>

On June 9th 2020, the Company's Annual General Meeting approved that no dividend would be paid to shareholders for the previous financial year. The Annual General Meeting agreed to reduce the company's share capital to the annulment of own shares to a nominal value of ISK 32,7 million. kr. The reduction was implemented on 3rd of July 2020 reducing Hagar's nominal share capital from ISK 1,213 million to ISK 1,181 million.

Consolidated Statement of Cash Flows for the nine months ended 30 November 2020

	Q3 2020	Q3 2019	2020	2019
	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	448	628	1.673	2.349
Adjustments for:				
Gain on sale of assets	(2)	(23)	(3)	(53)
Depreciation and amortisation	1.038	1.013	3.130	2.882
Net finance expense	381	440	1.231	1.055
Other items	0	46	0	0
Effect of results of associates	(25)	(21)	(150)	(111)
Income tax	105	153	379	561
Working capital provided by operating activities	1.945	2.236	6.260	6.683
Change in current assets	(828)	51	(1.329)	2.682
Change in current liabilities	1.697	(519)	2.444	721
Cash from operations before interest and taxes	2.814	1.768	7.375	10.086
Interest income received	36	13	53	67
Interest expenses paid	(308)	(406)	(925)	(1.135)
Income taxes paid	(214)	(109)	(572)	(343)
Net cash provided by operating activities	2.328	1.266	5.931	8.675
Cash flows used in investing activities				
Payment for acquisition of subsidiary, net of cash acquired	0	(65)	0	(65)
Investments in other companies	(1)	0	(1)	0
Acquisition of real estate	(353)	(427)	(1.694)	(770)
Acquisition of investments properties	(6)	(13)	(17)	(46)
Acquisition of fixtures and equipment	(502)	(607)	(1.357)	(1.857)
Acquisition of intangible assets	(31)	(18)	(41)	(23)
Proceeds from the sale of operating assets	19	57	58	111
Long-term bonds, change	(10)	(37)	28	(60)
Dividends received	90	44	90	146
Net cash used in investing activities	(794)	(1.066)	(2.934)	(2.564)
Cash flows provided by (used in) financing activities				
Repayment of borrowings	(117)	(6.867)	(344)	(7.579)
Bank borrowings, change	0	0	(1.273)	(800)
Dividends paid	0	0	0	(1.159)
Proceeds from borrowings	0	8.000	0	8.000
Purchased own share	(500)	(255)	(920)	(719)
Lease liabilities, repayments	(433)	(472)	(1.319)	(1.225)
Net cash (used in) provided by financing activities	(1.050)	406	(3.856)	(3.482)
Net increase (decrease) in cash and cash equivalents	484	606	(859)	2.629
Cash and cash equivalents at beginning of the period	889	2.759	2.232	736
Cash and cash equivalents at 30 November	1.373	3.365	1.373	3.365