



Condensed consolidated interim financial statements

1.3.2024 – 31.8.2024



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Ölgerðin Egill Skallagrímsson hf.

Identification number 420369-7789

Grjóthálsi 7-11, 110 Reykjavík

Condensed consolidated statement of profit or loss and OCI

Statement of profit or loss

'000 ISK	Note	1 June - 31 August 2024	31 August 2023	1 March - 31 August 2024	31 August 2023
Product revenues	3	12.739.101	12.796.366	23.972.447	23.835.616
Alcohol tax and deposit charge		(3.368.624)	(3.413.257)	(6.216.719)	(6.222.493)
Net product revenues		9.370.477	9.383.109	17.755.728	17.613.123
Production expenses	4	(5.698.085)	(5.534.723)	(10.769.256)	(10.628.512)
Gross profit		3.672.393	3.848.386	6.986.473	6.984.611
Other operating income		11.236	11.422	18.035	23.398
Other operating expenses	4	(2.298.442)	(2.180.852)	(4.841.418)	(4.419.414)
Oper. profit before int. and tax (EBIT)		1.385.187	1.678.957	2.163.090	2.588.596
Effects of associates		9.753	11.877	19.506	391.293
Financial income		44.929	8.667	72.373	22.027
Financial expenses		(241.064)	(283.953)	(473.913)	(499.687)
Exchange rate difference		(45.208)	69.150	(46.118)	91.474
Profit before tax		1.153.597	1.484.700	1.734.938	2.593.703
Income tax		(223.858)	(294.564)	(323.659)	(440.482)
Profit for the year		929.739	1.190.136	1.411.279	2.153.221

Attributable to:

Shareholders of Ölgerðin hf.	884.667	1.162.745	1.328.476	2.116.823
Non-controlling interest	45.072	27.390	82.803	36.398
Profit for the year	929.739	1.190.135	1.411.279	2.153.221
Basic earnings per share	0,33	0,41	0,50	0,75
Diluted earnings per share	0,32	0,40	0,48	0,72

Other comprehensive income

'000 ISK	1 June - 31 August 2024	31 August 2023	1 March - 31 August 2024	31 August 2023
Profit for the year	929.739	1.190.135	1.411.279	2.153.221
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Translation of foreign operations	11.854	31.898	70.275	1.258
Total comprehensive income	941.592	1.222.032	1.481.553	2.154.478

Attributable to:

Shareholders of Ölgerðin hf.	888.818	1.204.570	1.362.321	2.123.045
Non-controlling interest	52.774	17.462	119.232	31.433
Total comprehensive income	941.592	1.222.032	1.481.553	2.154.478

Comparison of EBITDA and EBIT

		1 June - 31 August 2024	31 August 2023		1 March - 31 August 2024	31 August 2023
EBITDA	-14%	1.656.083	1.933.111	-12%	2.711.339	3.089.901
Depreciation and amort.	7%	270.896	254.153	9%	548.249	501.306
EBIT	-17%	1.385.187	1.678.957	-16%	2.163.090	2.588.596
Net financial items	17%	(241.343)	(206.136)	16%	(447.658)	(386.186)
Effects of associates	-18%	9.753	11.877	-95%	19.506	391.293

Condensed consolidated statement of financial position

Assets				Liabilities and equity			
'000 ISK	Note	31 August 2024	29 February 2024	'000 ISK	Note	31 August 2024	29 February 2024
NON-CURRENT ASSETS				EQUITY			
Property, plant and equipment		14.432.246	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		122.138	131.905	Other restricted equity		3.569.422	3.135.377
Shares in associates		441.801	422.295	Retained earnings		5.898.922	6.386.165
Bond holdings		792.492	396.690	Attributable to owners of the parent		13.561.430	13.430.742
Non-current assets		23.147.225	22.404.784	Non-controlling interest		1.735.537	1.616.305
				Total equity		15.296.967	15.047.046
CURRENT ASSETS				LIABILITIES			
Inventories		3.918.063	3.418.505	Non-current liabilities			
Trade receivable		4.649.433	3.226.991	Interest bearing long-term liabilities	5	4.308.818	4.443.034
Other short-term receivables		36.540	91.336	Lease liabilities		108.603	119.241
Cash and cash equivalents		158.476	1.523.787	Deferred tax liabilities		2.634.716	2.569.057
Current assets		8.762.512	8.260.619	Non-current liabilities		7.052.137	7.131.332
Total Assets		31.909.737	30.665.403	Current liabilities			
				Interest bearing short-term liabilities	5	2.919.304	2.150.147
				Current maturities of long-term liab.	5	365.074	566.588
				Income tax payable		808.002	555.873
				Trade payables		3.133.423	2.821.983
				Other current liabilities		2.334.831	2.392.433
				Current liabilities		9.560.635	8.487.025
				Total liabilities		16.612.771	15.618.356
				Total liabilities and equity		31.909.737	30.665.403

Condensed consolidated statement of cash flows

for the period 1 March to 31 August

'000 ISK	Skýr.	2024	2023
Profit for the year		1,411,279	2,153,221
<i>Adjustments for:</i>			
Stock options		30,422	24,687
Effects of associates		(19,506)	(392,331)
Gain on sale of property, plant and eq.		(12,097)	(13,991)
Depreciation and amortisation		548,249	501,306
Change in deferred tax liabilities		65,658	136,605
Change in accrued interest		114,667	0
Net working capital from operations		2,138,671	2,409,497
<i>Change in operating assets and liabilities:</i>			
Trade and other receivables		(1,367,647)	(393,168)
Inventories		(499,557)	(441,228)
Trade and other current payables		479,537	641,947
Net cash from operating activities		751,003	2,217,049
<i>Investing activities</i>			
Property, plant and equipment, change		(780,308)	(608,882)
Bonds and other financial assets, change		(395,802)	25,949
Related parties, change		0	4,300
Net cash from acquisition of subsidiary		0	(72,210)
Net cash to investing activities		(1,176,110)	(650,843)

'000 ISK	Skýr.	2024	2023
<i>Financing activities</i>			
Proceeds from short-term financing	5	3,693,007	0
Repayments of short-term financing	5	(3,035,675)	(53,700)
Proceeds from long-term loans	5	0	159,394
Repayments of long-term loans	5	(349,531)	(1,527,235)
Repayments of lease liabilities		(12,687)	(11,507)
Paid dividends		(1,418,858)	0
Paid in share capital		183,885	0
Net cash to financing activities		(939,859)	(1,433,048)
Change in cash and cash equivalents		(1,364,965)	133,158
Effect of exchange rates on cash held		(346)	0
Cash at beginning of period		1,523,787	1,171,857
Cash and cash equivalents at period end		158,476	1,305,015
Free cash flow			
Net cash from operations		751,003	2,217,049
Cash to investments		(1,176,110)	(650,843)
Repayment of lease liabilities		(12,687)	(11,507)
Free cash flow		(437,794)	1,554,699
Other information			
Interest received		61,318	19,502
Interest paid		(536,820)	(581,707)
Income tax paid		(187,660)	(136,902)

Condensed consolidated statement of changes in equity

For the period 1 March to 31 August 2024

'000 ISK	Share capital	Share premium	Revaluation reserve	Other restricted equity	Retained earnings	Attributable to owners of the parent	Non-controlling interest	Total equity
Balance at 1 March 2024	2.806.647	1.102.553	0	3.135.377	6.386.165	13.430.742	1.616.305	15.047.046
Adjustment to retained earnings (see note 1)					(27.082)	(27.082)		(27.082)
Profit for the period					1.328.476	1.328.476	82.803	1.411.279
Translation difference				33.845		33.845	36.430	70.275
Total comprehensive income				33.845	1.328.476	1.362.321	119.232	1.481.553
Stock options exercised	30.750	153.135		(14.453)	14.453	183.885		183.885
Stock option expense				30.422		30.422		30.422
Restricted share in profit of subs. and assoc.				384.231	(384.231)	0		0
Paid dividends					(1.418.858)	(1.418.858)		(1.418.858)
Balance at 31 August 2024	2.837.397	1.255.688	0	3.569.422	5.898.922	13.561.430	1.735.537	15.296.967

For the period 1 March to 31 August 2023

'000 ISK	Share capital	Share premium	Revaluation reserve	Other restricted equity	Retained earnings	Attributable to owners of the parent	Non-controlling interest	Total equity
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					2.116.823	2.116.823	36.398	2.153.221
Translation difference				6.223		6.223	(4.965)	1.258
Total comprehensive income				6.223	2.116.823	2.123.045	31.433	2.154.478
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				24.687		24.687		24.687
Restricted share in profit of subs. and assoc.				555.352	(555.352)	0		0
Balance at 31 August 2023	2.806.647	1.102.553	0	2.754.805	5.565.115	12.229.120	1.576.436	13.805.556

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 foodstuffs, 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 August 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 (ISK) 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 most recent consolidated financial statements of the Group, which are available on the Company's website, www.olgerdin.is/investors. The classification of expenses in the statement of profit or loss was updated for these financial statements from the comparative period which affected the presentation of line items in the statement of profit or loss, but no amounts or totals were changed.

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 August 2024	Egils alcoholic ¹⁾	Egils non-alcoholic ²⁾	Danól ³⁾	Export ⁴⁾	Total
Operating and other income	10.809.220	6.278.823	5.432.381	1.452.024	23.972.447
EBITDA	907.148	1.250.411	302.284	251.496	2.711.339
Operating profit	627.259	1.032.548	275.318	227.964	2.163.090
Finance inc/exp and assoc.					(428.152)
Income tax					(323.659)
Profit for the period					1.411.279

1 March - 31 August 2024	Egils alcoholic ¹⁾	Egils non-alcoholic ²⁾	Danól ³⁾	Export ⁴⁾	Total
Operating and other income	10.872.999	6.373.824	5.422.779	1.189.412	23.859.014
EBITDA	1.194.125	1.332.458	399.938	163.380	3.089.902
Operating profit	939.223	1.134.963	374.849	139.560	2.588.596
Finance inc/exp and assoc.					5.107
Income tax					(440.482)
Profit for the period					2.153.221

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 - 31 August	
	2024	2023
Presentation in statement of profit or loss		
Production expenses	10.769.256	10.628.512
Other operating expenses	4.841.418	4.419.414
Total	15.610.673	15.047.926
Disaggregation by nature of expense		
Cost of materials	9.270.052	9.373.740
Other production costs	480.611	318.600
Sales and marketing expenses	1.551.202	1.332.718
Salaries and related expenses	2.560.250	2.352.577
Depreciation and amortisation	548.249	501.306
Other operating expenses	1.200.309	1.168.985
Total	15.610.673	15.047.926
<i>Depreciation and amortisation is presented as follows in the statement of profit or loss</i>		
Production expenses	305.605	279.438
Other operating expenses	242.644	221.868
Total	548.249	501.306
<i>Salaries and related expenses are presented as follows in the statement of profit or loss</i>		
Production expenses	544.325	505.343
Other operating expenses	2.015.925	1.847.234
Total	2.560.250	2.352.577

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

	31.8.2024	29.2.2024
Borrowings in ISK	4.571.827	4.700.491
Borrowings in USD	75.441	283.846
Total borrowings	4.647.268	4.984.337
Current maturities	(338.450)	(541.303)
Total non-current liabilities	4.308.818	4.443.034
Bills in ISK	2.627.642	1.927.934
Short-term interest bearing debt in USD	291.662	222.213
Total interest bearing current liabilities	2.919.304	2.150.147
Current maturities of borrowings	338.450	541.303
Current maturities of lease liabilities	26.624	25.285
Total current maturities	365.074	566.588
Instalments on long-term liabilities are specified as follows:	31.8.2024	29.2.2024
Instalments within 12 months	338.450	541.303
Instalments in 12-24 months	265.508	269.970
Instalments in 24-36 months	1.399.519	273.013
Instalments in 36-48 months	137.622	1.333.789
Subsequent instalments	2.506.169	2.566.262
Total	4.647.268	4.984.337

6. Events after the reporting period

G7-11 fasteignafélag ehf., a subsidiary of Ölgerðin, has made an offer for all the share capital of Á.Ó. eignarhaldsfélag ehf. The offer has been accepted by the owners of the company, Sjóvarpsmiðstöðin ehf. The result of a due diligence report are available and a purchase agreement is being prepared. The acquired company owns a warehouse with office facilities and building rights at Köllunarklettsvegur 6. The acquisition price is ISK 1,6 billion less interest-bearing debt.

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 August 2024 was 10,9% (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.