

HAGAR HF: FINANCIAL RESULTS FOR Q3 2025/26

Strong operations and guidance raised - business development supports growth

The interim financial statements of Hagar hf. for the third quarter of the 2025/26 financial year were approved by the company's Board of Directors and CEO at a board meeting held on 15 January 2026. The statements cover the period from 1 March to 30 November 2025. The interim financial statements include the consolidated accounts of the company and its subsidiaries and have been prepared in accordance with International Financial Reporting Standards (IFRS). The statements have neither been reviewed nor audited by the company's auditors, PricewaterhouseCoopers ehf.

Key figures*

- **Sales** in Q3 amounted to 49,068 m.ISK (12.4% increase from Q3 2024/25). Sales in 9M amounted to 149,000 m.ISK (10.9% growth from 9M 2024/25). [Q3 2024/25: 43,659 m.ISK, 9M 2024/25: 134,305 m.ISK]
- **Gross profit** Q3 amounted to 12,335 m.ISK (25.1%) and 36,828 m.ISK (24.7%) for 9M. [Q3 2024/25: 9,885 m.ISK (22.6%), 9M 2024/25: 29,596 m.ISK (22.0%)]
- **Earnings before interest, taxes, depreciation, and amortisation (EBITDA)** Q3 amounted to 4,566 m.ISK or 9.3% of sales. EBITDA 9M amounted to 14,097 m.ISK or 9.5% of sales. [Q3 2024/25: 3,653 m.ISK (8.4%), 9M 2024/25: 10,881 m.ISK (8.1%)]
- **Profit** for Q3 amounted to 1,692 m.ISK or 3.4% of sales. Profit for 9M amounted to 5,413 m.ISK or 3.6% of sales. [Q3 2024/25: 1,391 m.ISK (3.2%), 9M 2024/25: 3,964 m.ISK (3.0%)]
- **Comprehensive income** for Q3 amounted to 2,264 m.ISK and 5,905 m.ISK for 9M. [Q3 2024/25: 1,391 m.ISK, 9M 2024/25: 3,964]
- **Basic earnings per share** in Q3 were 1.55 ISK and 4.94 ISK for 9M. [Q3 2024/25: 1.29 ISK, 9M 2024/25: 3.66 ISK]. **Diluted earnings per share** in Q3 were 1.29 ISK and 4.28 ISK for 9M. [Q3 2024/25: 1.26 ISK, 9M 2024/25: 3.59 ISK]
- **Equity** amounted to 41,380 m.ISK at the end of the period and **equity ratio** was 34.8%. [Year end 2024/25: 38,489 m.ISK and 36.6%]
- **Management's guidance** for the financial year 2025/26 was increased in connection with the publication of Q3 and assumes that EBITDA will be 17,600-18,100 m.ISK.

Operational highlights

- **The third quarter delivered strong results**, with solid performance across all business segments.
- The **gross margin reached 25.1%**, an increase of 2.5 percentage points in the quarter – excluding SMS, the gross margin was 24.2%.
- **Customer visits to grocery stores in Iceland increased** by nearly 5% during the quarter. The **number of units sold also grew**, by just under 3% over the same period.
- **Fuel sales volume decreased** by 10% in the quarter – **retail fuel sales remained solid, while total volume decreased** due to lower sales of jet fuel and volume shifts between periods.
- **Customer visits at SMS** in the Faroe Islands increased by 2.5% during the quarter.
- In mid-November, SMS opened a new **3,000 m² retail center in Runavík in the Faroe Islands**, adding to Hagar's **property portfolio, which now totals around 65,000 m²**.
- During the quarter, preparations were completed for **Hagar's new loyalty program, Takk**, which launched on **14 January** – Takk is expected to **enhance customer value, service, and overall experience**.
- Hagar has established a **new centralized operating unit, Hagar Media**, leveraging the Group's **strong infrastructure to distribute third-party information** to customers.
- **Hagkaup began a partnership with Wolt for grocery ordering and home delivery** within less than one hour from stores in the Reykjavík area and Akureyri.

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

Finnur Oddsson, CEO:

Hagar's operations are performing well across the board, as reflected in the results for the third quarter of the 2025/26 financial year, which were slightly above forecasts. Product sales in the Group amounted to ISK 49.1 billion and increased by 12.4%, and performance strengthened compared to previous year; EBITDA amounted to ISK 4,566 million and profit to ISK 1,692 million, representing a meaningful increase from last year. Comparisons between periods are affected by the inclusion of SMS in the Faroe Islands in the Group's consolidated results, as SMS was not part of the Group in the prior year.

Revenue from *Stores and Warehouses - Iceland* amounted to just over ISK 33.7 billion, representing an increase of just under 8% compared to last year, and EBITDA amounted to around ISK 3.0 billion and strengthened as well. The number of customers visiting grocery stores and the number of units sold continued to grow. Bónus is at the forefront in this respect, with strong sales growth driven by the above-mentioned increase in units sold and customers seeking value and convenient grocery shopping, along with a broader assortment of fruit and vegetables, health products, and ready-made and time-saving meals. The number of Bónus stores offering "Gripið & Greitt" self-scan continues to increase and "Ódýrast vikunnar í Bónus" (e. Value of the Week in Bónus) grows in strength and saves customers tens of millions of ISK per month. As before, there is a strong emphasis on limiting price increases, and around half of the product range in stores has remained unchanged or decreased in price compared to the same time last year. At Hagkaup, volumes have also increased in a quarter that is typically busy as November has become one of the largest retail months of the year. Theme days, including those related to health and Italian cuisine, were well attended, and online sales continue to increase significantly, especially in November with numerous promotional days. Hagkaup's new service in partnership with Wolt has been well received, giving customers access to Hagkaup's wide assortment online with home delivery within an hour. Operations at Aðföng and Bananar performed well, in line with increased volume in stores, as did Zara, Eldum rétt and Stórkup.

Operations at Olís performed well, despite a decline in revenue, which amounted to ISK 11.8 billion. The number of liters sold to industries decreased, mainly due to lower sales of jet fuel and volume shifts between periods. Olís' results were similar to last year, with strong performance driven by improved operational efficiencies achieved in recent quarters, increased revenue from general goods sales, foodservice, and new services such as home delivery with Wolt and well-attended Glans car wash stations. A new Glans location was recently opened at Bæjarlind in Kópavogur.

Our business in the Faroe Islands, SMS, is performing well and results are slightly above forecasts. A new SMS retail center was opened in November, where the company operates two stores and a restaurant as well as leasing retail space to a third party. The property, located in Runavík, is added to Hagar's property portfolio, which now totals around 65,000 m². SMS revenue in the quarter amounted to just over ISK 3.7 billion, and the overall outlook for operations is positive.

In recent quarters, both a technological and knowledge foundation has been laid to build new solutions that enhance customer service and/or create new revenue streams within Hagar's operations. Among these projects is Hagar's loyalty program, which was formally launched on January 14 under the name Takk (e. Thank you). Takk is a loyalty program, in a new app, that offers customers better terms, attractive benefits and new services. Customers earn "Takk krónur" when they buy selected products at Bónus, Hagkaup and Eldum rétt and can redeem them again in Bónus and Hagkaup stores nationwide. In addition, the Takk app provides access to a wide range of events, games, new services and attractive offers from partners such as Glans, Grill 66 and Lemon. Going forward, Takk will be used as a platform to build further new services for Hagar's customers.

As part of business development within the Group, a new operating unit has been established, "Hagar Miðlar" (e. Hagar Media), whose role is to leverage the Hagar's diverse infrastructure to distribute advertising, information and engaging content from third parties to customers, both in stores and online. This is a new business unit at Hagar, but retail media has been in rapid growth internationally, as point-

of-sale media is both more targeted and more effective than traditional advertising channels. Hagar Media will create a new revenue stream built on underutilized infrastructure within Hagar, while also enhancing customer service through more effective information sharing and improved experience.

Construction has commenced on new facilities for Eldum rétt and Ferskar kjötvörur at Álfabakki 2, with operations expected to relocate in the autumn of 2026. The new facilities will provide improved efficiency of production and create a range of opportunities to expand the companies' product offerings.

Hagar's operations continue to perform well, and we are pleased with both the results of all operating units and the new strategic initiatives that point to future revenue streams. As before, it is the outstanding team of employees at Hagar and its subsidiaries who deserve the credit for the strong results and the company's current position, strong financial standing and the fact that operating performance of the main units is above forecasts. For this reason, and following strong trading in December, the earnings forecast has been updated and EBITDA for the year is expected to be in the range of ISK 17,600 – 18,100 million. The outlook for Hagar's operations remains positive.

Income statement and operating segments

in ISK million	Q3 2025/26 01.09.-30.11	Q3 2024/25 01.09.-30.11	Change	%	9M 2025/26 01.03.-30.11	9M 2024/25 01.03.-30.11	Change	%
Sales	49,068	43,659	5,409	12,4%	149,000	134,305	14,695	10,9%
Cost of goods sold	(36,733)	(33,774)	(2,959)	8,8%	(112,172)	(104,709)	(7,463)	7,1%
Gross profit	12,335	9,885	2,450	24,8%	36,828	29,596	7,232	24,4%
Gross profit %	25,1%	22,6%	-	2,5%	24,7%	22,0%	-	2,7%
Other operating income	255	341	(86)	-25,2%	968	604	364	60,3%
Salaries and related expenses	(5,528)	(4,444)	(1,084)	24,4%	(16,156)	(13,069)	(3,087)	23,6%
Other operating expenses	(2,496)	(2,129)	(367)	17,2%	(7,543)	(6,250)	(1,293)	20,7%
Profit from operating activities before depreciation and amortisation (EBITDA)	4,566	3,653	913	25,0%	14,097	10,881	3,216	29,6%
EBITDA %	9,3%	8,4%	-	0,9%	9,5%	8,1%	-	1,4%
Depreciation and amortisation	(1,612)	(1,283)	(329)	25,6%	(4,614)	(3,895)	(719)	18,5%
Changes in value of investment property	76	--	76	-	(221)	--	(221)	-
Profit from operating activities (EBIT)	3,030	2,370	660	27,8%	9,262	6,986	2,276	32,6%
Net finance expense	(978)	(658)	(320)	48,6%	(2,771)	(2,193)	(578)	26,4%
Share of profit of associates	53	40	13	32,5%	250	192	58	30,2%
Profit before income tax	2,105	1,752	353	20,1%	6,741	4,985	1,756	35,2%
Income tax	(413)	(361)	(52)	14,4%	(1,328)	(1,021)	(307)	30,1%
Profit for the period	1,692	1,391	301	21,6%	5,413	3,964	1,449	36,6%
Other comprehensive income	572	--	572	-	492	--	492	-
Total comprehensive income for the period	2,264	1,391	873	62,8%	5,905	3,964	1,941	49,0%

Key figures in Q3 2025/26

Sales in Q3 amounted to ISK 49,068 million, increasing by 12.4% year over year (YoY) - (3.8% excl. SMS). Sales growth in stores and warehouses in Iceland was 7.6%, while Olís declined by 5.5% YoY.

In Q3, customer visits to grocery stores (in Iceland) increased by nearly 5% YoY, and the number of units sold grew by just under 3%. Fuel sales volume decreased by 10%, mainly due to lower sales of jet fuel and a shift in volume between periods. Customer visits to SMS in the Faroe Islands increased by 2.5%.

Gross profit in Q3 amounted to ISK 12,335 million, rising by 24.8% YoY (11.0% excl. SMS), and the gross margin reached 25.1% (24.2% excl. SMS) - in addition to the impact of SMS, the gross margin increase is both attributable to the groceries and fuel segment of the company.

Total operating expenses increased by 22.1% YoY, primarily due to the impact of SMS (7.6% excl. SMS). The salaries and cost ratio in Q3 rose from 15.1% to 16.4%.

EBITDA in Q3 amounted to ISK 4,566 million, an increase of 25.0% YoY (11.9% excl. SMS). EBITDA increased by 20.3% in Icelandic stores and warehouses but decreased by 5.7% in the Olís segment, because of one-off revenues in the previous year. EBITDA for the SMS segment in the Faroe Islands amounted to ISK 478 million.

Profit for Q3 was ISK 1,692 million, compared to ISK 1,391 million in the previous year, an increase of 21.6%. Other comprehensive income was ISK 572 million, incl. a revaluation of properties recognized directly in equity of ISK 298 million, and translation differences amounted to ISK 274 million. Total comprehensive income amounted to 2.264 million.

Operations for 9M 2025/26

Sales for 9M amounted to ISK 149,000 million, compared to ISK 134,305 million in the previous year, an increase of 10.9% (2.6% excl. SMS). Sales growth in stores and warehouses in Iceland was 7.1%, while Olís recorded a sales decline of 7.7%.

Gross profit for 9M amounted to ISK 36,828 million, an increase of 24.4% YoY. The gross margin was 24.7%, rising by 2.7% points from the previous year. The increase in gross margin is attributable to the inclusion of SMS in the group, as well as higher margins at Olís, partly due to change in global oil prices.

Total operating expenses increased by 22.7% YoY, but the increase was 7.4% excl. SMS. The salaries and cost ratio rose from 14.4% to 15.9% during the period.

EBITDA amounted to ISK 14,097 million, up 29.6% (14.9% excl. SMS). EBITDA increased by 11.7% in Icelandic stores and warehouses and by 23.1% in Olís. EBITDA for the SMS segment amounted to 1,599 million.

Depreciation amounted to ISK 4,614 million, increasing by 18.5% YoY. The changes in value of investment properties were negative by ISK 221 million, and net finance costs amounted to ISK 2,771 million, rising by 26.4% from the prior year.

Profit for the period totaled ISK 5,413 million or 3.6% of sales. Profit in the previous year amounted to ISK 3,964 million or 3.0% of sales. Other comprehensive income amounted to ISK 492 million, incl. a revaluation of properties recognized directly in equity of ISK 366 million and translation differences were ISK 126 million. Total comprehensive income amounted to 5,905 million.

Operating segments in Q3 and 9M 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.

Q3 2025/26 in ISK million		Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total	9M 2025/26 in ISK million		Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total
Sales		33.729	11.808	3.749	(218)	49.068	Sales		101.385	37.162	11.176	(723)	149.000
Other operating income		187	72	72	(76)	255	Other operating income		562	160	472	(226)	968
Total revenue		33.916	11.880	3.821	(294)	49.323	Total revenue		101.947	37.322	11.648	(949)	149.968
Total operating expenses		(30.944)	(10.764)	(3.343)	294	(44.757)	Total operating expenses		(93.130)	(33.641)	(10.049)	949	(135.871)
EBITDA		2.972	1.116	478	--	4.566	EBITDA		8.817	3.681	1.599	--	14.097
Depreciation and amortisation		(1.122)	(291)	(199)	--	(1.612)	Depreciation and amortisation		(3.239)	(848)	(527)	--	(4.614)
Ch. in value of investment property		132	6	(62)	--	76	Ch. in value of investment property		74	(5)	(290)	--	(221)
Effect of results of associates		3	50	--	--	53	Effect of results of associates		31	219	--	--	250
EBIT		1.985	881	217	--	3.083	EBIT		5.683	3.047	782	--	9.512
Net finance expense		(778)	(97)	(103)	--	(978)	Net finance expense		(2.022)	(425)	(324)	--	(2.771)
Income tax						(413)	Income tax						(1.328)
Profit for the period						1.692	Profit for the period						5.413
Q3 2024/25 in ISK million		Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total	9M 2024/25 in ISK million		Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total
Sales		31.358	12.489	--	(188)	43.659	Sales		94.682	40.266	--	(643)	134.305
Other operating income		186	218	--	(63)	341	Other operating income		549	265	--	(210)	604
Total revenue		31.544	12.707	--	(251)	44.000	Total revenue		95.231	40.531	--	(853)	134.909
Total operating expenses		(29.074)	(11.524)	--	251	(40.347)	Total operating expenses		(87.340)	(37.541)	--	853	(124.028)
EBITDA		2.470	1.183	--	--	3.653	EBITDA		7.891	2.990	--	--	10.881
Depreciation and amortisation		(970)	(313)	--	--	(1.283)	Depreciation and amortisation		(2.989)	(906)	--	--	(3.895)
Ch. in value of investment property		--	--	--	--	--	Ch. in value of investment property		--	--	--	--	--
Effect of results of associates		(3)	43	--	--	40	Effect of results of associates		39	153	--	--	192
EBIT		1.497	913	--	--	2.410	EBIT		4.941	2.237	--	--	7.178
Net finance expense		(494)	(164)	--	--	(658)	Net finance expense		(1.780)	(413)	--	--	(2.193)
Income tax						(361)	Income tax						(1.021)
Profit for the period						1.391	Profit for the period						3.964
Change Q3 YoY %		Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total	Change 9M YoY %		Stores and warehouses Iceland	Olís	Stores and warehouses Faroe Islands	Elimination entries	Total
Sales		7,6%	-5,5%	-	16,0%	12,4%	Sales		7,1%	-7,7%	-	12,4%	10,9%
Other operating income		0,5%	-67,0%	-	20,6%	-25,2%	Other operating income		2,4%	-39,6%	-	7,6%	60,3%
Total revenue		7,5%	-6,5%	--	17,1%	12,1%	Total revenue		7,1%	-7,9%	--	11,3%	11,2%
Total operating expenses		6,4%	-6,6%	-	17,1%	10,9%	Total operating expenses		6,6%	-10,4%	-	11,3%	9,5%
EBITDA		20,3%	-5,7%	--	--	25,0%	EBITDA		11,7%	23,1%	--	--	29,6%
Depreciation and amortisation		15,7%	-7,0%	-	-	25,6%	Depreciation and amortisation		8,4%	-6,4%	-	-	18,5%
Ch. in value of investment property		--	--	--	--	--	Ch. in value of investment property		--	--	--	--	--
Effect of results of associates		-200,0%	16,3%	-	-	32,5%	Effect of results of associates		-20,5%	43,1%	-	-	30,2%
EBIT		32,6%	-3,5%	--	--	27,9%	EBIT		15,0%	36,2%	--	--	32,5%
Net finance expense		57,5%	-40,9%	-	-	48,6%	Net finance expense		13,6%	2,9%	-	-	26,4%
Income tax						14,4%	Income tax						30,1%
Profit for the period						21,6%	Profit for the period						36,6%

The operations of stores and warehouses, both in Iceland and the Faroe Islands, are largely in the retail operation of groceries. Olís' operations are largely in the sale of fuel and related services, in addition to the sale of fast food and various essential products. Olís operates service stations throughout the country under the Olís brand and operates a large number of ÓB self-service stations, 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, Stórkau, 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	30.11.2025	28.02.2025	Change	%
Assets				
Non-current assets	89.243	81.876	7.367	9,0%
Current assets	29.543	23.160	6.383	27,6%
Total assets	118.786	105.036	13.750	13,1%
Equity and liabilities				
Share capital	1.093	1.098	(5)	-0,5%
Other equity	40.315	37.423	2.892	7,7%
Attributable to owner of the parent	41.408	38.521	2.887	7,5%
Non-controlling interest	(28)	(32)	4	-12,5%
Total equity	41.380	38.489	2.891	
Non-current liabilities	40.756	36.967	3.789	10,2%
Current borrowings	9.206	6.278	2.928	46,6%
Other payables	27.444	23.303	4.141	17,8%
Total liabilities	77.406	66.547	10.859	16,3%
Total equity and liabilities	118.786	105.036	13.750	13,1%

Financial key figures 30.11.2025

- Total assets of the Group at the end of the third quarter amounted to ISK 118,786 million, increasing by ISK 13,750 million from year-end 2024/25, or 13.1%.
- Non-current assets totaled ISK 89,243 million, increasing by ISK 7,367 million from year-end 2024/25. The increase was primarily attributable to a rise of ISK 5,630 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 29,543 million, up by ISK 6,383 million since year-end 2024/25, of which cash and cash equivalents increased by ISK 3,827 million during the period.
- Inventories were ISK 15,193 million at the end of the period, increasing by ISK 1,219 million during the period. Inventory turnover at the end of November was 10.2, compared to 10.5 in the previous year and 10.3 at year-end 2024/25. The collection period of trade receivables was 11.6 days, compared to 12.3 days last year, while it was 10.2 days at the end of 2024/25.
- The current ratio was 0.81 at the end of November, compared to 1.01 in the previous year. Access to short-term financing via credit facilities of ISK 3.0 billion with the company's commercial bank is secured, in addition to short-term funding through the issuance of promissory notes.
- Equity at the end of the period amounted to ISK 41,380 million, with an equity ratio of 34.8%. The equity ratio was 36.6% at year-end 2024/25. Return on equity was 28.6%, compared to 19.1% in the previous year. The company held own shares with a nominal value of 13.8 million at period-end.
- Total liabilities of the Group at the end of the period amounted to ISK 77,406 million, increasing by ISK 10,859 million from the end of last year, of which ISK 5,766 million was attributable to lease liabilities.
- Interest-bearing debt amounted to ISK 23,773 million and lease liabilities to ISK 25,343 million. Net interest-bearing debt, including lease liabilities, was ISK 42,990 million at period-end, equivalent to 2.4x 12-month EBITDA.
- Short-term interest-bearing debt totaled ISK 9,206 million, of which promissory notes amounted to ISK 1,160 million and short-term financing in Danish kroner related to the acquisition of SMS amounted to ISK 3,969 million.

Cash flow statement

in ISK million	Q3 2025/26	Q3 2024/25	Change	%	9M 2025/26	9M 2024/25	Change	%
	01.09.-30.11	01.09.-30.11			01.03.-30.11	01.03.-30.11		
Net cash from operating activities	3.241	2.695	546	20,3%	12.422	8.252	4.170	50,5%
Net cash used in investing activities	(1.610)	(6.058)	4.448	-73,4%	(3.709)	(7.157)	3.448	-48,2%
Net cash used in financing activities	(437)	1.913	(2.350)	-122,8%	(4.902)	(1.388)	(3.514)	253,2%
Net(decrease) increase in cash and cash equivalents	1.194	(1.450)	2.644	-182,3%	3.811	(293)	4.104	-1400,7%
Effect of exchange rate fluctuations on cash held	28	--	28	-	16	--	16	-
Cash and cash equivalents at beginning of the period	4.904	2.984	1.920	64,3%	2.299	1.827	472	25,8%
Cash and cash equivalents at the end of the period	6.126	1.534	4.592	299,3%	6.126	1.534	4.592	299,3%

Cash flow for 9M 2025/26

- Cash from operating activities amounted to ISK 12,422 million in the first 9M of the financial year, compared to ISK 8,252 million in the same period last year.
- Investing activities amounted to ISK 3,709 million, compared to ISK 7,157 million in the previous year. Investments in property, plant and equipment mainly relate to upgrades in several Bónus and Hagkaup stores, new Glans car wash facilities at Olís and two new ÓB self-service stations. At SMS in the Faroe Islands, investments were made in 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 821 million during the period. In the previous year, the effects of the company's investment in SMS in the Faroe Islands, amounting to ISK 5,191 million, were reflected in the results.
- Financing activities amounted to ISK 4,902 million, compared to ISK 1,388 million in the prior year. The amount spent on own share buybacks totaled ISK 603 million during the period, whereas no own shares were repurchased in the same period last year.
- Cash increased by ISK 3,827 million during the period, taking effect of exchange rate fluctuations into account, and amounted to ISK 6,126 million at the end of the period, compared to ISK 1,534 million at the end of the comparative period.

Status and prospects

The first nine months of the financial year have progressed well, and the outlook for Hagar's operations is generally positive. Operations in the third quarter delivered a strong performance and exceeded management's forecast. The strong quarterly result was driven by overall solid performance of all business units. Olís benefits from robust dry-goods sales, revenue from new service offerings and operational efficiencies at service stations. Demand in the Icelandic grocery market remained strong with significant year-on-year growth and improved profitability for both Bónus and Hagkaup. Operations at SMS in the Faroe Islands continue to strengthen, driven in part by increased activity related to the new retail center in Runavík. As a result, and due to a healthy holiday shopping season for Hagar stores, management's EBITDA guidance for the 2025/26 financial year has been increased by ISK 600 million in connection with the publication of these financial results.

Management's guidance for the 2025/26 financial year assumes that EBITDA will be in the range of ISK 17,600 – 18,100 million. The Group's financial position is strong, and financing is secured. Access to short-term funding in the form of credit lines amounting to ISK 3.0 billion is ensured, and the company has also utilized short-term financing through the issuance of promissory notes. The issuance is in line with the base prospectus for the ISK 10 billion issuance program approved by the company's board. The Company expects to continue utilizing market financing in the coming quarters.

About Hagar

Hagar is a leading retail company with diverse operations in Iceland, the Faroe Islands, and the Netherlands, primarily in the grocery and fuel markets. In Iceland, Hagar operates 40 grocery stores, 22

Olís service stations, 45 ÓB self-service stations, two warehouses, one production facility, one online store with meal kits, one supply store and one specialty store. Hagar's core business in Iceland is in the grocery and related warehouses, as well as fuel sales. In the Faroe Islands, Hagar operates the SMS company, a leading retailer in the Faroese market. SMS operates, among other things, 13 grocery stores, 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 period amounted to ISK 125.0 billion, with the closing share price on 30 November 2025 at ISK 113.0 per share.
- Registered share capital at the end of the period amounted to ISK 1,106 million. The company held 13.8 million own shares at the end of the period, resulting in outstanding share capital of ISK 1,093 million.
- On 27 May 2025, the Annual General Meeting of the company approved a dividend payment to shareholders equivalent to 50.0% of profit for the previous financial year, without effect of changes in value of investment property and share of profit of associates, amounting to a total of ISK 2,504 million. The dividend payment corresponded to ISK 2.28 per outstanding share and was paid on 5 June 2025.
- The number of shareholders was 923 at the beginning of the period and 952 at the end. The ten largest shareholders owned 75.5% of the company's share capital at the end of Q3.

Presentation meeting on Friday, 16 January 2026

A presentation meeting for investors and market participants will be held at Nauthóll, Nauthólsvegur 106, Reykjavík, on Friday, 16 January 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/skranning>. 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 19 January at <https://www.hagar.is/en/>.

Financial calendar 2025/26

Financial information is published after market close.

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

This press release is translated from the Icelandic version which was published on January 15th, 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.