

HAGAR HF: FINANCIAL RESULTS FOR Q2 2025/26

Strong performance and a new retail center in the Faroe Islands

The interim financial statements of Hagar hf. for the second quarter of the 2025/26 financial year were approved by the company's Board of Directors and CEO at a board meeting held on 16 October 2025. The statements cover the period from 1 March to 31 August 2025. The interim financial statements include the consolidated accounts of the company and its subsidiaries and have been prepared in accordance with International Financial Reporting Standards (IFRS). The statements have been reviewed by the company's auditors, PricewaterhouseCoopers ehf.

Key figures*

- **Sales** in Q2 amounted to 51,817 m.ISK (11.2% increase from Q2 2024/25). Sales in 6M amounted to 99,932 m.ISK (10.2% growth from 6M 2024/25). [Q2 2024/25: 46,579 m.ISK, 6M 2024/25: 90,646 m.ISK]
- **Gross profit** Q2 amounted to 12,874 m.ISK (24.8%) and 24,493 m.ISK (24.5%) for 6M. [Q2 2024/25: 10,174 m.ISK (21.8%), 6M 2024/25: 19,711 m.ISK (21.7%)]
- **Earnings before interest, taxes, depreciation, and amortization (EBITDA)** Q2 amounted to 5,485 m.ISK or 10.6% of sales. EBITDA 6M amounted to 9,531 m.ISK or 9.5% of sales. [2F 2024/25: 4,014 m.ISK (8.6%), 6M 2024/25: 7,228 m.ISK (8.0%)]
- **Profit** for Q2 amounted to 2,556 m.ISK or 4.9% of sales. Profit for 6M amounted to 3,721 m.ISK or 3.7% of sales. [Q2 2024/25: 1,723 m.ISK (3.7%), 6M 2024/25: 2,573 m.ISK (2.8%)]
- **Comprehensive income** for Q2 amounted to 2,452 m.ISK and 3,641 m.ISK for 6M. [Q2 2024/25: 1,723 m.ISK, 6M 2024/25: 2,573]
- **Basic earnings per share** in Q2 was 2.33 ISK and 3.39 ISK for 6M. [Q2 2024/25: 1.59 ISK, 6M 2024/25: 2.37 ISK]. **Diluted earnings per share** in Q2 was 1.93 ISK and 2.99 ISK for 6M. [Q2 2024/25: 1.56 ISK, 6M 2024/25: 2.33 ISK]
- **Equity** amounted to 39,302 m.ISK at the end of the period and **equity ratio** was 36.3%. [Year end 2024/25: 38,489 m.ISK and 36.6%]
- **Management's guidance** for financial year 2025/26 assumes that EBITDA will be 17,000–17,500 m.ISK. The guidance was raised by 1,000 m.ISK on 22 September 2025.

Operational highlights

- **Operations in Q2 were strong** and exceeded management's expectations – the strong results are primarily driven by **solid performance of Olís, sound outcome of SMS in the Faroe Islands** and sustained **robust demand in the grocery** sector.
- **Customer visits** to grocery stores in Iceland increased by nearly 5% during the quarter. The **number of units sold** also grew, by just under 2% over the same period.
- **Fuel sales volume decreased** by 2.0% in the quarter – with an increase in retail sales but a decline to industries.
- The **gross margin reached 24.8%**, an increase of 3.0 percentage points in the quarter – excluding SMS, the gross margin was 23.9%.
- **Hagar's new loyalty program** is set to be launched shortly – offering improved service, convenience, and value for customers.
- **Olís** opened two new **ÓB self-service stations** during the quarter, in Búðardalur and Akureyri, as well as new **Glans car wash facilities** in Selfoss and Grafarvogur.
- **Construction activities continued at SMS** in connection with the development of a new 3,000 m² retail center in Runavík in the Faroe Islands – **new Bónus and Rumbul stores**, along with a Sunset Boulevard restaurant and third-party retail units, are scheduled to open in November.
- **Hagar's share buyback** amounted to ISK 395 million during the quarter – a total of 3.7 million shares at nominal value.

**SMS became part of Hagar Group in Q4 2024/25 and therefore the impact is not reflected in the previous year's comparative figures.*

Finnur Oddsson, CEO:

Hagar's operations are performing well across all business areas. Revenue and operating results during the summer months, the second quarter of the 2025/26 financial year, exceeded expectations. Accordingly, our management guidance has been revised upward, and EBITDA for the full year is now expected to be in the range of ISK 17,000 – 17,500 million.

Product sales in the second quarter increased by 11.2% year-over-year to ISK 51,817 million. Gross profit amounted to ISK 12,874 million, EBITDA to ISK 5,485 million, and profit to ISK 2,556 million – a robust increase across all key metrics compared to last year. Operations were strong during the quarter, but when comparing to the prior year, it is important to note that SMS in the Faroe Islands is now part of Hagar and that global oil prices declined year-over-year.

Revenue from *Stores and Warehouses - Iceland* amounted to ISK 34.4 billion, up 6.8% from the same period last year. EBITDA was ISK 3.1 billion, an increase of 5.1%. The number of customers visiting Hagar's grocery stores continued to rise, as did the number of units sold. Bónus continues to grow year-over-year, while maintaining its unwavering focus on low prices and strong customer value across the country. Through efficient operations and purchasing, Bónus has managed to reduce prices on around 900 products year-over-year, while at the same time expanding its product assortment, particularly in fresh produce, healthy options, and ready meals that save families money, time, and effort. Bónus' enhanced services for families with children have been well received, with more than 3,500 "Barnabox" (care packages) delivered to new parents and over 20 tons of LazyTown "sports candy" finding their way into homes and children's lunchboxes so far this year. At Hagkaup, both revenue and customer visits increased, reflecting customers' appreciation for a broad product range and continuous improvements and innovations in the area of customer service. A wide range of popular events and promotional days have been well attended, and all Hagkaup online stores, from cosmetics to catering, showed strong growth. The operations of Aðföng and Bananar remained solid and in line with increased volumes at our grocery stores, while other business units, including Eldum rétt, Stórkaup, and Zara, also performed well.

Olís delivered strong performance over the summer months, with a significant year-over-year improvement in profit. Revenue amounted to ISK 14.1 billion, down nearly 5%, mainly due to lower global oil prices compared to last year and a slight decline in sales to industries. The solid results at Olís can be attributed to ongoing operational improvements at service stations, and within other areas, reflected in lower operating costs and increased retail sales in fuel, general goods, quick-service restaurants, and new offerings such as car washes and parcel delivery. Summer traffic from both domestic and foreign travelers was also strong. Two new ÓB self-service fuel stations were opened during the quarter, one in Akureyri and another in Búðardalur, and new Glans car-wash facilities opened in Selfoss and Grafarvogur.

SMS in the Faroe Islands continues to experience strong growth, both in grocery retail and foodservice operations. Revenue reached ISK 4.0 billion, a substantial year-over-year increase, with profitability above management budget. The company continues to pursue growth opportunities, including the construction of a new 3,000 m² retail center in Runavík, which has progressed well during the summer months. The new center, which will host SMS-owned stores and restaurants along with third-party stores, is scheduled to open in mid-November.

Hagar's IT infrastructure, internal processes, and digital capabilities have evolved substantially in recent years. This progress is reflected in the number of online stores and digital services now available to customers, including e-commerce platforms for consumers (toys, cosmetics, etc.), B2B customers (fresh produce, catering supplies for HoReCa, etc.), as well as scan-and-go systems, mobile apps, and more. Building on these foundations, Hagar will soon launch a new customer loyalty program designed to enhance convenience, service, and value for customers. Over time, this program will serve as a

platform to deliver broader and improved customer services across Hagar's operations and partner network.

As always, we continue to take a firm stance against inflating cost of supplies in the grocery sector, seeking the most efficient sourcing and other ways to offer customers the lowest possible prices. While we have achieved meaningful results, reflected among other things in price reductions across a large portion of the Bónus portfolio of products, food inflation remains too high. We trust that our suppliers will exercise restraint in pricing and hope that public authorities will continue to promote stability and ideally an environment for contracting food prices in Iceland.

Overall, we are pleased with Hagar's progress. Over the past two years, our focus has been on operational efficiency and business development, i.e. new pillars and revenue streams, within our existing operations. The strong first half of the financial year shows that we are on track, performance exceeds expectations, and we see continued opportunities to strengthen our operations further. The primary strengths of Hagar lie in solid funding, strong operating units and outstanding employees who work every day to improve the quality of life for our many loyal customers. As a result, Hagar's position is strong, and its outlook remains positive.

Income statement and operating segments

In ISK million	Q2 2025/26 01.06.-31.08	Q2 2024/25 01.06.-31.08	Change	%	6M 2025/26 01.03.-31.08	6M 2024/25 01.03.-31.08	Change	%
Sales	51,817	46,579	5,238	11,2%	99,932	90,646	9,286	10,2%
Cost of goods sold	(38,943)	(36,405)	(2,538)	7,0%	(75,439)	(70,935)	(4,504)	6,3%
Gross profit	12,874	10,174	2,700	26,5%	24,493	19,711	4,782	24,3%
Gross profit %	24,8%	21,8%	-	3,0%	24,5%	21,7%	-	2,8%
Other operating income	395	121	274	226,4%	713	263	450	171,1%
Salaries and related expenses	(5,301)	(4,248)	(1,053)	24,8%	(10,628)	(8,625)	(2,003)	23,2%
Other operating expenses	(2,483)	(2,033)	(450)	22,1%	(5,047)	(4,121)	(926)	22,5%
Profit from operating activities before depreciation and amortisation (EBITDA)	5,485	4,014	1,471	36,6%	9,531	7,228	2,303	31,9%
EBITDA %	10,6%	8,6%	-	2,0%	9,5%	8,0%	-	1,6%
Depreciation and amortisation	(1,544)	(1,231)	(313)	25,4%	(3,002)	(2,612)	(390)	14,9%
Changes in value of investment property	(124)	--	(124)	-	(297)	--	(297)	-
Profit from operating activities (EBIT)	3,817	2,783	1,034	37,2%	6,232	4,616	1,616	35,0%
Net finance expense	(834)	(746)	(88)	11,8%	(1,793)	(1,535)	(258)	16,8%
Share of profit of associates	165	127	38	29,9%	197	152	45	29,6%
Profit before income tax	3,148	2,164	984	45,5%	4,636	3,233	1,403	43,4%
Income tax	(592)	(441)	(151)	34,2%	(915)	(660)	(255)	38,6%
Profit for the period	2,556	1,723	833	48,3%	3,721	2,573	1,148	44,6%
Other comprehensive income	(104)	--	(104)	-	(80)	--	(80)	-
Total comprehensive income for the period	2,452	1,723	729	42,3%	3,641	2,573	1,068	41,5%

Key figures in Q2 2025/26

Sales in Q2 amounted to ISK 51,817 million, increasing by 11.2% year-over-year (YoY) - (3.0% excl. SMS). Sales growth in stores and warehouses in Iceland was 6.8%, while Olís experienced a decline of 4.8% YoY, mainly due to lower global oil prices.

In Q2, customer visits to grocery stores (in Iceland) increased by nearly 5% YoY, and the number of units sold grew by just under 2%. Fuel sales volume decreased by 2%, with growth in the retail segment but a slight decline among industries.

Gross profit in Q2 amounted to ISK 12,874 million, rising by 26.5% YoY (12.8% excl. SMS), and the gross margin reached 24.8% (23.9% excl. SMS). In addition to the impact of SMS, the gross margin increase is mainly attributable to Olís, while the gross margin in Icelandic grocery stores remained largely unchanged.

Total operating expenses increased by 23.9% YoY, primarily due to the impact of SMS (7.4% excl. SMS). The salaries and cost ratio in Q2 rose from 13.5% to 15.0%.

EBITDA in Q2 amounted to ISK 5,485 million, an increase of 36.6% YoY (21.9% excl. SMS). EBITDA increased by 5.1% in Icelandic stores and warehouses and by 69.9% in the Olís segment. EBITDA for the SMS segment in the Faroe Islands amounted to ISK 593 million.

Profit for Q2 amounted to ISK 2,556 million, compared to ISK 1,723 million in the previous year — an increase of 48.3%.

Operations in H1 2025/26

Sales for the first half of the year amounted to ISK 99,932 million, compared to ISK 90,646 million in the previous year, an increase of 10.2% (2.0% excl. SMS). Sales growth in stores and warehouses was 6.8%, while Olís recorded a sales decline of 8.7%.

Gross profit for the first half amounted to ISK 24,493 million, an increase of 24.3% YoY. The gross margin was 24.5%, rising by 2.8 %-points from the previous year. The increase in gross margin is attributable to the inclusion of SMS in the group, as well as higher margins at Olís, partly due to lower global oil prices.

Total operating expenses increased by 23.0% YoY, but the increase was 7.2% excl. SMS. The salaries and cost ratio rose from 14.1% to 15.7% during the period.

EBITDA for the period amounted to ISK 9,531 million, up 31.9% (16.3% excl. SMS).

Depreciation amounted to ISK 3,002 million, increasing by 14.9% YoY. The changes in value of investment property were negative by ISK 297 million, and net finance costs amounted to ISK 1,793 million, rising by 16.8% from the prior year.

Profit for the period totaled ISK 3,721 million, an increase of 44.6% YoY. Total comprehensive income amounted to ISK 3,641 million, incl. a revaluation of properties recognized directly in equity of ISK 68 million, while translation differences were negative by ISK 148 million.

Operating segments in Q2 and H1 2025/26

The Hagar Group consists of three operating segments: stores and warehouses in Iceland, stores and warehouses in the Faroe Islands and the operations of Olís.

Q2 2025/26 in ISK million	Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total	6M 2025/26 in ISK million	Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total
Sales	34,251	14,026	3,813	(273)	51,817	Sales	67,656	25,354	7,427	(505)	99,932
Other operating income	185	61	224	(75)	395	Other operating income	375	88	400	(150)	713
Total revenue	34,436	14,087	4,037	(348)	52,212	Total revenue	68,031	25,442	7,827	(655)	100,645
Total operating expenses	(31,311)	(12,320)	(3,444)	348	(46,727)	Total operating expenses	(62,186)	(22,877)	(6,706)	655	(91,114)
EBITDA	3,125	1,767	593	--	5,485	EBITDA	5,845	2,565	1,121	--	9,531
Depreciation and amortisation	(1,123)	(272)	(149)	--	(1,544)	Depreciation and amortisation	(2,117)	(557)	(328)	--	(3,002)
Ch. in value of investment property	(60)	(2)	(62)	--	(124)	Ch. in value of investment property	(58)	(11)	(228)	--	(297)
Effect of results of associates	39	126	--	--	165	Effect of results of associates	28	169	--	--	197
EBIT	1,981	1,619	382	--	3,982	EBIT	3,698	2,166	565	--	6,429
Net finance expense	(580)	(143)	(111)	--	(834)	Net finance expense	(1,244)	(328)	(221)	--	(1,793)
Income tax	--	--	--	--	(592)	Income tax	--	--	--	--	(915)
Profit for the period					2,556	Profit for the period					3,721

Q2 2024/25 in ISK million	Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total	6M 2024/25 in ISK million	Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total
Sales	32,081	14,734	--	(236)	46,579	Sales	63,324	27,777	--	(455)	90,646
Other operating income	176	22	--	(77)	121	Other operating income	363	47	--	(147)	263
Total revenue	32,257	14,756	--	(313)	46,700	Total revenue	63,687	27,824	--	(602)	90,909
Total operating expenses	(29,283)	(13,716)	--	313	(42,688)	Total operating expenses	(58,266)	(26,017)	--	602	(83,681)
EBITDA	2,974	1,040	--	--	4,014	EBITDA	5,421	1,807	--	--	7,228
Depreciation and amortisation	(1,014)	(217)	--	--	(1,231)	Depreciation and amortisation	(2,019)	(593)	--	--	(2,612)
Ch. in value of investment property	--	--	--	--	--	Ch. in value of investment property	--	--	--	--	--
Effect of results of associates	44	83	--	--	127	Effect of results of associates	42	110	--	--	152
EBIT	2,004	906	--	--	2,910	EBIT	3,444	1,324	--	--	4,768
Net finance expense	(619)	(127)	--	--	(746)	Net finance expense	(1,286)	(249)	--	--	(1,535)
Income tax	--	--	--	--	(441)	Income tax	--	--	--	--	(660)
Profit for the period					1,723	Profit for the period					2,573

Change Q2 YoY %	Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total	Change 6M YoY %	Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total
Sales	6,8%	-4,8%	-	15,7%	11,2%	Sales	6,8%	-8,7%	-	11,0%	10,2%
Other operating income	5,1%	177,3%	-	-2,6%	226,4%	Other operating income	3,3%	87,2%	-	2,0%	171,1%
Total revenue	6,8%	-4,5%	-	11,2%	11,8%	Total revenue	6,8%	-8,6%	-	8,8%	10,7%
Total operating expenses	6,9%	-10,2%	-	11,2%	9,5%	Total operating expenses	6,7%	-12,1%	-	8,8%	8,9%
EBITDA	5,1%	69,9%	-	-	36,6%	EBITDA	7,8%	41,9%	-	-	31,9%
Depreciation and amortisation	10,7%	25,3%	-	-	25,4%	Depreciation and amortisation	4,9%	-6,1%	-	-	14,9%
Ch. in value of investment property	-	-	-	-	-	Ch. in value of investment property	-	-	-	-	-
Effect of results of associates	-11,4%	51,8%	-	-	29,9%	Effect of results of associates	-33,3%	53,6%	-	-	29,6%
EBIT	-1,1%	-	-	-	36,8%	EBIT	7,4%	63,6%	-	-	34,8%
Net finance expense	-6,3%	12,6%	-	-	11,8%	Net finance expense	-3,3%	31,7%	-	-	16,8%
Income tax	--	--	--	--	34,2%	Income tax	--	--	--	--	38,6%
Profit for the period					48,3%	Profit for the period					44,6%

The operations of stores and warehouses, both in Iceland and the Faroe Islands, are largely in the retail operation of groceries. Olís' operations are largely in the sale of fuel and related services, in addition to the sale of fast food and various essential products. Olís operates service stations throughout the country under the Olís brand and operates a large number of ÓB self-service stations.

The stores and warehouses segment in Iceland includes the operations of Bónus, Hagkaup, Aðföng, Bananar, Stórkaup, Noron and Eldum rétt. The operations of Hagar Wine B.V. in the Netherlands are also included in the segment, but due to the small size of the operations and their characteristics, they are not a separate segment, despite being in a different geographical area.

The stores and warehouses segment in the Faroe Islands includes all the SMS Group's operations, which primarily consist of the operation of the grocery stores Bónus, Miklagarður and Mylnan. Additionally, it includes the operation of restaurants, specialty stores, meat processing, bakery, and confectionery production, as well as property management.

Balance sheet

in ISK million	31.08.2025	28.02.2025	Change	%
Assets				
Non-current assets	81.154	81.876	(722)	-0,9%
Current assets	27.065	23.160	3.905	16,9%
Total assets	108.219	105.036	3.183	3,0%
Equity and liabilities				
Share capital	1.095	1.098	(3)	-0,3%
Other equity	38.237	37.423	814	2,2%
Attributable to owner of the parent	39.332	38.521	811	2,1%
Non-controlling interest	(30)	(32)	2	-6,3%
Total equity	39.302	38.489	813	
Non-current liabilities	36.954	36.967	(13)	0,0%
Current borrowings	5.953	6.278	(325)	-5,2%
Other payables	26.010	23.303	2.707	11,6%
Total liabilities	68.917	66.547	2.370	3,6%
Total equity and liabilities	108.219	105.036	3.183	3,0%

Financial key figures 31.08.2025

- Total assets of the Group at the end of the second quarter amounted to ISK 108,219 million, increasing by ISK 3,183 million from year-end 2024/25, or 3.0%.
- Non-current assets totaled ISK 81,154 million, decreasing by ISK 722 million from year-end 2024/25.
- Current assets amounted to ISK 27,065 million, up by ISK 3,905 million since year-end 2024/25, of which cash and cash equivalents increased by ISK 2,605 million during the period.
- Inventories were ISK 13,085 million at the end of the period, decreasing by ISK 889 million during the period. Inventory turnover at the end of August was 11.0, compared to 11.1 in the previous year and 10.3 at year-end 2024/25. The collection period of trade receivables was 13.5 days, compared to 13.3 days last year, while it was 10.2 days at the end of 2024/25.
- The current ratio was 0.85 at the end of August, compared to 0.87 in the previous year. Access to short-term financing via credit facilities of ISK 3.0 billion with the company's commercial bank is secured, in addition to short-term funding through the issuance of promissory notes.
- Equity at the end of the period amounted to ISK 39,302 million, with an equity ratio of 36.3%. The equity ratio was 36.6% at year-end 2024/25. Return on equity was 28.9%, compared to 17.8% in the previous year. The company held own shares with a nominal value of 11.8 million at period-end.
- Total liabilities of the Group at the end of the period amounted to ISK 68,917 million, increasing by ISK 2,370 million from the end of last year.
- Interest-bearing debt amounted to ISK 23,099 million and lease liabilities to ISK 18,766 million. Net interest-bearing debt, including lease liabilities, was ISK 36,961 million at period-end, equivalent to 2.4x 12-month EBITDA.
- Short-term interest-bearing debt totaled ISK 5,953 million, of which promissory notes amounted to ISK 1,380 million and short-term financing in Danish kroner related to the acquisition of SMS amounted to ISK 3,832 million.

Cash flow statement

in ISK million	Q2 2025/26	Q2 2024/25	Change	%	6M 2025/26	6M 2024/25	Change	%
	01.06.-31.08	01.06.-31.08			01.03.-31.08	01.03.-31.08		
Net cash from operating activities	3.780	1.667	2.113	126,8%	9.181	5.557	3.624	65,2%
Net cash used in investing activities	(1.058)	(485)	(573)	118,1%	(2.099)	(1.099)	(1.000)	91,0%
Net cash used in financing activities	(3.688)	(2.772)	(916)	33,0%	(4.465)	(3.301)	(1.164)	35,3%
Net(decrease) increase in cash and cash equivalents	(966)	(1.590)	624	-39,2%	2.617	1.157	1.460	126,2%
Effect of exchange rate fluctuations on cash held	(6)	--	(6)	-	(12)	--	(12)	-
Cash and cash equivalents at beginning of the period	5.876	4.574	1.302	28,5%	2.299	1.827	472	25,8%
Cash and cash equivalents at the end of the period	4.904	2.984	1.920	64,3%	4.904	2.984	1.920	64,3%

Cash flow for H1 2025/26

- Cash from operating activities amounted to ISK 9,181 million in the first half of the financial year, compared to ISK 5,557 million in the same period last year.
- Investing activities amounted to ISK 2,099 million, compared to ISK 1,099 million in the previous year. Investments mainly relate to upgrades in several Bónus and Hagkaup stores, new Glans car wash facilities at Olís and two new ÓB self-service stations. At SMS in the Faroe Islands, investments were made in property, renovations, and the setup of Bónus and Rumbul stores, along with the Sunset Boulevard restaurant, which together form a new retail center in Runavík. Investments in intangible assets, such as software and other digital solutions, amounted to ISK 509 million during the period.
- Financing activities amounted to ISK 4,465 million, compared to ISK 3,301 million in the prior year. The amount spent on own share buybacks totaled ISK 395 million during the period, whereas no own shares were repurchased in the same period last year.
- Cash increased by ISK 2,605 million during the period, taking effect of exchange rate fluctuations into account, and amounted to ISK 4,904 million at the end of the period, compared to ISK 2,984 million at the end of the comparative period.

Status and prospects

The financial year is off to a solid start, and the outlook for Hagar's operations is generally positive. Performance in the second quarter exceeded expectations, and management's EBITDA guidance was raised by ISK 1,000 million in September. The strong results in the second quarter can primarily be attributed to three factors. First, Olís has performed significantly above plan, due in part to strong results in the fuel segment, high sales of dry goods and foodservice options, and operational efficiencies at service stations. At the same time, SMS in the Faroe Islands has also delivered results exceeding management's budget. Finally, demand in the grocery market has been robust, with increased activity.

The business environment for Icelandic companies and the economy in general has only gradually improved in recent months. Inflation has proven persistent, and interest rates have therefore decreased more slowly than anticipated. In addition, there have been uncertainties, including increased risk of tariffs and trade barriers, as well as uncertainty surrounding oil prices due to geopolitical conflicts. The impact of these factors on Hagar's operations has so far been minimal. Hagar's position is strong, and the company is well equipped to face potential challenges in the Icelandic business and economic environment.

Management's guidance for the 2025/26 financial year assumes that EBITDA will be in the range of ISK 17,000 – 17,500 million. The Group's financial position is strong, and financing is secured. Access to short-term funding in the form of credit lines amounting to ISK 3.0 billion is ensured, and the company has also utilized short-term financing through the issuance of promissory notes. The issuance is in line with the base prospectus for the ISK 10 billion issuance program approved by the company's board. The Company expects to continue utilizing market financing in the coming quarters.

About Hagar

Hagar is a leading retail company with diverse operations in Iceland, the Faroe Islands, and the Netherlands, primarily in the grocery and fuel markets. In Iceland, Hagar operates 40 grocery stores, 22 Olís service stations, 45 ÓB self-service stations, two warehouses, one production facility, one online store with meal kits, one supply store and one specialty store. Hagar's core business in Iceland is in the grocery and related warehouses, as well as fuel sales. In the Faroe Islands, Hagar operates the SMS company, a leading retailer in the Faroese market. SMS operates, among other things, 13 grocery stores, six restaurants and three specialty stores. In the Netherlands, Hagar operates one online store with alcoholic beverages.

Share capital and shareholders

- The market value of Hagar at the end of the period amounted to ISK 115.1 billion, with the closing share price on 31 August 2025 at ISK 104.0 per share.
- Registered share capital at the end of the period amounted to ISK 1,106 million. The company held 11.8 million own shares at the end of the period, resulting in outstanding share capital of ISK 1,095 million.
- On 27 May 2025, the Annual General Meeting of the company approved a dividend payment to shareholders equivalent to 50.0% of profit for the previous financial year, without effect of changes in value of investment property and share of profit of associates, amounting to a total of ISK 2,504 million. The dividend payment corresponded to ISK 2.28 per outstanding share and was paid on 5 June 2025.
- The number of shareholders was 923 at the beginning of the period and 929 at the end. The ten largest shareholders owned 76.1% of the company's share capital at the end of Q2.

Presentation meeting on Friday, 17 October 2025

A presentation meeting for investors and market participants will be held at Nauthóll, Nauthólsvegur 106, Reykjavík, on Friday, 17 October 2025, at 8:30 a.m. At the meeting, Finnur Oddsson, CEO, and Guðrún Eva Gunnarsdóttir, CFO, will present the company's operations and financial performance and answer questions.

The meeting will also be live-streamed, and registration for the stream is available at: <https://www.hagar.is/skraning>.

Presentation materials will be made available in Icelandic on Hagar's website, www.hagar.is, at the start of the meeting. Presentation materials will be available in English no later than 20 October at <https://www.hagar.is/en/>.

Financial calendar 2025/26

A change has been made to the financial calendar for 2025/26. The publication of Q3 results is now scheduled for 15 January 2026, instead of 14 January 2026 as previously announced.

Financial information is published after market close.

Accounting period	Weekday	Publication day
Q3 – 1 March to 30 November	Thursday	15 January 2026
Q4 – 1 March to 28 February	Tuesday	21 April 2026
Annual General Meeting 2026	Thursday	21 May 2026

This press release is translated from the Icelandic version which was published on October 16th, 2025. Should there be discrepancies between the two versions, the Icelandic version will take priority over the translated version.

For further information, please contact Finnur Oddsson, CEO (fo@hagar.is), and Guðrún Eva Gunnarsdóttir, CFO (geg@hagar.is), by telephone 530-5500 or email.
