

Condensed Consolidated Interim Financial Statements

1 January – 31 March 2022



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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 31 March 2022 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 2021. 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 three-month period ended 31 March 2022

For the period from 1 January to 31 March 2022, profit amounted to ISK 440 million. Total comprehensive income for the period was ISK 331 million. At the end of the period equity amounted to ISK 31,842 million, including share capital in the amount of ISK 313 million. Based on the Company's 2022 Annual General Meeting resolution in March, a dividend of ISK 1,563 million was approved and paid to the shareholders in April and is therefore included in other short-term liabilities in these Condensed Consolidated Interim Financial Statements. Reference is made to the Consolidated Statement of Changes in Equity regarding information on changes in equity.

The effect of COVID-19 pandemic and the war in Ukraine on operations

The impact of the COVID-19 pandemic was much milder on the Group's operations during the quarter compared to Q1 2021. Business has steadily recovered with the lifting of all government restrictions at the end of 2021 and is getting back to normal operations. The war in Ukraine is still not affecting the Group's operations in relation to imports of goods and services which is minor from that region. Prices of commodities rose with increase in turnover and cost of goods sold and lowering margin from sales ratio. If the war continues this could increase further prices and even contribute to supply shortages in some product ranges later in the year. The Group entities are monitoring the situation closely with their suppliers to ensure customers are served as best as possible.

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 three month period ended 31 March 2022, its assets, liabilities and Consolidated Financial Position as at 31 March 2022, and its Consolidated Cash Flows for the period then ended.

Furthermore, in our opinion the Condensed Consolidated Interim Financial Statements and the Statement and Endorsement of 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 31 March 2022 and confirm them by means of their signatures.

Kópavogur, 4 May 2022.

Board of Directors

Guðjón Karl Reynisson, Chairman

Margrét Guðmundsdóttir, Vice-Chairman

Ástvaldur Jóhannsson

Sigrún Hjartardóttir

Þórey G. Guðmundsdóttir

CEO

Eggert Þór Kristófersson

Condensed Consolidated Statement of Comprehensive Income for the period from 1 January to 31 March 2022

	Notes	2022 1.1.-31.3.	2021 1.1.-31.3.
Sale of goods and services	6	24.571.564	20.917.226
Cost of goods sold		(18.837.445)	(15.773.505)
Margin from sale of goods and services	7	5.734.119	5.143.721
Other operating income	6	430.759	455.018
Salaries and other personnel expenses	8	(3.006.224)	(2.817.658)
Other operating expenses	9	(1.409.284)	(1.276.106)
		<u>(3.984.749)</u>	<u>(3.638.746)</u>
Operating profit before depreciation and amortization (EBITDA)		1.749.370	1.504.975
Depreciation and amortization		(807.881)	(728.794)
Changes in value of investment property		9.746	(64.123)
Operating profit (EBIT)		951.235	712.058
Finance income	10	28.988	35.170
Finance costs	10	(470.854)	(440.128)
Share of profit of associates		62.998	45.221
		<u>(378.868)</u>	<u>(359.737)</u>
Profit before income tax (EBT)		572.367	352.321
Income tax		(96.569)	(62.993)
Profit for the period		475.798	289.328
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Translation differences of foreign operations		(19.268)	(27.140)
Effective portion of changes in fair value of cash flow hedge, net of tax		(89.498)	150.934
Total other comprehensive income		(108.766)	123.794
Total comprehensive income for the period		367.032	413.122
Basic and diluted earnings per share in ISK		1,35	0,90

The notes on pages 8 to 15 are an integral part of these condensed financial statements

Condensed Consolidated Statement of Financial Position as at 31 March 2022

	Notes	31.3.2022	31.12.2021
Assets			
Goodwill		14.668.264	14.668.264
Other intangible assets		4.714.617	4.744.289
Property and equipment	11	33.237.153	32.544.092
Leased assets		6.108.202	6.155.337
Investment properties		6.451.438	6.100.291
Shares in associates		2.371.795	2.324.066
Shares in other companies		12.940	12.940
Long-term receivables		236.126	228.224
Non-current assets		<u>67.800.535</u>	<u>66.777.503</u>
Inventories		9.515.019	9.545.341
Trade receivables		6.370.324	4.757.286
Other short-term receivables		754.350	888.911
Cash and cash equivalents		2.652.599	4.002.716
Current assets		<u>19.292.292</u>	<u>19.194.254</u>
Total assets		<u><u>87.092.827</u></u>	<u><u>85.971.757</u></u>
Equity			
Share capital		312.500	316.118
Share premium		9.991.683	10.824.306
Other restricted equity		12.791.356	12.549.269
Retained earnings		8.783.147	10.220.702
Equity		<u>31.878.686</u>	<u>33.910.395</u>
Liabilities			
Loans from credit institutions	12	25.813.004	25.929.521
Lease liabilities		5.825.001	5.868.744
Deferred tax liability		5.664.280	5.590.021
Non-current liabilities		<u>37.302.285</u>	<u>37.388.286</u>
Loans from credit institutions	12	1.874.798	1.382.003
Lease liabilities		575.028	553.819
Trade payables		8.256.577	7.021.734
Other short-term liabilities		7.205.452	5.715.520
Current liabilities		<u>17.911.855</u>	<u>14.673.076</u>
Total liabilities		<u>55.214.140</u>	<u>52.061.362</u>
Total equity and liabilities		<u><u>87.092.827</u></u>	<u><u>85.971.757</u></u>

The notes on pages 8 to 15 are an integral part of these condensed financial statements

Condensed Consolidated Statement of Changes in Equity for the period from 1 January to 31 March 2022

	<u>Other restricted equity</u>							Retained earnings	Total equity
	Share capital	Share premium	Statutory reserve	Revaluation reserve	Unrealised profit of subsidiaries and associates	Other restricted accounts			
1 January to 31 March 2021									
Equity 1.1.2021	323.091	12.278.381	80.773	3.274.015	4.091.468	147.079	9.588.818	29.783.625	
Total comprehensive income for the period						123.794	289.328	413.122	
Restricted due to subsidiaries and associates					418.338		(418.338)	0	
Dissolution of revaluation of an associate				(5.201)			5.201	0	
Dissolution of revaluation of property and equipment				(17.496)			17.496	0	
	<u>323.091</u>	<u>12.278.381</u>	<u>80.773</u>	<u>3.251.318</u>	<u>4.509.806</u>	<u>270.873</u>	<u>9.482.505</u>	<u>30.196.747</u>	
<i>Transactions with shareholders:</i>									
Dividend paid (ISK 3.00 per share)							(969.272)	(969.272)	
Equity 31.3.2021	<u>323.091</u>	<u>12.278.381</u>	<u>80.773</u>	<u>3.251.318</u>	<u>4.509.806</u>	<u>270.873</u>	<u>8.513.233</u>	<u>29.227.475</u>	
Total other restricted equity						<u>8.112.770</u>			
1 January to 31 March 2022									
Equity 1.1.2022	316.118	10.824.306	79.029	4.827.722	7.561.783	80.735	10.220.702	33.910.395	
Total comprehensive income for the period						(108.766)	475.798	367.032	
Restricted due to subsidiaries and associates					383.048		(383.048)	0	
Dissolution of revaluation of an associate				(5.201)			5.201	0	
Dissolution of revaluation of property and equipment				(26.090)			26.090	0	
	<u>316.118</u>	<u>10.824.306</u>	<u>79.029</u>	<u>4.796.431</u>	<u>7.944.831</u>	<u>(28.031)</u>	<u>10.344.743</u>	<u>34.277.427</u>	
<i>Transactions with shareholders:</i>									
Purchase of own shares	(3.618)	(832.623)						(836.241)	
Transferred from statutory reserve			(904)				904	0	
Dividend paid (ISK 5.00 per share)							(1.562.500)	(1.562.500)	
Equity 31.3.2022	<u>312.500</u>	<u>9.991.683</u>	<u>78.125</u>	<u>4.796.431</u>	<u>7.944.831</u>	<u>(28.031)</u>	<u>8.783.147</u>	<u>31.878.686</u>	
Total other restricted equity						<u>12.791.356</u>			

The notes on pages 8 to 15 are an integral part of these condensed financial statements

Condensed Consolidated Statement of Cash Flows

for the period from 1 January to 31 March 2022

	Notes	2022 1.1.-31.3.	2021 1.1.-31.3.
Cash flows from operating activities			
Operating profit before depreciation & amortization (EBITDA)		1.749.370	1.504.975
Operating items not affecting cash flows:			
Gain on sale of property and equipment		(10.120)	(42.958)
		<u>1.739.250</u>	<u>1.462.017</u>
Changes in operating assets and liabilities:			
Inventories, decrease (increase)		30.322	(797.673)
Trade and short-term receivables, (increase) decrease		(1.366.605)	4.533
Trade and other short-term liabilities, increase		968.813	5.711
Changes in operating assets and liabilities		<u>(367.470)</u>	<u>(787.429)</u>
Interest received		25.603	12.565
Interest paid		(349.821)	(247.260)
Income tax paid		(64.800)	(49.024)
Net cash from operating activities		<u>982.762</u>	<u>390.869</u>
Cash flows used in investing activities			
Purchase of intangible assets		(165.347)	(131.295)
Purchase of property and equipment	11	(1.169.884)	(318.867)
Sale of property and equipment		47.680	76.038
Purchase of investment properties		(564.457)	(981)
Sale of investment properties		220.000	0
Purchase of shares in other companies		(4.000)	(18.000)
Dividend received from associates		0	28.962
Long-term receivables and securities, change		18.613	(22.427)
Net cash used in investing activities		<u>(1.617.395)</u>	<u>(386.570)</u>
Cash flows used in financing activities			
Purchase of own shares		(836.241)	0
Repayment of long-term loans from credit institutions		(199.648)	0
Repayment of lease liabilities		(145.967)	(117.309)
Proceeds from short term loan		500.000	0
Net cash used in financing activities		<u>(681.856)</u>	<u>(117.309)</u>
Decrease in cash and cash equivalents		(1.316.489)	(113.010)
Effect of movements in exchange rates on cash held		(33.628)	12.987
Cash and cash equivalents at the beginning of the period		4.002.716	2.562.942
Cash and cash equivalents at the end of the period		<u>2.652.599</u>	<u>2.462.919</u>
Investing and financing activities not affecting cash flows			
Trade and short term payables		1.562.500	969.272
Dividend issued from equity		(1.562.500)	(969.272)
Acquisition of right-of-use assets		(123.432)	(36.993)
New and renewed leases		123.432	36.993

The notes on pages 8 to 15 are an integral part of these condensed financial statements

Notes to the Condensed Interim Consolidated Financial Statements

1. Reporting entity

Festi hf. (the "Company") 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 operation of the Company and its subsidiaries (together referred to as the "Group") consists of sale of fuel, goods and service in service stations, groceries and related products, sale of electronic equipment and leasing of properties. These Condensed Consolidated Interim Financial Statements of the Company as at and for the three months ended 31 March 2022 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 three months ended 31 March 2022 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 2021.

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 2021.

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 thousand of Icelandic krona unless otherwise stated. The Board of Directors of Festi hf. approved the Condensed Consolidated Interim Financial Statements on 4 May 2022.

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 2021.

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 2021. A number of new standards are effective for annual periods beginning after 1 January 2022 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 so as 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 in a logical way. Capital expenditure of segments consist 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 N1, Krónan and ELKO in the Group are individual operating segments. The Group's other entities comprise the fourth segment. That segment consists of the operations of the parent company Festi, Bakinn Vöruhótel and Festi fasteignir.

Reportable segments for the three months ended 31 March 2022

	N1	Krónan	ELKO	Other companies	Total
External revenue	9.979.215	11.376.738	3.421.062	225.308	25.002.323
Intra-group revenue	60.275	15.884	3.060	1.562.011	1.641.230
Total segment revenue	10.039.490	11.392.622	3.424.122	1.787.319	26.643.553
Operating profit before depreciation and amortization (EBITDA)	632.516	848.750	311.901	818.398	2.611.565
Segment depreciation and amortisation	(636.866)	(411.761)	(112.839)	(249.089)	(1.410.555)
Changes in value of investment properties ..	0	0	0	9.746	9.746
Operating (loss) profit of segments (EBIT) ...	(4.350)	436.989	199.062	579.055	1.210.756
Net finance costs	(256.943)	(98.904)	(23.525)	(424.572)	(803.944)
Share of profit of associates	0	0	0	62.998	62.998
Income tax	52.263	(67.564)	(35.107)	(25.650)	(76.058)
(Loss) profit for the period	(209.030)	270.521	140.430	191.831	393.752
31 March 2022					
Segment assets	28.199.602	18.731.880	4.895.501	35.265.844	87.092.827
Segment capital expenditure	301.691	316.796	146.533	1.134.668	1.899.688
Segment liabilities	18.629.299	13.393.717	3.159.497	20.031.627	55.214.140

Notes, continued:

5. Operating segments, continued:

Reportable segments for the three months ended 31 March 2021

	N1	Krónan	ELKO	Other companies	Total
External revenue	6.592.641	11.244.885	3.250.170	284.548	21.372.244
Intra-group revenue	95.754	1.341	4.314	1.468.041	1.569.450
Total segment revenue	6.688.395	11.246.226	3.254.484	1.752.589	22.941.694
Operating profit before depreciation and amortization (EBITDA)	432.185	877.520	306.595	754.494	2.370.794
Segment depreciation and amortisation	(487.553)	(386.275)	(105.635)	(356.596)	(1.336.059)
Changes in value of investment properties ..	0	0	0	(64.123)	(64.123)
Operating (loss) profit of segments (EBIT) ...	(55.368)	491.245	200.960	333.775	970.612
Net finance costs	(205.990)	(104.991)	(24.057)	(465.049)	(800.087)
Share of profit of associates	0	0	0	45.221	45.221
Income tax	50.698	(77.251)	(35.380)	26.255	(35.678)
(Loss) profit for the period	(210.660)	309.003	141.523	(59.798)	180.068

31 March 2021

Segment assets	28.927.822	15.672.568	4.715.467	34.594.847	83.910.704
Segment capital expenditure	147.886	168.452	56.471	78.334	451.143
Segment liabilities	15.575.982	13.431.713	3.342.566	22.332.967	54.683.228

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities, and other material items:

1.1.-31.3.2022	Reportable segment totals	Intercompany adjustments	Consolidated totals
EBITDA	2.611.565	(862.195)	1.749.370
Depreciation and amortisation	(1.410.555)	602.674	(807.881)
Changes in value of investment property	9.746		9.746
EBIT	1.210.756	(259.521)	951.235
Net finance costs	(803.944)	362.078	(441.866)
Share of profit of associates	62.998		62.998
Income tax	(76.058)	(20.511)	(96.569)
Profit for the period	393.752	82.046	475.798

1.1.-31.3.2021	Reportable segment totals	Intercompany adjustments	Consolidated totals
EBITDA	2.370.794	(865.819)	1.504.975
Depreciation and amortisation	(1.336.059)	607.265	(728.794)
Changes in value of investment properties	(64.123)		(64.123)
EBIT	970.612	(258.554)	712.058
Net finance costs	(800.087)	395.129	(404.958)
Share of profit of associates	45.221		45.221
Income tax	(35.678)	(27.315)	(62.993)
Profit for the period	180.068	109.260	289.328

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

Real estate leased to parties outside the Group are classified as investment properties. An investment property is a real estate 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 the income statement, and therefore presented separately from lease income from those same assets.

Other operating revenue

Revenue from warehouse activities, commissions, gain on sale of assets and other income are presented in other operating income.

Operating income is specified as follows:

	2022	2021
	1.1.-31.3.	1.1.-31.3.
Sale of goods and services:		
Grocery and convenience goods	12.399.351	12.242.238
Fuel and electricity	7.066.641	4.180.247
Electronic equipment	3.397.300	3.215.331
Other goods and services	1.708.272	1.279.410
Total sale of goods and services	<u>24.571.564</u>	<u>20.917.226</u>
Other operating income:		
Lease income from properties	145.092	187.668
Warehouse services	85.599	86.826
Commissions	88.637	73.480
Gain on sale of property and equipment	10.120	42.958
Other operating income	101.311	64.086
Total other operating income	<u>430.759</u>	<u>455.018</u>
Total operating revenue	<u>25.002.323</u>	<u>21.372.244</u>

7. Margin from sale of goods and services

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

Margin from sale of goods and services is specified as follows:

	2022	2021
	1.1.-31.3.	1.1.-31.3.
Grocery and convenience goods	2.879.046	2.818.733
Fuel and electricity	1.273.939	954.312
Electronic equipment	914.803	845.467
Other goods and services	666.331	525.209
Total margin from sale of goods and services	<u>5.734.119</u>	<u>5.143.721</u>

Notes, continued:

8. Salaries and other personnel expenses

Salaries and other personnel expenses are specified as follows:

	2022	2021
	1.1.-31.3.	1.1.-31.3.
Salaries	2.250.515	2.120.596
Salary-related expenses	651.620	618.441
Other personnel expenses	104.089	78.621
Total salaries and other personnel expenses	<u>3.006.224</u>	<u>2.817.658</u>

9. Other operating expenses

Other operating expenses are specified as follows:

Operating expenses of properties	429.547	377.087
Maintenance expenses	230.600	200.376
Sales and marketing expenses	304.814	262.414
Communication expenses	197.501	177.544
Office and administrative expenses	108.741	143.083
Insurance and claims cost	63.189	58.838
Bad debt and change in allowance for bad debt	24.132	15.339
Other expenses	50.760	41.425
Total other operating expenses	<u>1.409.284</u>	<u>1.276.106</u>

10. Finance income and finance costs

Finance income is specified as follows:

Interest income on cash and cash equivalents	7.182	158
Interest income on long-term receivables	5.612	4.148
Interest income on other receivables	16.194	13.635
Net foreign exchange gain	0	17.229
Total finance income	<u>28.988</u>	<u>35.170</u>

Finance costs are specified as follows:

Interest expense and CPI-index on loans from credit institutions	342.108	354.657
Interest expense on lease liabilities	87.200	74.523
Other interest expense	13.509	10.948
Net foreign exchange loss	28.037	0
Total finance costs	<u>470.854</u>	<u>440.128</u>

11. Operating assets

Acquisition of operating assets in the first three months of 2022 amounted to ISK 1,170 million (2021 Q1: 319 million). Thereof investment in buildings is ISK 514 million (2021 Q1: 43 million), interiors, equipment and tools was ISK 636 million (2021 Q1: 197 million) and investment in computers and other IT hardware was ISK 20 million (2021 Q1: 79 million).

Notes, continued:

12. 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:

	2022	2021
	1.1.-31.3.	1.1.-31.12.
Long-term loans		
Balance at the beginning of the year	25.929.521	29.074.806
Repayments	(199.648)	(11.088.804)
New loans	0	7.000.000
Amortisation of borrowing costs	3.178	141.880
CPI-indexation	72.748	709.868
Change in current portion	7.205	91.771
Balance at the end of the period.....	<u>25.813.004</u>	<u>25.929.521</u>
Short-term loans		
Current portion of long-term loans	1.374.798	1.382.003
Short-term loans from bank	500.000	0
Balance at the end of the period.....	<u>1.874.798</u>	<u>1.382.003</u>
Total loans from credit institutions	<u>27.687.802</u>	<u>27.311.524</u>

	Interest rates at		Outstanding amounts at	
	31.3.2022	31.12.2021	31.3.2022	31.12.2021
Non-indexed loans at floating interest rates	4,6%	3,9%	23.741.623	23.739.246
CPI-indexed loans at floating interest rates	2,2%	2,2%	3.446.179	3.572.278
Short-term loan at floating interest rates	4,1%		500.000	0
Total loans from credit institutions			<u>27.687.802</u>	<u>27.311.524</u>

The maturities of the loans are specified as follows:

Year 2022.....	1.877.929	1.382.003
Year 2023.....	1.374.935	1.382.186
Year 2024.....	1.375.118	1.382.369
Year 2025.....	7.219.360	7.226.611
Year 2026.....	1.382.740	1.389.991
Due for payment onwards	<u>14.457.720</u>	<u>14.548.364</u>
Total loans from credit institutions	<u>27.687.802</u>	<u>27.311.524</u>

As at 31 March 2022, the Group had undrawn credit lines in the amount of ISK 2,500 million.

Notes, continued:

13. Lease liabilities

Lease liabilities are specified as follows:

	2022	2021
	1.1.-31.3.	1.1.-31.12.
Carrying amount at the beginning of the year.....	6.422.563	5.610.632
New lease contracts.....	123.433	1.281.504
Payment of lease liabilities during the year.....	(145.967)	(469.573)
Total lease liabilities.....	6.400.029	6.422.563
Current portion.....	(575.028)	(553.819)
Total non-current portion of lease liabilities.....	5.825.001	5.868.744

The maturity analysis of lease liabilities is specified as follows at year-end:

Year 2022.....	416.895	553.819
Year 2023.....	575.888	557.450
Year 2024.....	582.552	565.654
Year 2025.....	593.239	585.575
Year 2026.....	588.996	561.075
Due for payment onwards.....	3.642.459	3.598.990
Total.....	6.400.029	6.422.563

All lease liabilities are denominated in Icelandic krona.

14. Group entities

The Company held five subsidiaries at end of March 2022. The subsidiaries are all fully owned by the parent.

<u>Company</u>	<u>Activity</u>
Bakkinn vöruhótel ehf.	Bakkinn vöruhótel specialises in product storage, packing, labeling and distribution of products for customers that elect to outsource their warehouse activities.
Elko ehf.	Elko is an electronic equipment retail store which operates stores in the capital region and at Keflavik Airport as well as an online shop.
Festi fasteignir	Festi fasteignir specialises in leasing of non-residential real estate to retail companies.
Krónan ehf.	Krónan is a retail company that operates convenience stores in Iceland. The company operates stores throughout the country under the brand names of Krónan and Kr.
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 and sale of various convenience goods. It's subsidiary N1 Rafmagn is a retail company that buy's electricity on the wholesale market and sells to end users in Iceland.

Notes, continued:

15. Financial ratios

The Group's key financial ratios

	2022	2021
	1.1.-31.3.	1.1.-31.3.
Operations		
Turnover rate of inventories		
Utilisation of goods / average balance of inventories during the period.....	8,3	7,6
Sales days in trade receivables:		
Average balance of trade receivables during the period /		
goods and services sold	19,3	18,7
EBITDA / margin from sales of goods and services.....	30,5%	29,3%
Salaries and personnel expenses / margin from sales of goods and services.....	52,4%	54,8%
Other operating expenses / margin from sales of goods and services.....	24,6%	24,8%
	31.3.2022	31.12.2021
Financial position		
Current ratio: current assets / current liabilities.....	1,08	1,31
Liquidity ratio: (current assets - inventories) / current liabilities.....	0,55	0,66
Leverage: net interest bearing liabilities / EBITDA.....	2,42	3,09
Intrinsic value of share capital	102,01	107,27
Equity ratio: equity / total capital.....	36,6%	39,4%