

Hagar hf.  
Financial Summary  
1 March - 31 August 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.  
Hagasmári 1  
201 Kópavogur  
Iceland

Reg. no. 670203-2120

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# Consolidated Statement of Comprehensive Income

## for the six months ended 31 August 2021

	Second quarter		First half	
	2021	2020	2021	2020
	1.6.-31.8.	1.6.-31.8.	1.3.-31.8.	1.3.-31.8.
	*	*		
Sales .....	34.885	30.924	66.919	59.165
Cost of goods sold .....	( 27.501)	( 23.657)	( 52.686)	( 46.069)
<b>Gross profit</b> .....	<u>7.384</u>	<u>7.267</u>	<u>14.233</u>	<u>13.096</u>
Other operating income .....	125	85	229	183
Profit from the sale of companies .....	269	0	349	0
Salaries and related expenses .....	( 3.182)	( 3.064)	( 6.432)	( 6.340)
Other operating expenses .....	( 1.333)	( 1.269)	( 2.838)	( 2.623)
<b>Profit from operating activities before depreciation and amortisation</b> .....	3.263	3.019	5.541	4.316
Depreciation and amortisation .....	( 897)	( 1.068)	( 1.902)	( 2.092)
<b>Profit from operating activities</b> .....	2.366	1.951	3.639	2.224
Finance income .....	7	16	14	33
Finance expenses .....	( 348)	( 435)	( 745)	( 883)
<b>Net finance expense</b> .....	( 341)	( 419)	( 731)	( 850)
Share of profit of associates .....	90	95	121	125
<b>Profit before income tax</b> .....	2.115	1.627	3.029	1.499
Income tax .....	( 406)	( 306)	( 593)	( 274)
<b>Comprehensive income for the period</b> .....	<u>1.709</u>	<u>1.321</u>	<u>2.436</u>	<u>1.225</u>
<b>Total comprehensive income for the period is attributable to:</b>				
Shareholders of Hagar hf. ....	1.709	1.322	2.426	1.228
Non-controlling interests .....	0	( 1)	10	( 3)
	<u>1.709</u>	<u>1.321</u>	<u>2.436</u>	<u>1.225</u>
<b>Earnings per share:</b>				
Basic earnings per share of ISK 1 .....	1,48	1,12	2,11	1,04
Diluted earnings per share of ISK 1 .....	1,47	1,12	2,10	1,04

\*Quarterly financial information has not been reviewed by the Company's auditors.

# Consolidated Balance Sheet as at 31 August 2021

	31.8.2021	28.2.2021
<b>Assets</b>		
Property, plant and equipment .....	23.030	23.444
Investment property .....	4.410	4.326
Intangible assets .....	10.618	10.547
Leased assets .....	8.684	8.255
Investments in associates .....	1.354	1.202
Investments in other companies .....	41	41
Bonds .....	18	1
Total non-current assets	48.155	47.816
Inventories .....	9.817	8.791
Trade and other receivables .....	4.901	3.219
Trade receivable - customers' credit cards .....	526	1.434
Cash and cash equivalents .....	951	388
Total current assets	16.195	13.832
<b>Total assets</b>	64.350	61.648
 <b>Equity</b>		
Share capital .....	1.154	1.154
Share premium .....	2.132	2.132
Legal reserve .....	289	289
Restricted reserve .....	3.320	4.433
Retained earnings .....	19.266	17.181
Capital and reserves attributable to owners of Hagar hf.	26.161	25.189
Non-controlling interest .....	0	( 2)
<b>Total equity</b>	26.161	25.187
 <b>Liabilities</b>		
Loans and borrowings .....	9.286	9.368
Lease liabilities .....	7.393	7.010
Deferred income tax liabilities .....	2.687	2.214
Total non-current liabilities	19.366	18.592
Borrowings .....	2.950	2.957
Bank borrowings .....	0	601
Current tax liabilities .....	730	471
Lease liabilities .....	1.963	2.019
Trade and other payables .....	13.180	11.821
Total current liabilities	18.823	17.869
Total liabilities	38.189	36.461
<b>Total equity and liabilities</b>	64.350	61.648

## Consolidated Statement of Changes in Equity for the six months ended 31 August 2021

	Share capital	Share premium	Legal reserve	Restricted equity reserve	Restricted stock option reserve	Retained earnings	Total	Non controlling interests	Total equity
<b>Changes in equity from 1 March to 31 August 2021:</b>									
Equity at 1 March 2021 .....	1.154	2.132	289	4.433	0	17.181	25.189	( 2 )	25.187
Comprehensive income for the period .....						2.426	2.426	10	2.436
Transferred from restricted reserve .....				( 1.125 )		1.125			0
Accrued costs due to stock option agreements .....					12		12		12
Non-controlling interests in sale of a subsidiary .....						0	0	( 8 )	( 8 )
Dividends paid, 1,27 ISK per share .....						( 1.466 )	( 1.466 )		( 1.466 )
Equity at 31 August 2021 .....	<u>1.154</u>	<u>2.132</u>	<u>289</u>	<u>3.308</u>	<u>12</u>	<u>19.266</u>	<u>26.161</u>	<u>0</u>	<u>26.161</u>
<b>Changes in equity from 1 March to 31 August 2020:</b>									
Equity at 1 March 2020 .....	1.189	4.017	297	5.947	0	13.136	24.586	1	24.587
Purchased own share .....	( 8 )	( 412 )					( 420 )		( 420 )
Comprehensive income for the period .....						1.228	1.228	( 3 )	1.225
Transferred from legal reserve .....			( 2 )			2	0		0
Transferred from restricted reserve .....				( 2.988 )		2.988	0		0
Equity at 31 August 2020 .....	<u>1.181</u>	<u>3.605</u>	<u>295</u>	<u>2.959</u>	<u>0</u>	<u>17.354</u>	<u>25.394</u>	<u>( 2 )</u>	<u>25.392</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 six months ended 31 August 2021

	Second quarter		First half	
	2021	2020	2021	2020
	1.6.-31.8.	1.6.-31.8.	1.3.-31.8.	1.3.-31.8.
	*	*		
<b>Cash flows from operating activities</b>				
Profit for the period .....	1.709	1.321	2.436	1.225
Adjustments for:				
Loss (gain) on sale of assets .....	5	( 2)	( 131)	( 1)
Depreciation and amortisation .....	897	1.068	1.902	2.092
Net finance expense .....	341	419	731	850
Effect of results of associates .....	( 90)	( 95)	( 121)	( 125)
Income tax .....	406	306	593	274
Other items .....	12	0	12	0
Working capital provided by operating activities	<u>3.280</u>	<u>3.017</u>	<u>5.422</u>	<u>4.315</u>
Change in current assets .....	( 1.322)	( 367)	( 1.974)	( 501)
Change in current liabilities .....	558	( 1.324)	2.028	747
Cash from operations before interest and taxes	<u>2.516</u>	<u>1.326</u>	<u>5.476</u>	<u>4.561</u>
Interest income received .....	7	16	14	17
Interest expenses paid .....	( 323)	( 315)	( 600)	( 617)
Income taxes paid .....	( 150)	( 85)	( 333)	( 358)
Net cash provided by operating activities	<u>2.050</u>	<u>942</u>	<u>4.557</u>	<u>3.603</u>
<b>Cash flows used in investing activities</b>				
Acquisition of real estate .....	( 9)	( 1.054)	( 58)	( 1.341)
Acquisition of investments properties .....	( 41)	2	( 74)	( 11)
Acquisition of fixtures and equipment .....	( 365)	( 258)	( 854)	( 855)
Acquisition of intangible assets .....	( 29)	( 4)	( 44)	( 10)
Proceeds from the sale of operating assets .....	60	11	84	39
Long-term bonds, change .....	0	21	( 17)	38
Shares sold in a subsidiary .....	0	0	141	0
Investment in associates .....	( 156)	0	( 156)	0
Dividends received .....	124	0	124	0
Net cash used in investing activities	<u>( 416)</u>	<u>( 1.282)</u>	<u>( 854)</u>	<u>( 2.140)</u>
<b>Cash flows used in financing activities</b>				
Repayment of borrowings .....	( 124)	( 111)	( 238)	( 227)
Bank borrowings, change .....	0	( 1.688)	( 601)	( 1.273)
Dividends paid .....	( 1.466)	0	( 1.466)	0
Purchased own share .....	0	0	0	( 420)
Lease liabilities, repayments .....	( 424)	( 447)	( 835)	( 886)
Net cash used in financing activities	<u>( 2.014)</u>	<u>( 2.246)</u>	<u>( 3.140)</u>	<u>( 2.806)</u>
<b>Net (decrease) increase in cash and cash equivalents .....</b>	<b>( 380)</b>	<b>( 2.586)</b>	<b>563</b>	<b>( 1.343)</b>
<b>Cash and cash equivalents at beginning of the period.....</b>	<b>1.331</b>	<b>3.475</b>	<b>388</b>	<b>2.232</b>
<b>Cash and cash equivalents at 31 August .....</b>	<b><u>951</u></b>	<b><u>889</u></b>	<b><u>951</u></b>	<b><u>889</u></b>

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