



Investor Presentation Q1 2026/27

Strong start to the year with solid performance
across all business units



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*This presentation is translated from the Icelandic version which was published on 30 June, 2026. Should there be discrepancies between the two versions, the Icelandic version will take priority over the translated version.



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Quarter at a Glance: Key Figures

Q1 2026/27 (changes from Q1 2025/26)

50.8 b.ISK

sales

▲ 5,5%

5.1 b.ISK

EBITDA

▲ 26.9%

1.9 b.ISK

profit

▲ 64.5%

26.2%

gross margin

▲ 2.0 pp

16.7%

OPEX ratio

▲ 0.3 pp

37.7%

equity ratio

▲ 0.6 pp

Operations: Key takeaways from the quarter

- **Strong first-quarter performance**, exceeding expectations - profitability improved year-on-year, driven by Olís and the impact of higher global oil prices during the quarter, as well as **stronger performance from the Icelandic retail stores and warehouses**
- **All business units continue to perform well - customer visits and units sold increased** in Iceland and the Faroe Islands, despite an unusually soft quarter compared with the previous year and the start of the second quarter
- **The purchasing partnership between Hagar and Salling Group** has brought around 500 new products to store shelves, with the **benefits of improved purchasing terms passed on to customers through lower prices compared with comparable products**
- **A new retail media business unit, Hagar Media, commenced operations**, marking an important milestone in the development of retail marketing in Iceland
- **Unusual conditions in the oil market** had a significant impact on Olís' performance - temporarily stronger profitability from sales to industries, while retail fuel profitability declined slightly
- **Part of the positive impact on Olís' first-quarter earnings is expected to reverse** - uncertainty remains and **earnings guidance for the 2026/27 financial year has therefore not been raised at this stage**



Operating segment #1: Focus on Salling while maintaining strong results

Stores & Warehouses (Iceland) - Income Statement Q1 2026/27 (m.ISK)

- **Revenue from groceries, specialty products and warehouses amounted to ISK 35.7bn**, increasing by just over 6% year-on-year
- **EBITDA amounted to over ISK 3.1bn, or 8.7% of revenue, and increased by nearly 15% year-on-year** - segment EBIT strengthened by almost 18% year-on-year
- **Underlying activity continued to increase** - stores visits grew by 1.3% and units sold increased by 2%
- **Bónus grew faster than Hagkaup** in the first quarter, despite the temporary closure of the Selfoss store towards the end of the quarter due to its expansion
- **Operations at Aðföng and Bananar developed well**, in line with the performance of the stores - **Eldum rétt, Stórkaup and Zara all delivered stronger results than in the prior year**
- **A major project in Q1 was the introduction of the first ~350 Salling products in Bónus and Hagkaup stores** - customers have responded very positively to the new assortment

	Q1 '26/27	Q1 '25/26	Δ	%Δ
Revenue	35.742	33.595	2.147	+6,4%
Expenses	-32.620	-30.875	-1.745	+5,7%
EBITDA	3.122	2.720	402	+14,8%
<i>EBITDA %</i>	<i>8,7%</i>	<i>8,1%</i>	<i>+0,6%</i>	<i>+7,9%</i>
EBIT	2.024	1.717	307	+17,9%
<i>EBIT %</i>	<i>5,7%</i>	<i>5,1%</i>	<i>+0,6%</i>	<i>+10,8%</i>

*EBIT: Profits after depreciation, revaluation and effect from associate companies

Key operations in the segment (Stores & Warehouses - Iceland)



***Bónus*: Salling will lower customer prices and strengthen operations**

- **Product sales amounted to ISK 25.7 billion** in the first quarter, **increasing by almost 7%** year-on-year - higher volumes and a continued focus on efficiency drove an even stronger improvement in profitability
- **Positive momentum in Q1, with both customer visits and units sold increasing by approx. 2.5%**, despite an increased offering of larger and more value-oriented units, prepared meals, etc.
- **Growth in customer visits was lower year-on-year for several reasons**, particularly in May - including the temporary closure of Bónus Selfoss, last year's heatwave, etc. - **strong growth in June compared with Q1 overall**
- **A major project was the introduction of Salling products into stores**, with around 500 products now forming a meaningful part of the grocery basket - **lower-priced comparable products and a new assortment, including organic (ØKO) and allergy-friendly (FRI) options**
- **Bónus remains focused on efficient operations and favorable purchasing terms**, and around half of the assortment is now priced lower than or at the same level as **12 months ago** - the new purchasing partnership will further support this journey
- **Bónus Selfoss was redesigned and expanded by approx. 350 m² in Q1** - **units sold have increased significantly** since reopening around the turn of May/June



Hagkaup: Operational improvements delivering results

- **Q1 product sales** amounted to over ISK 6.7bn and increased by just over 5% year-on-year - **profitability strengthened considerably more than revenue**
- **Good progress** has been made in improving labor efficiency and reducing shrinkage, supporting margins and operations
- **Units sold remained stable year-on-year while customer numbers declined slightly** - comparison between quarters is distorted by the timing of events and promotional days
- **The first Salling products** were introduced in Hagkaup stores in Q1, as in Bónus - the products broaden the assortment, support lower prices and **strengthen Hagkaup's positioning through the addition of premium-quality products under the Salling Princip product line**
- **Online shopping, partnership with Wolt and catering services** continue to strengthen Hagkaup's service offering - **catering services were sold out on all key days around spring graduations**
- **Hagkaup's operations** have undergone significant change in recent years, with clearer category focus, changes to the assortment, new services and targeted operational improvements - resulting in **considerably stronger profitability and continued attractive growth opportunities**



Operating segment #2: Profitability strengthened due to unusual conditions in the oil market

Olís - Income Statement Q1 2026/27 (m.ISK)

- **Q1 revenue amounted to nearly ISK 11.6bn** and increased by just over 2% year-on-year - excluding volume sold, **global market prices and the abolition of the oil tax at year-end also had a considerable impact**
- **Fuel liters sold decreased by 3.7%** in Q1
- **EBITDA amounted to ISK 1,543m (13.3%), and EBIT amounted to ISK 1,133m (9.8%) - the improvement in profitability was mainly driven by a significant and rapid increase in global oil prices, which increased profitability from sales to industries**
- **The impact of sales to industries on profitability is temporary and will partly reverse** when global market prices decline
- **Profitability in retail fuel sales contracted somewhat year-on-year** due to lower margins and fewer kilometers driven
- **At the end of Q1, the cost price of part of Olís' fuel inventory was higher than the likely selling price, and inventories were therefore written down by ISK 308m** in the first quarter
- **Sales of services and non-fuel products, including groceries, food service and car washes, continue to grow**

	Q1 '26/27	Q1 '25/26	Δ	%Δ
Revenue	11.598	11.355	243	+2,1%
Expenses	-10.055	-10.557	502	-4,8%
EBITDA	1.543	798	745	+93,4%
<i>EBITDA %</i>	<i>13,3%</i>	<i>7,0%</i>	<i>+6,3%</i>	<i>+89,3%</i>
EBIT	1.133	547	586	+107,1%
<i>EBIT %</i>	<i>9,8%</i>	<i>4,8%</i>	<i>+5,0%</i>	<i>+102,8%</i>

*EBIT: Profits after depreciation, revaluation and effect from associate companies

Key operations in the segment (Olís)



Operating segment #3: Operations performing well with continued development

Stores & Warehouses (Faroe Islands) - Income Statement Q1 2026/27 (m.ISK)

- Q1 revenue amounted to over ISK 4bn and increased by just over 7% year-on-year - **EBITDA** amounted to ISK 471m, or 11.6% of revenue
- Operations progressed well across all key units, with activity continuing to increase through higher customer numbers
- Q1 profitability was slightly below the prior year, mainly due to a one-off revenue loss and higher costs following disruptions in product deliveries to the Faroe Islands
- The new property in Tórshavn is nearing completion and will house a new specialty products warehouse, offices, a car wash and a return station for recyclable beverage containers - a new service and an important addition to SMS' property portfolio
- The 3,000 m² retail center opened in Runavík in November has delivered strong performance since opening - confirming demand for this type of retail center

	Q1 '26/27	Q1 '25/26	Δ	%Δ
Revenue	4.066	3.790	276	+7,3%
Expenses	-3.595	-3.262	-333	+10,2%
EBITDA	471	798	-327	-41,0%
<i>EBITDA %</i>	<i>11,6%</i>	<i>21,1%</i>	<i>-9,5%</i>	<i>-45,0%</i>
EBIT	171	547	-376	-68,7%
<i>EBIT %</i>	<i>4,2%</i>	<i>14,4%</i>	<i>-10,2%</i>	<i>-70,9%</i>

* EBIT: Profits after depreciation, revaluation and effect from associate companies

Key operations in the segment (Stores & Warehouses – Faroe Islands)



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General Overview: Selected operational highlights



Selfoss Bónus store expanded

- *Bónus in Selfoss expanded by ~350 sqm and fully refurbished at the end of Q1*
- *A successful refurbishment that has resulted in a significant increase in June sales volumes*



Planned expansion in Ölfus

- *Hagar plans to establish a new operation in Þorlákshöfn over the coming months*
- *Planned opening of an ÓB station and a Bónus store - Hagar's first grocery store in the area*



Around 65k „Takk“ members

- *Takk has grown to around 65,000 members since its launch in January*
- *Key learnings on member benefits, with a significant update coming in August*



Álfabakki 2 progressing well

- *Construction at Á2 is progressing well, with Eldum rétt and Ferskar kjötvörur relocating in September*
- *Supports further expansion of Hagar's production operations*

Salling: Sales of Salling products have got off to an excellent start

- **The partnership with Salling has got off to a very strong start**, with a well-established and reliable product flow from Denmark
- **Nearly 500 products are now available in Bónus and Hagkaup**, with the range expected to exceed **1,000 products by year-end**
- **Recent weeks have focused on fine-tuning the supply chain**, product assortment and shelf layout
- **Initial customer response has been very positive**, with many products selling faster than expected despite virtually no marketing to date
- **The Salling brands will be promoted more actively over the coming weeks**, while customers can already find **Salling products across key product categories**
- **The operational benefits of the partnership are expected to become more evident over the coming months** as volumes grow, the range expands and lower prices reach customers - early results are encouraging



Hagar Media: Hagar Media launched and generating its first revenues

- **Hagar Media has made strong progress in recent weeks**, with active sales, initial revenues and positive supplier feedback
- **A well-attended launch event for suppliers and marketing professionals confirmed strong interest** in Hagar Media and its advertising platforms
- **Continued infrastructure build-out**, with more in-store screens and standardized screen locations and advertising placements
- The pilot sales period continues through the summer, with the **first campaigns delivering strong results and initial revenues**
- **The next phase will focus on expanding the offering, infrastructure and sales efforts**, with increased sales activity following the pilot period
- **Hagar Media's infrastructure also supports Hagar's own in-store communications**, enhancing the customer experience and sales of selected products



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Strong operating performance with profit up nearly 65% YoY

Income Statement Q1 2026/27 (m.ISK)

- **Sales in Q1** amounted to 50.8 b.ISK., **rising by 5.5% YoY - strong growth across all business units**; abolition of fuel duties reduces reported sales growth at Olís
- **Gross margin** was 13.3 b.ISK and **increased** by 14.3% - **gross margin ratio** 26.2%, up 2.0 percentage points YoY
- **Higher gross profit** primarily driven by the nature of Olís' agreements with industries - impact is expected to be **partly temporary** and **to reverse to some extent in Q2** as global oil prices decline
- **Salaries and other operating expenses increase** in line with collective wage agreements and general inflation
- **EBITDA** was 5.1 b.ISK, **up 26.9% YoY**
- **Profit** amounted to 1.9 b.ISK, compared with 1.2 b.ISK in the prior year, **up 64.5% YoY**

	Q1 '26/27	Q1 '25/26	Δ	%Δ
Sales	50.785	48.115	2.670	+5,5%
Gross profit	13.281	11.619	1.662	+14,3%
Other operating income	320	318	2	+0,6%
Salaries	-5.776	-5.327	-449	+8,4%
Other operating expenses	-2.689	-2.564	-125	+4,9%
EBITDA	5.136	4.046	1.090	+26,9%
Depreciation	-1.797	-1.458	-339	+23,3%
Value of investment property	-67	-173	106	-61,3%
EBIT	3.272	2.415	857	+35,5%
Net finance expense	-920	-959	39	-4,1%
Effect of results of associates	56	32	24	+75,0%
Profit	1.917	1.165	752	+64,5%
Other comprehensive income	94	24	70	+291,7%
Total comprehensive income	2.011	1.189	822	+69,1%

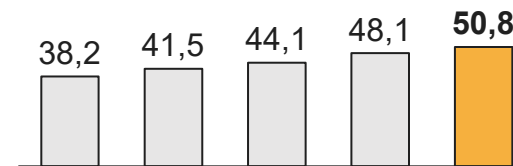
Gross margin increased due to temporary conditions in the oil market

Key operational metrics (3M 2022/23 - 3M 2026/27)

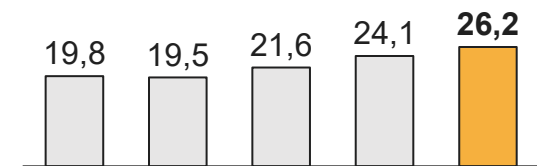
- **Strong sales growth YoY** driven by all business segments - Olís' revenue sensitive to **global oil prices** while **abolition of fuel duties** reduced reported revenue growth
- **Gross margin increased** by 2.0 pp YoY - primarily driven by **sharp increase in global oil prices** and its impact on Olís's agreements with industries
- **Salary ratio** was 11.4%, **up** from 11.1% in the prior year - **other operating cost ratio remained unchanged** at 5.3%
- **EBITDA margin** was 10.1% in Q1, compared with 8.4% in the prior year
- **Profit margin** was 3.8%, compared with 2.4% in the prior year

Sales and gross margin

Sales (m.ISK)

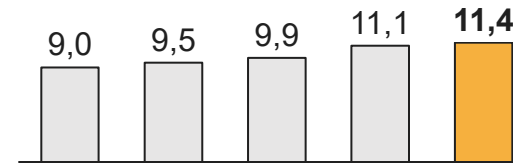


Gross margin (%)

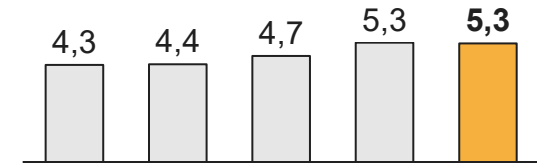


Operating costs

Salary (%)

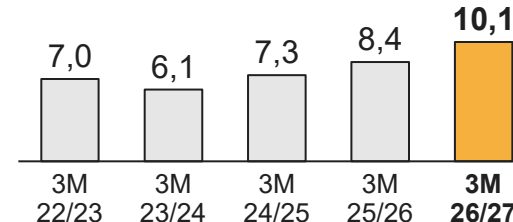


Other operating cost (%)

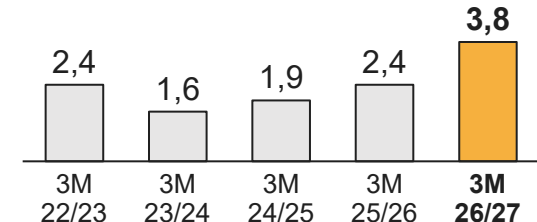


Profit

EBITDA (%)



Profit (%)



Temporary fluctuations in working capital reduced cash flow

Cash Flow Statement 3M 2026/27 (m.ISK)

- **Net cash from operating activity** was 635 m.ISK in Q1, compared to 5.4 b.ISK in prior year - decline was due to temporary changes in working capital
- **Investing activities** amounted to 1.4 b.ISK compared to 1.3 b.ISK in the prior year
- **Capex** was primarily related to Álfabakki 1 and the expansion of the Bónus store in Selfoss
- **Financing activities** amounted to 71 m.ISK, compared with 527 m.ISK in the prior year
- **Cash and cash equivalents** decreased by ISK 803 million during Q1, totaling ISK 3.1 billion at quarter-end, compared with ISK 5.9 billion at the end of Q1 last year

	3M 2026/27	3M 2025/26	Change
Profit for the period	1.917	1.165	752
Adjustments	3.232	2.868	364
Working capital	5.149	4.033	1.116
Change in current assets	-4.312	-140	-4.172
Change in current liabilities	977	2.593	-1.616
Paid interests and taxes	-1.179	-1.085	-94
Cash from operating activity	635	5.401	4.766
Investing activities	-1.366	-1.291	-75
Financing activities	-71	-527	456
Change in cash	-802	3.583	-4.385
Net cash at the end of May	3.072	5.876	-2.804

Working capital increased due to higher oil prices

Balance Sheet 31 May 2026 (m.ISK)

- **Non-current assets** amounted to 90.1 b.ISK, remaining broadly unchanged from year-end 2025/26
- **Current assets** amounted 28.4 b.ISK, up 3.6 b.ISK - **inventories increase by 2.8 b.ISK** due to higher fuel inventory values
- **Equity** amounted to 44.7 b.ISK and the company held 17.8 million **own shares** at the end of Q1
- **Total liabilities** were 73.8 b.ISK, up 1.3 b.ISK from year-end
- **Interest-bearing short-term debt** amounted to 9.5 b.ISK - incl. 3.8 b.ISK in **DKK financing related to Hagar's acquisition of SMS** (currently being refinanced), as well as 3.0 b.ISK **bond maturing in Q3**

	31.05. 2026	28.02. 2026	%Δ		31.05. 2026	28.02. 2026	%Δ
Property, plant and equipment	38.255	37.836	+1%	Borrowings	14.281	14.351	-0%
Intangible assets	16.137	16.167	-0%	Lease liabilities	20.768	21.022	-1%
Other non-current assets	35.730	36.378	-2%	Income tax	4.436	3.918	+13%
Non-current assets	90.122	90.381	-0%	Non-current liabilities	39.485	39.291	+0%
Inventories	17.235	14.393	+20%	Borrowings	9.482	9.040	+5%
Trade receivables	8.114	6.597	+23%	Lease liabilities	3.925	3.932	-0%
Cash	3.072	3.875	-21%	Trade payables	20.910	20.204	+3%
Current assets	28.421	24.865	+14%	Current liabilities	34.317	33.176	+3%
Total assets	118.543	115.246	+3%	Total liabilities	73.802	72.467	+2%
Liabilities and equity	118.543	115.246	+3%	Total equity	44.741	42.779	+5%

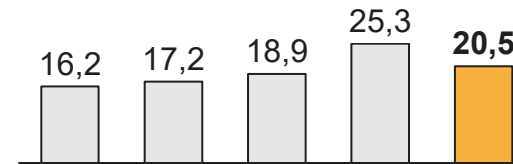
Higher working capital impacted cash conversion

Key financial metrics (3M 2022/23 – 3M 2026/27)

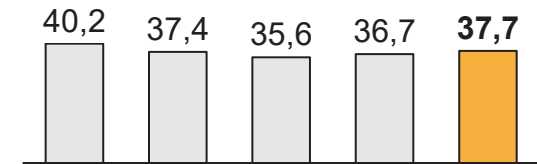
- **Return on equity was 20.5%** over the last 12 months - down due to one-off gains in the comparative period
- **Equity ratio** stood at 37.7% at the end of Q1 - **Board's target** of 35.0%
- **Net interest-bearing debt**, incl. lease liabilities, were 45.4 b.ISK at Q1-end, equivalent to 2,4 x 12 month EBITDA
- **Current ratio** was 0.83 at Q1-end, compared with 0.85 in the prior year
- **Cash conversion cycle** was 14.1 days, compared to 8.6 days in the prior year - reflecting **negative working capital movements** in Q1 versus positive movements in the comparative period
- **Asset turnover ratio** was 1.8 compared with 1.9 in the prior year

Shareholders return

Return on equity (%)

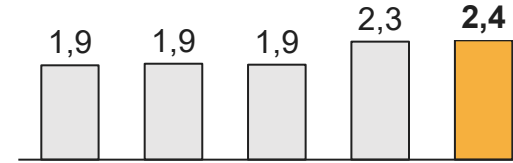


Equity ratio (%)

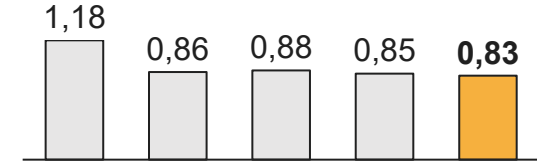


Risk in operations

Net debt/EBITDA¹

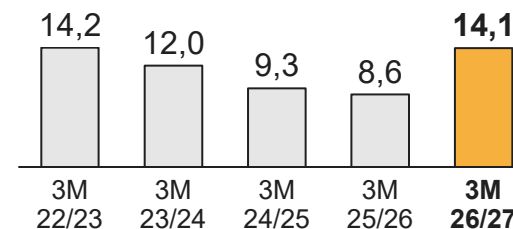


Current ratio²

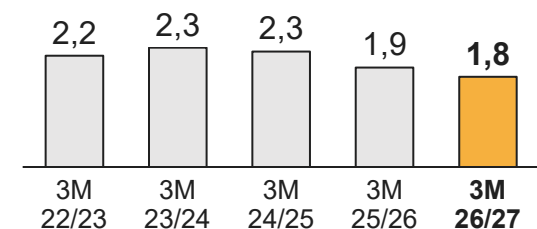


Efficiency of assets

Cash conversion cycle (# of days)³



Asset turnover ratio⁴



1) Net interest-bearing debt (including leasing liabilities) / 12 months EBITDA 2) Current assets / current liabilities
 3) Cash conversion cycle = number of inventory days + number of days for accounts receivables – number of days for accounts payable 4) Sale / assets

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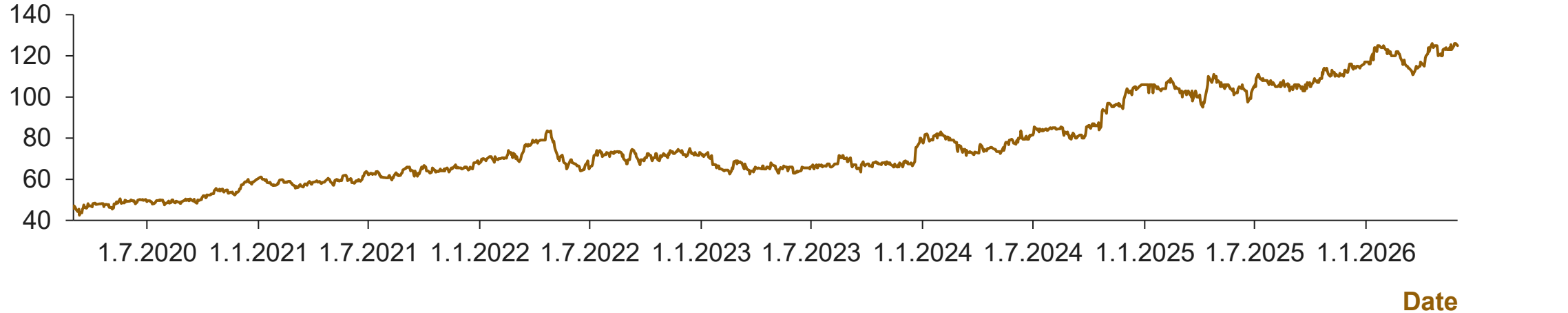
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Share price and largest shareholders

Price



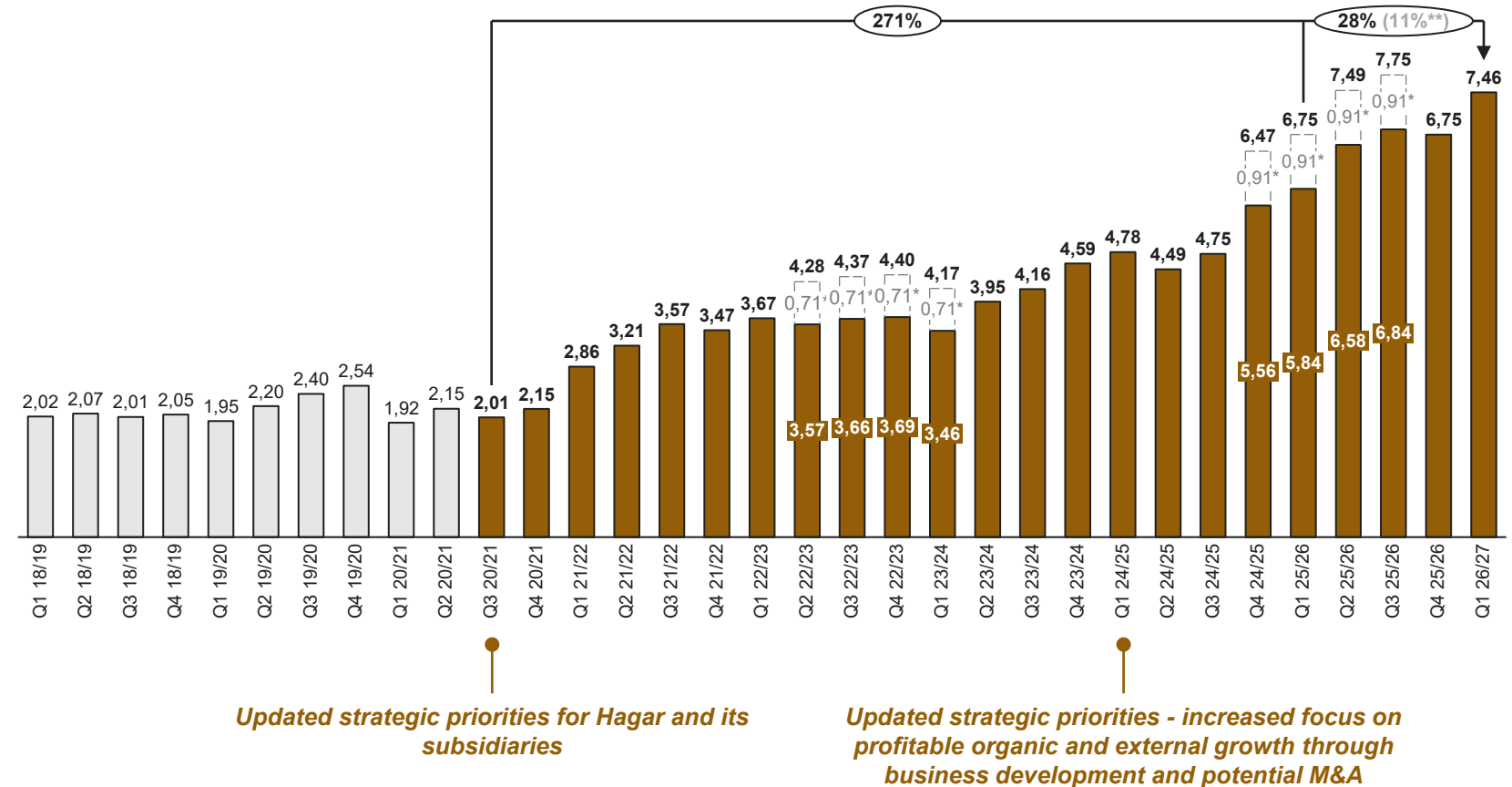
Largest shareholders, shares held at 31.05.2026

1. Gildi - lífeyrissjóður	16,3%	6. Birta lífeyrissjóður	6,5%
2. Lífeyrissjóður verslunarmanna	12,2%	7. Festa - lífeyrissjóður	4,2%
3. Lífeyrissjóður starfsmanna ríkisins A-deild	11,2%	8. Stapi lífeyrissjóður	2,7%
4. Brú lífeyrissjóður starfsm. sveitarfélaga	8,2%	9. Söfnunarsjóður lífeyrisréttinda	2,4%
5. Kaldbakur ehf.	8,1%	10. Almenni-Lífsverk lífeyrissjóður	2,4%

Earnings per share continue to strengthen

Accumulated basic earnings per share for the past 12 months (ISK per share)

- **Earnings per share (EPS) have increased rapidly** in recent periods and now amounting to **ISK 7.46 - profit in Q1 positively affected by contracts with industries at Olís** following a sharp increase in global oil prices
- **Excluding one-off fair value adjustments in the Faroe Islands** following the aquisition, **EPS increased by nearly 28% year-on-year**
- **The improved EPS** continues to be **driven by overall operational improvements, strategic decisions, new business units, and increased activity**

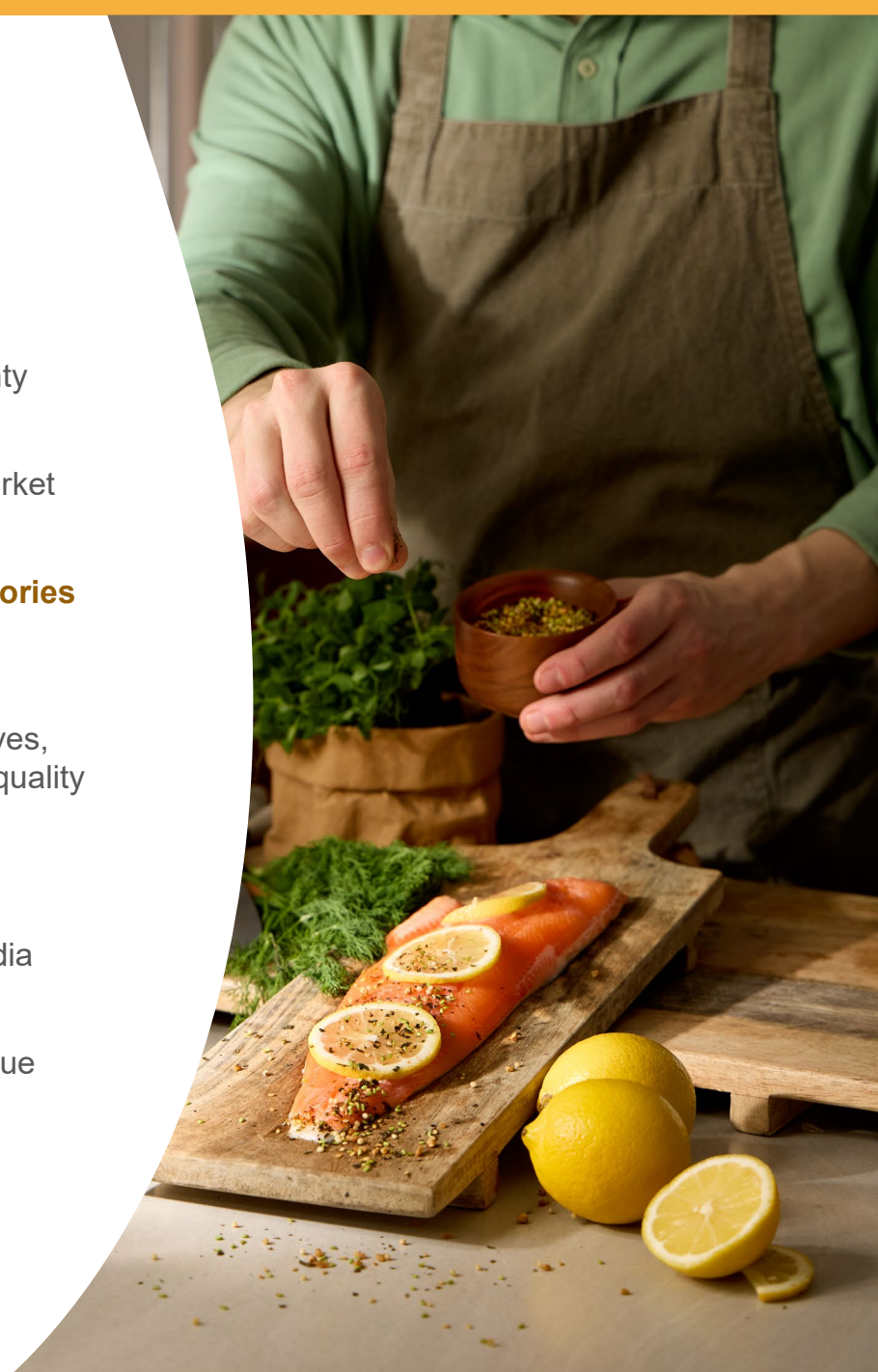


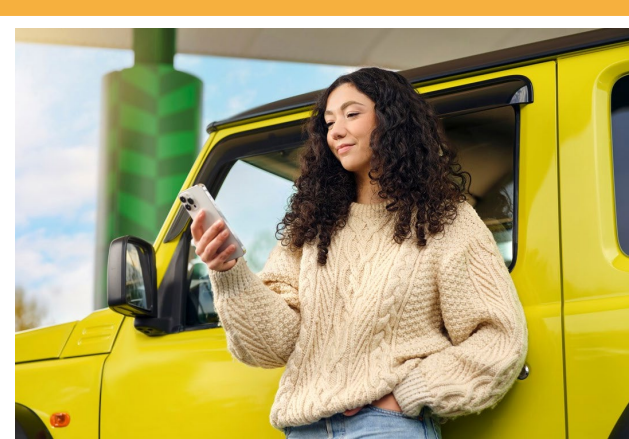
* One-off effects arising from the Klasi transaction in Q2 22/23 and from the acquisition of SMS in Q4 24/25

** Including one-off effects related to SMS

Status and outlook

- **Operations remain strong, key operating units continue to outgrow the market and the outlook is generally positive** - although external conditions remain challenging...
 - ... challenging domestic economic conditions, including inflation, interest rates and uncertainty regarding wage negotiations this autumn
 - ... continued unrest in the Middle East creates uncertainty in oil markets, although global market prices have been declining
- **Lower oil prices put pressure on margins after the price increase phase in Q1, but inventories have already been written down by ISK 308m** - focus will remain on disciplined inventory management
- **The purchasing partnership with Salling has started very well** - products are reaching shelves, customer response is positive and the partnership strengthens prices, assortment and product quality
- **Continued opportunities in operational improvements** - including supply chain, assortment, utilization of infrastructure and overall efficiency
- **New revenue streams and business development are beginning to contribute** - Hagar Media and other development projects support future growth
- **Strong financial position, good cash flow and secure financing** - provides flexibility to pursue new profitable projects and return capital to shareholders, e.g. through dividends and share buybacks
- **Management's EBITDA guidance remains unchanged** for now - ISK 18,800 - 19,300m





Companies within the Hagar Group in Iceland



Bónus is a chain of discount stores that, from its founding, has offered the customers the lowest possible food price in Iceland. There are in total 33 stores but the product range covers all the primary household needs.



Hagkaup is a leading department store which emphasises on excellent service and a wide range of products. There are 7 stores, plus an online store, but the main product categories are food, cosmetics and toys.



Olís specialises in the sale and service of fuel and other oil products, as well as fast food, various essential products for car owners, as well as multi-faceted services for e.g. fishing, contracting and transport enterprises throughout the country.



Eldum rétt offers its customers meal kits - available through its online store as well as in Hagkaup and Bónus - with recipes and precisely measured ingredients to cook healthy and delicious meals with minimal effort.



Aðföng is a purchasing and logistics center for the retail and HoReCa market, but the company's activities consist of purchasing, inventory management and distribution for Bónus, Hagkaup, Olís and Stórkaup stores.



Bananas is the largest importer and distributor of fresh vegetables, fruits and berries in Iceland and also one of the largest import companies in the country. Bananas is also the largest buyer and distributor of domestic vegetable and berry products.



Stórkaup is a wholesaler servicing bulk users with supplies on a broad basis, with operational guiding principles in efficiency, modern level of service and a simple sales organisation and distribution. The main product categories are operational supplies, health products and food products.



Zara is one of the world's largest fashion store chains selling clothing for adults as well as children at decent prices. Hagar manages the elegant Zara store in Smáralind.



ASSOCIATES WITHIN THE GROUP



EXAMPLES OF BRANDS WITHIN THE GROUP



Companies within the Hagar Group in Faroe Islands



Bónus is a nationwide chain of affordable grocery stores in the Faroe Islands, known for offering the best grocery prices in the country - eight locations in total.



Miklagarður is a hypermarket offering a wide range of products including food, toys, and other specialty products. Miklagarður also operates a meat processing facility that serves the SMS group.



Mylnan is a combination of a convenience store and a bakery with four locations across Torshavn. It also serves as the primary supplier of baked goods for Bónus and Miklagarður.



SMS operates four restaurants in the main shopping mall, i.e. Burger King, Sunset Boulevard, Sushi Daily and Hornið. Additionally, SMS operates two steakhouses (Angus Steakhouse) in Torshavn and Klaksvik and Sunset Boulevard in Runavík.



Rumbul & Sheep offer a variety of smaller items at affordable prices, making everyday essentials accessible across four locations in the Faroe Islands.

Ownership: 60%



Diversified property portfolio of 14,000 m², primarily used for own operations. Additionally, operating the main shopping mall, which houses both own stores but predominantly rented units.



Burn is a gym with three locations in Torshavn, offering flexible monthly subscriptions. In addition to general membership, it provides private lessons and personalized training.

Ownership: 50%
Associated company



Omaná is an ice cream and dessert provider that operates a dedicated dessert shop while also supplying ice cream and sweets at a group level.

Ownership: 50%
Associated company



Disclaimer

On behalf of Hagar, attention is drawn to the fact that the statements and information in this presentation are based on, as appropriate, the plans and estimates of the company's directors, but not on facts that may be verified at the time of publication or by any discussion by the company of the presentation. For these reasons, the statements and information carry a degree of uncertainty.

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