



Condensed Interim Financial Statements

1 January – 30 September 2025

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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 30 September 2025 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 2024. 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 nine-month period ended 30 September 2025

For the period from 1 January to 30 September 2025, profit amounted to ISK 4,349 million (2024 9M: 3,387 million). Total comprehensive income for the period was ISK 4,367 million (2024 9M: 3,399 million). At the end of the period equity amounted to ISK 46,097 million, including share capital in the amount of ISK 310 million. Based on the Company's 2025 Annual General Meeting resolution in March, a dividend of ISK 1,401 million was approved and paid to shareholders in April. Reference is made to the Consolidated Statement of Changes in Equity regarding information on changes in equity.

The operations in the third quarter were good and better than management expectations. There was considerable increase in number of visits to our stores compared to last year. All business segments increased both sales and margin contribution from same quarter last year. Sale of goods and services in total increased by 6.4% from same quarter last year. Margin from sales increased by 11.3%. Margin contribution level increased by 1.1 percentage points. Considering strong results for the quarter and good outlook for the remainder of the year, EBITDA forecast for 2025 is increased by ISK 400 million to ISK 15,600 – 16,000 million.

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 nine-month period ended 30 September 2025, its assets, liabilities and financial position as of 30 September 2025, and change in cash and cash equivalents for the period then ended. Furthermore, in our opinion the Condensed Consolidated Interim Financial Statements and the Endorsement and Statement by 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 30 September 2025 and confirm them by means of their signatures.

Kópavogur, 30 October 2025.

Board of Directors

Hjörleifur Pálsson, Chairman
Guðjón Karl Reynisson, Vice-Chairman
Edda Blumenstein
Guðjón Auðunsson
Sigurlína Ingvarsdóttir

CEO

Ásta Sigríður Fjeldsted

Consolidated Statement of Comprehensive Income for the period from 1 January to 30 September 2025

	Notes	2025 1.7.-30.9.	2024 1.7.-30.9.	2025 1.1.-30.9.	2024 1.1.-30.9.
Sale of goods and services	6	47.093.027	44.256.657	128.457.975	112.516.841
Cost of goods sold		(35.036.015)	(33.427.482)	(96.180.923)	(86.061.971)
Margin from sale of goods and services	7	12.057.012	10.829.175	32.277.052	26.454.870
Other operating income	6	544.788	587.936	1.662.926	1.622.655
Salaries and other personnel expenses	8	(5.225.073)	(4.826.266)	(16.114.737)	(13.183.557)
Other operating expenses	9	(2.057.334)	(1.850.197)	(6.078.921)	(5.340.055)
		(6.737.619)	(6.088.527)	(20.530.732)	(16.900.957)
Operating profit before depreciation, amortisation and changes in fair value (EBITDA)		5.319.393	4.740.648	11.746.320	9.553.913
Depreciation of property and equipment and leased assets and amortisation of intangible assets		(1.494.962)	(1.320.726)	(4.484.096)	(3.483.517)
Changes in value of investment property		(28.049)	8.584	103.352	264.521
Operating profit before finance items (EBIT)		3.796.382	3.428.506	7.365.576	6.334.917
Finance income	10	124.698	109.054	333.292	267.554
Finance costs	10	(913.690)	(1.006.057)	(2.888.121)	(2.908.414)
Foreign currency differences		(13.934)	(36.031)	(26.312)	(19.848)
Share of profit of associates		250.939	250.197	524.388	470.897
		(551.987)	(682.837)	(2.056.753)	(2.189.811)
Profit before income tax (EBT)		3.244.395	2.745.669	5.308.823	4.145.106
Income tax		(593.531)	(513.679)	(959.421)	(758.546)
Profit for the period		2.650.864	2.231.990	4.349.402	3.386.560
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss:					
Translation difference arising from operations of a foreign associate		4.590	10.340	(9.657)	1.303
Effective portion of changes in fair value of cash flow hedges, net of income tax		(58.935)	12.573	27.586	10.787
Total other comprehensive (loss) income		(54.345)	22.913	17.929	12.090
Total comprehensive income for the period		2.596.519	2.254.903	4.367.331	3.398.650
Basic earnings per share in ISK		8,52	7,30	13,97	11,13
Diluted earnings per share in ISK		8,42	7,30	13,81	11,13

The notes on pages 8 to 17 are an integral part of these condensed financial statements.

Consolidated Statement of Financial Position as at 30 September 2025

	Notes	30.9.2025	31.12.2024
Assets			
Goodwill		18.367.104	18.367.104
Other intangible assets		7.674.549	8.196.611
Property and equipment	11	42.382.598	41.217.494
Leased assets		10.837.137	10.535.014
Investment property		7.273.243	7.012.240
Shares in associates		2.928.935	2.914.790
Shares in other companies		14.140	14.140
Long-term receivables		39.585	35.336
Non-current assets		<u>89.517.291</u>	<u>88.292.729</u>
Inventories		14.346.520	14.117.878
Trade receivables		5.633.064	7.167.970
Other short-term receivables		1.327.607	1.180.705
Cash and cash equivalents		6.811.286	4.075.358
Current assets		<u>28.118.477</u>	<u>26.541.911</u>
Total assets		<u><u>117.635.768</u></u>	<u><u>114.834.640</u></u>
Equity			
Share capital	12	310.143	311.254
Share premium		9.352.238	9.803.982
Other restricted equity		19.389.594	18.258.010
Retained earnings		17.044.650	15.119.951
Equity		<u>46.096.625</u>	<u>43.493.197</u>
Liabilities			
Loans from credit institutions	13	26.175.067	29.339.934
Lease liabilities	14	10.314.558	10.001.415
Deferred tax liability		8.715.696	7.763.839
Non-current liabilities		<u>45.205.321</u>	<u>47.105.188</u>
Loans from credit institutions	13	2.124.442	3.227.122
Lease liabilities	14	1.449.775	1.387.796
Trade payables		11.851.199	11.787.327
Other short-term liabilities		10.908.406	7.834.010
Current liabilities		<u>26.333.822</u>	<u>24.236.255</u>
Total liabilities		<u>71.539.143</u>	<u>71.341.443</u>
Total equity and liabilities		<u><u>117.635.768</u></u>	<u><u>114.834.640</u></u>

The notes on pages 8 to 17 are an integral part of these condensed financial statements.

Consolidated Statement of Changes in Equity for the period from 1 January to 30 September 2025

	Other restricted equity							
	Share capital	Share premium	Statutory reserve	Revaluation reserve	Unrealised profit of subsidiaries and associates	Other restricted accounts	Retained earnings	Total equity
1 January to 30 September 2024								
Equity 1.1.2024	301.254	7.773.982	75.314	4.565.998	8.322.414 (	25.517)	14.828.910	35.842.355
Profit for the period							3.386.560	3.386.560
Total other comprehensive income						12.090		12.090
Restricted due to subsidiaries and associates					1.338.086	(	1.338.086)	0
Dissolution of revaluation of an associate				(22.064)			22.064	0
Dissolution of revaluation of property and equipment				(127.205)			127.205	0
	301.254	7.773.982	75.314	4.416.729	9.660.500 (	13.427)	17.026.653	39.241.005
Transactions with shareholders:								
Issued new share capital	10.000	2.030.000						2.040.000
Share options							57.066	57.066
Dividend paid to shareholders (ISK 3 per share)						(	903.761)	(903.761)
Equity 30.9.2024	311.254	9.803.982	75.314	4.416.729	9.660.500 (	13.427)	16.179.958	40.434.310
Total other restricted equity						14.139.116		
1 January to 30 September 2025								
Equity 1.1.2025	311.254	9.803.982	77.814	6.834.403	11.405.001 (	59.208)	15.119.951	43.493.197
Profit for the period							4.349.402	4.349.402
Total other comprehensive income						17.929		17.929
Restricted due to subsidiaries and associates					1.277.157	(	1.277.157)	0
Dissolution of revaluation of an associate				(35.034)			35.034	0
Dissolution of revaluation of property and equipment				(128.190)			128.190	0
	311.254	9.803.982	77.814	6.671.179	12.682.158 (	41.279)	18.355.420	47.860.528
Transactions with shareholders:								
Purchase of own shares	(2.160)	(646.775)						(648.935)
Share options							89.594	89.594
Share options exercised	1.049	195.031						196.080
Transferred from statutory reserve			(278)				278	0
Dividend paid to shareholders (ISK 4.50 per share)						(	1.400.642)	(1.400.642)
Equity 30.9.2025	310.143	9.352.238	77.536	6.671.179	12.682.158 (	41.279)	17.044.650	46.096.625
Total other restricted equity						19.389.594		

The notes on pages 8 to 17 are an integral part of these condensed financial statements.

Consolidated Statement of Cash Flows

for the period from 1 January to 30 September 2025

	Notes	2025 1.7.-30.9.	2024 1.7.-30.9.	2025 1.1.-30.9.	2024 1.1.-30.9.
Cash flows from operating activities					
Operating profit before depreciation, amortisation and changes in fair value (EBITDA)		5.319.393	4.740.648	11.746.320	9.553.913
Operating items not affecting cash flows:					
Gain on sale of property and equipment		(2.621)	(78.797)	(19.908)	(82.159)
		<u>5.316.772</u>	<u>4.661.851</u>	<u>11.726.412</u>	<u>9.471.754</u>
Changes in operating assets and liabilities:					
Inventories, (increase) decrease		(30.539)	(221.738)	(228.642)	76.998
Trade and short-term receivables, decrease (increase)		943.317	(612.690)	1.543.611	(950.783)
Trade and other short-term liabilities, increase		1.290.505	1.659.087	3.921.686	2.070.774
Changes in operating assets and liabilities		<u>2.203.283</u>	<u>824.659</u>	<u>5.236.655</u>	<u>1.196.989</u>
Interest received		26.529	39.694	84.164	115.699
Interest paid		(767.117)	(820.927)	(2.309.587)	(2.369.441)
Income tax paid		(115.412)	(62.143)	(461.650)	(171.373)
Net cash from operating activities		<u>6.664.055</u>	<u>4.643.134</u>	<u>14.275.994</u>	<u>8.243.628</u>
Cash flows used in investing activities					
Purchased intangible assets		(91.246)	(213.326)	(559.116)	(609.818)
Purchased property and equipment	11	(1.090.867)	(1.004.356)	(3.547.970)	(2.293.529)
Sold property and equipment		24.796	169.405	72.718	204.616
Purchase of investment properties		(9.396)	(26.659)	(157.651)	(37.625)
Purchase of shares in other companies		0	(42.341)	0	(42.341)
Dividend received		0	0	500.586	298.238
Purchase of subsidiary, net of cash received		0	(4.141.321)	0	(4.141.321)
Long-term receivables and securities, change		400	1	(4.517)	99.486
Net cash used in investing activities		<u>(1.166.313)</u>	<u>(5.258.597)</u>	<u>(3.695.950)</u>	<u>(6.522.294)</u>
Cash flows used in financing activities					
Dividend paid		0	0	(1.400.642)	(903.761)
Purchase of own shares		(648.935)	0	(648.935)	0
Share options exercised		0	0	196.080	0
New long-term loans from credit institutions		0	3.981.311	0	3.985.802
Repayment of long-term loans from credit institutions		(2.807.342)	(338.351)	(4.914.376)	(1.257.686)
Repayment of lease liabilities		(378.947)	(331.329)	(1.102.264)	(796.532)
Net cash used in financing activities		<u>(3.835.224)</u>	<u>3.311.631</u>	<u>(7.870.137)</u>	<u>1.027.823</u>
Increase in cash and cash equivalents		1.662.518	2.696.168	2.709.907	2.749.157
Foreign currency difference on cash and cash equivalents		6.496	(26.716)	26.021	(46.921)
Cash and cash equivalents at the beginning of the period		5.142.272	3.394.996	4.075.358	3.362.212
Cash and cash equivalents at the end of the period		6.811.286	6.064.448	6.811.286	6.064.448
Investing and financing activities not affecting cash flows					
Purchase of subsidiary, net of cash received		0	2.040.000	0	2.040.000
Issued new share capital		0	(2.040.000)	0	(2.040.000)
New long-term loans from credit institutions		0	(2.279.719)	0	(2.279.719)
Repayment of long-term loans from credit institutions		0	2.279.719	0	2.279.719
New lease contracts and their remeasurement		(15.853)	(439.566)	(1.477.386)	(1.448.909)
New lease liabilities and their remeasurement		15.853	439.566	1.477.386	1.448.909

The notes on pages 8 to 17 are an integral part of these condensed financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1. Reporting entity

Festi hf. (the "Company" or "the Group") 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 business activities of the Company and its subsidiaries (together referred to as the "Group") consists of sale of fuel, goods and services in service stations, groceries and related products, sale of medicines, sale of electronic equipment and leasing of properties. These Condensed Consolidated Interim Financial Statements of the Company as at and for the nine months ended 30 September 2025 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 nine months ended 30 September 2025 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 2024.

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 2024.

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 thousands of Icelandic krona unless otherwise stated. The Board of Directors of Festi hf. approved the Condensed Consolidated Interim Financial Statements on 30 October 2025.

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 2024.

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 2024. A few new standards are effective for annual periods beginning after 1 January 2025 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 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 to them in a logical way. Capital expenditure of segments consists 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 ELKO, Krónan, Lyfja, N1 and Yrkir eignir are individual operating segments. The Group's other entities comprise the sixth segment. That segment consists of the operations of the Parent Company Festi and Bakinn Vöruhótel. The operations of Lyfja were included in the Group from July 2024.

Reportable segments for the nine months ended 30 September 2025

	ELKO	Krónan	Lyfja	N1	Yrkir eignir	Other companies	Segments total
External revenue	14.524.378	57.854.072	14.449.033	42.588.489	450.568	254.361	130.120.901
Intra-group revenue	12.759	1.376.987	302.814	376.708	2.897.921	4.563.825	9.531.014
Total segment revenue	14.537.137	59.231.059	14.751.847	42.965.197	3.348.489	4.818.186	139.651.915
Operating profit before depreciation, amortisation and changes in value (EBITDA)	1.246.134	4.594.529	1.198.183	4.951.246	2.639.140	1.366.566	15.995.798
Segment depreciation and amortisation	(533.208)	(1.834.333)	(817.391)	(2.345.067)	(1.578.358)	(672.323)	(7.780.680)
Changes in value of investment property	0	0	0	0	103.352	0	103.352
Operating profit of segments (EBIT)	712.926	2.760.196	380.792	2.606.179	1.164.134	694.243	8.318.470
Net finance costs	(100.371)	(200.708)	(101.695)	(462.779)	(1.201.920)	(1.450.914)	(3.518.387)
Share of profit of associates	0	0	0	0	0	524.388	524.388
Income tax	(122.511)	(511.898)	(55.861)	(428.680)	7.557	148.842	(962.551)
Profit (loss) for the period	490.044	2.047.590	223.236	1.714.720	(30.229)	(83.441)	4.361.920
30 September 2025							
Segment assets	6.811.715	25.144.514	11.064.284	30.171.106	32.122.859	86.850.886	192.165.364
Segment capital expenditure	262.430	1.255.407	212.014	951.127	1.063.114	520.645	4.264.737
Segment liabilities	4.730.539	19.148.077	5.215.382	18.757.691	24.127.383	39.289.038	111.268.110

Reportable segments for the nine months ended 30 September 2024

	ELKO	Krónan	Lyfja	N1	Yrkir eignir	Other companies	Segments total
External revenue	13.443.330	52.711.358	4.602.726	42.534.589	446.511	400.982	114.139.496
Intra-group revenue	12.355	1.274.276	326.914	329.568	2.755.856	4.065.680	8.764.649
Total segment revenue	13.455.685	53.985.634	4.929.640	42.864.157	3.202.367	4.466.662	122.904.145
Operating profit before depreciation, amortisation and changes in value (EBITDA)	1.103.837	4.241.016	473.018	3.671.906	2.540.741	1.612.152	13.642.670
Segment depreciation and amortisation	(459.176)	(1.768.702)	(189.217)	(2.127.763)	(1.474.209)	(624.941)	(6.644.008)
Changes in value of investment property	0	0	0	0	264.521	0	264.521
Operating profit of segments (EBIT)	644.661	2.472.314	283.801	1.544.143	1.331.053	987.211	7.263.183
Net finance costs	(73.170)	(216.793)	(71.484)	(634.229)	(1.317.979)	(1.431.831)	(3.745.486)
Share of profit of associates	0	0	0	0	0	470.897	470.897
Income tax	(120.493)	(474.709)	(27.595)	(191.005)	(2.745)	89.303	(727.244)
Profit for the period	450.998	1.780.812	184.722	718.909	10.329	115.580	3.261.350
30 September 2024							
Segment assets	6.615.093	23.549.102	11.636.563	29.501.094	31.745.560	79.921.336	182.968.748
Segment capital expenditure	381.161	747.823	102.583	1.161.650	251.351	331.595	2.976.163
Segment liabilities	4.780.915	18.115.430	6.179.585	19.331.878	24.202.734	37.456.411	110.066.953

Notes, continued:

5. Operating segments, continued:

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities, and other material items in the Consolidated Statement of Comprehensive Income.

1.1.-30.9.2025	Segments total	Eliminations	According to financial statements
Operating profit before depreciation, amortisation and changes in fair value (EBITDA)	15.995.798 (	4.249.478)	11.746.320
Depreciation of property and equipment and leased assets and amortisation of intangible assets	(7.780.680)	3.296.584 (	4.484.096)
Changes in fair value of investment property	103.352		103.352
Operating profit (EBIT)	8.318.470 (	952.894)	7.365.576
Net finance costs	(3.518.387)	937.246 (	2.581.141)
Share of profit of associates	524.388		524.388
Income tax	(962.551)	3.130 (	959.421)
Profit for the period	4.361.920 (	12.518)	4.349.402
30 September 2025			
Segment assets	192.165.364 (	74.529.596)	117.635.768
Segment capital expenditure	4.264.737		4.264.737
Segment liabilities	111.268.110 (	39.728.967)	71.539.143
1.1.-30.9.2024			
Operating profit before depreciation, amortisation and changes in fair value (EBITDA)	13.642.670 (	4.088.757)	9.553.913
Depreciation of property and equipment and leased assets and amortisation of intangible assets	(6.644.008)	3.160.491 (	3.483.517)
Changes in fair value of investment property	264.521		264.521
Operating profit (EBIT)	7.263.183 (	928.266)	6.334.917
Net finance costs	(3.745.486)	1.084.778 (	2.660.708)
Share of profit of associates	470.897		470.897
Income tax	(727.244) (	31.302) (	758.546)
Profit for the period	3.261.350	125.210	3.386.560
30 September 2024			
Segment assets	182.968.748 (	69.832.793)	113.135.955
Segment capital expenditure	2.976.163 (	35.191)	2.940.972
Segment liabilities	110.066.953 (	37.365.308)	72.701.645

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

Properties leased to parties outside the Group are recognised as investment properties. Investment properties are properties 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 profit or loss and therefore presented separately from lease income from those same assets.

Other operating revenue

Revenue from warehouse services, commissions, gain on sale of property and equipment, market grants and other income are presented in other operating income.

Operating income is specified as follows:

	2025 1.7.-30.9.	2024 1.7.-30.9.	2025 1.1.-30.9.	2024 1.1.-30.9.
Sale of goods and services:				
Convenience goods	23.187.299	20.984.210	64.831.465	58.157.698
Fuel and electricity	12.362.007	12.508.592	30.707.526	30.964.172
Electronic equipment	5.168.921	4.796.108	14.366.745	13.291.298
Prescription and over-the-counter medicine	3.702.922	3.340.981	10.763.130	3.340.981
Other goods and services	2.671.878	2.626.766	7.789.109	6.762.692
Total sale of goods and services	47.093.027	44.256.657	128.457.975	112.516.841
Other operating income:				
Lease income from properties	210.325	204.727	627.007	563.757
Warehouse services	71.383	103.893	236.823	315.264
Commissions	134.155	121.199	394.017	355.874
Gain on sale of property and equipment	2.621	78.797	19.908	82.159
Other operating income	126.304	79.320	385.171	305.601
Total other operating income	544.788	587.936	1.662.926	1.622.655
Total operating revenue	47.637.815	44.844.593	130.120.901	114.139.496

7. Margin from sale of goods and services

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

Gross profit from sale of goods and services is specified as follows:

	2025 1.7.-30.9.	2024 1.7.-30.9.	2025 1.1.-30.9.	2024 1.1.-30.9.
Convenience goods	5.582.309	5.091.954	15.364.768	13.581.003
Fuel and electricity	3.071.840	2.624.965	7.179.187	5.918.744
Electronic equipment	1.409.228	1.229.785	3.799.142	3.413.847
Prescription and over-the-counter medicine	960.320	937.106	2.847.526	937.106
Other goods and services	1.033.315	945.365	3.086.429	2.604.170
Margin from sale of goods and services	12.057.012	10.829.175	32.277.052	26.454.870

Notes, continued:

8. Salaries and other personnel expenses

Salaries and other personnel expenses are specified as follows:

	2025	2024	2025	2024
	1.7.-30.9.	1.7.-30.9.	1.1.-30.9.	1.1.-30.9.
Salaries	4.263.901	3.910.348	12.543.278	10.341.137
Salary-related expenses	766.085	691.825	2.837.992	2.274.045
Other personnel expenses	195.087	224.093	733.467	568.375
Total salaries and other personnel expenses	<u>5.225.073</u>	<u>4.826.266</u>	<u>16.114.737</u>	<u>13.183.557</u>

9. Other operating expenses

Other operating expenses are specified as follows:

	2025	2024	2025	2024
	1.7.-30.9.	1.7.-30.9.	1.1.-30.9.	1.1.-30.9.
Operating expenses of properties	627.014	569.718	1.822.791	1.624.104
Maintenance expenses	327.377	276.695	915.430	823.711
Sales and marketing expenses	489.812	446.437	1.476.660	1.299.743
Office and administrative expenses	109.331	99.316	391.335	357.256
Communication expenses	343.016	314.157	1.023.692	817.414
Insurance and claims cost	28.318	47.863	101.291	149.327
Other expenses	132.466	96.011	347.722	268.500
Total other operating expenses	<u>2.057.334</u>	<u>1.850.197</u>	<u>6.078.921</u>	<u>5.340.055</u>

10. Finance income and finance costs

	2025	2024	2025	2024
	1.7.-30.9.	1.7.-30.9.	1.1.-30.9.	1.1.-30.9.
Finance income is specified as follows:				
Interest income on cash and cash equivalents	99.897	82.393	249.046	187.440
Interest income on receivables	22.801	24.661	82.246	78.114
Dividend income	2.000	2.000	2.000	2.000
Total finance income	<u>124.698</u>	<u>109.054</u>	<u>333.292</u>	<u>267.554</u>

Finance cost is specified as follows:

Interest expense and CPI-index on loans	724.409	817.937	2.327.321	2.413.148
Interest expense on lease liabilities	167.165	162.762	494.736	416.925
Other interest expense	22.116	25.358	66.064	78.341
Total finance costs	<u>913.690</u>	<u>1.006.057</u>	<u>2.888.121</u>	<u>2.908.414</u>

Notes, continued:

11. Operating assets

Acquisition of operating assets in the first nine months of 2025 amounted to ISK 3,706 million (2024 9M: 2,294 million). Thereof investment in buildings is ISK 1,774 million (2024 9M: 934 million), interiors, equipment and tools was ISK 1,872 million (2024 9M: 1,256 million) and investment in computers and other IT hardware was ISK 60 million (2024 9M: 104 million).

12. Share options

At the annual general meeting of Festi on 6 March 2024, two share option plans were approved, one for all permanent employees of the Group and the other for management. The Board of Directors decided to grant share options according to the specified share option plans at meetings on 23 April 2024, 30 October 2024, 29 April 2025 and 29 July 2025.

Movements of share options are specified as follows: □

	Nominal shares	Weighted average exercise price at 30.9.2025
Shares outstanding at 31 December 2024 for vesting in the coming years.....	12.981	
Share options granted 2025.....	1.697	
Share options exercised..... (	1.049)	
Forfeited share options..... (	1.340)	
Shares outstanding at 30 September 2025 for vesting in the coming years.....	<u>12.289</u>	209,3

Share options granted:

	Nominal shares	Weighted average exercise price at 30.9.2025
100% exercisable in May 2026.....	4.181	203,7
100% exercisable in May 2027.....	4.298	208,2
100% exercisable in November 2027.....	1.635	208,2
100% exercisable in May 2028.....	1.635	208,2
100% exercisable in August 2028.....	90	308,5
100% exercisable in November 2028.....	270	237,9
100% exercisable in February 2029.....	90	308,5
100% exercisable in August 2029.....	90	308,5
	<u>12.289</u>	209,3

The fair value of share options granted to employees is estimated using the Black-Scholes formula. The total cost of the options is estimated at ISK 316 million over their vesting period, of which ISK 90 million is expensed as salary cost during the first nine months of 2025.

Notes, continued:

13. 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:

	2025 1.1.-30.9.	2024 1.1.-31.12.
Long-term		
Balance at the beginning of the year	29.339.934	26.680.829
Repayments	(4.914.376)	(2.083.084)
New loans.....	0	3.985.802
Taken over on acquisition of subsidiary.....	0	1.563.782
Expensed borrowing costs.....	43.926	18.566
CPI-indexation.....	602.903	594.147
Change in current portion.....	1.102.680	(1.420.108)
Balance at the end of the period.....	26.175.067	29.339.934
Short-term		
Current portion of long-term loans	2.124.442	3.227.122
Balance at the end of the period.....	2.124.442	3.227.122
Total loans from credit institutions	28.299.509	32.567.056

	Weighted average interest rates		Outstanding amounts at	
	2025	2024	30.9.2025	31.12.2024
Non-indexed loans at floating interest rates	9,6%	10,8%	12.483.350	15.407.277
CPI-indexed loans at floating interest rates	5,0%	4,7%	15.816.159	17.159.779
Total loans from credit institutions			28.299.509	32.567.056

The maturities of the loans are specified as follows:

Year 2025	734.567	3.227.122
Year 2026	2.124.290	2.275.502
Year 2027	2.125.046	2.275.718
Year 2028	1.925.295	2.075.511
Year 2029	1.726.228	1.876.444
Year 2030	1.726.411	1.876.627
Due for payment onwards	17.937.672	18.960.132
Total loans from credit institutions	28.299.509	32.567.056

As of 30 September 2025, the Group had undrawn credit lines in the amount of ISK 500 million.

Notes, continued:

14. Lease liabilities

	2025	2024
	1.1.-30.9.	1.1.-31.12.
Carrying amount at the beginning of the year.....	11.389.211	8.652.596
New lease contracts.....	1.305.948	797.325
Taken over on acquisition of subsidiary	0	2.275.544
Increase due to indexation of lease payments.....	171.438	822.301
Payment of lease liabilities during the year.....	(1.102.264)	(1.158.555)
Total lease liabilities.....	11.764.333	11.389.211
Current portion.....	(1.449.775)	(1.387.796)
Total non-current portion of lease liabilities.....	10.314.558	10.001.415

The maturity analysis of lease liabilities is specified as follows:

Year 2025	362.441	1.387.796
Year 2026	1.424.211	1.376.195
Year 2027	1.222.236	1.299.119
Year 2028	964.202	1.051.443
Year 2029	807.993	730.951
Year 2030	772.921	649.432
Due for payment onwards.....	6.210.329	4.894.275
Total.....	11.764.333	11.389.211

	2025	2024
	1.1.-30.9.	1.1.-30.9.
Impact of lease liabilities in profit or loss are as follows:		
Deprecation of lease assets.....	1.173.978	894.156
Interest expensed on lease liabilities.....	494.736	416.925

Expensed rent due to lease agreements not capitalised:

Real estate rent.....	262.366	249.731
Other rent payments.....	11.823	13.036

Impact of rental agreements on Statement of Cash Flows:

Payments due to lease contracts.....	1.597.000	1.209.995
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All lease liabilities are denominated in Icelandic krona.

Notes, continued:

15. Group entities

The Condensed Consolidated Interim Financial Statements include the following entities. All subsidiaries are directly or indirectly fully owned by the Parent Company, Festi.

Company	Business activity
Festi hf.	Festi is a holding company that specialises in operating companies that are leading in the retail and fuel sale in Iceland. Festi's role is to support its operating companies in fulfilling customers' demands so as to enable them to continue to be at the forefront in providing goods and services across the country. Festi provides its subsidiaries with supporting services, among other things in the area of finance, operations and business development.
Bakkinn vöruhótel ehf.	Bakkinn vöruhótel specialises in product storage, packaging, labelling, handling and distribution of products for customers that elect to outsource their warehouse activities.
ELKO ehf.	ELKO specialises in selling household appliances and electronic equipment. The company operates stores in the capital region, Akureyri and at the Leifur Eiríksson International Airport in Keflavík, as well as an online shop.
Krónan ehf.	Krónan is a retail company that operates convenience stores in Iceland. The company operates stores throughout the country under the brand name of Krónan and Smart shop with home deliveries.
Icelandic Food Company ehf.	Icelandic Food Company specialises in production of convenience goods sold in Krónan and N1.
Vínportið ehf.	Vínportið specialises in imports and wholesales of alcohol to ÁTVR stores and to hotels and restaurants.
Lyfja hf.	Lyfja specialises in pharmacy operations as well as wholesale and retail sales of health-related products. The company operates 45 pharmacies and branches as well as an online store and app.
Heilsa ehf.	Heilsa specialises in imports and wholesales of pharmacy products and cosmetic and health related products sold in stores all around the country.
Mengi ehf.	Mengi leases non-residential real estate to retail companies.
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, sale of various convenience goods, purchases of electricity in the wholesale market and the retail sale to individuals and companies in Iceland.
Yrkir eignir ehf.	Yrkir eignir runs the property operations of the Group and leases out non-residential buildings to retail companies, both within and outside the Group. The company also operates the security and development departments, which run projects related to security matters, maintenance of properties and their development with the objective of profitability.

Notes, continued:

16. Other matters

Sales process for the shares of the Company in Olíudreifing

On 26 September 2024 it was announced that Festi and Olís had reached an agreement to initiate the preparation of the sales process of their shares in Olíudreifing, whereas 60% of Olíudreifing is owned by Festi and 40% by Olís. On 3 December 2024 it was announced that non-binding offers had been received for all shares in Olíudreifing and that a decision had been made to invite three parties to continue in the sales process and provide them with access to further information. On 30 April 2025 it was announced that both Festi and Olís had decided to terminate the sale process as it was apparent that an agreement could not be reached. The formal sale process of the shares is therefore discontinued.

Summons from Bergorka ehf. received

Festi received a letter from Bergorka on 5. September 2025, where the Company is summoned for recognition of liability for compensation, without a specified amount, for alleged violations dating back to December 2018. Bergorka claims that Festi violated Article 3 of the settlement agreement between Festi and the Icelandic Competition Authority dated 30 July 2018. It is Festi's assessment that Bergorka's lawsuit is unfounded. The Company has therefore filed a statement of defence before the District Court of Reykjanes on 10 September 2025.

17. Financial ratios

The Group's key financial ratios

	2025	2024
	1.1.-30.9.	1.1.-30.9.
Operations		
Turnover rate of inventories		
Utilisation of goods / average balance of inventories during the period.....	8,9	8,4
Sales days in trade receivables:		
Average balance of trade receivables during the period /		
goods and services sold	10,9	12,3
EBITDA / margin from sales of goods and services.....	36,4%	36,1%
Salaries and personnel expenses / margin from sales of goods and services.....	49,9%	49,8%
Other operating expenses / margin from sales of goods and services.....	18,8%	20,2%
	30.9.2025	31.12.2024
Financial position		
Current ratio: current assets / current liabilities.....	1,07	1,10
Liquidity ratio: (current assets - inventories) / current liabilities.....	0,52	0,51
Leverage: net interest bearing liabilities excluding lease liabilities / EBITDA last 12 months	1,46	2,28
Equity ratio: equity / total capital.....	39,2%	37,9%
Return on equity: profit for last 12 months / average balance of equity.....	11,5%	10,5%