

HAGAR HF: MANAGEMENT ACCOUNTS FOR 2025/26 AND Q4 RESULTS

Strong operating year - new procurement partnership lowers prices

The management accounts of Hagar hf. for the financial year 2025/26 have been reviewed by the Company's Board of Directors. The report includes, among other things, key information on the Group's operations, financial position and cash flows. The management accounts have not been audited by the Group's auditors and do not include non-financial information. The audited annual financial statements, together with non-financial disclosures, will be published on 29 April. Accordingly, the results presented herein may be subject to change by that time. Any deviations, should they arise, will be disclosed upon publication of the annual financial statements. Comparative figures, in the balance sheet as of 28 February 2025, have been adjusted to reflect the fair value of the SMS purchase price at the acquisition date following information obtained within one year of the acquisition.

Key figures*

- **Sales** in Q4 amounted to 48,043 m.ISK (4.4% increase from Q4 2024/25). Sales in 12M amounted to 197,043 m.ISK (9.3% increase from 12M 2024/25). [Q4 2024/25: 46,037 m.ISK, 12M 2024/25: 180,342 m.ISK]
- **Gross profit** Q4 amounted to 12,296 m.ISK (25.6%) and 49,124 m.ISK (24.9%) for 12M. [Q4 2024/25: 11,508 m.ISK (25.0%), 12M 2024/25: 41,104 m.ISK (22.8%)]
- **Earnings before interest, taxes, depreciation, and amortization (EBITDA)** Q4 amounted to 4,032 m.ISK or 8.4% of sales. EBITDA 12M amounted to 18,129 m.ISK or 9.2% of sales. [Q4 2024/25: 3,857 m.ISK (8.4%), 12M 2024/25: 14,738 m.ISK (8.2%)]
- **Profit** for Q4 amounted to 1,981 m.ISK or 4.1% of sales. Profit for 12M amounted to 7,394 m.ISK or 3.8% of sales. [Q4 2024/25: 3,066 m.ISK (6.7%), 12M 2024/25: 7,030 m.ISK (3.9%)]
- **Comprehensive income** for Q4 amounted to 1,836 m.ISK and 7,741 m.ISK for 12M. [Q4 2024/25: 6,735 m.ISK, 12M 2024/25: 10,699]
- **Basic earnings per share** in Q4 were 1.81 ISK and 6.75 ISK for 12M. [Q4 2024/25: 2.81 ISK, 12M 2024/25: 6.47 ISK]. **Diluted earnings per share** in Q4 were 1.66 ISK and 5.94 ISK for 12M. [Q4 2024/25: 2.71 ISK, 12M 2024/25: 6.30 ISK]
- **Equity** amounted to 42,779 m.ISK at year-end and **equity ratio** was 37.1%. [Year end 2024/25: 38,489 m.ISK and 36.5%]
- **Management's guidance** for the financial year 2025/26 assumed that EBITDA would be in the range of 17,600-18,100 m.ISK.

**SMS became part of Hagar Group in Q4 2024/25 and therefore the impact is only reflected in the final quarter of previous year's comparative figures.*

Operational highlights

- **The quarter delivered strong results**, with solid revenue growth and good performance across all operating segments – **SMS now included in Q4 comparative figures for the first time.**
- **The abolition of the fuel duties at year-end** impacts the Group's revenue, but **sales growth would have been around 6.4% on a like-for-like basis** – gross profit in ISK remains unchanged, while the **gross margin ratio increases.**
- **Customer visits to grocery stores in Iceland increased** by 6.8% in Q4 - the **number of units sold** increased by 3.2%.
- **Fuel volumes sold increased** by 1.2% during the quarter – **growth in both retail and sales to industries.**
- **Customer visits at SMS** in the Faroe Islands increased by 2.2% during the quarter.
- **Fair value changes of investment properties** were negative in Q4 by ISK 189 million, compared to a positive ISK 1,042 million last year, incl. ISK 922 million due to one-off effects related to SMS operating lease properties.
- **Hagar and Salling Group have entered a procurement partnership**, enabling Hagar - Bónus and Hagkaup - to **reduce prices on hundreds of products.**
- **Preparation for the new retail media unit, Hagar miðlar (e. Hagar Media)**, is nearing completion, with a presentation event for partners scheduled for April 17.
- **Hagar's new loyalty program, Takk**, was launched on **January 14** and has been very well received, with nearly 60,000 members to date.
- **Construction has begun on facilities** for Eldum rétt and Ferskar kjötvörur at **Álfabakki 2** - lease-related expenses of ISK 133 million recognized in Q4.
- **Hagar's share of profit in Klasi amounted to ISK 828 million** in Q4.

Finnur Oddsson, CEO:

Operations of Hagar during the fourth quarter of the 2025/26 financial year were strong across the board, with results exceeding forecasts. Sales amounted to ISK 48,043 million, representing a 4.4% increase year-on-year, although comparisons are affected by the abolition of fuel duties at the turn of the year, which lowers revenue relative to the prior year. EBITDA amounted to ISK 4,032 million, increasing by 4.5% year-on-year, while profit amounted to ISK 1,981 million and decreased between years. Adjusted for one-off income items and changes in the valuation of investment properties in the prior year, EBITDA strengthened further year-on-year and operating profit increased.

The quarter concludes a strong financial year for Hagar, with the company's new operating pillar, SMS in the Faroe Islands, now fully contributing. Annual sales amounted to ISK 197,043 million, a 9.3% increase, EBITDA was ISK 18,129 million, or 9.2% of revenue, and profit for the year amounted to ISK 7,394 million. The results reflect the strong position of all operating segments and solid demand in the markets in which the Group operates, both in Iceland and the Faroe Islands. We are satisfied with the Group's performance during the year and that, alongside strong operating results, meaningful steps have been taken to further broaden the revenue base and support profitable growth.

During the quarter, revenue from *Stores and Warehouses - Iceland* increased by 8.1% from the same period last year, amounting to ISK 35,687 million, and profit improved. Growth in revenue, units sold and customer visits confirms increasing momentum in Hagar's retail operations. A record number of customers visited Bónus during the quarter, resulting in 9% revenue growth and a 4% increase in units sold. Customers have responded well to updated priorities in Bónus stores and the continued focus on offering the best value in grocery retail in accessible locations across the country. The assortment of fruits, vegetables, health products and ready meals has been expanded, and initiatives such as the sale of 43 tonnes of "sports candy" in collaboration with LazyTown have supported children's health initiatives. In addition, 95% of children born in Iceland last year received a Barnabónus gift (care packages), support that eases the financial burden on families with children. Through strong procurement practices and close collaboration with suppliers, Bónus has reduced prices on about 850 products and maintained stable pricing on approximately 1,600 additional items year-on-year. In addition, customers save tens of millions of ISK each month through attractive offers, including "Ódýrast vikunnar í Bónus" (e. Value of the Week in Bónus) and "Takk" promotions.

Christmas trading at Hagkaup was strong and set the tone for a solid quarter. Customer visits reached record levels, supported by continuous service innovation and the broadest product offering in the Icelandic market across groceries, cosmetics and toys. The share of e-commerce in specialty goods and catering continues to grow, and customers have responded positively to the new online grocery platform in collaboration with Wolt. Activity at Aðföng and Bananar increased in line with strong performance in Hagar's grocery retail operations. Stórkaup's wholesale of operational supplies and health products performed well, with particularly strong growth in food-related sales. Convenient and high-quality meal solutions from Eldum rétt continue to enjoy popularity, which is reflected in performance. Zara also delivered solid results, with performance exceeding both forecasts and the prior year.

Operations at Olís were overall strong during the quarter. Revenue amounted to ISK 8,974 million and decreased by 10% year-on-year solely due to the abolition of fuel duties at year-end. Performance exceeded forecasts but declined year-on-year. Volumes sold increased in both retail and to industries, and continued growth was seen in non-fuel sales, including retail goods, food service and other services. The fifth Glans car wash station opened in February at Skúlagata. The financial year was one of the strongest in the company's history, driven by solid fuel sales in the retail market, efficiency improvements in operating costs and increased sales of services and non-fuel products such as food service, car wash services under Glans, last-mile delivery with Wolt and parcel services.

SMS in the Faroe Islands continued to perform well. Revenue amounted to ISK 3,965 million, increasing by close to 9% year-on-year, and customer visits increased. Profitability was slightly below the prior year and forecasts, partly due to one-off income items in the prior year and partly due to lost sales this year following supply chain disruptions from a logistics provider in mid-December, shortly before Christmas. Overall, SMS performed well during the year, with results well above forecasts.



“Takk”, the Group’s loyalty program launched in January, has been well received. Membership has reached approximately 60,000 users, significantly above expectations in the initial months. The program enables Hagar’s retail operations to better tailor product offerings and services to customer needs. Another new initiative, a retail media platform named “Hagar miðlar” (e. Hagar media), will formally launch on 17 April, enabling partners to communicate more effectively with customers at point of sale, compared to traditional media channels. Initial testing of advertising performance within “Hagar miðlar” has been promising, and we look forward to presenting the service further to partners at a formal launch event tomorrow.

Led by Bónus, Hagar has consistently emphasized maintaining the lowest possible prices for customers. Continuous efforts are made to minimize operating costs and secure favorable procurement terms, contributing to efforts to contain inflation. It is widely recognized that Bónus has played a key role in moderating grocery price increases in Iceland since its establishment. There are, however, emerging challenges, as rising oil prices driven by geopolitical tensions in the Middle East are increasing pressure on cost of goods in grocery retail globally, given the close link between oil prices, production and transportation costs.

In this context, we are pleased to announce that we have started a new procurement partnership with the Danish retail group Salling Group. Salling Group is the largest company in its field in Denmark, operating more than 2,100 stores under brands such as Netto, føtex, Bilka and Rimi across Denmark, Germany, Poland and the Baltic countries. The company is known for competitive pricing across a wide range of products, many of which carry recognized Nordic quality certifications. The partnership marks a milestone in Icelandic grocery retail, enabling Hagar to leverage Salling Group’s purchasing power to reduce prices on hundreds of products in the coming months. The first products have already been introduced in Bónus and Hagkaup stores, with further expansion expected. We expect these price reductions in our stores to have a positive impact on the development of grocery prices in general and contribute to easing inflationary pressures.

We are satisfied with the development of Hagar over the past year, which combined strong operating performance with progress on key strategic initiatives. A new operational pillar has been established through SMS in the Faroe Islands, the “Takk” loyalty program has been launched, and “Hagar miðlar” creates new opportunities for collaboration and customer engagement. In addition, the Glans car wash concept has been successfully rolled out, with five locations now in operation. At the same time, the year has been used to prepare the partnership with Salling Group, which we believe will deliver tangible benefits for both customers and the company in the short and long term. This progress is reflected in increased shareholder value, with return on equity in line with targets and earnings per share increasing by 21% over the past year and more than tripling over the past five years. The share price, adjusted for dividends, increased by over 21% during the financial year.

Hagar's strong performance over the past year reflects, on the one hand, the loyalty of our customers, who demonstrate their trust by choosing to shop with us, and on the other, an exceptional team of employees who bring dedication every day to deliver a convenient, simple and value-driven shopping experience. Despite challenging conditions facing the Icelandic economy and global markets for oil and supplies, we remain confident in a positive outlook for Hagar. The Group’s position is strong, and there are multiple opportunities ahead for profitable growth.

The outlook for the 2026/27 financial year assumes that EBITDA will be in the range of ISK 18,800 – 19,300 million.

Income statement and operating segments

in ISK million	Q4 2025/26		Q4 2024/25		12M 2025/26		12M 2024/25	
	01.12.-28.02	01.12.-28.02	Change	%	01.03.-28.02	01.03.-28.02	Change	%
Sales	48,043	46,037	2,006	4,4%	197,043	180,342	16,701	9,3%
Cost of goods sold	(35,747)	(34,529)	(1,218)	3,5%	(147,919)	(139,238)	(8,681)	6,2%
Gross profit	12,296	11,508	788	6,8%	49,124	41,104	8,020	19,5%
Gross profit %	25,6%	25,0%	-	0,6%	24,9%	22,8%	-	2,1%
Other operating income	323	332	(9)	-2,7%	1,291	936	355	37,9%
Salaries and related expenses	(5,917)	(5,382)	(535)	9,9%	(22,073)	(18,451)	(3,622)	19,6%
Other operating expenses	(2,670)	(2,601)	(69)	2,7%	(10,213)	(8,851)	(1,362)	15,4%
Profit from operating activities before depreciation and amortisation (EBITDA)	4,032	3,857	175	4,5%	18,129	14,738	3,391	23,0%
EBITDA %	8,4%	8,4%	-	0,0%	9,2%	8,2%	-	1,0%
Depreciation and amortisation	(1,664)	(1,456)	(208)	14,3%	(6,278)	(5,351)	(927)	17,3%
Changes in value of investment property	(189)	1,042	(1,231)	-118,1%	(410)	1,042	(1,452)	-139,3%
Profit from operating activities (EBIT)	2,179	3,443	(1,264)	-36,7%	11,441	10,429	1,012	9,7%
Net finance expense	(826)	(795)	(31)	3,9%	(3,597)	(2,988)	(609)	20,4%
Share of profit of associates	955	789	166	21,0%	1,205	981	224	22,8%
Profit before income tax	2,308	3,437	(1,129)	-32,8%	9,049	8,422	627	7,4%
Income tax	(327)	(371)	44	-11,9%	(1,655)	(1,392)	(263)	18,9%
Profit for the period	1,981	3,066	(1,085)	-35,4%	7,394	7,030	364	5,2%
Other comprehensive income	(145)	3,669	(3,814)	-104,0%	347	3,669	(3,322)	-90,5%
Total comprehensive income for the period	1,836	6,735	(4,899)	-72,7%	7,741	10,699	(2,958)	-27,6%

Key figures in Q4 2025/26

Sales in Q4 were ISK 48,043 million, increasing by 4.4% year over year (YoY). Sales growth in stores and warehouses in Iceland was 8.1%, while Olís declined by 10.3% YoY. Excl. the impact of the abolition of the fuel duties, sales were 1.0% below prior year. Sales in SMS increased by 10.0%.

Customer visits to grocery stores (in Iceland) grew by 6.8% YoY, and the number of units sold grew by 3.2%. Fuel sales volume increased by 1.2%, with growth in both retail and sales to industries. Customer visits to SMS increased by 2.2%.

Gross profit in Q4 amounted to ISK 12,296 million, up 6.8% YoY, with a gross margin of 25.6%, up by 0.6%-points - the gross margin strengthened in both the grocery and fuel segments of the company.

Salaries increased by 9.9% YoY and other operating expenses by 2.7%. The salary and operating cost ratio increased from 17.3% to 17.9%, partly due to the abolition of fuel duties.

EBITDA was ISK 4,032 million, an increase of 4.5% YoY. EBITDA grew by 17.6% in Icelandic stores and warehouses, but declined by 30.7% at Olís, noting that Q4 last year was exceptionally strong in historical context. EBITDA at SMS decreased by 13.6%, mainly due to one-off income last year and lost sales due to delays in shipping deliveries.

Fair value changes of investment properties were negative by ISK 189 million, compared to a positive ISK 1,042 million in the prior year, which included one-off positive effects of ISK 922 million related to SMS operating lease properties. Share of profit from associates amounted to ISK 955 million in Q4, thereof ISK 828 million attributable to Klasi.

Profit for Q4 was ISK 1,981 million, compared to ISK 3,066 million in the prior year. Total comprehensive income was ISK 1,836 million, compared to ISK 6,735 million in the previous year.

Operations for the year 2025/26

Sales amounted to ISK 197,043 million, compared to ISK 180,342 million in the previous year, an increase of 9.3%. Sales growth in stores and warehouses in Iceland was 7.3%, while Olís recorded a sales decline of 8.2%. SMS became part of Hagar in Q4 2024/25, affecting year-on-year comparability, with its impact only partially reflected in comparative figures.

Gross profit for the year amounted to ISK 49,124 million, an increase of 19.5% YoY. The gross margin was 24.9%, rising by 2.1% points from the previous year. The increase is primarily attributable to the inclusion of SMS in the Group, as well as strong operations in both business segments in Iceland.

Total operating expenses increased by 18.3% YoY, mainly due to SMS, the impact of inflation and wage agreements, as well as costs related to Álfabakki 2. The salaries and cost ratio rose from 15.1% to 16.4% during the year, primarily due to the impact of SMS.

EBITDA amounted to ISK 18,129 million, up 23.0%. EBITDA grew by 13.2% in Icelandic stores and warehouses and by 12.9% in Olís. EBITDA for the SMS segment amounted to 2,051 million.

Fair value changes of investment properties were negative by ISK 410 million, with negative effects at SMS, related to operating lease properties, amounting to ISK 462 million.

Profit for the year was ISK 7,394 million (3.8% of sales), compared to ISK 7,030 million (3.9%) in the previous year. Other comprehensive income was ISK 347 million, incl. ISK 493 million from property revaluation recognized directly in equity, while negative translation differences were ISK 146 million. Total comprehensive income amounted to 7,741 million, compared to ISK 10,699 million in the prior year, when ISK 3,677 million was recognized due to property revaluation following changes in accounting methodology.

Operating segments in Q4 and operating year 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.

Q4 2025/26 in ISK million	Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total
Sales	35.471	8.942	3.814	(184)	48.043
Other operating income	216	32	151	(76)	323
Total revenue	35.687	8.974	3.965	(260)	48.366
Total operating expenses	(32.595)	(8.486)	(3.513)	260	(44.334)
EBITDA	3.092	488	452	--	4.032
Depreciation and amortisation	(1.158)	(317)	(189)	--	(1.664)
Ch. in value of investment property	(23)	6	(172)	--	(189)
Effect of results of associates	828	128	(1)	--	955
EBIT	2.739	305	90	--	3.134
Net finance expense	(523)	(125)	(178)	--	(826)
Income tax					(327)
Profit for the period					1.981

Q4 2024/25 in ISK million	Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total
Sales	32.826	9.972	3.467	(228)	46.037
Other operating income	183	41	183	(75)	332
Total revenue	33.009	10.013	3.650	(303)	46.369
Total operating expenses	(30.379)	(9.309)	(3.127)	303	(42.512)
EBITDA	2.630	704	523	--	3.857
Depreciation and amortisation	(997)	(281)	(178)	--	(1.456)
Ch. in value of investment property	129	(9)	922	--	1.042
Effect of results of associates	660	129	--	--	789
EBIT	2.422	543	1.267	--	4.232
Net finance expense	(585)	(80)	(130)	--	(795)
Income tax					(371)
Profit for the period					3.066

Change Q4 YoY %	Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total
Sales	8,1%	-10,3%	10,0%	-19,3%	4,4%
Other operating income	18,0%	-22,0%	-17,5%	1,3%	-2,7%
Total revenue	8,1%	-10,4%	8,6%	-14,2%	4,3%
Total operating expenses	7,3%	-8,8%	12,3%	-14,2%	4,3%
EBITDA	17,6%	-30,7%	-13,6%	--	4,5%
Depreciation and amortisation	16,1%	12,8%	6,2%	--	14,3%
Ch. in value of investment property	-117,8%	-166,7%	-118,7%	--	-118,1%
Effect of results of associates	25,5%	-0,8%	--	--	21,0%
EBIT	13,1%	-43,8%	-92,9%	--	-25,9%
Net finance expense	-10,6%	56,3%	36,9%	--	3,9%
Income tax					-11,9%
Profit for the period					-35,4%

12M 2025/26 in ISK million	Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total
Sales	136.856	46.104	14.990	(907)	197.043
Other operating income	778	192	623	(302)	1.291
Total revenue	137.634	46.296	15.613	(1.209)	198.334
Total operating expenses	(125.725)	(42.127)	(13.562)	1.209	(180.205)
EBITDA	11.909	4.169	2.051	--	18.129
Depreciation and amortisation	(4.397)	(1.165)	(716)	--	(6.278)
Ch. in value of investment property	51	1	(462)	--	(410)
Effect of results of associates	859	347	(1)	--	1.205
EBIT	8.422	3.352	872	--	12.646
Net finance expense	(2.545)	(550)	(502)	--	(3.597)
Income tax					(1.655)
Profit for the period					7.394

12M 2024/25 in ISK million	Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total
Sales	127.508	50.238	3.467	(871)	180.342
Other operating income	732	306	183	(285)	936
Total revenue	128.240	50.544	3.650	(1.156)	181.278
Total operating expenses	(117.719)	(46.850)	(3.127)	1.156	(166.540)
EBITDA	10.521	3.694	523	--	14.738
Depreciation and amortisation	(3.986)	(1.187)	(178)	--	(5.351)
Ch. in value of investment property	129	(9)	922	--	1.042
Effect of results of associates	699	282	--	--	981
EBIT	7.363	2.780	1.267	--	11.410
Net finance expense	(2.365)	(493)	(130)	--	(2.988)
Income tax					(1.392)
Profit for the period					7.030

Change 12M YoY %	Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total
Sales	7,3%	-8,2%	332,4%	4,1%	9,3%
Other operating income	6,3%	-37,3%	240,4%	6,0%	37,9%
Total revenue	7,3%	-8,4%	327,8%	4,6%	9,4%
Total operating expenses	6,8%	-10,1%	333,7%	4,6%	8,2%
EBITDA	13,2%	12,9%	292,2%	--	23,0%
Depreciation and amortisation	10,3%	-1,9%	302,2%	--	17,3%
Ch. in value of investment property	-60,5%	-111,1%	-150,1%	--	-139,3%
Effect of results of associates	22,9%	23,0%	--	--	22,8%
EBIT	14,4%	20,6%	-31,2%	--	10,8%
Net finance expense	7,6%	11,6%	286,2%	--	20,4%
Income tax					18,9%
Profit for the period					5,2%

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 many ÓB self-service stations, as well as several touchless car wash stations under the Glans brand.

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	28.02.2026	28.02.2025	Change	%
Assets				
Non-current assets	90.381	82.372	8.009	9,7%
Current assets	24.865	23.160	1.705	7,4%
Total assets	115.246	105.532	9.714	9,2%
Equity and liabilities				
Share capital	1.089	1.098	(9)	-0,8%
Other equity	41.718	37.423	4.295	11,5%
Attributable to owner of the parent	42.807	38.521	4.286	11,1%
Non-controlling interest	(28)	(32)	4	-12,5%
Total equity	42.779	38.489	4.290	
Non-current liabilities	39.291	37.463	1.828	4,9%
Current borrowings	9.040	6.278	2.762	44,0%
Other payables	24.136	23.303	833	3,6%
Total liabilities	72.467	67.043	5.424	8,1%
Total equity and liabilities	115.246	105.532	9.714	9,2%

Financial key figures 28.02.2026

- Total assets of the Group at year-end amounted to ISK 115,246 million, increasing by ISK 9,714 million from year-end 2024/25, or 9.2%. Comparative figures have been restated to reflect the fair value of the SMS purchase price at the acquisition date, 2 December 2024, following information obtained within one year of the acquisition. Non-current assets increased by ISK 496 million, with a corresponding increase in long-term liabilities. The equity ratio decreased from 36.6% to 36.5% following the changes.
- Non-current assets totaled ISK 90,381 million, increasing by ISK 8,009 million from year-end 2024/25. The increase was primarily attributable to a rise of ISK 5,195 million in lease assets, resulting from a new lease agreement for Álfabakki 2 and the extension of existing lease agreements with Bónus and Hagkaup.
- Current assets amounted to ISK 24,865 million, up by ISK 1,705 million from year-end 2024/25, of which cash and cash equivalents increased by ISK 1,576 million during the year.
- Inventories amounted to ISK 14,393 million at year-end, decreasing by ISK 419 million during the year. Inventory turnover was 10.4 at year-end, compared to 10.3 at year-end 2024/25. The collection period of trade receivables was 9.6 days, compared to 10.2 days at year-end 2024/25.
- The current ratio was 0.75 at year-end, compared to 0.78 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 year amounted to ISK 42,779 million, with an equity ratio of 37.1%, compared to 36.5% at year-end 2024/25. Return on equity was 19.2%, compared to 24.3% in the previous year. The company held own shares with a nominal value of 17.8 million at year-end.
- Total liabilities of the Group at year-end amounted to ISK 72,467 million, increasing by ISK 5,424 million from the end of last year, of which ISK 5,377 million was attributable to lease liabilities.
- Interest-bearing debt amounted to ISK 23,391 million and lease liabilities to ISK 24,954 million. Net interest-bearing debt, including lease liabilities, was ISK 44,470 million, or 2.5x trailing 12-month EBITDA.
- Short-term interest-bearing debt totaled ISK 9,040 million, of which promissory notes amounted to ISK 1,240 million and ISK 3,841 million in short-term financing in Danish kroner related to the acquisition of SMS. The bond series HAGA120926 1, amounting to ISK 3,000 million, is also due in the second half of the year.

Cash flow statement

in ISK million	Q4 2025/26	Q4 2024/25	Change	%	12M 2025/26	12M 2024/25	Change	%
	01.12.-28.02	01.12.-28.02			01.03.-28.02	01.03.-28.02		
Net cash from operating activities	600	2.856	(2.256)	-79,0%	13.022	11.108	1.914	17,2%
Net cash used in investing activities	(1.573)	(1.514)	(59)	3,9%	(5.282)	(8.671)	3.389	-39,1%
Net cash used in financing activities	(1.254)	(576)	(678)	117,7%	(6.156)	(1.964)	(4.192)	213,4%
Net(decrease) increase in cash and cash equivalents	(2.227)	766	(2.993)	-390,7%	1.584	473	1.111	234,9%
Effect of exchange rate fluctuations on cash held	(24)	(1)	(23)	2300,0%	(8)	(1)	(7)	700,0%
Cash and cash equivalents at beginning of the period	6.126	1.534	4.592	299,3%	2.299	1.827	472	25,8%
Cash and cash equivalents at the end of the period	3.875	2.299	1.576	68,6%	3.875	2.299	1.576	68,6%

Cash flow for the operating year 2025/26

- Cash from operating activities amounted to ISK 13,022 million during the financial year, compared to ISK 11,108 million in the previous year.
- Investing activities for the year amounted to ISK 5,282 million, compared to ISK 8,671 million in the previous year. Capital expenditure on property, plant and equipment totaled ISK 4,757 million, mainly related to the development of production facilities for Eldum rétt and Ferskar kjötvörur at Álfabakki 2, 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 a property in Runavík, as well as in renovations and the setup of retail stores in the premises. Investments in intangible assets, such as software and other digital solutions, amounted to ISK 757 million during the year. In the previous year, investment in the subsidiary SMS amounted to ISK 4,741 million.
- Financing activities for the year amounted to ISK 6,156 million, compared to ISK 1,964 million in the previous year. The amount spent on own share buybacks totaled ISK 1,054 million during the year, compared to no buybacks in the previous year.
- Cash increased by ISK 1,576 million during the year, taking effect of exchange rate fluctuations into account, and amounted to ISK 3,875 million at year-end, compared to ISK 2,299 million at the end of the comparative year.

Status and prospects

Management's updated EBITDA guidance for the 2025/26 financial year, which has now concluded, assumed that EBITDA would be in the range of ISK 17,600–18,100 million. Operations for the year progressed well and exceeded management's original earnings guidance. The guidance was raised twice during the year, first by ISK 1,000 million ahead of the publication of the Q2 results and subsequently by ISK 600 million in connection with the publication of the Q3 results. The improved operating results relating to the original guidance can be attributed to all business units within the Group. Demand in the Icelandic grocery market was strong, with solid revenue growth and improved profitability year-on-year at both Bónus and Hagkaup. Olís delivered strong results in both its fuel and dry-goods segments, while new revenue streams and operational efficiencies at service stations contributed positively. At the same time, operations at SMS in the Faroe Islands performed well, with increased activity.

The initial weeks of the new financial year have been characterized by uncertainty in the global economic environment, driven in part by conflicts in the Middle East, with inflationary pressures, high interest rates and volatility in commodity markets. Hagar is not immune to these conditions; however, the Company's financial position is strong, and it is well positioned to navigate these challenges, as well as others in the Icelandic economic environment.

Management's guidance for the 2026/27 financial year, which has now commenced, assumes that EBITDA will be in the range of ISK 18,800 - 19,300 million. The guidance assumptions include a 3.7% annual increase in the price level and the impact of collective wage agreements amounting to approximately 5.0% year-on-year wage growth. Limited effects from changes in the exchange rates of major purchasing currencies were assumed. Due to ongoing construction and the relocation of operations to Álfabakki 2, a temporary additional operating cost, primarily due to double rent, is estimated at ISK 470 million in the 2026/27 operating budget. The published guidance reflects this additional cost and is therefore lower than the Company's underlying operating

projections. Capital expenditure (CAPEX) for the year is expected to be in the range of ISK 5,600 - 6,000 million. As noted, Álfabakki 2 accounts for large share of planned investments, and the relocation is expected to create new opportunities for Hagar, particularly in production and new revenue streams.

The Group's financial position remains 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, seven restaurants and four 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 year amounted to ISK 131.7 billion, with the closing share price on 28 February 2026 at ISK 119.0 per share.
- Registered share capital at the end of the period amounted to ISK 1,106 million. The company held 17.8 million own shares at the end of the year, resulting in outstanding share capital of ISK 1,089 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 Board of Directors proposal regarding dividend payments for the Annual General Meeting 2026 will be presented with the financial statements which will be published on 29 April 2026. The Annual General Meeting will be held on 21 May 2026.
- The number of shareholders was 923 at the beginning of the year and 1066 at the end. The ten largest shareholders owned 76.3% of the company's share capital at the end of Q4.

Presentation meeting on Friday, 17 April 2026

A presentation meeting for investors and market participants will be held at Nauthóll, Nauthólsvegur 106, Reykjavík, on Friday, 17 April 2026, 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>. Questions related to the financial results can be sent to the email address fjarfestakynning@hagar.is and will be answered as possible at the end of the meeting.

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

Financial calendar 2026/27

Financial information is published after market close.

Accounting period	Weekday	Publication day
Annual General Meeting 2026	Thursday	21 May 2026
Q1 – 1 March to 31 May	Tuesday	30 June 2026
Q2 – 1 March to 31 August	Thursday	15 October 2026
Q3 – 1 March to 30 November	Thursday	14 January 2027
Q4 Management accounts - 1 March to 28 February	Thursday	15 April 2027
Q4 Financial statements – 1 March to 28 February	Thursday	29 April 2027
Annual General Meeting 2027	Wednesday	26 May 2027

This press release is translated from the Icelandic version which was published on April 16th, 2026. 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.