

## Profit of ISK 218 million in Q1 2026

### Main results in Q1 2026

- Sales of goods and services amounted to ISK 40,061 million, an increase of 6.0% YoY.
- Margin from sales of goods and services amounted to ISK 9,747 million, an increase of 5.8% YoY.
- Profit margin was 24.3%, a decrease of 0.1 p.p. from Q1 2025, but 0.6 p.p. excluding the effects of exchange rates, changes in global fuel prices and changes in government levies on fuel at the start of this year.
- EBITDA amounted to ISK 2,565 million, increasing by 3.0% YoY.
- Profit amounted to ISK 218 million and return on equity was 13.7%.
- Net cash from operating activities was negative by ISK 32 million, with one-off effects in operating related assets and liabilities explaining the YoY difference.
- Interest-bearing debt was refinanced during the quarter for approximately ISK 4.2 billion, in addition to ISK 297 million being repaid towards existing loans. Share buy-backs amounted to ISK 563 million.
- Equity amounted to ISK 44,971 million, and the equity ratio was 38.7% at the end of Q1 2026, compared to 41.2% at year-end 2025. The company distributed dividends of ISK 2,151 million in March, which were paid to shareholders on 9 April.
- The Company's EBITDA guidance for 2026 remains unchanged at ISK 16,500 – 17,000 million.

ISK million	Q1 2026	Q1 2025	Change	%Change
<b>Income Statement</b>				
Sale of goods and services	40,061	37,786	2,275	6.0%
Margin from sale of goods and services	9,747	9,212	535	5.8%
Other operating income	564	549	15	2.7%
EBITDA	2,565	2,489	76	3.0%
EBIT	1,080	1,100	-19	-1.8%
EBT	271	329	-58	-17.6%
Profit for the period	218	279	-61	-21.9%
<b>Statement of Financial Position</b>				
	<b>31.3.2026</b>	<b>31.12.2025</b>	<b>Change</b>	<b>%Change</b>
Inventories	16,182	14,179	2,003	14.1%
Trade receivables	5,105	5,435	-331	-6.1%
Cash and cash equivalents	4,220	5,929	-1,709	-28.8%
Interest bearing liabilities	39,829	38,876	953	2.5%
Net interest bearing liabilities	35,609	32,947	2,662	8.1%
Net interest bearing debt/EBITDA	2.2	2.1	0.1	4.8%
Equity ratio	38.7%	41.2%	-2.5 p.p.	-6.1%
Return on equity	13.7%	13.9%	-0.2 p.p.	-1.6%
<b>Statement of Cash Flows</b>				
	<b>Q1 2026</b>	<b>Q1 2025</b>	<b>Change</b>	<b>%Change</b>
Cash flows from operating activities	-32	2,407	-2,439	-101.3%
Investing activities	-1,444	-764	-680	89.0%
Financing activities	-237	-682	445	-65.2%
Cash and cash equivalents at the end of the period	4,220	5,029	-808	-16.1%
<b>Key indicators</b>				
Margin from sale	24.3%	24.4%	-0.1 p.p.	-0.2%
Personel expenses/margin from sale	58.4%	57.6%	+0.8 p.p.	1.3%
EBITDA/margin from sale	26.3%	27.0%	-0.7 p.p.	-2.6%
Profit/margin from sale	2.2%	3.0%	-0.8 p.p.	-26.2%
Earnings per share	0.7	0.9	-0.2	-21.1%
Cash flows from operations/margin from sale	-0.3%	26.1%	-26.4 p.p.	-101.2%
Investments	1,368	901	467	51.8%

## Operations in Q1 2026

The company's operations were good in the first quarter and the results in line with management's expectations. Sales volumes increased YoY across most business segments. The number of transactions increased by 1.4%, the number of items sold by 5.8% and the number of fuel liters increased by 18.5%, primarily driven by sales to high-volume customers. The sales margin was 24.3% in the quarter, down 1.1 p.p. from the previous quarter and a decrease of 0.1 p.p. from the same quarter last year. The margin from sales of goods and services increased by 5.8% YoY and operating expenses increased by 6.5%. The company's EBITDA amounted to ISK 2,565 million for the quarter, an increase of 3.0% from the previous year. ELKO's EBITDA increased by ISK 98 million or 38.9% YoY. Krónan's EBITDA increased by ISK 330 million or 26.0% YoY. Lyfja's EBITDA increased by ISK 4 million or 1.1% YoY. N1's EBITDA decreased by ISK 316 million or 41.6% YoY, due to lower margin from fuel sales and adverse weather in March, which reduced domestic travel. Net profit for the quarter was ISK 218 million, a decrease of 61 million between years.

## Revenues in Q1 2026

- Total revenue was ISK 40,625 million, an increase of 6.0% YoY, or 8.6% excluding the impact of exchange rate changes, global fuel price fluctuations and changes in public levies on fuel at the turn of the year.
- Revenue from sales of goods and services amounted to ISK 40,061 million, an increase of 6.0% YoY.
- Sales of groceries and convenience goods amounted to ISK 21,785 million, up by 11.0% YoY.
- Sales of fuel and electricity amounted to ISK 7,630 million, a decrease of 6.8% YoY.
- Sales of electronic equipment amounted to ISK 4,613 million, an increase of 7.0% YoY.
- Sales of medicine, prescription and over-the-counter medicine, amounted to ISK 3,884 million, an increase of 11.8% YoY.
- Sales of other goods and services amounted to ISK 2,150 million, a decrease of 1.6% YoY.

ISK million	Q1 2026	Q1 2025	Change	%Change
<b>Sale of goods and services</b>				
Grocery and convenience goods	21,785	19,629	2,155	11.0%
Fuel and electricity	7,630	8,189	-559	-6.8%
Electronic equipment	4,613	4,309	303	7.0%
Medicine, prescription and over the counter	3,884	3,473	411	11.8%
Other goods and services	2,150	2,186	-35	-1.6%
<b>Total sale of goods and services</b>	<b>40,061</b>	<b>37,786</b>	<b>2,275</b>	<b>6.0%</b>
<b>Total other operating income</b>	<b>564</b>	<b>549</b>	<b>15</b>	<b>2.7%</b>
<b>Total income</b>	<b>40,625</b>	<b>38,335</b>	<b>2,290</b>	<b>6.0%</b>

Sales of groceries and convenience goods increased by 11.0% YoY, with Krónan increasing sales by 13.1%. Sales of fuel and electricity decreased by 6.0% YoY despite fuel volumes sold increasing by 18.5% YoY. The abolition of oil levies on fuel at the turn of the year, together with YoY changes in global fuel prices, explains most of this decrease. Revenue from electronics sales increased by 7.0% YoY. Sales of prescription and over-the-counter medicine increased by 11.8% and revenue from other goods and services decreased by 1.6% YoY.

## Margin from sales of goods and services in Q1 2026

- Margin from sales of goods and services amounted to ISK 9,747 million, an increase of 5.8% YoY. The margin level was 24.3%, a 1.1 p.p. decrease from last quarter and a decrease of 0.1 p.p. YoY.
- Margin from sales of groceries and convenience goods amounted to ISK 5,108 million, an increase of 11.5% YoY. The margin level was 23.4%, a decrease of 0.1 p.p. from last quarter but increases by 0.1 p.p. YoY.
- Margin from sales of fuel and electricity amounted to ISK 1,637 million, a decrease of 10.6% YoY. The margin level was 21.5%, a decrease of 0.5 p.p. from last quarter and a decrease of 0.8 p.p. YoY.
- Margin from sales of electronic equipment amounted to ISK 1,278 million, an increase of 15.3% YoY. The margin level was 27.7%, an increase of 0.6 p.p. from last quarter and an increase of 2.0 p.p. YoY.
- Margin from sales of prescription and over-the-counter medicine amounted to ISK 956 million, an increase of 2.5% YoY. The margin level was 24.6%, a decrease of 0.6 p.p. from last quarter and a decrease of 2.3 p.p. YoY.
- Margin from sales of other goods and services amounted to ISK 768 million, an increase of 1.2% YoY. The margin level was 35.7%, an increase of 1.0 p.p. YoY.

ISK million	Q1 2026	Q1 2025	Change	%Change
<b>Margin from sale of goods and services</b>				
Grocery and convenience goods	5,108	4,582	526	11.5%
Fuel and electricity	1,637	1,830	-193	-10.6%
Electronic equipment	1,278	1,108	170	15.3%
Medicine, prescription and over the counter	956	933	24	2.5%
Other goods and services	768	759	9	1.2%
<b>Total margin from sale of goods and services</b>	<b>9,747</b>	<b>9,212</b>	<b>535</b>	<b>5.8%</b>

The total margin from sales of goods and services was ISK 9,747 million, compared to ISK 9,212 million in Q1 2025, an increase of 5.8% YoY. Margin from sales of groceries and convenience goods amounted to ISK 5,108 million, up by 11.5% YoY. Margin from fuel and electricity amounted to ISK 1,637 million, a decrease of 10.6% YoY. Margin from sales of electronic equipment was ISK 1,278 million, an increase of 15.3% YoY. Margin from prescription and over-the-counter medicine was ISK 956 million, an increase of 2.5% YoY. The margin from sales of other goods and services was ISK 768 million, an increase of 1.2% YoY.

## Operating expenses in Q1 2026

- Operating expenses in Q1 2026 were ISK 7,746 million, an increase of ISK 474 million or 6.5% YoY.
- Salaries and other personnel expenses increased by ISK 384 million or 7.2% YoY.
- The number of full-time equivalents was 1,675 in Q1 2026, an increase of 4.0% YoY.
- Other operating expenses increased by ISK 90 million or 4.6% YoY.

ISK million	Q1 2026	Q1 2025	Change	%Change
<b>Operating expenses</b>				
Salaries and other personnel expenses	5,688	5,305	384	7.2%
<b>Other operating expenses</b>				
Operating costs of real estate	629	592	37	6.3%
Maintenance expenses	281	297	-15	-5.2%
Sales and marketing expenses	487	444	42	9.5%
Office and administrative expenses	146	154	-8	-5.0%
Communication expenses	345	336	9	2.6%
Insurance and claims	44	32	12	37.1%
Other expenses	125	112	13	12.1%
<b>Total other operating expenses</b>	<b>2,057</b>	<b>1,967</b>	<b>90</b>	<b>4.6%</b>
<b>Total operating expenses</b>	<b>7,746</b>	<b>7,272</b>	<b>474</b>	<b>6.5%</b>

Salaries and other personnel expenses amounted to ISK 5,688 million in Q1 2026 compared to ISK 5,305 million in Q1 2025, an increase of 7.2% YoY. Full-time equivalents were 1,675 in the quarter, an increase of 64 full-time equivalents (FTE) or 4.0% YoY. Average salary cost per FTE increased by 4.4% YoY, while salaries and personnel expenses increased by 3.5% overall excluding the effects of changes in FTEs. The table below provides an analysis of the increase in salaries and other personnel expenses in ISK million YoY:

<b>Salaries and other personnel expenses Q1 2025</b>	<b>5,305</b>
Change in full-time position equivalents	198
Contractual wage increases	198
Change in personnel expenses	-46
Other changes	33
<b>Salaries and other personnel expenses Q1 2026</b>	<b>5,688</b>

Other operating expenses were ISK 2,057 million compared to ISK 1,967 million in Q1 2025, an increase of ISK 90 million or 4.6%. The effects of inflation and increased sales affect all operating expenses. Overall, good results were achieved in managing operating expenses in Q1 2026, although total expenses increased by 6.5%, in line with inflation and higher sales.

## Financial items in Q1 2026

- Net finance expenses and the impact of affiliates were negative by ISK 809 million in Q1 2026 compared to a negative impact of ISK 771 million in Q1 2025, an expense increase of ISK 39 million YoY.
- Finance income amounted to ISK 118 million, a decrease of ISK 3 million YoY.
- Finance expenses amounted to ISK 1,005 million, an increase of ISK 45 million YoY.
- Currency differences were negligible and decreased by ISK 19 million YoY.
- The share of profit from associates amounted to ISK 77 million and decreased by ISK 10 million YoY.

ISK million	Q1 2026	Q1 2025	Change	%Change
Finance income	118	121	-3	-2.5%
Finance expenses	-1,005	-960	-45	4.6%
Foreign currency differences	0	-19	19	100.2%
Share of profit from associates	77	87	-10	-11.5%
<b>Total</b>	<b>-809</b>	<b>-771</b>	<b>-39</b>	<b>5.0%</b>

## Statement of financial position at the end of Q1 2026

- Total assets amounted to ISK 116.2 bn., an increase of ISK 0.4 bn. from year-end 2025.
- Non-current assets amounted to ISK 89.4 bn., an increase of ISK 0.3 bn. from year-end 2025.
- Current assets amounted to ISK 26.8 bn., an increase of ISK 0.1 bn. from year-end 2025.
- Cash and cash equivalents amount to ISK 4.2 bn., a decrease of ISK 1.7 bn. from year-end 2025.
- Net interest-bearing liabilities amounted to ISK 35.6 bn., an increase of ISK 2.7 bn. from year-end 2025.
- Equity ratio was 38.7% at the end of Q1 2026, compared to 41.2% at year-end 2025.

ISK million	31.3.2026	31.12.2025	Change	%Change
Goodwill	18,367	18,367	0	0.0%
Other intangible assets	7,545	7,659	-114	-1.5%
Property and equipment	43,962	43,655	307	0.7%
Leased assets	10,404	10,510	-106	-1.0%
Investment properties	6,813	6,731	82	1.2%
Inventories	16,182	14,179	2,003	14.1%
Trade receivables	5,105	5,435	-331	-6.1%
Cash and cash equivalents	4,220	5,929	-1,709	-28.8%
Interest bearing liabilities	39,829	38,876	953	2.5%
Net interest bearing liabilities	35,609	32,947	2,662	8.1%
Equity ratio	38.7%	41.2%	-2.5 p.p.	-6.1%
Inventory turnover	9.0	8.5	0.5	5.9%

Goodwill amounted to ISK 18,367 million which amounts to 15.8% of total assets. Other intangible assets amounted to ISK 7,545 million at the end of Q1 2026, a decrease of ISK 114 million YoY. Property and equipment amounted to ISK 43,962 million, an increase of ISK 307 million and investment properties amounted to ISK 6,813 million at the end of Q1 2026, an increase of ISK 82 million YoY. Trade receivables decreased by ISK 331 million and cash and cash equivalents by ISK 1,709 million.

Net interest-bearing liabilities amounted to ISK 35,609 million which is an increase of ISK 2,662 million from year-end 2025. Equity ratio was 38.7% at the end of Q1 2026 compared to 41.2% at year-end 2025. The company's cash position remains strong as well as the balance sheet.

## Cashflow in Q1 2026

- Net cash from operating activities was negative ISK 32 million, a decrease of ISK 2,439 million from the year before. One-off effects in operating related assets and liabilities explain the year-on-year difference
- Net cash used in investing activities was negative ISK 1,444 million, an increase of ISK 680 million from the year before.
- Net cash used in financing activities was negative ISK 237 million, a decrease of ISK 445 million from last year.

ISK million	Q1 2026	Q1 2025	Change	%Change
<b>Cash flow</b>				
<b>Cash and cash equivalents, beginning of period</b>	<b>5,929</b>	<b>4,075</b>	<b>1,854</b>	<b>45.5%</b>
Net cash to operating activities	-32	2,407	-2,439	-101.3%
Net cash used in investing activities	-1,444	-764	-680	89.0%
Net cash used in financing activities	-237	-682	445	-65.2%
Effect of movements in exchange rates on cash	5	-8	12	-162.6%
<b>Cash and cash equivalents change</b>	<b>-1,713</b>	<b>961</b>	<b>-2,674</b>	<b>-278.3%</b>
<b>Cash and cash equivalents, end of period</b>	<b>4,220</b>	<b>5,029</b>	<b>-808</b>	<b>-16.1%</b>

Net cash from operations in Q1 2026 was negative by ISK 32 million, a decrease of ISK 2,439 million YoY. Increased capital tied up in inventories due to a substantial rise in fuel prices in March, together with changes in payment terms for public levies related to the abolition of the oil levy at the turn of the year, largely explain the YoY difference. Net cash used in investing activities was negative by ISK 1,444 million, which is ISK 680 million higher than the previous year. Investments amounted to ISK 1,368 million, an increase of ISK 467 million YoY. Net cash used in financing activities amounted to ISK 237 million, a decrease of ISK 445 million YoY. Instalments on interest-bearing loans amounted to ISK 297 million, lease liabilities ISK 385 million and share buy-backs to ISK 563 million during the quarter. Cash and cash equivalents decreased by ISK 808 million Q1 2026 and amounted to ISK 4,220 million at the end of the period.

## Outlook for Festi hf. operations, EBITDA and CAPEX budget for 2026

- Continued tensions in the Middle East have created significant uncertainty in international markets.
- Commodity market prices have risen sharply due to concerns about supply chain disruptions.
- Inflation in Iceland has increased and, if it persists throughout the year, will affect both cost of goods and operating expenses across all categories.
- Despite this, the operating outlook for the year remains positive, with the important summer months ahead.
- Tourist numbers are expected to be similar to last year, and all business segments are projected to improve their performance YoY, with the exception of N1, which is most exposed to the turbulence in international markets.
- Continued strong emphasis will be placed on increased optimisation and efficiency across the Group's entire value chain.
- The Company is financially strong and well positioned to pursue further growth and opportunities to enhance profitability.

EBITDA guidance for the year 2026 is unchanged at ISK 16,500 – 17,000 million.

CAPEX forecast for the year 2026 is unchanged at ISK 7,500 – 8,000 million.

## Shareholders

- The Company's market capitalization at the end of Q1 2026 amounted to ISK 98.4 billion, a decrease of 1.8% from the beginning of the year.
- The number of shareholders was 1,851 at the end of Q1 2026 and increase by 122 from year end 2025.

## Investor meeting and online presentation on Thursday, April 30<sup>th</sup>, 2026

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An investor meeting and online presentation for market participants will take place on Thursday, April 30<sup>th</sup> 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, 3<sup>rd</sup> floor.

Registration for the online stream is available here: <https://www.festi.is/en/tenglar/results-Q1-2026>

Participants attending virtually will be able to submit questions during the meeting via the e-mail [fjarfestatengsl@festi.is](mailto: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/fjarhagsupplýsingar>

### Financial calendar

- Q2 2026: July 28<sup>th</sup>, 2026
- Q3 2026: October 28<sup>th</sup>, 2026
- Q4 2027: February 3<sup>rd</sup>, 2027

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