



CONDENSED INTERIM FINANCIAL STATEMENTS

1 MARCH - 31 AUGUST 2026



Bananar



ELDUM  RÉTT

HAGKAUP

olis



STÓRKAUP



CONTENTS

Endorsement and Statement by the Board of Directors and the CEO	3
Report on Review of Interim Financial Information	5
Consolidated Statement of Comprehensive Income	6
Consolidated Balance Sheet	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes	10

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, four specialty stores, and seven 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 2026 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 2026 amounted to ISK 4,207 million (2025/26: ISK 3,721 million). Operating profit before depreciation, amortisation and changes in fair value (EBITDA) amounted to ISK 10,802 million (2025/26: ISK 9,531 million). According to the Consolidated Statement of Financial Position total assets amounted to ISK 117,904 million (year-end 2025/26: ISK 115,246 million). Equity as of 31 August 2026 amounted to ISK 42,926 million (year-end 2025/26: ISK 42,779 million) and equity ratio was 36.4% (year-end 2025/26: 37.1%).

Operations in the second quarter were strong across all segments of the Group, particularly in the stores and warehouses segment in Iceland and in the Faroe Islands. Olís performed better than anticipated, as the positive effects on sales to large-volume customers resulting from the increase in global oil prices during the first quarter reversed to a lesser extent than initially expected. However, considerable uncertainty remains in global oil markets.

Sales increased by 5.5% during the quarter year-on-year, with sales in stores and warehouses in Iceland up 5.7% and sales in the Faroe Islands up 10.5%. Sales at Olís increased by 3.6%; however, the abolition of fuel duties has reduced reported sales in ISK terms, meaning the underlying sales growth was stronger. Gross profit increased by 5.0%, in line with sales growth, and the gross margin was 24.7%. Operating expenses increased by 5.1%, and EBITDA for the quarter rose by 3.3%. EBITDA increased by 17.1% for the stores and warehouses segment in Iceland and by 13.0% in the Faroe Islands. EBITDA in the Olís segment declined by 24.3%. Overall, the quarter's results exceeded management's plans and expectations, and the EBITDA guidance is therefore being raised by ISK 800 million in conjunction with the publication of the interim results. Operations across the Group's main business units are performing well and the operating outlook is positive.

Management's guidance for the 2026/27 financial year assumes that operating profit before depreciation (EBITDA) will be in the range of ISK 19,600-20,100 million. The Group's financial position is strong, and financing is secured. Access to short-term financing through credit lines totalling ISK 3.0 billion with a commercial bank is in place, and the Company has also utilised short-term financing through a promissory note issuance. The issuance is in accordance with the base prospectus of the ISK 10 billion issuance framework approved by the Company's Board of Directors. The Company is expected 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 22.2 million at the end of the period, compared to ISK 17.8 million at the beginning of the period.

There were 1,066 shareholders at the beginning of the period and 1,116 at the end.

On 21 May 2026 the Annual General Meeting decided to pay dividends to shareholders amounting to 50% of last year's profit after tax, without effect of changes in value of investment property and share of profit of associates, or the total of ISK 3,299 million. The total dividend therefore amounted to ISK 3.03 per share of the outstanding share capital. The dividend was paid on 2 June 2026.

Statement by the Board of Directors and the CEO

To the best of our 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 2026, its assets, liabilities and consolidated financial position as at 31 August 2026 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 describe 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 2026 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, 15 October 2026

Board of Directors:

Eiríkur S. Jóhannsson, Chairman

Eva Bryndís Helgadóttir, Vice-Chairman

Einar Örn Einarsson, Board member

Orri Hauksson, 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 2026 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, 15 October 2026

PricewaterhouseCoopers ehf.

Sara Henný H. Arnbjörnsdóttir

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 AUGUST 2026

	Notes	Second quarter*		First half	
		2026 1.6.-31.8.	2025 1.6.-31.8.	2026 1.3.-31.8.	2025 1.3.-31.8.
Sales	7	54.683	51.817	105.468	99.932
Cost of goods sold	(	41.169)	(38.943)	(78.673)	(75.439)
Gross profit		13.514	12.874	26.795	24.493
Other operating income		331	395	651	713
Salaries and related expenses	(	5.603)	(5.301)	(11.379)	(10.628)
Other operating expenses	(	2.576)	(2.483)	(5.265)	(5.047)
Profit from operating activities before depreciation and amortisation (EBITDA)		5.666	5.485	10.802	9.531
Depreciation and amortisation	8 (	1.724)	(1.544)	(3.521)	(3.002)
Changes in value of investment property	(	153)	(124)	(220)	(297)
Profit from operating activities (EBIT)		3.789	3.817	7.061	6.232
Finance income		78	59	145	93
Finance cost	(	1.070)	(893)	(2.057)	(1.886)
Net finance expense	9 (	992)	(834)	(1.912)	(1.793)
Share of profit of associates		83	165	139	197
Profit before income tax (EBT)		2.880	3.148	5.288	4.636
Income tax	(	590)	(592)	(1.081)	(915)
Profit for the period		2.290	2.556	4.207	3.721
Other comprehensive income					
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Currency translation differences	(	149)	(103)	(167)	(148)
<i>Items that will not be reclassified to profit or loss:</i>					
Revaluation of properties, net of income tax	(	19)	(1)	93	68
Other comprehensive income for the period	(	168)	(104)	(74)	(80)
Comprehensive income for the period		2.122	2.452	4.133	3.641
Total profit attributable to:					
Owners of the Company		2.291	2.555	4.218	3.719
Non-controlling interests	(	1)	1	(11)	2
Profit for the period		2.290	2.556	4.207	3.721
Total comprehensive income attributable to:					
Owners of the Company		2.123	2.451	4.144	3.639
Non-controlling interests	(	1)	1	(11)	2
Comprehensive income for the period		2.122	2.452	4.133	3.641
Earnings per share					
Basic earnings per share of ISK 1		2,11	2,33	3,88	3,39
Diluted earnings per share of ISK 1		2,09	2,32	3,85	3,37

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

CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2026

	Notes	31.8.2026	28.2.2026
Assets			
Property, plant and equipment		38.629	37.836
Investment property		8.861	9.117
Intangible assets		16.131	16.167
Lease assets	10	19.193	19.840
Investments in associates		7.055	7.265
Other non-current assets		183	156
Total non-current assets		<u>90.052</u>	<u>90.381</u>
Inventories	11	16.168	14.393
Trade and other receivables	12	7.823	6.597
Cash and cash equivalents		3.861	3.875
Total current assets		<u>27.852</u>	<u>24.865</u>
Total assets		<u>117.904</u>	<u>115.246</u>
Equity			
Share capital		1.084	1.089
Other restricted equity		16.715	18.678
Retained earnings		25.178	23.040
Equity attributable to equity holders of the Company		<u>42.977</u>	<u>42.807</u>
Non-controlling interests		(51)	(28)
Total equity		<u>42.926</u>	<u>42.779</u>
Liabilities			
Loans and borrowings	13	15.439	14.351
Lease liabilities	14	20.448	21.022
Deferred income tax liability		5.008	3.918
Total non-current liabilities		<u>40.895</u>	<u>39.291</u>
Loans and borrowings	13	9.491	9.040
Lease liabilities	14	3.921	3.932
Trade and other payables	15	20.671	20.204
Total current liabilities		<u>34.083</u>	<u>33.176</u>
Total liabilities		<u>74.978</u>	<u>72.467</u>
Total equity and liabilities		<u>117.904</u>	<u>115.246</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 AUGUST 2026

	Other restricted equity								Non-	Total
	Share	Statutory	Revaluation	Other	Unrealised	Translation	Retained		controlling	
	capital	reserve	reserve	restricted	profit of	difference	earnings	Total	interest	equity
<i>Changes in equity from 1 March 2025 to 31 August 2025</i>										
Equity at 1 March 2025	1.098	277	3.677	83	9.833	(8)	23.561	38.521	(32)	38.489
Purchased own shares	(3)						(392)	(395)		(395)
Effects of profit of subsidiaries					513		(513)	0		0
Revaluation of properties			68					68		68
Dissolution of revaluation			(37)				37	0		0
Stock option agreements				76				76		76
Settlement of stock options				(11)			6	(5)		(5)
Profit for the period							3.719	3.719	2	3.721
Dividends paid, 2.28 ISK per share							(2.504)	(2.504)		(2.504)
Currency translation differences						(148)		(148)		(148)
Equity at 31 August 2025	1.095	277	3.708	148	10.346	(156)	23.914	39.332	(30)	39.302
Other restricted equity						14.323				
<i>1 March 2026 to 31 August 2026</i>										
Equity at 1 March 2026	1.089	277	4.087	151	14.317	(154)	23.040	42.807	(28)	42.779
Corrected equity 1 March 2026							(31)	(31)	(12)	(43)
Purchased own shares	(5)						(603)	(608)		(608)
Effects of profit of subsidiaries					(1.897)		1.897	0		0
Revaluation of properties			93					93		93
Dissolution of revaluation			(42)				42	0		0
Stock option agreements				67			(33)	34		34
Settlement of stock options	0			(17)			(53)	(70)		(70)
Profit for the period							4.218	4.218	(11)	4.207
Dividends paid, 3.03 ISK per share							(3.299)	(3.299)		(3.299)
Currency translation differences						(167)		(167)		(167)
Equity at 31 August 2026	1.084	277	4.138	201	12.420	(321)	25.178	42.977	(51)	42.926
Other restricted equity						16.715				

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 AUGUST 2026

	Notes	Second quarter*		First half	
		2026	2025	2026	2025
		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		2.290	2.556	4.207	3.721
Adjustments for:					
Gain on sale		(18)	(37)	(23)	(39)
Depreciation and amortisation	8	1.724	1.544	3.521	3.002
Changes in value of investment property		153	124	220	297
Net finance expense	9	992	834	1.912	1.793
Effect of results of associates		(83)	(165)	(139)	(197)
Income tax		590	592	1.081	915
Other items		17	108	35	97
Working capital from operating activities		<u>5.665</u>	<u>5.556</u>	<u>10.814</u>	<u>9.589</u>
Change in current assets		1.364	(1.086)	(2.948)	(1.226)
Change in current liabilities		(14)	310	963	2.903
Cash from operations before interest and taxes		<u>7.015</u>	<u>4.780</u>	<u>8.829</u>	<u>11.266</u>
Interest income received		21	59	76	93
Interest expenses paid		(902)	(773)	(1.770)	(1.605)
Income taxes paid		(365)	(286)	(731)	(573)
Net cash from operating activities		<u>5.769</u>	<u>3.780</u>	<u>6.404</u>	<u>9.181</u>
Cash flows used in investing activities					
Acquisition of property, plant and equipment		(1.457)	(873)	(2.700)	(1.912)
Proceeds from sale of property, plant and equipment		28	64	49	67
Acquisition of investment property		(10)	(22)	(39)	(34)
Proceeds from sale of investment property		0	3	0	3
Acquisition of intangible assets		(154)	(259)	(266)	(509)
Dividends received from associates		7	22	349	272
Other non-current assets, change		(32)	7	(35)	14
Net cash used in investing activities		<u>(1.618)</u>	<u>(1.058)</u>	<u>(2.642)</u>	<u>(2.099)</u>
Cash flows used in financing activities					
Purchased own shares		(608)	(395)	(608)	(395)
Dividends paid		(3.299)	(2.504)	(3.299)	(2.504)
New long-term loans and borrowings	13	1.320	135	1.320	233
Repayments of long-term loans and borrowings	13	(220)	(201)	(440)	(397)
Repayments of lease liabilities	14	(624)	(562)	(1.231)	(1.107)
Short-term loans and borrowings, change	13	81	(161)	495	(295)
Net cash used in financing activities		<u>(3.350)</u>	<u>(3.688)</u>	<u>(3.763)</u>	<u>(4.465)</u>
Net increase (decrease) in cash and cash equivalents		801	(966)	(1)	2.617
Effect of exchange rate fluctuations on cash held		(12)	(6)	(13)	(12)
Cash and cash equivalents at the beginning of the period		3.072	5.876	3.875	2.299
Cash and cash equivalents at the end of the period		<u>3.861</u>	<u>4.904</u>	<u>3.861</u>	<u>4.904</u>

*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 headquarters are located at Holtavegur 10, Reykjavík. The Company's Condensed Consolidated Interim Financial Statements for the period 1 March 2026 to 31 August 2026 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 16.

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 and should therefore be read in conjunction with the Group's Consolidated Financial Statements for the year ended 28 February 2026. 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 2026.

These Condensed Consolidated Interim Financial Statements were approved for issue by the Board of Directors on 15 October 2026.

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 2026. 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 2026 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, 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 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, categorised 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 fall below the thresholds for revenue, profit, and assets that require separate segment reporting.

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. The operations of the SMS Group, excluding retail grocery operations, are considered immaterial in relation to the revenue, profit, and assets 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 2026/27</i>					
Sales	71.303	26.054	8.111	0	105.468
Intercompany sales	450	41	0	(491)	0
Other operating income	258	51	342	0	651
Intercompany other operating income	160	2	0	(162)	0
Total segment revenue	72.171	26.148	8.453	(653)	106.119
Total operating cost	(65.391)	(23.267)	(7.312)	653	(95.317)
Segment EBITDA	6.780	2.881	1.141	0	10.802
Segment depreciation	(2.359)	(797)	(365)	0	(3.521)
Changes in value of investment property ...	7	6	(233)	0	(220)
Share of profit of associates	20	119	0	0	139
Operating profit of segment	4.448	2.209	543	0	7.200
Net finance expense	(1.499)	(211)	(202)	0	(1.912)
Income tax					(1.081)
Profit for the period					4.207
31 August 2026					
Total assets	79.738	22.619	15.547	0	117.904
Total liabilities	55.829	7.898	11.251	0	74.978
Segment capital expenditure (net)	2.204	410	342	0	2.956
<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 segment revenue	68.031	25.442	7.827	(655)	100.645
Total operating cost	(62.186)	(22.877)	(6.706)	655	(91.114)
Segment EBITDA	5.845	2.565	1.121	0	9.531
Segment 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 segment	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

NOTES, CONTINUED:

7. Sales	2026	2025	2026	2025
	1.6.-31.8.	1.6.-31.8.	1.3.-31.8.	1.3.-31.8.
Sales are specified as follows:				
Convenience goods	38.302	36.214	75.217	70.997
Specialty goods	4.704	4.154	9.211	8.450
Fuel	11.677	11.449	21.040	20.485
Sales total	54.683	51.817	105.468	99.932
Sales in Iceland are specified as follows:				
Convenience goods	34.421	32.664	67.717	64.056
Specialty goods	4.350	3.861	8.554	7.903
Fuel	11.677	11.449	21.040	20.485
Sales total	50.448	47.974	97.311	92.444
Sales in the Faroe Islands are specified as follows:				
Convenience goods	3.859	3.520	7.454	6.880
Specialty goods	165	138	328	281
Sales total	4.024	3.658	7.782	7.161
Sales in other areas are specified as follows:				
Convenience goods	22	30	46	61
Specialty goods	189	155	329	266
Sales total	211	185	375	327
8. Depreciation and amortisation	2026	2025	2026	2025
	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	852	737	1.765	1.474
Depreciation of lease assets	687	590	1.359	1.108
Amortisation of intangible assets	135	173	302	335
Share in depreciation in Ólúdreifing ehf.	50	44	95	85
Depreciation and amortisation total	1.724	1.544	3.521	3.002
9. Finance income and finance cost				
Finance income and finance cost are specified as follows:				
	2026	2025	2026	2025
	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	21	59	76	93
Net currency exchange gain	57	0	69	0
Finance income total	78	59	145	93
Interest expense and CPI-index on loans	(621)	(565)	(1.154)	(1.175)
Interest on lease liabilities	(449)	(349)	(903)	(700)
Net currency exchange loss	0	21	0	(11)
Finance cost total	(1.070)	(893)	(2.057)	(1.886)
Net finance expense	(992)	(834)	(1.912)	(1.793)

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 recognised. Information on lease liabilities is included in note 14.

Lease assets are specified as follows:	31.8.2026	28.2.2026
Balance at the beginning of the period	19.840	14.645
New lease contracts	0	4.852
Changes to lease contracts	94	2.080
CPI-indexation	657	706
Depreciation	(1.359)	(2.406)
Currency translation differences	(39)	(37)
Balance at the end of the period	19.193	19.840

11. Inventories

Inventories are specified as follows:	31.8.2026	28.2.2026
Convenience goods	7.438	7.555
Specialty goods	3.429	3.076
Fuel	4.710	2.844
Goods in transit	591	918
Total inventories	16.168	14.393
Inventory allowance at period end	514	442

12. Trade and other receivables

Trade and other receivables are specified as follows:	31.8.2026	28.2.2026
Trade receivables	6.758	4.883
Write-down of trade receivables	(262)	(229)
Currency swap agreements	17	0
Other receivables	580	605
Trade and other receivables	7.093	5.259
Credit card receivables	730	1.338
Trade and other receivables total	7.823	6.597

NOTES, CONTINUED:

13. Loans and borrowings

Loans and borrowings are specified as follows:

	Weighted average interest rates		Total remaining balance	
	31.8.2026	28.2.2026	31.8.2026	28.2.2026
Long-term loans in ISK, non-indexed	9,14%	8,51%	8.969	7.763
Long-term loans in ISK, CPI-indexed	2,80%	2,80%	6.284	6.189
Long-term loans in DKK, non-indexed	4,43%	4,16%	3.898	4.081
Short-term loans in DKK, non-indexed	4,41%	4,27%	3.767	3.841
Promissory notes in ISK	8,43%	7,77%	1.960	1.240
Line of credit in DKK	4,50%	4,25%	52	277
Total loans and borrowings			24.930	23.391
Current portion of loans and borrowings			(9.491)	(9.040)
Total non-current loans and borrowings			15.439	14.351

Repayments of loans and borrowings are specified as follows:

Repayments less than one year	9.491	9.040
Repayments 1 to 2 years	2.262	2.287
Repayments 2 to 3 years	2.048	729
Repayments 3 to 4 years	5.954	5.888
Repayments 4 to 5 years	505	503
Subsequent repayments	4.670	4.944
Total	24.930	23.391

Changes in loans and borrowings during the period are specified as follows:

	31.8.2026	28.2.2026
Total interest-bearing debt at the beginning of the period	23.391	23.415
New long-term loans	1.320	694
Repayment of borrowings	(440)	(820)
Change in promissory notes	720	(200)
Change in line of credit	(225)	(20)
CPI-indexation	228	309
Currency exchange difference	(74)	(66)
Accrued interest added to the loan balance	87	149
Currency translation differences	(77)	(70)
Total interest-bearing debt at the end of the period	24.930	23.391

NOTES, CONTINUED:

14. Lease liabilities

Lease liabilities are specified as follows from beginning to end of the period:	31.8.2026	28.2.2026
Lease liabilities at the beginning of the period	24.954	19.577
New lease contracts	0	4.852
Changes to lease contracts	94	2.169
Payment of lease liabilities	(1.231)	(2.252)
CPI-indexation	657	706
Currency translation differences	(105)	(98)
Total lease liabilities	24.369	24.954
Current portion of lease liabilities	(3.921)	(3.932)
Total non-current lease liabilities at the end of the period	20.448	21.022

Repayments of lease liabilities are specified as follows:

Repayments less than one year	3.921	3.932
Repayments 1 to 2 years	3.363	3.417
Repayments 2 to 3 years	2.922	2.902
Repayments 3 to 4 years	2.623	2.600
Repayments 4 to 5 years	2.280	2.297
Subsequent repayments	9.260	9.806
Total	24.369	24.954

Total lease payments due to lease contracts which are capitalised in accordance with IFRS 16 amounted to ISK 2,134 million during the period (2025/26: ISK 1,807 million).

15. Trade and other payables

Trade and other payables are specified as follows:	31.8.2026	28.2.2026
Income tax payable	1.748	1.486
Trade payables	15.291	14.769
Other payables	3.632	3.949
Trade and other payables total	20.671	20.204

16. Group entities

The Condensed Consolidated Interim Financial Statements include the following entities:

	Location	Ownership interest	
		31.8.2026	28.2.2026
Hagar verslanir ehf.	Iceland	100%	100%
Olís ehf.	Iceland	100%	100%
Bananar ehf.	Iceland	100%	100%
Noron ehf.	Iceland	100%	100%
Stórkaup ehf.	Iceland	100%	100%
Eldum rétt ehf.	Iceland	100%	100%
Hagar Wine B.V.	Netherlands	100%	100%
P/F SMS	Faroe Islands	100%	100%

NOTES, CONTINUED:

17. 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:

	2026	2025
	1.3.-31.8.	1.3.-31.8.
Sold goods and services	194	115
Purchased goods and services (	1.166) (	1.219)
Trade receivables at end of period	62	66
Trade payables at end of period (	209) (	287)

18. Financial ratios

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

	2026	2025
	1.3.-31.8.	1.3.-31.8.
Operations		
Profit ratio (EBITDA / sales)	10,2%	9,5%
Salary ratio (salary and salary related expense / sales)	10,8%	10,6%
Cost ratio (other operating expense / sales)	5,0%	5,1%
Inventory turnover ratio (cost of sales / average balance of inventories)	10,3	11,0
Number of days for outstanding trade receivables	12,1	13,5
Financial position	31.8.2026	28.2.2026
Current ratio (current assets / current liabilities)	0,82	0,75
Liquidity ratio ((current assets - inventories) / current liabilities)	0,34	0,32
Leverage (net interest bearing liabilities / EBITDA)	2,3	2,5
Equity ratio (equity / total assets)	36,4%	37,1%
Internal value of shares (equity / share capital)	39,65	39,31