

Hagar hf.
Financial Summary
for Year Ended 28 February 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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Consolidated Statement of Comprehensive Income for the Year Ended 28 February 2021

	2020/21	2019/20
Sales	119.582	116.357
Cost of goods sold	(93.067)	(90.551)
Gross profit	26.515	25.806
Other operating income	409	484
Salaries and related expenses	(12.812)	(12.087)
Other operating expenses	(5.307)	(5.313)
Profit from operating activities before depreciation and amortisation .	8.805	8.890
Depreciation and amortisation	(4.258)	(3.927)
Profit from operating activities	4.547	4.963
Finance income	53	178
Finance expenses	(1.606)	(1.505)
Net finance expense	(1.553)	(1.327)
Share of profit of associates	125	139
Profit before income tax	3.119	3.775
Income tax	(600)	(721)
Comprehensive income for the year	2.519	3.054
Total comprehensive income for the period is attributable to:		
Shareholders of Hagar hf.	2.522	3.054
Non-controlling interests	(3)	0
	2.519	3.054
Earnings per share		
Basic and diluted earnings per share of ISK 1	2,15	2,54

Consolidated Balance Sheet as at 28 February 2021

	28.2.2021	29.2.2020
Assets		
Property, plant and equipment	23.444	21.985
Investment property	4.326	4.386
Intangible assets	10.547	10.531
Right of use assets	8.255	9.435
Investments in associates	1.202	1.166
Investments in other companies	41	39
Bonds	1	12
Total non-current assets	47.816	47.554
Inventories	8.791	8.380
Trade and other receivables	3.219	3.510
Trade receivable - customers' credit cards	1.434	1.032
Cash and cash equivalents	388	2.232
Total current assets	13.832	15.154
Total assets	61.648	62.708
Equity		
Share capital	1.154	1.189
Share premium	2.132	4.017
Legal reserve	289	297
Restricted reserve	4.433	5.947
Retained earnings	17.181	13.136
Capital and reserves attributable to owners of Hagar hf.	25.189	24.586
Non-controlling interest	(2)	1
Total equity	25.187	24.587
Liabilities		
Loans and borrowings	9.368	12.182
Lease liabilities	7.010	7.984
Deferred income tax liability	2.214	2.196
Total non-current liabilities	18.592	22.362
Borrowings	2.957	442
Bank borrowings	601	1.273
Current tax liabilities	471	579
Lease liabilities	2.019	2.183
Trade and other payables	11.821	11.146
Provisions	0	137
Total current liabilities	17.869	15.760
Total liabilities	36.461	38.122
Total equity and liabilities	61.648	62.708

Consolidated Statement of Changes in Equity for the Year Ended 28 February 2021

	Share capital	Share premium	Legal reserve	Restricted reserve	Retained earnings	Total	Non controlling interests	Total equity
Changes in equity 2020/21								
Equity at 1 March 2020	1.189	4.017	297	5.947	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 from 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	17.181	25.189	(2)	25.187
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		3.054
Transferred to 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

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 Year Ended 28 February 2021

	2020/21	2019/20
Cash flows from operating activities		
Profit for the year	2.519	3.054
Adjustments for:		
Gain on sale of assets	(14)	(50)
Depreciation and amortisation	4.258	3.927
Net finance expense	1.553	1.327
Effect of results of associates	(125)	(139)
Income tax	600	721
Working capital from operating activities	8.791	8.840
Change in current assets	(513)	1.851
Change in current liabilities	68	1.230
Cash from operations before interest and taxes	8.346	11.921
Interest income received	64	107
Interest expenses paid	(1.211)	(1.440)
Income taxes paid	(572)	(760)
Net cash from operating activities	6.627	9.828
Cash flows used in investing activities		
Payment for acquisition of subsidiary, net of cash acquired	0	(323)
Acquisition of real estate	(1.835)	(2.486)
Acquisition of investments properties	(35)	(454)
Acquisition of fixtures and equipment	(2.040)	(2.136)
Acquisition of intangible assets	(53)	(45)
Investment in shares in other companies	(1)	0
Proceeds from sale of real estate	0	21
Proceeds from sale of fixtures and equipment	256	94
Long-term bonds, change	28	(38)
Dividends received from associates	89	144
Dividends received from other companies	0	2
Net cash used in investing activities	(3.591)	(5.221)
Cash flows from financing activities		
Repayments of borrowings	(535)	(7.721)
Bank borrowings	(672)	473
Dividends paid	0	(1.159)
Proceeds from borrowings	0	8.000
Purchased own share	(1.920)	(1.030)
Lease liabilities, repayments	(1.753)	(1.674)
Net cash used in financing activities	(4.880)	(3.111)
Net (decrease) increase in cash and cash equivalents	(1.844)	1.496
Cash and cash equivalents at the beginning of the year	2.232	736
Cash and cash equivalents at the end of the year	388	2.232

Quarterly statements (unaudited)

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	1.297	3.019	1.947	2.542	8.805
Depreciation and amortisation	(1.024)	(1.068)	(1.038)	(1.128)	(4.258)
Profit from operating activities	273	1.951	909	1.414	4.547
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	(128)	1.627	553	1.067	3.119
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>
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 indemnity, 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	<u>(298)</u>	<u>(317)</u>	<u>(440)</u>	<u>(272)</u>	<u>(1.327)</u>
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>