



# Condensed Interim Financial Statements

1 January – 30 June 2025

# Contents

---

	Page
Endorsement and Statement by the Board of Directors and the CEO .....	3
Consolidated Statement of Comprehensive Income .....	4
Consolidated Statement of Financial Position .....	5
Consolidated Statement of Changes in Equity .....	6
Consolidated Statement of Cash Flows .....	7
Notes to the Condensed Consolidated Interim Financial Statements .....	8
1. Reporting entity .....	8
2. Basis of preparation .....	8
3. Use of estimates and judgements .....	8
4. New and revised IFRS's .....	8
5. Operating segments .....	9
6. Operating income .....	11
7. Margin from sale of goods and services .....	11
8. Salaries and other personnel expenses .....	12
9. Other operating expenses .....	12
10. Finance income and finance costs .....	12
11. Operating assets .....	13
12. Share options .....	13
13. Loans from credit institutions .....	14
14. Lease liabilities .....	15
15. Group entities .....	16
16. Other matters .....	17
17. Financial ratios .....	17

## Endorsement and Statement by the Board of Directors and the CEO

---

### Operations of the Group

The Condensed Consolidated Interim Financial Statements of Festi hf. for the period from 1 January to 30 June 2025 have been prepared in accordance with International Accounting Standard IAS 34, Interim Financial Reporting, and should be read in conjunction with the Group's Annual Consolidated Financial Statements as at and for the year ended 31 December 2024. The interim financial statements comprise the Consolidated Interim Financial Statements of Festi hf. (the "Company") and its subsidiaries together referred to as the "Group". The Condensed Consolidated Interim Financial Statements have not been audited or reviewed by the Company's independent auditors.

### Operations in the six-month period ended 30 June 2025

For the period from 1 January to 30 June 2025, profit amounted to ISK 1,699 million (2024 6M: 1,155 million). Total comprehensive income for the period was ISK 1,771 million (2024 6M: 1,144 million). At the end of the period equity amounted to ISK 44,123 million, including share capital in the amount of ISK 312 million. Based on the Company's 2025 Annual General Meeting resolution in March, a dividend of ISK 1,401 million was approved and paid to the shareholders in April. Reference is made to the Consolidated Statement of Changes in Equity regarding information on changes in equity.

The operations in the second quarter were good and better than management expectations. There was considerable increase in number of visits to our stores compared to last year. All business segments increased both sales and margin contribution levels from same quarter last year. Sale of goods and services in total increased by 20.9% from same quarter last year but 7.3% without Lyfja. Margin from sales increased by 28.1% but 10.5% without Lyfja. Margin contribution level increased by 1.5 percentage points but 0.7 without Lyfja. Considering strong results for the quarter and good outlook for the remainder of the year, EBITDA forecast for 2025 is increased by ISK 800 million to ISK 15,200 – 15,600 million.

### Statement by the Board of Directors and the CEO

The Company's Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union and, as applicable, additional requirements of the Icelandic Financial Statements Act.

According to the best of our knowledge, in our opinion 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 30 June 2025, its assets, liabilities and financial position as of 30 June 2025, and change in cash and cash equivalents for the period then ended. Furthermore, in our opinion the Condensed Consolidated Interim Financial Statements and the Endorsement and Statement by the Board of Directors and the CEO give a true and fair view of the development and results of the Group's operations and its position and describes the principal risk and uncertainties faced by the Group.

The Board of Directors and the CEO have today discussed the Company's Condensed Consolidated Interim Financial Statements of Festi hf. for the period from 1 January to 30 June 2025 and confirm them by means of their signatures.

Kópavogur, 29 July 2025.

### Board of Directors

Hjörleifur Pálsson, Chairman  
Guðjón Karl Reynisson, Vice-Chairman  
Edda Blumenstein  
Guðjón Auðunsson  
Sigurlína Ingvarsdóttir

### CEO

Ásta Sigríður Fjeldsted



## Consolidated Statement of Comprehensive Income for the period from 1 January to 30 June 2025

	Notes	2025 1.4.-30.6.	2024 1.4.-30.6.	2025 1.1.-30.6.	2024 1.1.-30.6.
Sale of goods and services .....	6	43.579.093	36.037.111	81.364.948	68.260.184
Cost of goods sold .....		( 32.571.112)	( 27.444.240)	( 61.144.908)	( 52.634.489)
<b>Margin from sale of goods and services .....</b>	<b>7</b>	<b>11.007.981</b>	<b>8.592.871</b>	<b>20.220.040</b>	<b>15.625.695</b>
Other operating income .....	6	569.216	526.692	1.118.138	1.034.719
Salaries and other personnel expenses .....	8	( 5.584.970)	( 4.410.429)	( 10.889.664)	( 8.357.291)
Other operating expenses .....	9	( 2.054.546)	( 1.793.678)	( 4.021.587)	( 3.489.858)
		( 7.070.300)	( 5.677.415)	( 13.793.113)	( 10.812.430)
<b>Operating profit before depreciation, amortisation and changes in fair value (EBITDA) .....</b>		<b>3.937.681</b>	<b>2.915.456</b>	<b>6.426.927</b>	<b>4.813.265</b>
Depreciation of property and equipment and leased assets and amortisation of intangible assets .....		( 1.550.326)	( 1.125.152)	( 2.989.134)	( 2.162.791)
Changes in value of investment property .....		82.167	142.112	131.401	255.937
<b>Operating profit before finance items (EBIT) .....</b>		<b>2.469.522</b>	<b>1.932.416</b>	<b>3.569.194</b>	<b>2.906.411</b>
Finance income .....	10	87.107	74.042	208.594	158.500
Finance costs .....	10	( 1.014.406)	( 962.461)	( 1.974.431)	( 1.902.357)
Foreign currency differences .....	10	6.637	( 8.502)	( 12.378)	16.183
Share of profit of associates .....		186.698	133.548	273.449	220.700
		( 733.964)	( 763.373)	( 1.504.766)	( 1.506.974)
<b>Profit before income tax (EBT) .....</b>		<b>1.735.558</b>	<b>1.169.043</b>	<b>2.064.428</b>	<b>1.399.437</b>
Income tax .....		( 316.192)	( 216.229)	( 365.890)	( 244.867)
<b>Profit for the period .....</b>		<b>1.419.366</b>	<b>952.814</b>	<b>1.698.538</b>	<b>1.154.570</b>
<b>Other comprehensive income</b>					
Items that are or may be reclassified subsequently to profit or loss:					
Translation difference arising from operations of a foreign associate .....		( 4.995)	( 5.555)	( 14.247)	( 9.037)
Effective portion of changes in fair value of cash flow hedges, net of income tax .....		62.302	( 5.105)	86.521	( 1.786)
<b>Total other comprehensive income (loss) .....</b>		<b>57.307</b>	<b>( 10.660)</b>	<b>72.274</b>	<b>( 10.823)</b>
<b>Total comprehensive income for the period .....</b>		<b>1.476.673</b>	<b>942.154</b>	<b>1.770.812</b>	<b>1.143.747</b>
Basic earnings per share in ISK .....		4,55	3,16	5,45	3,83
Diluted earnings per share in ISK .....		4,51	3,16	5,39	3,83

The notes on pages 8 to 17 are an integral part of these condensed financial statements.

## Consolidated Statement of Financial Position as at 30 June 2025

	Notes	30.6.2025	31.12.2024
<b>Assets</b>			
Goodwill .....		18.367.104	18.367.104
Other intangible assets .....		8.011.289	8.196.611
Property and equipment .....	11	42.090.124	41.217.494
Leased assets .....		11.214.362	10.535.014
Investment property .....		7.291.897	7.012.240
Shares in associates .....		2.673.406	2.914.790
Shares in other companies .....		14.140	14.140
Long-term receivables .....		39.964	35.336
Non-current assets		<u>89.702.286</u>	<u>88.292.729</u>
Inventories .....		14.315.981	14.117.878
Trade receivables .....		6.472.430	7.167.970
Other short-term receivables .....		1.350.323	1.180.705
Cash and cash equivalents .....		5.142.272	4.075.358
Current assets		<u>27.281.006</u>	<u>26.541.911</u>
<b>Total assets</b>		<u><u>116.983.292</u></u>	<u><u>114.834.640</u></u>
<b>Equity</b>			
Share capital .....	12	312.303	311.254
Share premium .....		9.999.013	9.803.982
Other restricted equity .....		16.566.504	18.258.010
Retained earnings .....		17.245.102	15.119.951
Equity		<u>44.122.922</u>	<u>43.493.197</u>
<b>Liabilities</b>			
Loans from credit institutions .....	13	28.595.085	29.339.934
Lease liabilities .....	14	10.664.780	10.001.415
Deferred tax liability .....		8.167.859	7.763.839
Non-current liabilities		<u>47.427.724</u>	<u>47.105.188</u>
Loans from credit institutions .....	13	2.307.230	3.227.122
Lease liabilities .....	14	1.462.647	1.387.796
Trade payables .....		12.575.714	11.787.327
Other short-term liabilities .....		9.087.055	7.834.010
Current liabilities		<u>25.432.646</u>	<u>24.236.255</u>
Total liabilities		<u>72.860.370</u>	<u>71.341.443</u>
<b>Total equity and liabilities</b>		<u><u>116.983.292</u></u>	<u><u>114.834.640</u></u>

The notes on pages 8 to 17 are an integral part of these condensed financial statements.

## Consolidated Statement of Changes in Equity for the period from 1 January to 30 June 2025

	Other restricted equity							
	Share capital	Share premium	Statutory reserve	Revaluation reserve	Unrealised profit of subsidiaries and associates	Other restricted accounts	Retained earnings	Total equity
1 January to 30 June 2024								
Equity 1.1.2024 .....	301.254	7.773.982	75.314	4.565.998	8.322.414 (	25.517)	14.828.910	35.842.355
Profit for the period .....							1.154.570	1.154.570
Total other comprehensive income .....					(	10.823)	(	10.823)
Restricted due to subsidiaries and associates .....					(	1.038.209)	1.038.209	0
Dissolution of revaluation of an associate .....				(	7.355)		7.355	0
Dissolution of revaluation of property and equipment .....				(	62.374)		62.374	0
	301.254	7.773.982	75.314	4.496.269	7.284.205 (	36.340)	17.091.418	36.986.102
Transactions with shareholders:								
Share options .....							22.827	22.827
Dividend paid to shareholders (ISK 3 per share) .....							(	903.761)
Equity 30.6.2024 .....	301.254	7.773.982	75.314	4.496.269	7.284.205 (	36.340)	16.210.484	36.105.168
Total other restricted equity .....						11.819.448		
1 January to 30 June 2025								
Equity 1.1.2025 .....	311.254	9.803.982	77.814	6.834.403	11.405.001 (	59.208)	15.119.951	43.493.197
Profit for the period .....							1.698.538	1.698.538
Total other comprehensive income .....						72.274	72.274	
Restricted due to subsidiaries and associates .....					(	1.645.677)	1.645.677	0
Dissolution of revaluation of an associate .....				(	32.905)		32.905	0
Dissolution of revaluation of property and equipment .....				(	85.460)		85.460	0
	311.254	9.803.982	77.814	6.716.038	9.759.324	13.066	18.582.531	45.264.009
Transactions with shareholders:								
Share options .....							63.475	63.475
Share options exercised .....	1.049	195.031						196.080
Transferred to statutory reserve .....			262				(	262)
Dividend paid to shareholders (ISK 4.50 per share) .....							(	1.400.642)
Equity 30.6.2025 .....	312.303	9.999.013	78.076	6.716.038	9.759.324	13.066	17.245.102	44.122.922
Total other restricted equity .....						16.566.504		

The notes on pages 8 to 17 are an integral part of these condensed financial statements.

## Consolidated Statement of Cash Flows for the period from 1 January to 30 June 2025

	Notes	2025 1.4.-30.6.	2024 1.4.-30.6.	2025 1.1.-30.6.	2024 1.1.-30.6.
<b>Cash flows from operating activities</b>					
Operating profit before depreciation, amortisation and changes in fair value (EBITDA) .....		3.937.681	2.915.456	6.426.927	4.813.265
Operating items not affecting cash flows:					
Gain on sale of property and equipment .....		( 10.622)	( 1.785)	( 17.287)	( 3.362)
		<u>3.927.059</u>	<u>2.913.671</u>	<u>6.409.640</u>	<u>4.809.903</u>
Changes in operating assets and liabilities:					
Inventories, decrease (increase) .....		1.046.459	1.140.764	( 198.103)	298.736
Trade and short-term receivables, (increase) decrease .....		( 1.006.436)	422.984	600.294	( 338.093)
Trade and other short-term liabilities, increase (decrease) .....		2.075.112	( 639.604)	2.631.181	411.687
Changes in operating assets and liabilities .....		<u>2.115.135</u>	<u>924.144</u>	<u>3.033.372</u>	<u>372.330</u>
Interest received .....		24.669	36.206	57.635	76.005
Interest paid .....		( 688.829)	( 756.418)	( 1.542.470)	( 1.548.514)
Income tax paid .....		( 173.119)	( 54.615)	( 346.238)	( 109.230)
Net cash from operating activities .....		<u>5.204.915</u>	<u>3.062.988</u>	<u>7.611.939</u>	<u>3.600.494</u>
<b>Cash flows used in investing activities</b>					
Purchased intangible assets .....		( 273.700)	( 220.274)	( 467.870)	( 396.492)
Purchased property and equipment .....	11	( 1.787.446)	( 701.569)	( 2.457.103)	( 1.200.797)
Sold property and equipment .....		20.819	27.871	47.922	35.211
Purchase of investment properties .....		( 111.254)	( 34.043)	( 148.255)	( 99.342)
Dividend received .....		385.998	298.238	500.586	298.238
Long-term receivables, change .....		0	100.408	( 4.917)	99.485
Net cash used in investing activities .....		<u>( 1.765.583)</u>	<u>( 529.369)</u>	<u>( 2.529.637)</u>	<u>( 1.263.697)</u>
<b>Cash flows used in financing activities</b>					
Dividend paid .....		( 1.400.642)	( 903.761)	( 1.400.642)	( 903.761)
Share options exercised .....		196.080	0	196.080	0
New long-term loans from credit institutions .....		0	4.491	0	4.491
Repayment of long-term loans from credit institutions .....		( 1.784.132)	( 918.164)	( 2.107.034)	( 919.335)
Repayment of lease liabilities .....		( 364.016)	( 241.583)	( 723.317)	( 465.203)
Net cash used in financing activities .....		<u>( 3.352.710)</u>	<u>( 2.059.017)</u>	<u>( 4.034.913)</u>	<u>( 2.283.808)</u>
Increase in cash and cash equivalents .....		86.622	474.602	1.047.389	52.989
Foreign currency difference on cash and cash equivalents .....		27.079	( 40.759)	19.525	( 20.205)
Cash and cash equivalents at the beginning of the period .....		<u>5.028.571</u>	<u>2.961.153</u>	<u>4.075.358</u>	<u>3.362.212</u>
Cash and cash equivalents at the end of the period .....		<u>5.142.272</u>	<u>3.394.996</u>	<u>5.142.272</u>	<u>3.394.996</u>
<b>Investing and financing activities not affecting cash flows</b>					
New lease contracts and their remeasurement .....		( 1.071.327)	490.870	( 1.461.533)	( 1.009.343)
New lease liabilities and their remeasurement .....		1.071.327	490.870	1.461.533	1.009.343

The notes on pages 8 to 17 are an integral part of these condensed financial statements.

# Notes to the Condensed Consolidated Interim Financial Statements

---

## 1. Reporting entity

Festi hf. (the "Company" or "the Group") is an Icelandic public limited liability company incorporated and domiciled in Iceland. The Company's headquarters are located at Dalvegur 10-14, Kópavogur, Iceland. The main business activities of the Company and its subsidiaries (together referred to as the "Group") consists of sale of fuel, goods and services in service stations, groceries and related products, sale of medicines, sale of electronic equipment and leasing of properties. These Condensed Consolidated Interim Financial Statements of the Company as at and for the six months ended 30 June 2025 comprise of the Company and its subsidiaries. The Company is listed on Nasdaq Iceland.

## 2. Basis of preparation

The Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard IAS 34, Interim Financial Reporting, as adopted by the European Union and, as applicable, additional requirements of the Icelandic Financial Statements Act. The Condensed Consolidated Interim Financial Statements have been prepared under the historical cost convention, except for financial assets and liabilities, which are valued at fair value through Other Comprehensive Income and the Company's real estate leased to third parties are revalued to fair value. 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 31 December 2024.

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 31 December 2024.

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 thousands of Icelandic krona unless otherwise stated. The Board of Directors of Festi hf. approved the Condensed Consolidated Interim Financial Statements on 29 July 2025.

## 3. Use of estimates and judgements

The preparation of the Condensed Consolidated Interim Financial Statements in conformity with IFRSs requires management to make judgements, estimates and assumptions, which affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were in all major matters the same as those applied to the Consolidated Financial Statements as at and for the year ended 31 December 2024.

## 4. New and revised IFRS's

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 31 December 2024. A few new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these Condensed Consolidated Interim Financial Statements as they are not considered to have significant impact on the Condensed Consolidated Interim Financial Statements.



## Notes, continued:

### 5. Operating segments

An operating segment is a component of the Group that engages in business activity from which it may earn revenue and incur expenses, including revenue and expenses relating to transactions with other segments of the Group. Segments are determined by the Company's management, which regularly reviews the Group's segments to decide upon how assets are allocated as well as to monitor their financial performance.

Operating results of segments, their assets and liabilities consist of items directly attributable to individual segments as well as those items which can be allocated to them in a logical way. Capital expenditure of segments consists of the total cost of acquisition of operating and intangible assets. Transactions between segments are priced on an arm's length basis.

The operating companies of ELKO, Krónan, Lyfja, N1 and Yrkir eignir are individual operating segments. The Group's other entities comprise the sixth segment. That segment consists of the operations of the Parent Company Festi and Bakinn Vöruhótel. The operations of Lyfja were included in the Group from July 2024.

#### Reportable segments for the six months ended 30 June 2025

	ELKO	Krónan	Lyfja	N1	Yrkir eignir	Other companies	Segments total
External revenue .....	9.307.713	37.300.552	9.507.993	25.880.001	307.010	179.817	82.483.086
Intra-group revenue .....	8.822	871.254	188.271	150.500	1.907.999	3.018.602	6.145.448
Total segment revenue .....	9.316.535	38.171.806	9.696.264	26.030.501	2.215.009	3.198.419	88.628.534
Operating profit before depreciation, amortisation and changes in value (EBITDA) .....	681.058	2.777.668	734.444	2.425.248	1.745.052	865.620	9.229.090
Segment depreciation and amortisation .....	( 353.029 )	( 1.215.031 )	( 538.271 )	( 1.558.109 )	( 1.045.539 )	( 443.679 )	( 5.153.658 )
Changes in value of investment property .....	0	0	0	0	131.401	0	131.401
Operating profit of segments (EBIT) .....	328.029	1.562.637	196.173	867.139	830.914	421.941	4.206.833
Net finance costs .....	( 68.916 )	( 134.944 )	( 76.011 )	( 328.237 )	( 813.796 )	( 988.279 )	( 2.410.183 )
Share of profit of associates .....	0	0	0	0	0	273.449	273.449
Income tax .....	( 51.823 )	( 285.539 )	( 24.061 )	( 112.955 )	( 3.424 )	( 110.778 )	( 367.024 )
Profit (loss) for the period .....	207.290	1.142.154	96.101	425.947	13.694	( 182.111 )	1.703.075
<b>30 June 2025</b>							
Segment assets .....	6.734.369	24.426.702	10.712.601	27.316.337	32.642.340	82.698.765	184.531.114
Segment capital expenditure .....	170.257	848.581	142.307	606.552	973.137	332.395	3.073.229
Segment liabilities .....	4.951.004	19.384.018	5.127.247	17.121.952	24.621.818	36.977.613	108.183.652

#### Reportable segments for the six months ended 30 June 2024

	ELKO	Krónan	Lyfja	N1	Yrkir eignir	Other companies	Segments total
External revenue .....	8.593.700	34.364.449	-	25.795.599	261.253	279.902	69.294.903
Intra-group revenue .....	8.515	799.584	-	227.970	1.854.756	2.651.794	5.542.619
Total segment revenue .....	8.602.215	35.164.033	-	26.023.569	2.116.009	2.931.696	74.837.522
Operating profit before depreciation, amortisation and changes in value (EBITDA) .....	639.866	2.612.516	-	1.599.328	1.661.290	995.067	7.508.067
Segment depreciation and amortisation .....	( 300.709 )	( 1.172.260 )	-	( 1.387.048 )	( 966.059 )	( 412.986 )	( 4.239.062 )
Changes in value of investment property .....	0	0	-	0	255.937	0	255.937
Operating profit of segments (EBIT) .....	339.157	1.440.256	-	212.280	951.168	582.081	3.524.942
Net finance costs .....	( 34.499 )	( 153.907 )	-	( 410.305 )	( 876.935 )	( 982.458 )	( 2.458.104 )
Share of profit of associates .....	0	0	-	0	0	220.700	220.700
Income tax .....	( 64.298 )	( 270.833 )	-	( 41.799 )	( 15.589 )	( 86.434 )	( 222.487 )
Profit (loss) for the period .....	240.360	1.015.516	-	( 156.226 )	58.644	( 93.243 )	1.065.051
<b>30 June 2024</b>							
Segment assets .....	5.866.160	22.761.456	-	26.734.138	31.971.521	68.231.679	155.564.954
Segment capital expenditure .....	165.194	451.510	-	806.566	154.110	154.442	1.731.822
Segment liabilities .....	4.253.440	18.114.430	-	17.445.219	24.478.449	29.989.757	94.281.295

## Notes, continued:

### 5. Operating segments, continued:

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities, and other material items in the Consolidated Statement of Comprehensive Income.

<b>1.1.-30.6.2025</b>	<b>Segments total</b>	<b>Eliminations</b>	<b>According to financial statements</b>
Operating profit before depreciation, amortisation and changes in fair value (EBITDA) .....	9.229.090 (	2.802.163)	6.426.927
Depreciation of property and equipment and leased assets and amortisation of intangible assets .....	( 5.153.658)	2.164.524 (	2.989.134)
Changes in fair value of investment property .....	131.401		131.401
Operating profit (EBIT) .....	4.206.833 (	637.639)	3.569.194
Net finance costs .....	( 2.410.183)	631.968 (	1.778.215)
Share of profit of associates .....	273.449		273.449
Income tax .....	( 367.024)	1.134 (	365.890)
Profit for the period .....	1.703.075 (	4.537)	1.698.538
<b>30 June 2025</b>			
Segment assets .....	184.531.114 (	67.547.822)	116.983.292
Segment capital expenditure .....	3.073.229		3.073.229
Segment liabilities .....	108.183.652 (	35.323.282)	72.860.370
<b>1.1.-30.6.2024</b>			
Operating profit before depreciation, amortisation and changes in fair value (EBITDA) .....	7.508.067 (	2.694.802)	4.813.265
Depreciation of property and equipment and leased assets and amortisation of intangible assets .....	( 4.239.062)	2.076.271 (	2.162.791)
Changes in fair value of investment property .....	255.937		255.937
Operating profit (EBIT) .....	3.524.942 (	618.531)	2.906.411
Net finance costs .....	( 2.458.104)	730.430 (	1.727.674)
Share of profit of associates .....	220.700		220.700
Income tax .....	( 222.487)	22.380 (	244.867)
Profit for the period .....	1.065.051	89.519	1.154.570
<b>30 June 2024</b>			
Segment assets .....	155.564.954 (	58.635.989)	96.928.965
Segment capital expenditure .....	1.731.822 (	35.191)	1.696.631
Segment liabilities .....	94.281.295 (	33.457.498)	60.823.797

## Notes, continued:

### 6. Operating income

#### Sale of goods and services

Sale of goods and services are recognised based on the fundamental principle of recognising revenue as or when control of goods and services are transferred to the customer.

#### Income from lease of real estate

Properties leased to parties outside the Group are recognised as investment properties. Investment properties are properties held to earn rentals or for capital appreciation or both. Investment properties are recognised at fair value. Fair value changes of investment properties are presented separately in profit or loss and therefore presented separately from lease income from those same assets.

#### Other operating revenue

Revenue from warehouse services, commissions, gain on sale of property and equipment, market grants and other income are presented in other operating income.

Operating income is specified as follows:

	2025	2024	2025	2024
	1.4.-30.6.	1.4.-30.6.	1.1.-30.6.	1.1.-30.6.
Sale of goods and services:				
Convenience goods .....	22.015.034	19.199.497	41.644.166	37.173.488
Fuel and electricity .....	10.156.609	10.003.001	18.345.519	18.455.580
Electronic equipment .....	4.888.794	4.461.523	9.197.824	8.495.190
Prescription and over-the-counter medicine .....	3.587.172	0	7.060.208	0
Other goods and services .....	2.931.484	2.373.090	5.117.231	4.135.926
Total sale of goods and services .....	43.579.093	36.037.111	81.364.948	68.260.184
Other operating income:				
Lease income from properties .....	212.960	175.411	416.682	359.030
Warehouse services .....	72.314	106.536	165.440	211.371
Commissions .....	130.434	122.761	259.862	234.675
Gain on sale of property and equipment .....	10.622	1.785	17.287	3.362
Other operating income .....	142.886	120.199	258.867	226.281
Total other operating income .....	569.216	526.692	1.118.138	1.034.719
Total operating revenue .....	44.148.309	36.563.803	82.483.086	69.294.903

### 7. Margin from sale of goods and services

Cost of goods sold consists of the purchase price as well as related transportation cost, excise tax, duties and distribution costs. Any decrease in the cost of inventories to net realisable value is expensed as part of cost of goods sold.

Gross profit from sale of goods and services is specified as follows:

	2025	2024	2025	2024
	1.4.-30.6.	1.4.-30.6.	1.1.-30.6.	1.1.-30.6.
Convenience goods .....	5.200.814	4.506.189	9.782.459	8.489.049
Fuel and electricity .....	2.277.160	1.885.599	4.107.347	3.293.779
Electronic equipment .....	1.281.689	1.152.531	2.389.914	2.184.062
Prescription and over-the-counter medicine .....	954.639	0	1.887.206	0
Other goods and services .....	1.293.679	1.048.552	2.053.114	1.658.805
Margin from sale of goods and services .....	11.007.981	8.592.871	20.220.040	15.625.695

## Notes, continued:

### 8. Salaries and other personnel expenses

Salaries and other personnel expenses are specified as follows:

	2025	2024	2025	2024
	1.4.-30.6.	1.4.-30.6.	1.1.-30.6.	1.1.-30.6.
Salaries .....	4.378.745	3.480.380	8.279.377	6.430.789
Salary-related expenses .....	988.068	748.803	2.071.907	1.582.220
Other personnel expenses .....	218.157	181.246	538.380	344.282
Total salaries and other personnel expenses .....	5.584.970	4.410.429	10.889.664	8.357.291

### 9. Other operating expenses

Other operating expenses are specified as follows:

	2025	2024	2025	2024
	1.4.-30.6.	1.4.-30.6.	1.1.-30.6.	1.1.-30.6.
Operating expenses of properties .....	603.872	528.585	1.195.777	1.054.386
Maintenance expenses .....	291.357	264.072	588.053	547.016
Sales and marketing expenses .....	542.357	481.031	986.848	853.306
Office and administrative expenses .....	128.206	142.025	282.004	257.940
Communication expenses .....	344.207	253.261	680.676	503.257
Insurance and claims expenses .....	40.886	47.603	72.973	101.464
Other expenses .....	103.661	77.101	215.256	172.489
Total other operating expenses .....	2.054.546	1.793.678	4.021.587	3.489.858

### 10. Finance income and finance costs

	2025	2024	2025	2024
	1.4.-30.6.	1.4.-30.6.	1.1.-30.6.	1.1.-30.6.
Finance income is specified as follows:				
Interest income on cash and cash equivalents .....	60.599	46.533	149.149	105.047
Interest income on receivables .....	26.508	27.509	59.445	53.453
Total finance income .....	87.107	74.042	208.594	158.500

Finance cost is specified as follows:

	2025	2024	2025	2024
	1.4.-30.6.	1.4.-30.6.	1.1.-30.6.	1.1.-30.6.
Interest expense and CPI-index on loans .....	823.267	810.411	1.602.912	1.595.211
Interest expense on lease liabilities .....	170.480	129.364	327.571	254.163
Other interest expense .....	20.659	22.686	43.948	52.983
Total finance costs .....	1.014.406	962.461	1.974.431	1.902.357

## Notes, continued:

### 11. Operating assets

Acquisition of operating assets in the first six months of 2025 amounted to ISK 2,605 million (2024 6M: 1,300 million). Thereof investment in buildings is ISK 1,395 million (2024 6M: 499 million), interiors, equipment and tools was ISK 1,172 million (2024 6M: 747 million) and investment in computers and other IT hardware was ISK 38 million (2024 6M: 54 million).

### 12. Share options

At the annual general meeting of Festi on 6 March 2024, two share option plans were approved, one for all permanent employees of the Group and the other for management. The Board of Directors decided to grant share options according to the specified share option plans at meetings on 23 April 2024, 30 October 2024 and 29 April 2025.

Movements of share options are specified as follows:

	<b>Nominal shares</b>	<b>Weighted average exercise price at 30.6.2025</b>
Shares outstanding at 31 December 2024 for vesting in the coming years.....	12.981	
Share options granted 2025.....	1.426	
Share options exercised.....	( 1.049)	
Forfeited share options.....	( 743)	
Shares outstanding at 30 January 2025 for vesting in the coming years.....	<u>12.615</u>	206,3

Share options granted:

	<b>Nominal shares</b>	<b>Weighted average exercise price at 30.6.2025</b>
100% exercisable in May 2026.....	4.390	203,6
100% exercisable in May 2027.....	4.445	207,2
100% exercisable in November 2027.....	1.725	206,0
100% exercisable in May 2028.....	1.725	206,0
100% exercisable in November 2028.....	330	234,5
	<u>12.615</u>	206,3

The fair value of share options granted to employees is estimated using the Black-Scholes formula. The total cost of the options is estimated at ISK 312 million over their vesting period, of which ISK 63 million is expensed as salary cost during the first six months of 2025.



## Notes, continued:

### 13. Loans from credit institutions

All loans from credit institutions are denominated in Icelandic krona. The loans are secured by pledge in real estate and inventories.

The loans are specified as follows:

	2025 1.1.-30.6.	2024 1.1.-31.12.
<b>Long-term</b>		
Balance at the beginning of the year .....	29.339.934	26.680.829
Repayments .....	( 2.107.034)	( 2.083.084)
New loans.....	0	3.985.802
Taken over on acquisition of subsidiary.....	0	1.563.782
Expensed borrowing costs.....	10.365	18.566
CPI-indexation.....	431.928	594.147
Change in current portion.....	919.892	( 1.420.108)
Balance at the end of the period.....	28.595.085	29.339.934
<b>Short-term</b>		
Current portion of long-term loans .....	2.307.230	3.227.122
Balance at the end of the period.....	2.307.230	3.227.122
Total loans from credit institutions .....	30.902.315	32.567.056

	Weighted average interest rates		Outstanding amounts at	
	2025	2024	30.6.2025	31.12.2024
Non-indexed loans at floating interest rates .....	9,6%	10,8%	13.960.568	15.407.277
CPI-indexed loans at floating interest rates .....	5,0%	4,7%	16.941.747	17.159.779
Total loans from credit institutions .....			30.902.315	32.567.056

The maturities of the loans are specified as follows:

Year 2025 .....	1.153.730	3.227.122
Year 2026 .....	2.307.911	2.275.502
Year 2027 .....	2.308.663	2.275.718
Year 2028 .....	2.108.913	2.075.511
Year 2029 .....	1.909.846	1.876.444
Year 2030 .....	1.910.029	1.876.627
Due for payment onwards .....	19.203.223	18.960.132
Total loans from credit institutions .....	30.902.315	32.567.056

As of 30 June 2025, the Group had undrawn credit lines in the amount of ISK 500 million.

## Notes, continued:

### 14. Lease liabilities

	<b>2025</b>	<b>2024</b>
	<b>1.1.-30.6.</b>	<b>1.1.-31.12.</b>
Carrying amount at the beginning of the year.....	11.389.211	8.652.596
New lease contracts.....	1.102.435	797.325
Taken over on acquisition of subsidiary .....	0	2.275.544
Increase due to indexation of lease payments.....	359.098	822.301
Payment of lease liabilities during the year.....	( 723.317)	( 1.158.555)
Total lease liabilities.....	12.127.427	11.389.211
Current portion.....	( 1.462.647)	( 1.387.796)
Total non-current portion of lease liabilities.....	10.664.780	10.001.415

The maturity analysis of lease liabilities is specified as follows:

Year 2025 .....	731.324	1.387.796
Year 2026 .....	1.461.276	1.376.195
Year 2027 .....	1.348.644	1.299.119
Year 2028 .....	1.110.771	1.051.443
Year 2029 .....	884.829	730.951
Year 2030 .....	770.894	649.432
Due for payment onwards.....	5.819.689	4.894.275
Total.....	12.127.427	11.389.211

	<b>2025</b>	<b>2024</b>
	<b>1.1.-30.6.</b>	<b>1.1.-30.6.</b>
Impact of lease liabilities in profit or loss are as follows:		
Deprecation of lease assets.....	782.185	534.599
Interest expensed on lease liabilities.....	327.571	254.163

Expensed rent due to lease agreements not capitalised:

Real estate rent.....	163.763	159.865
Other rent payments.....	5.213	8.312

Impact of rental agreements on Statement of Cash Flows:

Payments due to lease contracts.....	1.050.888	719.366
--------------------------------------	-----------	---------

All lease liabilities are denominated in Icelandic krona.

## Notes, continued:

### 15. Group entities

The Condensed Consolidated Interim Financial Statements include the following entities. All subsidiaries are directly or indirectly fully owned by the Parent Company, Festi.

Company	Business activity
Festi hf.	Festi is a holding company that specialises in operating companies that are leading in the retail and fuel sale in Iceland. Festi's role is to support its operating companies in fulfilling customers' demands so as to enable them to continue to be at the forefront in providing goods and services across the country. Festi provides its subsidiaries with supporting services, among other things in the area of finance, operations and business development.
Bakkinn vöruhótel ehf.	Bakkinn vöruhótel specialises in product storage, packaging, labelling, handling and distribution of products for customers that elect to outsource their warehouse activities.
ELKO ehf.	ELKO specialises in selling household appliances and electronic equipment. The company operates stores in the capital region, Akureyri and at the Leifur Eiríksson International Airport in Keflavík, as well as an online shop.
Krónan ehf.	Krónan is a retail company that operates convenience stores in Iceland. The company operates stores throughout the country under the brand name of Krónan and Smart shop with home deliveries.
Icelandic Food Company ehf.	Icelandic Food Company specialises in production of convenience goods sold in Krónan and N1.
Vínportið ehf.	Vínportið specialises in imports and wholesales of alcohol to ÁTVR stores and to hotels and restaurants.
Lyfja hf.	Lyfja specialises in pharmacy operations as well as wholesale and retail sales of health-related products. The company operates 45 pharmacies and branches as well as an online store and app.
Heilsa ehf.	Heilsa specialises in imports and wholesales of pharmacy products and cosmetic and health related products sold in stores all around the country.
Mengi ehf.	Mengi leases non-residential real estate to retail companies.
N1 ehf.	N1 specialises in wholesale and retail of fuel, operation of service stations, including tire and lubrication service stations around the country. The Company's service stations sell fuel in addition to refreshments, sale of various convenience goods, purchases of electricity in the wholesale market and the retail sale to individuals and companies in Iceland.
Yrkir eignir ehf.	Yrkir eignir runs the property operations of the Group and leases out non-residential buildings to retail companies, both within and outside the Group. The company also operates the security and development departments, which run projects related to security matters, maintenance of properties and their development with the objective of profitability.

## Notes, continued:

### 16. Other matters

#### Sales process for the shares of the Company in Olíudreifing

On 26 September 2024 it was announced that Festi and Olís had reached an agreement to initiate the preparation of the sales process of their shares in Olíudreifing, whereas 60% of Olíudreifing is owned by Festi and 40% by Olís. On 3 December 2024 it was announced that non-binding offers had been received for all shares in Olíudreifing and that a decision had been made to invite three parties to continue in the sales process and provide them with access to further information. On 30 April 2025 it was announced that both Festi and Olís had decided to terminate the sale process as it was apparent that an agreement could not be reached. The formal sale process of the shares is therefore discontinued.

### 17. Financial ratios

#### The Group's key financial ratios

	2025	2024
	1.1.-30.6.	1.1.-30.6.
<b>Operations</b>		
Turnover rate of inventories		
Utilisation of goods / average balance of inventories during the period.....	8,7	7,9
Sales days in trade receivables:		
Average balance of trade receivables during the period /		
goods and services sold .....	11,8	13,5
EBITDA / margin from sales of goods and services.....	31,8%	30,8%
Salaries and personnel expenses / margin from sales of goods and services.....	53,9%	53,5%
Other operating expenses / margin from sales of goods and services.....	19,9%	22,3%
	<b>30.6.2025</b>	<b>31.12.2024</b>
<b>Financial position</b>		
Current ratio: current assets / current liabilities.....	1,07	1,10
Liquidity ratio: (current assets - inventories) / current liabilities.....	0,51	0,51
Leverage: net interest bearing liabilities excluding lease liabilities / EBITDA.....	1,82	2,28
Equity ratio: equity / total capital.....	37,7%	37,9%
Return on equity: profit for last 12 months / average balance of equity.....	11,0%	10,5%