

Press statement

Kópavogur 01.03.2020

FESTI HF. PURCHASES ALL SHARES IN ÍSLENSK ORKUMIÐLUN EHF.

FESTI hf. has signed an agreement for the purchase of all shares Íslensk Orkumiðlun ehf. (ÍOM). Íslensk Orkumiðlun ehf. was founded in January 2017 and licenced as an electricity distributor 16 February that same year. Distribution started 1 July 2017.

All the electricity distributed by ÍOM comes from renewable sources, hydropower or geothermal. The company's market share is almost 7% even though it has only been in operation for three years, which shows the strong position of the company. Of the total volume of electricity switching distributors in 2018, ÍOM's share was 42% and 75% in 2019. The company's operational income amounted to around 1,4 billion ISK last year and increased by 45% from the previous year. Businesses in the seafood industry are the largest customers.

„N1 is the energy provider within FESTI and the operations of Íslensk Orkumiðlun will be joined with N1. N1 thus extends its range of energy products to include both fossil fuels and renewables, provided to both business and the general public“ says **Eggert Þór Kristófersson**, CEO of FESTI.

The purchase price of the shares is around 850 million ISK, FESTI previously holding 15% of the shares in the company. The investment therefore amounts to 722,5 million ISK. The purchase price will be paid with shares in and a cash payment upon closing. The sellers will commit to no sale or transfer of the shares for a period of 12 months.

„N1 intends to take the lead in energy transition in transport in Iceland. We see big opportunities in the distribution of electricity to households and businesses and intend to continue our vision for making the lives of our customers easier. N1 purchased Hlaða last year and with the purchase of ÍOM we will have all the infrastructure needed to participate fully in the energy distribution market, as we will now for instance be able to service owners of electric cars with both equipment and electricity.“ says **Hinrik Örn Bjarnason**, CEO of N1.



„The journey we have been on for the last years has been exciting, building an electricity distributor to service Iceland companies and households. Having N1 as owner and operating within that company considerably increases the opportunities to service households and the customers of N1. Many do not consider electricity as a product that may be purchased from different providers. It is however possible and affords companies and households the possibility to reduce costs. I look forward to continue to participate in active competition in this market and work with an energetic and engaging team in the future.“ Says **Magnús Júlíusson**, CEO and one of the founders of Íslensk orkumiðlun.

The purchase agreement is conditional upon the conclusions of a due diligence report, the approval of the shareholders' meeting of the issuance of new shares and the approval of the Competition Authority. If the conditions will be met it is envisaged to conclude the transaction later this year.

For further information contact Eggert Þór Kristófersson, CEO of FESTI (eggert@festi.is)

Sjá nánar: www.iom.is