

Profit ISK 2,651 million in Q3 2025

Main results in Q3 2025

- Sales of goods and services amounted to ISK 47,093 million, an increase of 6.4% between years but 9.1% without effects of changes in USD and fuel global market price.
- Margin from sales of goods and services amounted to ISK 12,057 million, an increase of 11.3% from the previous year.
- Profit margin was 25.6%, up by 1.1 p.p. from Q3 2024. Profit margin would be 25.0% without effects of changes in USD and fuel global market price, an increase of 0.5 p.p. from same quarter last year.
- EBITDA amounted to ISK 5,319 million, increasing by 12.2% between years.
- Profit for the quarter amounted to ISK 2,651 million, increasing by ISK 18.8% between years.
- Net Cash from operating activities amounted to ISK 6,664 million and increase by 43.5% between years.
- Repayment of interest-bearing debt amounted to ISK 2,807 million. Share buy-back amounted to ISK 649 million.
- Equity amounted to ISK 46,097 million, and the equity ratio was 39.2% at the end of Q3 2025.
- The company's EBITDA guidance for the year 2025 is raised by ISK 400 million and is ISK 15,600 – 16,000 million.
- In mid-October, a 24% ownership stake in Malik Supply A/S in Denmark was sold for approx. ISK 1.1 billion. A sales profit of ISK 0.2 billion will be materialized in Q4 25 among financial items due to this.

ISK million	Q3 2025	Q3 2024	Change	%Change	9M 2025	9M 2024	Change	%Change
Income Statement								
Sale of goods and services	47,093	44,257	2,836	6.4%	128,458	112,517	15,941	14.2%
Margin from sale of goods and services	12,057	10,829	1,228	11.3%	32,277	26,455	5,822	22.0%
Other operating income	545	588	-43	-7.3%	1,663	1,623	40	2.5%
EBITDA	5,319	4,741	579	12.2%	11,746	9,554	2,192	22.9%
EBIT	3,796	3,429	368	10.7%	7,366	6,335	1,031	16.3%
EBT	3,244	2,746	499	18.2%	5,309	4,145	1,164	28.1%
Profit for the period	2,651	2,232	419	18.8%	4,349	3,387	963	28.4%
Statement of Financial Position								
					30.9.2025	31.12.2024	Change	%Change
Inventories					14,347	14,118	229	1.6%
Trade receivables					5,633	7,168	-1,535	-21.4%
Cash and cash equivalents					6,811	4,075	2,736	67.1%
Interest bearing liabilities					40,064	43,956	-3,892	-8.9%
Net interest bearing liabilities					33,253	39,881	-6,628	-16.6%
Net interest bearing debt/EBITDA					2.2	3.2	-1.0	-31.3%
Equity ratio					39.2%	37.9%	+1.3 p.p.	3.5%
Return on equity					13.2%	10.5%	+2.7 p.p.	25.8%
Statement of Cash Flows								
	Q3 2025	Q3 2024	Change	%Change	9M 2025	9M 2024	Change	%Change
Cash flows from operating activities	6,664	4,643	2,021	43.5%	14,276	8,244	6,032	73.2%
Investing activities	-1,166	-5,259	4,092	-77.8%	-3,696	-6,522	2,826	-43.3%
Financing activities	-3,835	3,312	-7,147	-215.8%	-7,870	1,028	-8,898	-865.7%
Cash and cash equivalents at the end of the period	6,811	6,064	747	12.3%	6,811	6,064	747	12.3%
Key indicators								
Margin from sale	25.6%	24.5%	+1.1 p.p.	4.6%	25.1%	23.5%	+1.6 p.p.	6.9%
Personel expenses/margin from sale	43.3%	44.6%	-1.3 p.p.	-2.8%	49.9%	49.8%	+0.1 p.p.	0.2%
EBITDA/margin from sale	44.1%	43.8%	+0.3 p.p.	0.8%	36.4%	36.1%	+0.3 p.p.	0.8%
Profit/margin from sale	22.0%	20.6%	+1.4 p.p.	6.7%	13.5%	12.8%	+0.7 p.p.	5.3%
Earnings per share	8.5	7.3	1.2	16.8%	14.0	11.1	2.9	25.5%
Cash flows from operations/margin from sale	55.3%	42.9%	+12.4 p.p.	28.9%	44.2%	31.2%	+13.0 p.p.	41.9%
Investments	1,192	1,244	-53	-4.2%	4,265	2,941	1,324	45.0%

Operations in Q3 2025

The company's operations were good in the third quarter, and the results exceeded expectations. Sales of goods and services increased in quantity in all business segments in the quarter. Transactions increased by 2.4%, number of goods sold by 7.9% and fuel liters by 5.2%. The sales margin was 25.6% in the quarter, up 0.3 p.p. from the previous quarter and up by 1.1 p.p. from the same quarter last year. The margin from sales of goods and services increased by 11.3% YoY and operating expenses increased by 9.1%. The company's EBITDA was ISK 5,319 million for the quarter, an increase of 12.2% from the previous year. N1's EBITDA increased by ISK 453 million or 21,9% YoY. Krónan's EBITDA increased by ISK 188 million or 11,6% YoY. ELKO's EBITDA increased by ISK 101 million or 21,8% YoY. Lyfja's EBITDA decreased by ISK 9 million or 2%, but a one-off expense of ISK 35 million is realized in the quarter. Net profit for the second quarter was ISK 2,651 million, an increase of ISK 419 million or 18.8% YoY.

Revenues in Q3 2025

- Total revenue was ISK 47,638 million, an increase of 6.2% YoY.
- Revenue from sales of goods and services was ISK 47,093 million in Q3 2025, an increase of 6.4% YoY.
- Sales of groceries and convenience goods amounted to ISK 23,187 million, up by 10.5% YoY.
- Sales of fuel and electricity amounted to ISK 12,362 million, a decrease of 1.2% YoY.
- Sales of electronic equipment amounted to ISK 5,169 million, an increase of 7.8% YoY.
- Sales of medicine, prescription and over the counter, amounted to ISK 3,703 million, an increase of 10.8% YoY.
- Sales of other goods and services were ISK 2,672 million, an increase of 1.7% YoY.

ISK million	Q3 2025	Q3 2024	Change	%Change	9M 2025	9M 2024	Change	%Change
Sale of goods and services								
Grocery and convenience goods	23,187	20,984	2,203	10.5%	64,831	58,158	6,674	11.5%
Fuel and electricity	12,362	12,509	-147	-1.2%	30,708	30,964	-257	-0.8%
Electronic equipment	5,169	4,796	373	7.8%	14,367	13,291	1,075	8.1%
Medicine, prescription and over the counter	3,703	3,341	362	10.8%	10,763	3,341	7,422	222.2%
Other goods and services	2,672	2,627	45	1.7%	7,789	6,763	1,026	15.2%
Total sale of goods and services	47,093	44,257	2,836	6.4%	128,458	112,517	15,941	14.2%
Total other operating income	545	588	-43	-7.3%	1,663	1,623	40	2.5%
Total income	47,638	44,845	2,793	6.2%	130,121	114,139	15,981	14.0%

Sales of groceries and convenience goods increased by 10.5% YoY, with Krónan increasing sales by 11.9%. Sales of fuel and electricity decreased by 1.2% YoY with fuel prices in the global market decreasing by 1-7% YoY, depending on fuel type. Volume sold amounted to 75.4 million liters, which is an increase of 5.2% between years. Revenue from sales of electronics increased by 7.8%. Medicine, prescription and over the counter sales increased by 10.8% and revenue from other goods and services increased by 1.7% YoY.

Margin for sales of goods and services in Q3 2025

- Margin for sales of goods and services amounted to ISK 12,057 million, an increase of 11.3% YoY. The margin level was 25.6%, a 0.3 p.p. increase from last quarter but increases by 1.1 p.p. YoY.
- Margin for grocery and convenience goods was ISK 5,582 million, an increase of 9.6% YoY. The margin level was 24.1%, an increase of 0.2 p.p. YoY and 0.5 p.p. from last quarter.
- Margin for fuel and electricity was ISK 3,072 million, an increase of 17.0% YoY. The margin level was 24.8%, an increase of 3.8 p.p. YoY.
- Margin for electronics was ISK 1,409 million, an increase of 14.6% YoY. The margin level was 27.3%, an increase of 1.7 p.p. YoY and 1.1 p.p. from last quarter.
- Margin for medicine, prescription and over the counter was ISK 960 million, an increase of 2.5% YoY. The margin level was 25.9%, which is a decrease of 2.1 p.p. YoY.
- Margin for other goods and services was ISK 1,033 million, an increase of 9.3% YoY. The margin level was 38.7%, a decrease of 2.7 p.p. YoY.

ISK million	Q3 2025	Q3 2024	Change	%Change	9M 2025	9M 2024	Change	%Change
Margin from sale of goods and services								
Grocery and convenience goods	5,582	5,092	490	9.6%	15,365	13,581	1,784	13.1%
Fuel and electricity	3,072	2,625	447	17.0%	7,179	5,919	1,260	21.3%
Electronic equipment	1,409	1,230	179	14.6%	3,799	3,414	385	11.3%
Medicine, prescription and over the counter	960	937	23	2.5%	2,848	937	1,910	203.9%
Other goods and services	1,033	945	88	9.3%	3,086	2,604	482	18.5%
Total margin from sale of goods and services	12,057	10,829	1,228	11.3%	32,277	26,455	5,822	22.0%

The total margin for sales of goods and services was ISK 12,057 million compared to ISK 10,829 million for the same quarter last year, an increase of 11.3%. Margin for sales of groceries and convenience goods was ISK 5,582 million, up by 9.6% YoY. Margin for fuel and electricity was ISK 3,072 million, an increase of 17.0% YoY. Margin for sales of electronics was ISK 1,409 million, an increase of 14.6%. Margin for medicine, prescription and over the counter was ISK 960 million, an increase of 2.5% YoY. The margin for other goods and services was ISK 1,033 million, an increase of 9.3% YoY.

Operating expenses in Q3 2025

- Operating expenses in Q3 2025 were ISK 7,282 million, an increase of ISK 606 million or 9.1% YoY.
- Salaries and other personnel expenses increased by ISK 399 million or 8.3% YoY.
- The number of full-time equivalents was 1,756 in Q3 2025, an increase of 1.4% YoY.
- Total other operating expenses increased by ISK 207 million or 11.2% YoY.

ISK million	Q3 2025	Q3 2024	Change	%Change	9M 2025	9M 2024	Change	%Change
Operating expenses								
Salaries and other personnel expenses	5,225	4,826	399	8.3%	16,115	13,184	2,931	22.2%
Other operating expenses								
Operating costs of real estate	627	570	57	10.1%	1,823	1,624	199	12.2%
Maintenance expenses	327	277	51	18.3%	915	824	92	11.1%
Sales and marketing expenses	490	446	43	9.7%	1,477	1,300	177	13.6%
Office and administrative expenses	109	99	10	10.1%	391	357	34	9.5%
Communication expenses	343	314	29	9.2%	1,024	817	206	25.2%
Insurance and claims	28	48	-20	-40.8%	101	149	-48	-32.2%
Other expenses	132	96	36	38.0%	348	269	79	29.5%
Total other operating expenses	2,057	1,850	207	11.2%	6,079	5,340	739	13.8%
Total operating expenses	7,282	6,676	606	9.1%	22,194	18,524	3,670	19.8%

Salaries and other personnel expenses amounted to ISK 5,225 million in Q3 2025 compared to ISK 4,826 million in Q3 2024, which is an increase of 8.3% YoY. Full-time equivalents were 1,756 in the quarter, an increase of 25 full-time equivalents (FTE) or 1.4% YoY. Average salary cost per FTE increases YoY by 7.7%. Total increase of salaries and other personnel expenses is ISK 331 million or 6.8% if cost relating to change in FTE is not included. The table below shows analysis of the increase in salaries and other personnel expenses in ISK million YoY:

Salaries and other personnel expenses Q3 2024	4,826
Change in full-time position equivalents	68
Contractual wage increases	230
Change in personell expenses	-29
Share options	-8
Other changes	138
Salaries and other personnel expenses Q3 2025	5,225

Other operating expenses were ISK 2,057 million compared to ISK 1,850 million in Q3 2024, which is an increase of ISK 207 million or 11.2%. A one-off expense of ISK 35 million is recognized in the quarter, along with increased costs related to maintenance improvement initiatives. The effect of inflation and increased sales affect comparison of cost items over years, but good results have been achieved in reducing all operating costs in the current environment.

Financial items in Q3 2025

- Net finance expenses and the impact of affiliates were negative by ISK 552 million in Q3 2025 compared to negative ISK 683 million in Q3 2024, an expense decrease of ISK 131 million YoY.
- Finance income amounted to ISK 125 million, an increase of ISK 16 million YoY.
- Finance expenses amounted to ISK 914 million, a decrease of ISK 92 million YoY.
- Currency difference was negative by ISK 14 million and decreases by ISK 22 million YoY.
- The share of profit from associates amounted to ISK 251 million, increases by ISK 1 million YoY.

ISK million	Q3 2025	Q3 2024	Change	%Change	9M 2025	9M 2024	Change	%Change
Finance income	125	109	16	14.3%	333	268	66	24.6%
Finance expenses	-914	-1,006	92	-9.2%	-2,888	-2,908	20	-0.7%
Foreign currency differences	-14	-36	22	-61.3%	-26	-20	-6	32.6%
Share of profit from associates	251	250	1	0.3%	524	471	53	11.4%
Total	-552	-683	131	-19.2%	-2,057	-2,190	133	-6.1%

Finance income amounted to ISK 125 million, an increase of ISK 16 million YoY. Finance expenses amounted to ISK 914 million, a decrease of ISK 92 million. Repayment of interest-bearing debt amounted to ISK 2.8 billion, of which about ISK 2.5 billion extra due to strong cash position. Currency difference was negative by ISK 14 million, a positive increase of ISK 22 million compared to last year. The share of profit from associates amounted to a positive ISK 251 million, like last year.

Statement of financial position at the end of Q3 2025

- Total assets amounted to ISK 117.6 bn., an increase of ISK 2.8 bn. from year-end 2024.
- Non-current assets amounted to ISK 89.5 bn., an increase of ISK 1.2 bn. from year-end 2024.
- Current assets amounted to ISK 28.1 bn., an increase of ISK 1.6 bn. from year-end 2024.
- Cash and cash equivalents amount to ISK 6.8 bn., an increase of ISK 2.7 bn. from year-end 2024.
- Net interest-bearing liabilities amounted to ISK 33.3 bn., a decrease of ISK 6.6 bn. from year-end 2024.
- Equity ratio was 39.2% at the end of Q3 2025 compared to 37.9% at year-end 2024.

ISK million	30.9.2025	31.12.2024	Change	%Change
Goodwill	18,367	18,367	0	0.0%
Other intangible assets	7,675	8,197	-522	-6.4%
Property and equipment	42,383	41,217	1,165	2.8%
Leased assets	10,837	10,535	302	2.9%
Investment properties	7,273	7,012	261	3.7%
Inventories	14,347	14,118	229	1.6%
Trade receivables	5,633	7,168	-1,535	-21.4%
Cash and cash equivalents	6,811	4,075	2,736	67.1%
Interest bearing liabilities	40,064	43,956	-3,892	-8.9%
Net interest bearing liabilities	33,253	39,881	-6,628	-16.6%
Equity ratio	39.2%	37.9%	+1.3 p.p.	3.5%
Inventory turnover	8.9	8.4	0.5	6.0%

Goodwill amounted to ISK 18,367 million and remains unchanged from the beginning of the year. Other intangible assets were ISK 7,675 million at the end of Q3 2025, a decrease of ISK 522 million. Properties and equipment amounted to ISK 42,383 million, an increase of ISK 1,165 million and investment properties amounted to ISK 7,273 million at the end of Q3 2025, an increase of ISK 261 million from year-end 2024.

Inventories increased by ISK 229 million from year-end 2024. Trade receivables decreased by ISK 1,535 million from the beginning of the year. Cash and cash equivalents increased by 2,736 million from year-end 2024.

Net interest-bearing liabilities amounted to ISK 33,253 million which is a decrease of ISK 6,628 million from year-end 2024. Equity ratio was 39.2% at the end of Q3 2025 compared to 37.9% at year-end 2024. The company's cash position remains strong as well as the balance sheet.

Cashflow in Q3 2025

- Net cash from operating activities was ISK 6,664 million, an increase of ISK 2,021 million from the year before.
- Net cash used in investing activities was ISK 1,166 million, a decrease of ISK 4,092 million from the year before.
- Net cash used in financing activities was ISK 3,835 million, an increase of ISK 7,147 million from last year.

ISK million	Q3 2025	Q3 2024	Change	%Change	9M 2025	9M 2024	Change	%Change
Cash flow								
Cash and cash equivalents, beginning of period	5,142	3,395	1,747	51.5%	4,075	3,362	713	21.2%
Net cash to operating activities	6,664	4,643	2,021	43.5%	14,276	8,244	6,032	73.2%
Net cash used in investing activities	-1,166	-5,259	4,092	-77.8%	-3,696	-6,522	2,826	-43.3%
Net cash used in financing activities	-3,835	3,312	-7,147	-215.8%	-7,870	1,028	-8,898	-865.7%
Effect of movements in exchange rates on cash	6	-27	33	-124.3%	26	-47	73	-155.5%
Cash and cash equivalents change	1,663	2,696	-1,034	-38.3%	2,710	2,749	-39	-1.4%
Cash and cash equivalents, end of period	6,811	6,064	747	12.3%	6,811	6,064	747	12.3%

Net cash from operations in Q3 2025 amounted to ISK 6,664 million, an increase of ISK 2,021 million between years. Net cash used in Investments amounted to ISK 1,166 million, a decrease of ISK 4,092 million between years. Net cash used in financing activities amounted to ISK 3,835 million, an increase of ISK 7,147 million between years. Installments on interest-bearing loans and leases amounted to ISK 2,807 million, lease liabilities ISK 379 million and share buybacks ISK 649 million during the quarter. Cash and cash equivalents increased by ISK 1,663 million in the second quarter of 2025 and amounted to ISK 6,811 million at the end of Q3 2025.

Outlook for Festi hf. operations, EBITDA and CAPEX budget for 2025

- Overall operating outlook remains positive. The summer season was strong, with a solid year-on-year increase in store visits and a favorable outlook going forward.
- Special emphasis is placed on the overhaul and development of key units within the group.
- Synergies from the integration of Lyfja are beginning to materialize. New technology solutions have been well received, and product sales through digital channels continue to show healthy year-on-year growth.
- The company is financially strong and well positioned to pursue further growth and seek opportunities to enhance profitability even further.

EBITDA guidance for the year 2025 is increased by ISK 400 million to ISK 15,600 – 16,000 million.

CAPEX forecast for the year 2025 unchanged at ISK 5,800 – ISK 6,200 million.

Shareholders

- The Company's market capitalization at the end of Q3 2025 amounted to ISK 93.7 billion, an increase of 6.0% from the beginning of the year.
- The number of shareholders was 1,672 at the end of Q3 2025 and increase by 453 from year end 2024.

Investor meeting and online presentation on Friday, October 31st, 2025

An investor meeting and online presentation for market participants will take place on Friday, October 31st where Ásta S. Fjeldsted, CEO of Festi, and Magnús Kr. Ingason, CFO of Festi, will present the Group's performance and answer questions. The meeting starts at 08:30 local time at the company's headquarters at Dalvegur 10-14, 3rd floor.

Registration for the web stream takes place at: <https://www.festi.is/en/tenglar/results-Q3-2025>

Participants attending virtually will be able to ask questions during the meeting via the e-mail fjarfestatengsl@festi.is. Answers will be provided at the end of the presentation.

The presentation will be held in Icelandic. Promotional material for the meeting will be available after that on the Festi website:

<https://www.festi.is/en/fjarhagsupplysingar>

Financial calendar

- Q3 2025: October 30th, 2025
- Q4 2025: February 5th, 2026
- Annual general meeting 2026: March 5th, 2026

For further information please contact Ásta S. Fjeldsted, CEO (asta@festi.is) or Magnús Kr. Ingason, CFO (mki@festi.is).