



Condensed Consolidated Interim Financial Statements
1 January - 31 March 2021

Festi hf.
Dalvegur 10-14
201 Kópavogur
Iceland

Reg. no. 540206-2010

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 Consolidated Financial Statements	8
1. Reporting entity	8
2. Basis of preparation	8
3. Use of estimates and judgements	8
4. Changes in classification of operating expenses	9
5. Operating segments	9
6. Operating income	11
7. Cost of goods sold	11
8. Salaries and other personnel expenses	12
9. Other operating expenses	12
10. Finance income and finance costs	12
11. Operating assets	12
12. Loans from credit institutions	13
13. Group entities	14
14. Financial ratios	14

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 2021 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 2020. 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 2021

For the period from 1 January to 31 March 2021, profit amounted to ISK 289 million. Total comprehensive income for the period was ISK 413 million. At the end of the period equity amounted to ISK 29,227 million, including share capital in the amount of ISK 323 million. Dividend was paid in the beginning of April in the amount of 969 million and is included in other short-term liabilities. Reference is made to the consolidated statement of changes in equity regarding information on changes in equity.

Effect of COVID-19 on the operations

The COVID-19 pandemic continues to have a significant effect on the Group's operations. Management actions are aimed at maintaining productivity along with ensuring security of employees and customers. The Group's entities are important in Iceland with regards to grocery and electronic equipment stores and facilities related to car services and fuel service stations around the country. The companies have worked in close cooperation with their suppliers in order to ensure that the customers have the same product range as before and have strived to serve their customers as best as they can in different circumstances of restrictions on gatherings during the quarter.

The pandemic had different effect on the operations of the Group's entities. Sales increased significantly in groceries and electronic equipment while there was considerable decrease in sales of fuel and sale of goods in service stations around the country.

It is the Board's and management opinion that the Group is well prepared to address more demanding circumstances relating to the COVID-19 pandemic but hopefully the most difficult time is now behind us. Management believes that the Company has the strength to reach its financial goals regarding profit and growth in the future.

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 Standards 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 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 2021, its assets, liabilities and consolidated financial position as at 31 March 2021, and its consolidated cash flows for the period then ended.

Furthermore, in our opinion the 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 2021 and confirm them by means of their signatures.

Kópavogur, 28 April 2021.

Board of Directors

Þórður Már Jóhannesson, Chairman
Guðjón Karl Reynisson, Vice-Chairman
Margrét Guðmundsdóttir
Kristín Guðmundsdóttir
Þórey G. Guðmundsdóttir

CEO

Eggert Þór Kristófersson

Consolidated Statement of Comprehensive Income

for the period from 1 January to 31 March 2021

	Notes	2021 1.1.-31.3.	2020 1.1.-31.3.
Sale of goods and services	6	20.917.226	18.830.510 *
Cost of goods sold		(15.773.505)	(14.526.744) *
Margin from sale of goods and services	7	5.143.721	4.303.766
Other operating income	6	455.018	374.148 *
Salaries and other personnel expenses	8	(2.817.658)	(2.404.714)
Other operating expenses	9	(1.276.106)	(1.252.568) *
		(3.638.746)	(3.283.134)
Operating profit before depreciation and amortization (EBITDA)		1.504.975	1.020.632
Depreciation and amortization		(728.794)	(622.277)
Changes in value of investment property		(64.123)	0
Operating profit (EBIT)		712.058	398.355
Finance income	10	35.170	112.713
Finance costs	10	(440.128)	(453.010)
Share of profit of associates		45.221	7.579
		(359.737)	(332.718)
Profit before income tax (EBT)		352.321	65.637
Income tax		(62.993)	(12.979)
Profit for the period		289.328	52.658
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Translation differences of foreign operations		(27.140)	46.937
Effective portion of changes in fair value of cash flow hedge, net of tax		150.934	49.416
Total other comprehensive income		123.794	96.353
Total comprehensive income for the period		413.122	149.011
Basic and diluted earnings per share in ISK		0,91	0,16

The notes on pages 8 to 14 are an integral part of these financial statements

* Comparatives have been changed in accordance with changed classification during the year 2020, see note 4.

Consolidated Statement of Financial Position as at 31 March 2021

	Notes	31.3.2020	31.12.2020
Assets			
Goodwill		14.668.264	14.668.264
Other intangible assets		4.917.697	4.971.338
Property and equipment	11	32.172.766	32.297.379
Leased assets		5.323.100	5.419.566
Investment properties		7.403.853	7.466.994
Shares in associates		2.156.800	2.149.682
Shares in other companies		12.760	12.760
Long-term receivables		266.812	271.713
Non-current assets		<u>66.922.052</u>	<u>67.257.696</u>
Inventories		8.465.935	7.668.262
Trade receivables		5.098.555	4.923.709
Other short-term receivables		961.243	951.935
Cash and cash equivalents		2.462.919	2.562.942
Current assets		<u>16.988.652</u>	<u>16.106.848</u>
Total assets		<u><u>83.910.704</u></u>	<u><u>83.364.544</u></u>
Equity			
Share capital		323.091	323.091
Share premium		12.278.381	12.278.381
Other restricted equity		8.112.770	7.593.335
Retained earnings		8.513.234	9.588.818
Equity		<u>29.227.475</u>	<u>29.783.625</u>
Liabilities			
Loans from credit institutions	12	29.255.834	29.074.806
Lease liabilities		5.077.312	5.180.547
Deferred tax liability		4.680.145	4.663.668
Non-current liabilities		<u>39.013.291</u>	<u>38.919.021</u>
Loans from credit institutions	12	3.483.351	3.473.774
Lease liabilities		453.004	430.085
Trade payables		6.058.783	7.018.995
Other short-term liabilities		5.674.799	3.739.044
Current liabilities		<u>15.669.937</u>	<u>14.661.898</u>
Total liabilities		<u>54.683.228</u>	<u>53.580.919</u>
Total equity and liabilities		<u><u>83.910.704</u></u>	<u><u>83.364.544</u></u>

The notes on pages 8 to 14 are an integral part of these financial statements

Consolidated Statement of Changes in Equity for the period from 1 January to 31 March 2021

			<u>Other restricted equity</u>				Retained earnings	Total equity
	Share capital	Share premium	Statutory reserve	Revaluation reserve	Unrealised profit of subsidiaries and associates	Other reserves		
1 January to 31 March 2020								
Equity 1.1.2020	328.574	13.010.171	82.144	3.400.963	2.399.183	(67.129)	9.534.338	28.688.244
Transferred from statutory reserve			(1.162)				1.162	0
Total comprehensive income for the period						96.353	52.658	149.011
Restricted due to subsidiaries and associates					1.230.024	(1.230.024)		0
Dissolution of revaluation of an associate				(5.202)			5.202	0
Dissolution of revaluation of property and equipment ..				(17.973)			17.973	0
	<u>328.574</u>	<u>13.010.171</u>	<u>80.982</u>	<u>3.377.788</u>	<u>3.629.207</u>	<u>29.224</u>	<u>8.381.309</u>	<u>28.837.255</u>
<i>Transactions with shareholders:</i>								
Purchase of own shares	(4.645)	(538.419)						(543.064)
Equity 31.3.2020	<u>323.929</u>	<u>12.471.752</u>	<u>80.982</u>	<u>3.377.788</u>	<u>3.629.207</u>	<u>29.224</u>	<u>8.381.309</u>	<u>28.294.191</u>
Total other restricted equity						<u>7.117.201</u>		
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>9.482.506</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>8.513.234</u>	<u>29.227.475</u>
Total other restricted equity						<u>8.112.770</u>		

The notes on pages 8 to 14 are an integral part of these financial statements

Consolidated Statement of Cash Flows

for the period 1 January to 31 March 2021

	Note	2021	2020
		1.1.-31.3.	1.1.-31.3.
Cash flows from operating activities			
Operating profit before depreciation & amortization (EBITDA)		1.504.975	1.020.632
Operating items not affecting cash flows:			
(Gain) loss on sale of property and equipment		(42.958)	2.761
		1.462.017	1.023.393
Changes in operating assets and liabilities:			
Inventories, (increase) decrease		(797.673)	284.436
Trade and short-term receivables, decrease		4.533	212.183
Trade and other short-term liabilities, increase (decrease)		5.711	(112.767)
Changes in operating assets and liabilities		(787.429)	383.852
Interest received		12.565	45.691
Interest paid		(247.260)	(387.383)
Income tax paid		(49.024)	(171.827)
Net cash from operating activities		390.869	893.726
Cash flows used in investing activities			
Purchase of intangible assets		(131.295)	(239.701)
Purchase of property and equipment	11	(318.867)	(329.201)
Sale of property and equipment		76.038	4.250
Purchase of investment properties		(981)	(2.655)
Purchase of shares in other companies		(18.000)	(11.841)
Dividend received from associates		28.962	0
Long-term receivables and securities, change		(22.427)	(27.500)
Net cash used in investing activities		(386.570)	(606.648)
Cash flows used in financing activities			
Purchase of own shares		0	(543.064)
Payment of the principal portion of lease liabilities		(117.309)	(101.140)
Short term loans, change		0	(1.021)
Net cash used in financing activities		(117.309)	(645.225)
Decrease in cash and cash equivalents		(113.010)	(358.147)
Effect of movements in exchange rates on cash held		12.987	12.144
Cash and cash equivalents at the beginning of the period		2.562.942	5.368.754
Cash and cash equivalents at the end of the period		2.462.919	5.022.751
Investing and financing activities not affecting cash flows			
Trade and other short-term liabilities		969.272	0
Dividend paid		(969.272)	0

The notes on pages 8 to 14 are an integral part of these financial statements

Notes to the 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 consists of sale of fuel, goods and service to entities, 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 2021 comprise of the Company and its subsidiaries (together referred to as the "Group" and the Group's interests in associates. The Company is listed on Nasdaq Iceland.

The Group's consolidated financial statements as at and for the year ended 31 December 2020 is available at its website address, www.festi.is and at The Icelandic Stock Exchange website www.nasdaqomx.com.

2. Basis of preparation

The condensed consolidated interim financial statements for the three months ended 31 March 2021 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 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 2020.

The accounting policies and methods of computation applied in these 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 2020 except for the changes stated in note 4.

The consolidated 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 consolidated interim financial statements on 28 April 2021.

3. Use of estimates and judgements

The preparation of the consolidated 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 2020. The estimates and assumptions that are affected by COVID-19 and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current financial year are the following:

Estimated impairment

The Group annually tests, in accordance with the Group's accounting policies, whether the financial and non-financial assets, including goodwill are impaired. At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. COVID-19 classifies as such an impairment indicator and therefore the financial and non-financial assets, including goodwill, were assessed if there was any indication of impairment. The Group's goodwill is allocated on three Cash Generating Units ("CGU"), grocery stores, electronic equipment stores and the Group as a whole. Both business in grocery stores and electronic equipment are experiencing considerable growth but sale in fuel and sale of fast food and refreshments in service stations around Iceland has experienced considerable drop. In management opinion the market should recover there fully in the next 3 to 9 months given the introduction of vaccine. A full impairment test on goodwill was therefore not performed.

The buildings and investment properties of the Group are real estate used for its own business and as rented space to third parties. Investment properties are recognised at fair value at the reporting date. Fair value measurement is based on discounted cash flows of individual assets. The forecast period applied in the model is 50 years. All the lessees were evaluated based on COVID-19 effects on their business and possible contract termination. The result showed that there is no impairment on these assets and therefore no reason to deviate from the conclusion at year-end 2020.

Expected credit losses

Under IFRS 9, loss allowances are measured based on Expected Credit Losses ("ECL") that result from all possible default events over the expected life of a financial instrument. As a result of COVID-19, the Group reassessed the ECL used in calculating its loss allowances. Based on the industry which the Group operates in and current market insights, it is expected that impairment losses will increase slightly short term, which is reflected in these financial statements.

Notes, continued:

4. Changes in classification of operating expenses

The classification of certain operating revenue and operating expenses has been changed in order to harmonise their classification among the Group's entities. Comparative figures have been restated accordingly. The change did not have any impact on the performance of the Group, its assets, liabilities, equity or cash flows. The most significant change is that commission income is now recognised among other operating income, but was previously recognised as part of sale of goods and services, reimbursed discounts are now recognised as a decrease in cost of goods sold and market grants are recognised among other operating income but those two items were previously recognised as a decrease of sale and marketing expenses.

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. Íslensk Orkumidlun which was acquired on 1 June 2020 is included in N1 segment as part of its operation. The Group's other entities comprise the fourth segment. That segment consists of the operations of the parent company Festi, Bakkinn Vöruhótel and Festi fasteignir.

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

Notes, continued:

5. Operating segments, continued:

Reportable segments for the three months ended 31 March 2020

	N1	Krónan	ELKO	Other companies	Total
External revenue	6.945.902	9.398.119	2.585.536	275.101	19.204.658
Intra-group revenue	12.386	824	1.597	1.414.547	1.429.354
Total segment revenue	<u>6.958.288</u>	<u>9.398.943</u>	<u>2.587.133</u>	<u>1.689.648</u>	<u>20.634.012</u>
Operating profit before depreciation, and amortization (EBITDA)	143.513	687.676	162.658	847.889	1.841.736
Segment depreciation and amortisation	(446.868)	(322.664)	(86.296)	(340.081)	(1.195.909)
Operating (loss) profit of segments (EBIT) ..	(303.355)	365.012	76.362	507.808	645.827
Net finance costs	(149.702)	(112.050)	(21.630)	(463.160)	(746.542)
Share of profit of associates	0	0	0	7.579	7.579
Income tax	90.612	(50.264)	(10.947)	(10.625)	18.776
(Loss) profit for the period	(362.445)	202.698	43.785	41.602	(74.360)

31 March 2020

Segment assets	29.090.182	13.274.616	3.914.861	34.419.905	80.699.564
Segment capital expenditure	146.745	160.797	30.915	233.100	571.557
Segment liabilities	16.030.542	11.275.523	2.674.910	22.424.398	52.405.373

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

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 property	(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

1.1.-31.3.2020

	Reportable segment totals	Intercompany adjustments	Consolidated totals
EBITDA	1.841.736	(821.104)	1.020.632
Depreciation and amortisation	(1.195.909)	573.632	(622.277)
EBIT	645.827	(247.472)	398.355
Net finance costs	(746.542)	406.245	(340.297)
Share of profit of associates	7.579		7.579
Income tax	18.776	(31.755)	(12.979)
Profit for the period	(74.360)	127.018	52.658

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.

	2021	Restated 2020
	1.1.-31.3.	1.1.-31.3.
Operating income is specified as follows:		
Sale of goods and services:		
Grocery and convenience goods	12.242.238	10.366.366
Fuel and electricity	4.180.247	4.560.383
Electronic equipment	3.215.331	2.568.528
Other goods and services	1.279.410	1.335.233
Total sale of goods and services	<u>20.917.226</u>	<u>18.830.510</u>

Changes have been made where goods previously classified as fuel and other goods and services are now included in other segments. Amounts from Q1 2020 have been restated accordingly. This affects also amounts in note 7 which have been restated accordingly.

Other operating income:

Lease income from leasing of real estate	187.668	196.034
Warehouse services	86.826	80.082
Commission revenues	73.480	48.987
Gain on sale of property and equipment	42.958	0
Other operating income	64.086	49.045
Total other operating income	<u>455.018</u>	<u>374.148</u>
Total operating revenue	<u>21.372.244</u>	<u>19.204.658</u>

7. Cost of goods sold

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:

	2021	Restated 2020
	1.1.-31.3.	1.1.-31.3.
Grocery and convenience goods	2.818.733	2.554.360
Fuel and electricity	954.312	679.242
Electronic equipment	845.467	572.557
Other goods and services	525.209	497.607
Total margin from sale of goods and services	<u>5.143.721</u>	<u>4.303.766</u>

Notes, continued:

8. Salaries and other personnel expenses

Salaries and other operating expenses are specified as follows:

	2021	2020
	1.1.-31.3.	1.1.-31.3.
Salaries	2.120.596	1.796.909
Salary-related expenses	618.441	501.319
Other personnel expenses	78.621	106.486
Total salaries and other personnel expenses	<u>2.817.658</u>	<u>2.404.714</u>

9. Other operating expenses

	2021	Restated 2020
	1.1.-31.3.	1.1.-31.3.
Other operating expenses are specified as follows:		
Operating costs of real estate	377.087	400.133
Maintenance expenses	200.376	170.003
Sales and marketing expenses	262.414	255.700
Communication expenses	177.544	147.568
Office and administrative expenses	143.083	165.817
Insurance and claims cost	58.838	37.031
Bad debt and change in allowance for bad debt	15.339	40.218
Other expenses	41.425	36.098
Total other operating expenses	<u>1.276.106</u>	<u>1.252.568</u>

10. Finance income and finance costs

Finance income is specified as follows:

Interest income on cash and cash equivalents	158	21.243
Interest income on long-term receivables	4.148	6.181
Interest income on other receivables	13.635	14.398
Dividend income	0	6.600
Net foreign exchange gain	17.229	64.291
Total finance income	<u>35.170</u>	<u>112.713</u>

Finance costs are specified as follows:

Interest expense and CPI-index on loans	354.657	367.432
Interest expense on lease liabilities	74.523	57.988
Other interest expense	10.948	27.590
Total finance costs	<u>440.128</u>	<u>453.010</u>

11. Operating assets

Acquisition of operating assets in the first three months of 2021 amounted to ISK 319 million. Thereof investment in buildings is ISK 43 million, interiors, equipment and tools was ISK 197 million and investment in computers and other IT hardware was ISK 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:

	2021 1.1.-31.3.	2020 1.1.-31.12.
Long-term loans		
Balance at the beginning of the year	29.074.806	29.942.470
Repayments	0	(1.615.525)
Amortisation of borrowing costs	6.947	28.609
CPI-indexation	183.658	757.786
Change in current portion	(9.577)	(38.534)
Balance at the end of the period.....	<u>29.255.834</u>	<u>29.074.806</u>
Short-term loans		
Current portion of long-term loans	1.483.351	1.473.774
Short-term loans from bank	<u>2.000.000</u>	<u>2.000.000</u>
Balance at the end of the year	<u>3.483.351</u>	<u>3.473.774</u>
 Total loans from credit institutions	 <u>32.739.185</u>	 <u>32.548.580</u>

	Interest rates at		Outstanding amounts at	
	31.3.2021	31.12.2020	31.3.2021	31.12.2020
Non-indexed loans on floating interest rates	2,1%	1,9%	8.794.168	8.791.278
CPI-indexed loans on floating interest rates	2,2%	2,2%	21.945.017	21.757.302
Short-term loan on floating interest rates	2,4%	2,4%	2.000.000	2.000.000
Total loans from credit institutions			<u>32.739.185</u>	<u>32.548.580</u>

The maturities of the loans are specified as follows:

Year 2021.....	3.483.351	3.473.774
Year 2022	1.484.406	1.475.181
Year 2023	1.485.813	1.476.587
Year 2024	1.487.220	1.477.994
Year 2025.....	7.332.685	7.323.460
Due for payment onwards	<u>17.465.710</u>	<u>17.321.584</u>
Total loans from credit institutions	<u>32.739.185</u>	<u>32.548.580</u>

As at 31 March 2021, the Group had undrawn credit lines in the amount of ISK 1,000 million.

Notes, continued:

13. Group entities

The Company held five subsidiaries at end of March 2021. The subsidiaries are all fully owned by the parent.

Company	Activity
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 ehf.	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, Kr. and Kjarval.
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 Íslensk Orkumidlun is a retail company that buy's electricity on the wholesale market and sells to end users in Iceland

14. Financial ratios

The Group's key financial ratios

	2021	2020
	1.1.-31.3.	1.1.-31.3.
Operations		
Turnover rate of inventories		
Utilisation of goods / average balance of inventories during the period.....	7,6	7,9
Sales days in trade receivables:		
Average balance of trade receivables during the period /		
goods and services sold	18,7	14,4
EBITDA / margin from sales of goods and services.....	29,3%	23,6%
Salaries and personnel expenses / margin from sales of goods and services.....	54,8%	55,6%
Other operating expenses / margin from sales of goods and services.....	24,8%	29,0%
	31.3.2021	31.12.2020
Financial position		
Current ratio: current assets / current liabilities.....	1,08	1,10
Liquidity ratio: (current assets - inventories) / current liabilities.....	0,54	0,58
Intrinsic value of share capital	90,46	92,18
Equity ratio: equity / total capital.....	34,8%	35,7%