



Condensed consolidated interim financial statements

1.3.2024 – 31.5.2024



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Ölgerðin Egill Skallagrímsson hf.

Identification number 420369-7789

Grjótháls 7-11, 110 Reykjavík

Condensed consolidated statement of profit and loss and other comprehensive income

for the period 1 March to 31 May

'000 ISK	Note	2024	2023
Product revenues	3.	11.233.346	11.039.250
Alcohol tax and deposit charge		(2.848.095)	(2.809.236)
Net product revenues		8.385.251	8.230.013
Production expenses	4.	(5.071.171)	(5.093.789)
Gross profit		3.314.080	3.136.224
Other operating income		6.799	11.976
Other operating expenses	4.	(2.542.976)	(2.238.562)
Operating profit before interest and tax (EBIT)		777.902	909.639
Effects of associates		9.753	379.416
Financial income		27.444	13.360
Financial expenses		(232.849)	(215.734)
Exchange rate difference		(910)	22.324
Profit before tax		581.340	1.109.005
Income tax		(99.801)	(145.918)
Profit for the year		481.539	963.087
Attributable to:			
Shareholders of Ölgerðin hf.		443.808	954.079
Non-controlling interest		37.731	9.008
Profit for the year		481.539	963.087
Basic earnings per share		0,16	0,34
Diluted earnings per share		0,15	0,33

Other comprehensive income

'000 ISK	2024	2023
Profit for the year	481.539	963.087
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Translation of foreign operations	58.421	(30.640)
Total comprehensive income	539.960	932.447
Attributable to:		
Shareholders of Ölgerðin hf.	473.503	933.366
Non-controlling interest	66.458	(920)
Total comprehensive income	539.960	932.447

Comparison of EBITDA and EBIT

'000 ISK	Change %	2024	2023
EBITDA	-9%	1.055.256	1.156.792
Depreciation and amort.	12%	277.353	247.153
EBIT	-14%	777.902	909.639
Net financial items	15%	(206.315)	(180.050)
Effects of associates	-97%	9.753	379.416

Condensed consolidated statement of financial position

Assets		31 May	29 February	Liabilities and equity		31 May	29 February
'000 ISK	Note	2024	2024	'000 ISK	Note	2024	2024
NON-CURRENT ASSETS				EQUITY			
Property, plant and equipment		14.269.450	14.095.346	Share capital		2.837.397	2.806.647
Intangible assets		7.358.548	7.358.548	Share premium		1.255.688	1.102.553
Right-of-use assets		128.272	131.905	Other restricted equity		3.332.754	3.135.377
Shares in associates		432.048	422.295	Retained earnings		6.652.007	6.386.165
Bond holdings		578.874	396.690	Attributable to owners of the parent		14.077.846	13.430.742
Non-current assets		22.767.193	22.404.784	Non-controlling interest		1.682.761	1.616.305
CURRENT ASSETS				Total equity		15.760.607	15.047.046
Inventories		3.881.423	3.418.505	LIABILITIES			
Trade receivable		3.783.465	3.226.991	Non-current liabilities			
Other short-term receivables		99.960	91.336	Interest bearing long-term liabilities	5.	4.390.370	4.443.034
Cash and cash equivalents		2.043.202	1.523.787	Lease liabilities		114.979	119.241
Current assets		9.808.050	8.260.619	Deferred tax liabilities		2.589.957	2.569.057
				Non-current liabilities		7.095.307	7.131.332
Total Assets		32.575.243	30.665.403	Current liabilities			
				Interest bearing short-term liabilities	5.	2.818.481	2.150.147
				Current maturities of long-term liab.	5.	549.184	566.588
				Income tax payable		87.221	555.873
				Trade payables		3.198.853	2.821.983
				Other current liabilities		3.065.591	2.392.433
				Current liabilities		9.719.331	8.487.025
				Total liabilities		16.814.637	15.618.356
				Total liabilities and equity		32.575.243	30.665.403

Condensed consolidated statement of cash flows

for the period 1 March to 31 May

'000 ISK	Note	2024	2023
Profit for the year		481.539	963.087
<i>Adjustments for:</i>			
Stock options		16.797	7.413
Effects of associates		(9.753)	(379.416)
Gain on sale of property, plant and eq.		(4.471)	(6.375)
Depreciation and amortisation		277.353	247.153
Change in deferred tax liabilities		20.900	41.379
Change in accrued interest		65.557	0
Net working capital from operations		847.922	873.241
<i>Change in operating assets and liabilities:</i>			
Trade and other receivables		(565.098)	(792.597)
Inventories		(462.918)	(420.118)
Trade and other current payables		554.258	1.078.755
Net cash from operating activities		374.164	739.282
<i>Investing activities</i>			
Property, plant and equipment, change		(374.534)	(350.629)
Bonds and other financial assets, change		(182.185)	3.280
Related parties, change		0	45.757
Net cash from acquisition of subsidiary		0	(72.210)
Net cash to investing activities		(556.719)	(373.802)
Other information			
Interest received		25.818	9.690
Interest paid		(223.442)	(231.356)
Income tax paid		(95.506)	(68.445)

'000 ISK	Note	2024	2023
<i>Financing activities</i>			
Proceeds from short-term financing	5.	1.616.146	0
Repayments of short-term financing	5.	(1.011.406)	0
Proceeds from long-term loans	5.	0	159.394
Repayments of long-term loans	5.	(81.362)	(155.372)
Repayments of lease liabilities		(6.260)	(5.887)
Paid in share capital		183.885	0
Net cash from (to) financing activities		701.003	(1.865)
Increase in cash and cash equivalents		518.448	363.615
Effect of exchange rates on cash held		966	0
Cash at beginning of period		1.523.787	1.171.857
Cash and cash equivalents at period end		2.043.202	1.535.472
Free cash flow			
Net cash from operations		374.164	739.282
Cash to investments		(556.719)	(373.802)
Repayment of lease liabilities		(6.260)	(5.887)
Free cash flow		(188.815)	359.593

Condensed consolidated statement of changes in equity

for the period 1 March to 31 May

1 March - 31 May 2024	Share capital	Share premium	Revaluation reserve	Other restricted equity	Retained earnings	Attributable to owners of the parent	Non-controlling interest	Total equity
'000 ISK								
Balance at 1 March 2024	2.806.647	1.102.553	0	3.135.377	6.386.165	13.430.742	1.616.304	15.047.046
Adjustment to retained earnings (see note 1)					(27.082)	(27.082)		(27.082)
Profit for the period					443.808	443.808	37.731	481.539
Translation difference				29.695		29.695	28.726	58.421
Total comprehensive income				29.695	443.808	473.503	66.458	539.960
Stock options exercised	30.750	153.135		(14.453)	14.453	183.885		183.885
Stock option expense				16.797		16.797		16.797
Restricted share in profit of subs. and assoc.				165.337	(165.337)	0		0
Balance at 31 May 2024	2.837.397	1.255.688	0	3.332.754	6.652.007	14.077.846	1.682.761	15.760.607

1 March - 31 May 2023

1 March - 31 May 2023	Share capital	Share premium	Revaluation reserve	Other restricted equity	Retained earnings	Attributable to owners of the parent	Non-controlling interest	Total equity
'000 ISK								
Balance at 1 March 2023	2.806.647	1.102.553	688.464	2.168.543	3.315.180	10.081.387	0	10.081.387
Profit for the period					954.079	954.079	9.008	963.087
Translation difference				(20.712)		(20.712)	(9.928)	(30.640)
Total comprehensive income				(20.712)	954.079	933.366	(920)	932.446
Reclassification of revaluation reserve			(688.464)		688.464	0		0
NCI on acquisition of subsidiary						0	1.545.004	1.545.004
Stock option expense				7.413		7.413		7.413
Restricted share in profit of subs. and assoc.				219.592	(219.592)	0		0
Balance at 31 May 2023	2.806.647	1.102.553	0	2.374.836	4.738.131	11.022.167	1.544.084	12.566.251

Notes

1. General information

Ölgerðin Egill Skallagrímsson hf. (hereinafter “Ölgerðin” or “the Company”) is a public limited company, and the principal operations of the Company concern production, sale and marketing in the field of food products, beverages, and related products. Ölgerðin is domiciled in Iceland. The registered address of the Group is Grjótháls 7-11, 110 Reykjavík, Iceland.

The condensed consolidated interim financial statements of the Ölgerðin Group for the period 1 March to 31 May 2024 are prepared in accordance with the International Financial Reporting Standard for interim reporting, IAS 34, as endorsed by the European Union (EU) and additional requirements in the Financial statements act no. 3/2006. The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiaries, which are collectively referred to as “the Group”, and individually as “Group companies”. These condensed consolidated interim financial statements are prepared and presented in Icelandic króna (ISK), which is the Company’s functional currency. All amounts are in Icelandic króna and ISK thousand, unless otherwise stated.

The subsidiaries Collab ehf. and Collab DK ApS, established in 2023, are for the first time included in the consolidated financial statements of Ölgerðin. These companies were not consolidated in previous consolidated financial statements due to immaterial significance for the Group’s operations and finances in prior periods. An adjustment to retained earnings in the amount of ISK 27,1 million reflects the negative equity of the Collab Group as of 1 March 2024.

Significant accounting policies

The same accounting policies are applied in these condensed consolidated interim financial statements as were applied in the latest financial statements for the year ended 29 February 2024. The condensed consolidated interim financial statements do not include all of the information required for a complete set of consolidated annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 29 February 2024, which is available on the Company’s website, www.olgerdin.is

2. Assessment and judgement

When preparing the condensed consolidated interim financial statements, management must, to conform with the Financial statements act no. 3/2006 and IFRS, assess and draw conclusions that impact estimates of assets and liabilities on the reporting date, the information provided in the notes as well as income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Even though the estimates are made to the best of management knowledge, the actual values of those items that are thus assessed may differ from the result according to the assessment.

3. Operating segments

1 March - 31 May 2024	Egils alcoholic ¹⁾	Egils non-alcoholic ²⁾	Danól ³⁾	Export ⁴⁾	Total
Operating and other income	4.998.239	3.060.803	2.643.427	537.675	11.240.145
EBITDA	335.445	547.223	106.663	65.925	1.055.256
Operating profit	195.329	435.090	93.288	54.194	777.902
Finance inc/exp and assoc.					(196.562)
Income tax					(99.801)
Profit for the period					481.539

1 March - 31 May 2023	Egils alcoholic ¹⁾	Egils non-alcoholic ²⁾	Danól ³⁾	Export ⁴⁾	Total
Operating and other income	4.912.700	2.945.412	2.635.414	557.700	11.051.226
EBITDA	389.080	533.253	167.385	67.074	1.156.792
Operating profit	264.323	435.253	155.385	54.677	909.639
Finance inc/exp and assoc.					199.366
Income tax					(145.918)
Profit for the period					963.087

¹⁾ Income for Egils alcoholic comes from the production, sale and marketing of beverages and related products for customers who mainly trade in alcoholic beverages.

²⁾ Income for Egils non-alcoholic comes from the production, sale and marketing of beverages and related products for customers who mainly trade in non-alcoholic beverages.

³⁾ Income for Danol comes from the sale and marketing of foodstuffs, beverages, related products and other specialty products.

⁴⁾ Export includes income from all exports of the Group, mainly from Iceland Spring and Collab.

Operating segments

An operating segment is a separable part of the Group due to different material or geographical factors that concern risk and performance of other operating segments of the Group. Operating segments are defined in accordance with internal organisation and reporting to management that are used in decision-making. The Group defines its operations into four operating segments.

Common expenses are allocated to the Company's income divisions in proportion to turnover less alcohol tax and deposit charges.

Revenue recognition

Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable, less discounts and refunds. Revenue is recognised in the statement of profit or loss when the Group has fulfilled its performance obligations, which is usually upon delivery, it is probable that the consideration will be collected, and the cost of the transaction and possible product returns can be estimated in a reliable manner.

4. Expenses disaggregated by nature

	1 March to 31 May	
	2024	2023
Presentation in statement of profit and loss		
Production expenses	5.071.171	5.093.789
Other operating expenses	2.542.976	2.238.562
Total	7.614.148	7.332.351
Disaggregation by nature of expense		
Cost of materials	4.318.628	4.464.992
Other production costs	218.994	156.763
Sales and marketing expenses	885.089	668.139
Salaries and related expenses	1.321.341	1.237.350
Depreciation and amortisation	277.353	247.153
Other operating expenses	592.743	557.954
Total	7.614.148	7.332.351
<i>Depreciation and amortisation is presented as follows in the statement of profit and loss</i>		
Production expenses	152.323	135.737
Other operating expenses	125.030	111.416
Total	277.353	247.153
<i>Salaries and related expenses are presented as follows in the statement of profit and loss</i>		
Production expenses	299.017	264.207
Other operating expenses	1.022.324	973.143
Total	1.321.341	1.237.350

Production expenses consist of direct and indirect costs of producing finished goods that generate revenue during the year. Production expenses include raw materials, salaries and related expenses and other production expenses that consists of housing costs, rent and depreciation for property, plant and equipment used in production.

Other operating expenses consist of the distribution and sales expenses of finished goods and services that generate revenue during the year, along with the expenses related to the management and operation of the Group. Other operating expenses includes salaries and related expenses, housing costs, rent, depreciation of property, plant and equipment and amortisation of intangible assets, insurance, as well as other general and administrative expenses.

5. Loans

	31.5.2024	29.2.2024
Borrowings in ISK	4.658.896	4.700.491
Borrowings in USD	254.500	283.846
Total borrowings	4.913.395	4.984.337
Current maturities	(523.025)	(541.303)
Total non-current liabilities	4.390.370	4.443.034
Bills in ISK	2.603.774	1.927.934
Short-term interest bearing debt in USD	214.707	222.213
Total interest bearing current liabilities	2.818.481	2.150.147
Current maturities of borrowings	523.025	541.303
Current maturities of lease liabilities	26.160	25.285
Total current maturities	549.185	566.588
Instalments on long-term liabilities are specified as follows:	31.5.2024	29.2.2024
Instalments within 12 months	523.025	541.303
Instalments in 12-24 months	271.086	269.970
Instalments in 24-36 months	268.855	273.013
Instalments in 36-48 months	1.327.310	1.333.789
Subsequent instalments	2.523.119	2.566.262
Total	4.913.395	4.984.337

Liabilities, including borrowings, are initially recognised at fair value less transaction cost and subsequently at amortised cost according to the effective interest rate method. Liabilities denominated in foreign currencies are recognised at the exchange rate prevailing at the end of the reporting period. Exchange rate differences are recognised in the statement of profit and loss. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

Part of long-term liabilities is subject to specific covenants regarding equity, profit margin and financial leverage. At period end, the Company was in compliance with all debt covenants.

Loans are classified as current liabilities unless the Group has an unconditional right to defer settlement of the debt for at least 12 months after the reporting period.

All borrowings are at non-indexed variable interest rates. The average interest rate on 31 May 2024 was 11,0% (29 February 2024: 11,1%).

Other liabilities, including trade payables, payables to related parties, value added tax and other current liabilities are measured at amortised cost, which normally corresponds to their nominal value.