



CONDENSED INTERIM FINANCIAL STATEMENTS

1 MARCH - 31 AUGUST 2025



Bananar



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ELDUM RÉTT

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ENDORSEMENT AND STATEMENT BY THE BOARD OF DIRECTORS AND THE CEO

Hagar hf. („the Company“) is a retail company with operations in Iceland, the Faroe Islands and the Netherlands, serving customers through a diverse range of well-established retail formats. The core business of Hagar focuses on the retail of convenience goods and related warehouses, as well as fuel sales and services. In Iceland, Hagar operates eight business units, comprising 40 grocery stores, one online grocery store for meal packages, 22 Olís service stations, and 45 ÓB self-service stations across the country. The company also runs two warehouses, one production facility, one wholesale store and one specialty store. In the Faroe Islands, Hagar operates the retail company SMS, which is a market leader in the Faroese market. SMS manages, among other things, 13 grocery stores, three specialty stores, and six restaurants. In the Netherlands, Hagar operates an online store with alcoholic beverages.

The Condensed Consolidated Interim Financial Statements of Hagar hf. for the period from 1 March to 31 August 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) for Interim Financial Statements (IAS 34). The Interim Financial Statements include the Consolidated Interim Financial Statements of Hagar hf. (the "Company") and its subsidiaries, together referred to as the "Group".

Operations during the period

According to the Consolidated Statement of Comprehensive Income, the profit for the period from 1 March to 31 August 2025 amounted to ISK 3,721 million (2024/25: ISK 2,573 million). Operating profit before depreciation, amortisation and changes in fair value (EBITDA) amounted to ISK 9,531 million (2024/25: ISK 7,228 million). According to the Consolidated Statement of Financial Position total assets amounted to ISK 108,219 million (year-end 2024/25: ISK 105,036 million). Equity as of 31 August 2025 amounted to ISK 39,302 million (year-end 2024/25: ISK 38,489 million) and equity ratio was 36.3% (year-end 2024/25: 36.6%).

P/F SMS in the Faroe Islands became part of Hagar Group in the fourth quarter of the 2024/25 financial year, and therefore the impact is not reflected in the previous year's comparative figures.

Operations in the second quarter were successful and exceeded management's forecast. Consequently, management raised its EBITDA guidance by ISK 1,000 million in September. The strong performance in the quarter can mainly be attributed to three factors: (i) the operations of Olís exceeded expectations, driven by strong results in the fuel segment, high sales of dry goods, and operational efficiencies at service stations; (ii) SMS in the Faroe Islands performed strongly and exceeded management forecasts; and (iii) demand in the grocery market remained robust, with increased overall activity.

Sales in the second quarter increased by 11.2% year-on-year (3.0% excluding SMS), with sales growth in stores and warehouses in Iceland amounting to 6.8%, while sales at Olís declined by 4.8% compared to the same period last year. The decrease in Olís sales is mainly attributable to lower oil prices year-on-year. Gross profit increased by 26.5% (12.8% excluding SMS), with a gross margin of 24.8%. Operating expenses rose by 23.9% year-on-year (7.4% excluding SMS), and EBITDA for the quarter strengthened by 36.6% compared to the previous year (21.9% excluding SMS). The fair value adjustment of investment properties was negative by ISK 124 million, of which ISK 58 million related to leased properties operated by SMS. The book value of these properties amounted to ISK 4,296 million at the end of the period.

Management's guidance for the 2025/26 financial year assumes that operating profit before depreciation (EBITDA) will be in the range of ISK 17,000–17,500 million. The Group's financial position remains strong, and financing is secured. Access to short-term financing through credit lines totaling ISK 3.0 billion is in place, and the Company has also utilised short-term financing through a promissory note issuance. The issuance is in accordance with the ISK 10 billion issuance framework approved by the Board of Directors. The Company expects to continue utilising market financing in the coming quarters.

ENDORSEMENT AND STATEMENT BY THE BOARD OF DIRECTORS AND THE CEO, CONTINUED:

Share capital and shareholders

The nominal value of Hagar's issued share capital at period end was ISK 1,106 million. The share capital is divided into an equal number of shares with a nominal value of ISK 1 each. The Company held own shares with a nominal value of ISK 11.8 million at the end of the period, compared to ISK 8.1 million at the beginning of the period.

There were 923 shareholders at the beginning of the period and 929 at the end.

On 27 May, 2025 the Annual General Meeting decided to pay dividends to shareholders amounting to 50% of last year's profit, without effect of changes in value of investment property and share of profit of associates, or the total of ISK 2,504 million. The total dividend therefore amounted to 2.28 ISK per share of the outstanding share capital. The dividend was paid on 5 June, 2025.

Statement by the Board of Directors and the CEO

According to our best knowledge it is our opinion that the Condensed Consolidated Interim Financial Statements give a true and fair view of the financial performance of the Group for the six month period ended 31 August 2025, its assets, liabilities and consolidated financial position as at 31 August 2025 and its consolidated cash flows for the period then ended in accordance with IAS 34, Interim Financial Reporting.

Further, in our opinion, the Condensed Consolidated Interim Financial Statements and the Endorsement of the Board of Directors and the CEO give a fair view of the development and performance of the Group's operations and its position and describes the principal risks and uncertainties faced by the Group.

The Board of Directors and the CEO have today discussed the Condensed Consolidated Interim Financial Statements of Hagar hf. for the period 1 March to 31 August 2025 and confirm them by means of their signatures.

The Condensed Interim Financial Statements have been electronically signed in accordance with Act No. 55/2019 on electronic identification and trust services for electronic transactions.

Reykjavík, 16 October 2025

Board of Directors:

Eiríkur S. Jóhannsson, Chairman

Eva Bryndís Helgadóttir, Vice-Chairman

Einar Örn Einarsson, Board member

Jensína K. Böðvarsdóttir, Board member

Sigríður Olgeirsdóttir, Board member

CEO:

Finnur Oddsson

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors and Shareholders of Hagar hf.

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Hagar hf. and its subsidiaries as of 31 August 2025 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Reykjavík 16 October 2025

PricewaterhouseCoopers ehf.

Sara Henný H. Arnbjörnsdóttir

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 AUGUST 2025

	Notes	Second quarter*		First half	
		2025 1.6.-31.8.	2024 1.6.-31.8.	2025 1.3.-31.8.	2024 1.3.-31.8.
Sales	7	51.817	46.579	99.932	90.646
Cost of goods sold		(38.943)	(36.405)	(75.439)	(70.935)
Gross profit		12.874	10.174	24.493	19.711
Other operating income		395	121	713	263
Salaries and related expenses		(5.301)	(4.248)	(10.628)	(8.625)
Other operating expenses		(2.483)	(2.033)	(5.047)	(4.121)
Profit from operating activities before depreciation and amortisation (EBITDA)		5.485	4.014	9.531	7.228
Depreciation and amortisation	8	(1.544)	(1.231)	(3.002)	(2.612)
Changes in value of investment property		(124)	0	(297)	0
Profit from operating activities (EBIT)		3.817	2.783	6.232	4.616
Net finance expense	9	(834)	(746)	(1.793)	(1.535)
Share of profit of associates		165	127	197	152
Profit before income tax (EBT)		3.148	2.164	4.636	3.233
Income tax		(592)	(441)	(915)	(660)
Profit for the period		2.556	1.723	3.721	2.573
Other comprehensive income					
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Currency translation differences		(103)	0	(148)	0
<i>Items that will not be reclassified to profit or loss:</i>					
Revaluation of properties, net of income tax		(1)	0	68	0
Other comprehensive income for the period		(104)	0	(80)	0
Comprehensive income for the period		2.452	1.723	3.641	2.573
Total profit attributable to:					
Owners of the Company		2.555	1.723	3.719	2.573
Non-controlling interests		1	0	2	0
Profit for the period		2.556	1.723	3.721	2.573
Total comprehensive income attributable to:					
Owners of the Company		2.451	1.723	3.639	2.573
Non-controlling interests		1	0	2	0
Comprehensive income for the period		2.452	1.723	3.641	2.573
Earnings per share					
Basic earnings per share of ISK 1		2,33	1,59	3,39	2,37
Diluted earnings per share of ISK 1		1,93	1,56	2,99	2,33

*Quarterly financial information has not been reviewed by the Company's auditors.

CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2025

	Notes	31.8.2025	28.2.2025
Assets			
Property, plant and equipment		36.367	35.632
Investment property		9.095	9.449
Intangible assets		15.335	15.601
Lease assets	10	13.901	14.645
Investments in associates		6.295	6.332
Other non-current assets		161	217
Total non-current assets		81.154	81.876
Inventories	11	13.085	13.974
Trade and other receivables	12	9.076	6.887
Cash and cash equivalents		4.904	2.299
Total current assets		27.065	23.160
Total assets		108.219	105.036
Equity			
Share capital		1.095	1.098
Other restricted equity	13	14.323	13.862
Retained earnings		23.914	23.561
Equity attributable to equity holders of the Company		39.332	38.521
Non-controlling interests		(30)	(32)
Total equity		39.302	38.489
Liabilities			
Loans and borrowings	14	17.146	17.137
Lease liabilities	15	15.343	15.947
Deferred income tax liability		4.465	3.883
Total non-current liabilities		36.954	36.967
Loans and borrowings	14	5.953	6.278
Lease liabilities	15	3.423	3.630
Trade and other payables	16	22.587	19.672
Total current liabilities		31.963	29.580
Total liabilities		68.917	66.547
Total equity and liabilities		108.219	105.036

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 AUGUST 2025

	Notes	Share capital	Other restricted equity	Retained earnings	Total equity	Non-controlling interest	Total equity
<i>Changes in equity from 1 March to 31 August 2024</i>							
Equity at 1 March 2024		1.084	8.928	18.176	28.188	0	28.188
Profit for the period				2.573	2.573		2.573
Changes in other restricted equity 13			(2.103)	2.147	44		44
Dividends paid, 2.33 ISK per share				(2.522)	(2.522)		(2.522)
Equity at 31 August 2024		<u>1.084</u>	<u>6.825</u>	<u>20.374</u>	<u>28.283</u>	<u>0</u>	<u>28.282</u>
<i>Changes in equity from 1 March to 31 August 2025</i>							
Equity at 1 March 2025		1.098	13.862	23.561	38.521	(32)	38.489
Purchased own share		(3)		(392)	(395)		(395)
Profit for the period				3.719	3.719	2	3.721
Changes in other restricted equity 13		0	461	(470)	(9)		(9)
Dividends paid, 2.28 ISK per share				(2.504)	(2.504)		(2.504)
Equity at 31 August 2025		<u>1.095</u>	<u>14.323</u>	<u>23.914</u>	<u>39.332</u>	<u>(30)</u>	<u>39.302</u>

On 27 May, 2025 the Annual General Meeting decided to pay dividends to shareholders amounting to 50% of last year's profit, without effect of changes in value of investment property and share of profit of associates, or the total of ISK 2,504 million. The total dividend therefore amounted to 2.28 ISK per share of the outstanding share capital. The dividend was paid on 5 June, 2025.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 AUGUST 2025

	Notes	Second quarter*		First half	
		2025	2024	2025	2024
		1.6.-31.8.	1.6.-31.8.	1.3.-31.8.	1.3.-31.8.
Cash flows from operating activities					
Profit for the period		2.556	1.723	3.721	2.573
Adjustments for:					
Gain on sale		(37)	(4)	(39)	(7)
Depreciation and amortisation	8	1.544	1.231	3.002	2.612
Changes in value of investment property		124	0	297	0
Net finance expense	9	834	746	1.793	1.535
Effect of results of associates		(165)	(127)	(197)	(152)
Income tax		592	441	915	660
Other items		108	65	97	65
Working capital from operating activities		5.556	4.075	9.589	7.286
Change in current assets		(1.086)	(1.410)	(1.226)	(2.238)
Change in current liabilities		310	(56)	2.903	2.428
Cash from operations before interest and taxes		4.780	2.609	11.266	7.476
Interest income received		59	51	93	97
Interest expenses paid		(773)	(691)	(1.605)	(1.393)
Income taxes paid		(286)	(302)	(573)	(623)
Net cash from operating activities		3.780	1.667	9.181	5.557
Cash flows used in investing activities					
Acquisition of property, plant and equipment		(873)	(426)	(1.912)	(930)
Proceeds from sale of property, plant and equipment		64	20	67	27
Acquisition of investment property		(22)	(27)	(34)	(49)
Proceeds from sale of investment property		3	0	3	0
Acquisition of intangible assets		(259)	(179)	(509)	(352)
Dividends received		22	120	272	190
Other non-current assets, change		7	7	14	15
Net cash used in investing activities		(1.058)	(485)	(2.099)	(1.099)
Cash flows used in financing activities					
Purchased own share		(395)	0	(395)	0
Dividends paid		(2.504)	(2.522)	(2.504)	(2.522)
New long-term loans and borrowings		135	0	233	0
Repayments of long-term loans and borrowings		(201)	(111)	(397)	(222)
Repayments of lease liabilities		(562)	(418)	(1.107)	(836)
Short-term loans and borrowings, change		(161)	279	(295)	279
Net cash used in financing activities		(3.688)	(2.772)	(4.465)	(3.301)
Net (decrease) increase in cash and cash equivalents		(966)	(1.590)	2.617	1.157
Effect of exchange rate fluctuations on cash held		(6)	0	(12)	0
Cash and cash equivalents at the beginning of the period		5.876	4.574	2.299	1.827
Cash and cash equivalents at the end of the period		4.904	2.984	4.904	2.984

*Quarterly financial information has not been reviewed by the Company's auditors.

NOTES

1. Reporting entity

Hagar hf. (the "Company" or the "group") is an Icelandic public limited liability company and the Company's headquarter is located at Holtavegur 10, Reykjavík. The Company's Condensed Consolidated Interim Financial Statements for the period 1 March 2025 to 31 August 2025 comprise the Company and its subsidiaries, together referred to as the "Group" and individually as "Group entities". The main business activities of the Company consist of groceries and sale of fuel. An overview of the companies in the Group is included in note 17.

2. Basis of accounting

Statement of compliance

The Group's Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual Consolidated Financial Statements as at and for the year ended 28 February 2025.

These Condensed Consolidated Interim Financial Statements were approved for issue by the Board of Directors on 16 October 2025.

3. Significant accounting policies

The accounting policies and methods of computation applied in these Condensed Consolidated Interim Financial Statements are the same as those applied by the Group in its Consolidated Financial Statements as at and for the year ended 28 February 2025. The Group's Consolidated Financial Statements are available at its website address, www.hagar.is.

The Condensed Consolidated Interim Financial Statements are prepared and presented in Icelandic krona (ISK), which is the Company's functional currency. All amounts are presented in millions of Icelandic krona.

4. Use of estimates and judgements

In preparing these Condensed Consolidated Interim Financial Statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

5. Goodwill

There was no indication of goodwill impairment as of 31 August, 2025 and therefore an impairment test was not performed.

NOTES, CONTINUED:

6. Operating segments

The group has three operating segments: stores and warehouses in Iceland, stores and warehouses in the Faroe Islands and Olís. 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 likewise included here, but due to the small size of the operations and their characteristics, they are not a separate segment, despite being located in a different geographical area. Management has assessed the retail operations in Iceland, categorized by different types of stores, and considers them to share similar economic characteristics, products, customers, and suppliers. The wholesale operations of groceries and the retail operations of specialty goods are insignificant and falls below the thresholds for revenue, profit, and assets that require separate segment reporting.

The stores and warehouses section 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. The operations of the SMS Group, excluding retail grocery operations, are considered immaterial in relation to the revenue, profit, and asset of the Hagar Group that are used as benchmarks for segment reporting. Therefore, the operations of the SMS Group are regarded as a single operating segment.

NOTES, CONTINUED:

6. Operating segments, continued:

	Stores and warehouses Iceland	Olís ehf.	Stores and warehouses Faroe Islands	Eliminations	Total
<i>First half of 2025/26</i>					
Sales	67.210	25.295	7.427	0	99.932
Intercompany sales	446	59	0	(505)	0
Other operating income	226	87	400	0	713
Intercompany other operating income	149	1	0	(150)	0
Total segments revenue.....	68.031	25.442	7.827	(655)	100.645
Total operating cost	(62.186)	(22.877)	(6.706)	655	(91.114)
Segments EBITDA	5.845	2.565	1.121	0	9.531
Segments depreciation	(2.117)	(557)	(328)	0	(3.002)
Changes in value of investment property ...	(58)	(11)	(228)	0	(297)
Share of profit of associates	28	169	0	0	197
Operating profit of segments.....	3.698	2.166	565	0	6.429
Net finance expense	(1.244)	(328)	(221)	0	(1.793)
Income tax					(915)
Profit for the period					3.721
31 August 2025					
Total assets	67.918	24.702	15.599	0	108.219
Total liabilities	46.673	10.661	11.583	0	68.917
Segment capital expenditure (net)	1.191	807	387	0	2.385
<i>First half of 2024/25</i>					
Sales	62.929	27.717	0	0	90.646
Intercompany sales	395	60	0	(455)	0
Other operating income	217	46	0	0	263
Intercompany other operating income	146	1	0	(147)	0
Total segments revenue.....	63.687	27.824	0	(602)	90.909
Total operating cost	(58.266)	(26.017)	0	602	(83.681)
Segments EBITDA	5.421	1.807	0	0	7.228
Segments depreciation	(2.019)	(593)	0	0	(2.612)
Changes in value of investment property ...	0	0	0	0	0
Share of profit of associates	42	110	0	0	152
Operating profit of segments.....	3.444	1.324	0	0	4.768
Net finance expense	(1.286)	(249)	0	0	(1.535)
Income tax					(660)
Profit for the period					2.573
31 August 2024					
Total assets	57.247	23.718	0	0	80.965
Total liabilities	41.585	11.098	0	0	52.683
Segment capital expenditure (net)	1.086	218	0	0	1.304

NOTES, CONTINUED:

7. Sales

	2025	2024	2025	2024
	1.6.-31.8.	1.6.-31.8.	1.3.-31.8.	1.3.-31.8.
Sales are specified as follows:				
Convenience goods	36.214	30.682	70.997	60.188
Specialty goods	4.154	3.578	8.450	7.172
Fuel	11.449	12.319	20.485	23.286
Sales total	51.817	46.579	99.932	90.646

Sales in Iceland are specified as follows:

Convenience goods	32.664	30.682	64.056	60.188
Specialty goods	3.861	3.578	7.903	7.172
Fuel	11.449	12.319	20.485	23.286
Sales total	47.974	46.579	92.444	90.646

Sales in the Faroe Islands are specified as follows:

Convenience goods	3.520	0	6.880	0
Specialty goods	138	0	281	0
Sales total	3.658	0	7.161	0

Sales in other areas are specified as follows:

Convenience goods	30	0	61	0
Specialty goods	155	0	266	0
Sales total	185	0	327	0

8. Depreciation and amortisation

	2025	2024	2025	2024
	1.6.-31.8.	1.6.-31.8.	1.3.-31.8.	1.3.-31.8.
Depreciation and amortisation are specified as follows:				
Depreciation of operating assets	737	591	1.474	1.338
Depreciation of lease assets	590	491	1.108	982
Amortization of intangible assets	173	111	335	220
Share in depreciation in Olíudreifing ehf.	44	38	85	72
Depreciation and amortization total	1.544	1.231	3.002	2.612

9. Finance income and finance cost

Finance income and finance cost are specified as follows:

	2025	2024	2025	2024
	1.6.-31.8.	1.6.-31.8.	1.3.-31.8.	1.3.-31.8.
Interest income on cash and cash equivalents and receivables	59	51	93	97
Net currency exchange gain	0	10	0	19
Finance income total	59	61	93	116
Interest expense and CPI-index on loans	(565)	(527)	(1.175)	(1.103)
Interest on lease liabilities	(349)	(280)	(700)	(548)
Net currency exchange loss	21	0	(11)	0
Finance cost total	(893)	(807)	(1.886)	(1.651)
Net finance cost	(834)	(746)	(1.793)	(1.535)

NOTES, CONTINUED:

10. Lease assets

The Group's lease assets and lease liabilities are solely for housing. Lease assets and lease liabilities for land leases are not recognized. Information on lease liabilities are included in note 15.

Lease assets are specified as follows:	31.8.2025	28.2.2025
Balance at 1 March 2025	14.645	11.252
Taken over on acquisition of subsidiary	0	2.539
Changes to lease contracts	(26)	2.447
CPI-indexation	436	599
Depreciation	(1.108)	(2.067)
Currency translation differences	(46)	(125)
Balance at 31 August 2025	13.901	14.645

11. Inventories

Inventories are specified as follows:	31.8.2025	28.2.2025
Convenience goods	6.562	7.603
Specialty goods	3.255	2.868
Fuel	2.805	3.190
Goods in transit	463	313
Total inventories	13.085	13.974
Inventory allowance at period end	397	424

12. Trade and other receivables

Trade and other receivables are specified as follows:	31.8.2025	28.2.2025
Trade receivables	7.259	5.722
Write-down of trade receivables	(292)	(258)
Currency swap agreements	0	131
Other receivables	493	560
Trade and other receivables	7.460	6.155
Credit cards receivables	1.616	732
Trade and other receivables total	9.076	6.887

NOTES, CONTINUED:

13. Equity

Other restricted equity is specified as follows:

	Statutory reserve	Revaluation reserve	Unrealised profit of subsidiaries
Other restricted equity 1.3.2024	277	0	8.597
Effects of profit of subsidiaries			(2.147)
Other restricted equity 31.8.2024	277	0	6.450
Other restricted equity 1.3.2025	277	3.677	9.833
Effects of profit of subsidiaries			513
Revaluation of properties		68	
Dissolution of revaluation		(37)	
Other restricted equity 31.8.2025	277	3.708	10.346
	Translation difference	Other restricted reserve	Other restricted equity total
Other restricted equity 1.3.2024		54	8.928
Stock option agreements		44	44
Effects of profit of subsidiaries			(2.147)
Other restricted equity 31.8.2024	0	98	6.825
Other restricted equity 1.3.2025	(8)	83	13.862
Settlement of stock options		(11)	(11)
Stock option agreements		76	76
Effects of profit of subsidiaries			513
Revaluation of properties			68
Dissolution of revaluation			(37)
Currency translation differences	(148)		(148)
Other restricted equity 31.8.2025	(156)	148	14.323

14. Loans and borrowings

Loans and borrowings are specified as followed:

	Weighted average interest rates		Total remaining balance	
	31.8.2025	28.2.2025	31.8.2025	28.2.2025
Long-term loans in ISK, non-indexed	8,71%	9,03%	7.874	7.983
Long-term loans in ISK, CPI-indexed	2,80%	2,80%	6.228	6.134
Long-term loans in DKK, non-indexed	4,11%	4,41%	3.722	3.649
Short-term loans in DKK, non-indexed	4,27%	4,77%	3.832	3.907
Promissory notes in ISK	8,04%	8,64%	1.380	1.440
Line of credit in DKK	4,25%	4,55%	63	302
Total loans and borrowings			23.099	23.415
Current portion of loans and borrowings			(5.953)	(6.278)
Total non-current loans and borrowings			17.146	17.137

NOTES, CONTINUED:

14. Loans and borrowings, continued:

Repayments of loans and borrowings are specified as follows:

Repayments less than one year	5.953	6.278
Repayments 1 to 2 years	3.698	3.665
Repayments 2 to 3 years	2.272	2.245
Repayments 3 to 4 years	709	686
Repayments 4 to 5 years	5.674	5.594
Subsequent repayments	4.793	4.947
Total	23.099	23.415

Change in loans and borrowings during the period are specified as follows: **31.8.2025** **28.2.2025**

Total interest-bearing debt at the beginning of the period	23.415	17.104
New long-term loans	233	3.169
New short-term loans	0	3.890
Taken over on acquisition of subsidiary	0	3.597
Repayment of borrowings	(397)	(3.020)
Change in promissory notes	(60)	(1.440)
Change in line of credit	(235)	(231)
CPI-indexation	219	280
Currency exchange difference	(75)	17
Accrued interest added to the loan balance	73	52
Currency translation differences	(74)	(3)
Total interest-bearing debt at the end of the period	23.099	23.415

15. Lease liabilities

Lease liabilities are specified as follows from beginning to end of the period: **31.8.2025** **28.2.2025**

Lease liabilities at the beginning of the period	19.577	12.239
Taken over on acquisition of subsidiary	0	6.227
Changes to lease contracts	(26)	2.447
Payment of lease liabilities	(1.107)	(1.810)
CPI-indexation	436	599
Currency translation differences	(114)	(125)
Total lease liabilities	18.766	19.577
Current portion of lease liabilities	(3.423)	(3.630)
Total non-current lease liabilities	15.343	15.947

Repayments of lease liabilities are specified as follows:

Repayments less than one year	3.423	3.630
Repayments 1 to 2 years	2.638	2.849
Repayments 2 to 3 years	2.197	2.261
Repayments 3 to 4 years	1.863	1.843
Repayments 4 to 5 years	1.650	1.646
Subsequent repayments	6.995	7.348
Total	18.766	19.577

Total lease payments due to lease contracts which are capitalised in accordance with IFRS 16 amounted to ISK 1,807 million during the period (2024/25: ISK 1,383 million).

NOTES, CONTINUED:

16. Trade and other payables

31.8.2025 28.2.2025

Trade and other payables are specified as follows:

Unpaid income tax	1.583	1.242
Trade payables	17.172	14.977
Other payables	3.832	3.453
Trade and other payables total	22.587	19.672

17. Group entities

The Condensed Consolidated Interim Financial Statements include the following entities.:

	Location	Ownership interest	
		31.8.2025	28.2.2025
Hagar verslanir ehf.	Ísland	100%	100%
Olís ehf.	Ísland	100%	100%
Bananar ehf.	Ísland	100%	100%
Noron ehf.	Ísland	100%	100%
Stórkaup ehf.	Ísland	100%	100%
Eldum rétt ehf.	Ísland	100%	100%
Hagar Wine B.V.	Holland	100%	100%
P/F SMS	Færeyjar	100%	100%

18. Related parties

The Group has a related party relationship with its shareholders with significant influence, subsidiaries, associates, and with its directors and executive officers. Transactions between the company and its subsidiaries, which are defined as related parties, have been eliminated in the consolidation and are therefore not a part of this note.

Transactions with related parties

Transactions with related parties are with associates and are specified as follows:

	2025	2024
	1.3.-31.8.	1.3.-31.8.
Sold goods and services	115	189
Purchased goods and services	(1.219)	(1.119)
Trade receivables at end of period	66	10
Trade payables at end of period	(287)	(175)

NOTES, CONTINUED:

19. Financial ratios

The Group's key financial ratios are specified as follows:

	2025	2024
	1.3.-31.8.	1.3.-31.8.
Operations		
Profit ratio (EBITDA / sales)	9,5%	8,0%
Salary ratio (salary and salary related expense / sales)	10,6%	9,5%
Cost ratio (other operating expense / sales)	5,1%	4,5%
Inventory turnover ratio (cost of sales / average balance of inventories)	11,0	11,1
Number of days for outstanding trade receivables	13,5	13,3
Financial position	31.8.2025	28.2.2025
Current ratio (current assets / current liabilities)	0,85	0,78
Liquidity ratio ((current assets - inventories) / current liabilities)	0,44	0,31
Leverage (net interest bearing liabilities / EBITDA)	2,4	2,8
Equity ratio (equity / total assets)	36,3%	36,6%
Internal value of shares (equity / share capital)	35,89	35,08