



Eggert Þór Kristófersson, CEO

Presentation of Q4 2021 results

February 10, 2022

CONSOLIDATED HIGHLIGHTS

ISK 2,809 m

↑ 60.8%

EBITDA Q4 2021

24.7%

↑ 1.3%bps

Margin from sales

2.30

↓ 45.8%

NIBD/EBITDA

ISK 4,003 m

↑ 56.2%

Cash and cash equivalents

43.1%

↑ 10.6%bps

EBITDA/Margin from sales Q4 2021

47.1%

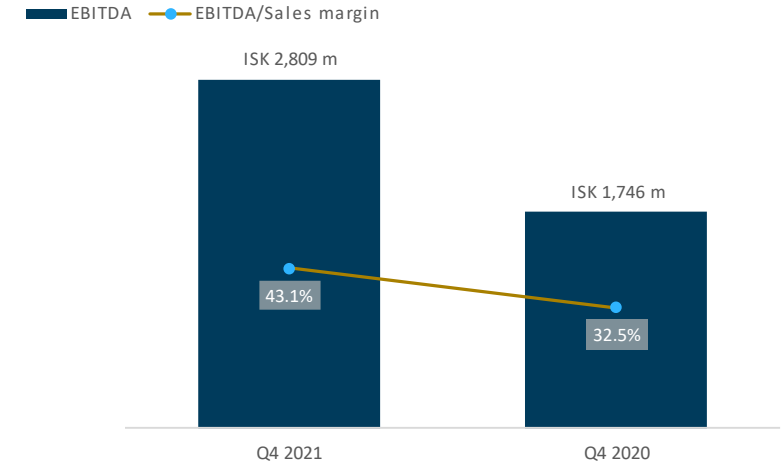
↓ 7.5%bps

Salaries/Margin from sales Q4 2021

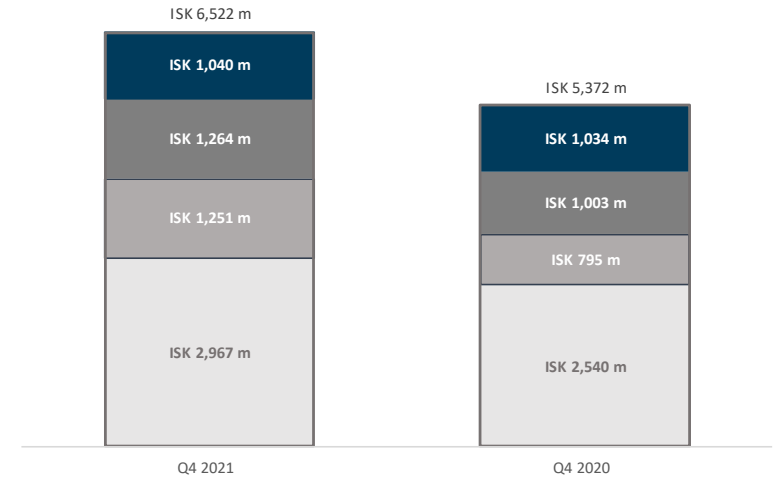
CONSOLIDATED OPERATIONS Q4 2021

Amounts are in ISK million	Q4 2021	Q4 2020	Change	% Chg.
Sale of goods and services	26,428	22,937	3,491	15.2%
Margin from sale of goods and services	6,522	5,372	1,150	21.4%
Lease revenue and operating income	724	473	251	53.0%
Salaries and personnel expenses	-3,072	-2,933	-139	4.8%
Other operating expenses	-1,364	-1,166	-199	17.1%
EBITDA	2,809	1,746	1,062	60.8%
Key Figures				
EBITDA/Margin from sales	43.1%	32.5%	10.6%	32.5%
Salaries/Margin from sales	47.1%	54.6%	-7.5%	-13.7%
Earnings per share	15.48	6.95	8.53	122.7%

- Sale of goods and services ISK 26,428 million, increase of ISK 3,491 million or 15.2% YoY.
- Margin from sale ISK 6,522 million, increase of ISK 1,150 million or 21.4% YoY.
- Three real estates sold to Reitir – profit from sale ISK 276 million in the quarter.
- Salaries and personnel expenses ISK 3,072 million, increase of ISK 139 million or 4.8% YoY.
- Number of full-time employees 1,155, decrease by 14 or 1.2% YoY.
- EBITDA ISK 2,809 million in Q4 2021, increase by 1,062 million or 60.8% YoY.



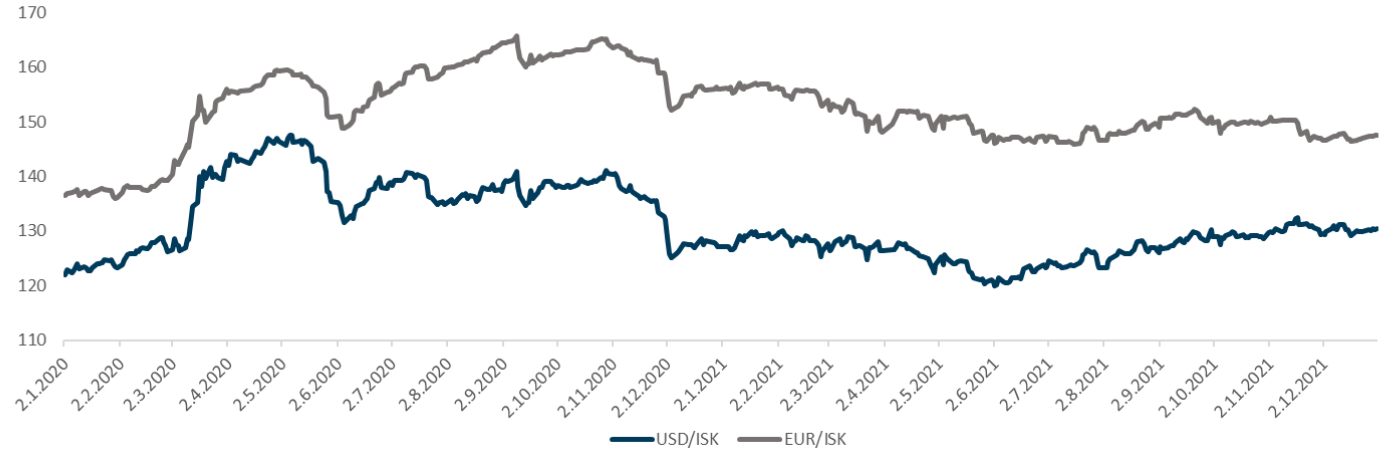
■ Sales margin groceries ■ Sales margin from energy ■ Sales margin electronics ■ Sales margin from other goods



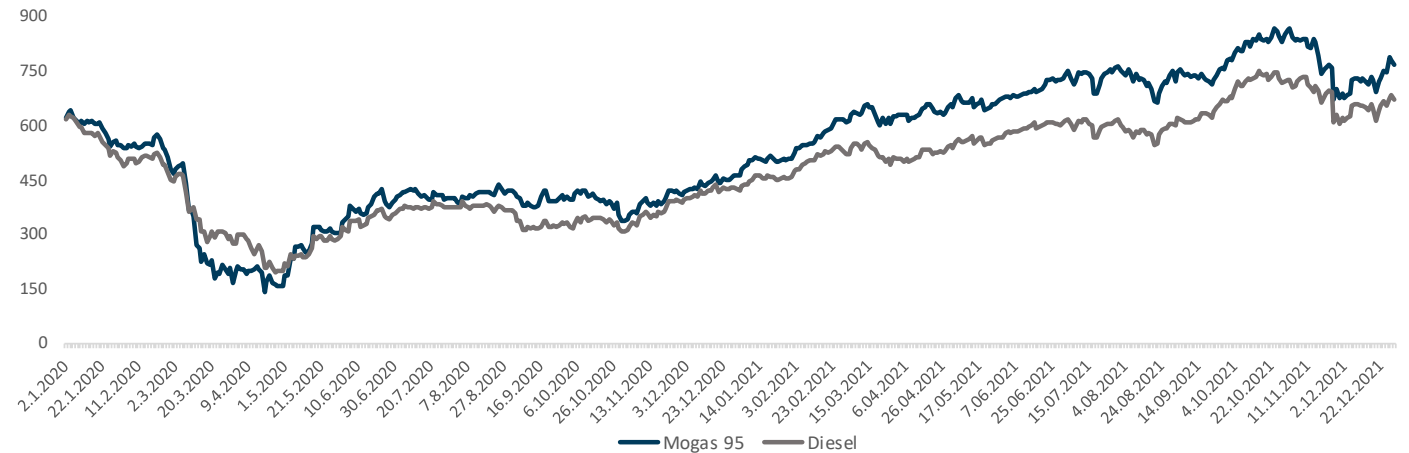
HIGHLIGHTS Q4

- Volatility in USD/ISK and EUR/ISK exchange rates.
- USD/ISK increased by 1.0% and the difference between highest and lowest exchange rate in Q4 is 3.6%.
- EUR/ISK decreased by 1.4% and the difference between the highest and lowest exchange rate in Q4 is 2.9%.
- The Q4 2021 average price of diesel fuel was 690.0 USD, compared to an average of 369.4 USD in Q4 2020, an increase of 86.8%.
- The Q4 2021 average price of gasoline was 784.5 USD, compared to an average of 407.4 USD in Q4 2020, an increase of 92.6%.
- The Q4 2021 average price of USD/ISK was 130.0 compared to 134.5 in Q4 2020, a decrease of 3.4%.

Exchange rate development



Price development of Mogas 95 and Diesel





- Revenue was ISK 10,044 million, an increase ISK 2,645 million or 35.7% YoY.
- Sales of fuel and electricity is increased by ISK 2,162 million or 54.1% YoY. Sales in liters were 14% higher, but the price increase in fuel YoY explains the difference.
- Sale of other goods increase by ISK 343 million or 15.8% YoY of which largest increase came from sale of car services.
- Margin from fuel and energy sales was ISK 1,251 million, an increase of ISK 456 million or 57.4% YoY. Gain from fuel hedges was ISK 142 million YoY.
- EBITDA was ISK 1,076 million, an increase of ISK 509 million or 89.7% YoY.

Amounts are in ISK million	Q4 2021	Q4 2020	Change	%Change
Total segment revenue	10,044	7,399	2,645	35.7%
Total operating expenses of segments	-8,968	-6,832	-2,136	31.3%
Segment EBITDA	1,076	567	509	89.7%
Segment depreciation and amortisation	-626	-594	-32	5.4%
Operating result of segments	450	-27	477	-1763.7%
Financial expenses	-186	-287	101	-35.2%
Income tax expense	-4	65	-69	-106.8%
Profit (Loss)	259	-250	509	-203.9%
Segment assets	26,465	28,890	-2,425	-8.4%
Segment capital expenditure	864	910	-46	-5.1%
Segment liabilities	16,480	15,371	1,109	7.2%

N1's operations in 2021



Increased business for BÍlþjónusta N1



Construction is about to begin on a new tyre and lubrication service garage in Keflavík.



Preparations for the construction of a new tyre and lubrication service garage and new service station in Akranes.



N1's service stations on Ártúnshöfði, at Staðarskáli, in Borgarnes, Hveragerði and Húsavík were renovated.



New Ísey Skyr Bars opened up in the service stations on Reykjavíkurvegur, in Hveragerði and Borgarnes.



The sandwich and juice restaurant Djúsí by Blackbox opened at N1's service stations in Hveragerði and Borgarnes.



A contract was signed on a new service station by Mývatn where supercharging stations will also be put up.



N1 handed over more than 100.000 deliveries from more than 40 web stores through Dropp.



N1's operations in 2021



Participants in N1's summer game numbered 90,000.



The sale of retail pharmaceuticals began at N1's service station at Staðarskáli in July.



N1 published its social report for the eighth time.



N1's web store for individuals opened up.



Eight 200 kW supercharging stations were put up at Staðarskáli.



On December 15th the name of Íslensk Orkumiðlun was changed to N1 Rafmagn.



We achieved our goal of having 20% of the company's overall energy sales constitute of clean energy. We aim to make the ratio 30% within three years.



Future plans



Increasing the number of supercharging stations at N1's service stations.



Continued renovation of service stations.



Develop a new service app, the first stage of which will benefit electric car owners.



Increasing options for self service at N1.



Increasing the number of supercharging stations outside Krónan supermarkets.



Continued growth of N1 Rafmagn.



- Revenue was ISK 11,853 m., an increase of 231 million or 2% YoY.
- Like for like, revenues are up by ISK 472 million YoY, while shops were sold in Nóatún and Hella during the year.
- Margins from sale are rising and are in line with expectations.
- EBITDA was ISK 885 million, decrease of 5 million or 0.5% YoY.
- Emphasis on customer experience with investments in online store and “scan and go” solutions, which has now been implemented in three stores. Additional costs have been incurred due to the implementations.

Amounts are in ISK million	Q4 2021	Q4 2020	Change	%Change
Total segment revenue	11,853	11,623	231	2.0%
Total operating expenses of segments	-10,968	-10,733	-235	2.2%
Segment EBITDA	885	890	-5	-0.5%
Segment depreciation and amortisation	-392	-377	-15	4.0%
Operating result of segments	493	513	-20	-3.8%
Financial expenses	-99	-116	16	-14.0%
Income tax expense	-75	-79	5	-5.8%
Profit	320	318	1	0.4%
Segment assets	17,664	15,664	2,000	12.8%
Segment capital expenditure	700	1,418	-718	-50.7%
Segment liabilities	12,623	13,760	-1,137	-8.3%

Scan and Go in all Krónan stores by end of 2022

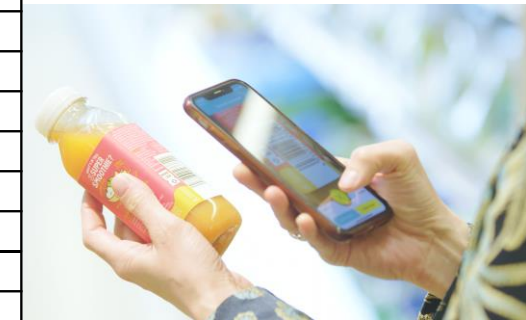


Skannað og skundað

Pssst ...
Fylgdu þessum 5 skemmtilegu skrefum til að skanna og skunda!

- Náðu í Snjallverslun Krónunnar í Appstore eða Playstore og uppfærðu í nýjustu útgáfu og skráðu þig inn.
- Opnaðu Skannað og skundað í appinu með því að smella á [í]!
- Samþykktu staðsetningu.
- Skráðu þig inn með rafrænum skilríkjum.
- Skráðu greiðslukortaupplýsingar. Ís í þísi ... Góða skemmtun!

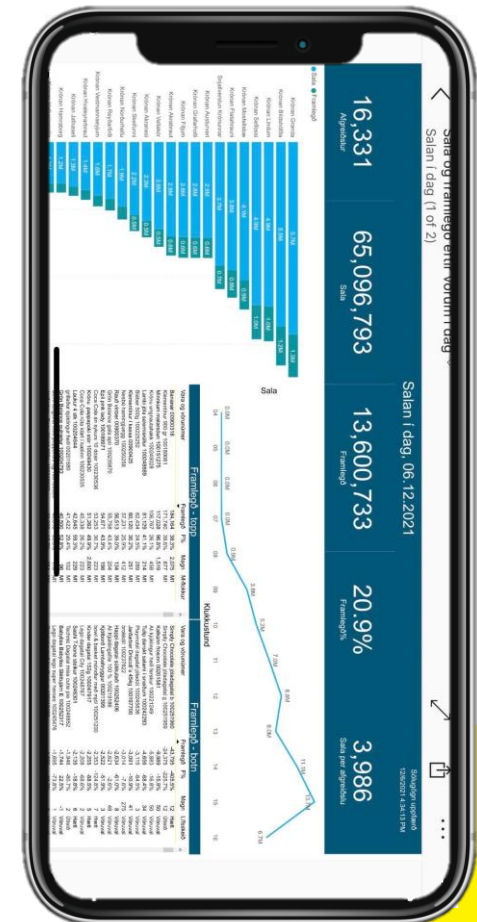
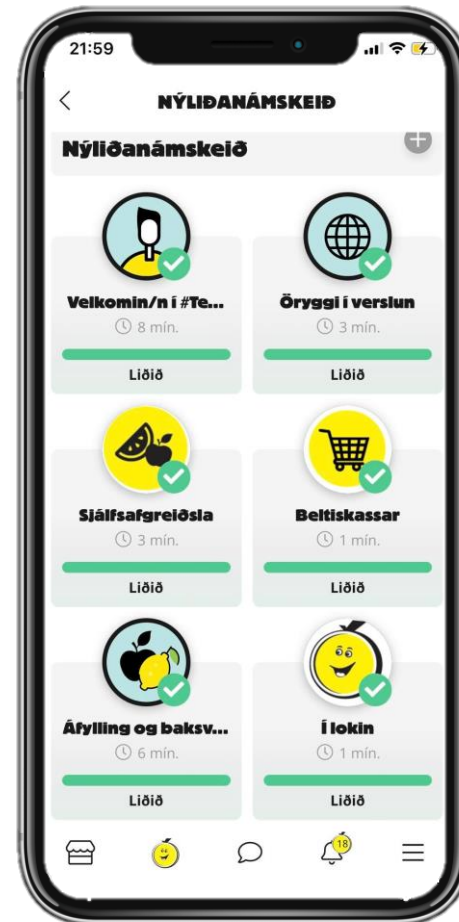
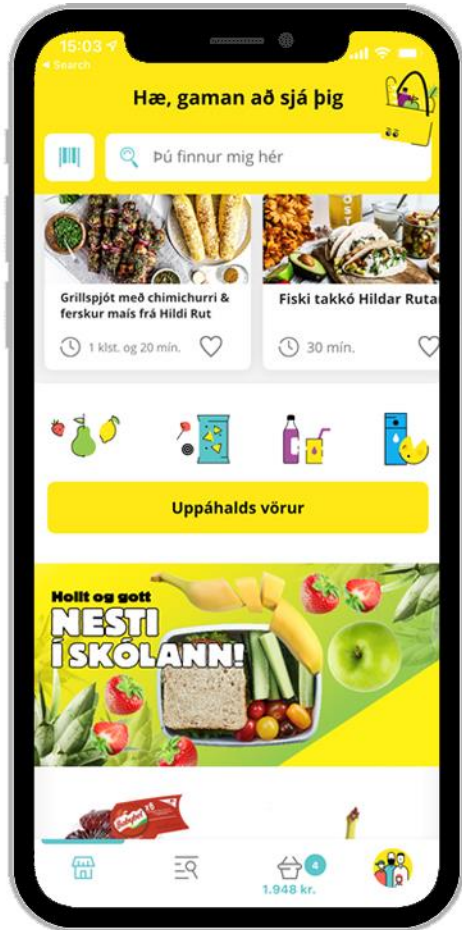
		2021			2022											
		okt	nov	des	jan	feb	mar	apr	maí	jún	júl	ágú	sep	okt	nóv	des
K1	lindir	✓	✓													
K2	akrabraut		✓													
K1	grandi				✓	✓										
K3	hallveigarstígur				✓											
K1	flatahraun					■										
K2	borgartún					■										
K1	bíldshöfði						■									
K2	grafarholt						■									
K1	skeifan 19							■								
K3	austurver								■							
K1	mosó									■						
K2	vallakór										■					
K1	selfoss											■				
K2	akranes												■			
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K3	reyðarfjörður															■
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Kr	þorlákshöfn															■



The app-store of Krónan now also as a webstore



The digital transformation of Krónan



1 Krónan Online store and app

2 Scan and Go Mobile self-checkout

3 Releys – Internal communication

4 School of Krónan – online courses

5 PowerBI – live analysis on mobile

Grateful for the awards of 2021



- **Customer Happiness Award** – for having the most content customers in Icelandic food market for the **5th year in a row.**



- **Gender Balance Award** – for having equal gender parity ratio in the senior management position at the company.



- **Brand of the year** – for outstanding marketing. Selection is based on an annual survey by MMR (Market and Media Research).



- **The Faxaflói Harbor's Environmental Awards** - for progress in environmental issues and for exemplary caretake of the surroundings of the company.

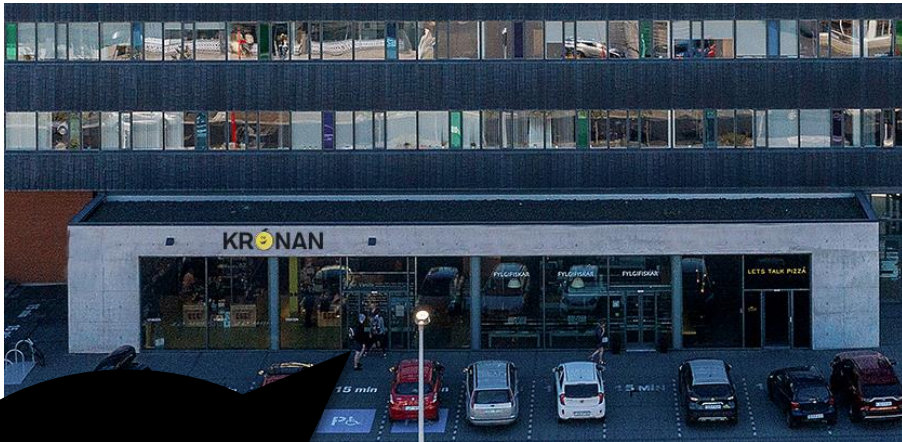


- **Best of Reykjavík Shopping: Best Grocery Store** – chosen by The Reykjavík Grapevine

Three new stores in key locations



Borgartún 26 – The Business District of RVK



Medium size
Krónan in
April 2022

Skeifan 19 – Central retail area of RVK



Flagship
store XL in
June 2022

Akureyri, Glerárgata 38 – First store in North of Iceland

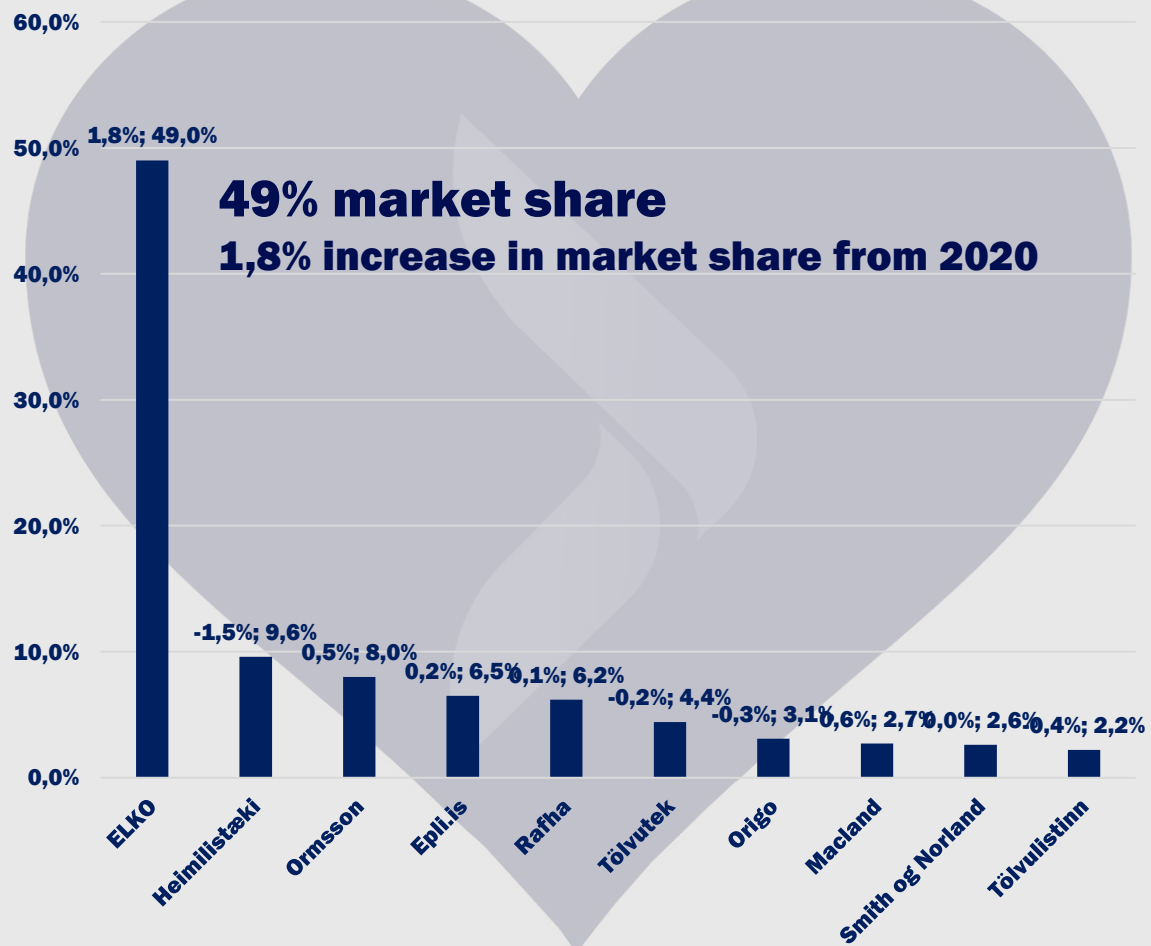


Flagship
store XL in
November
2022

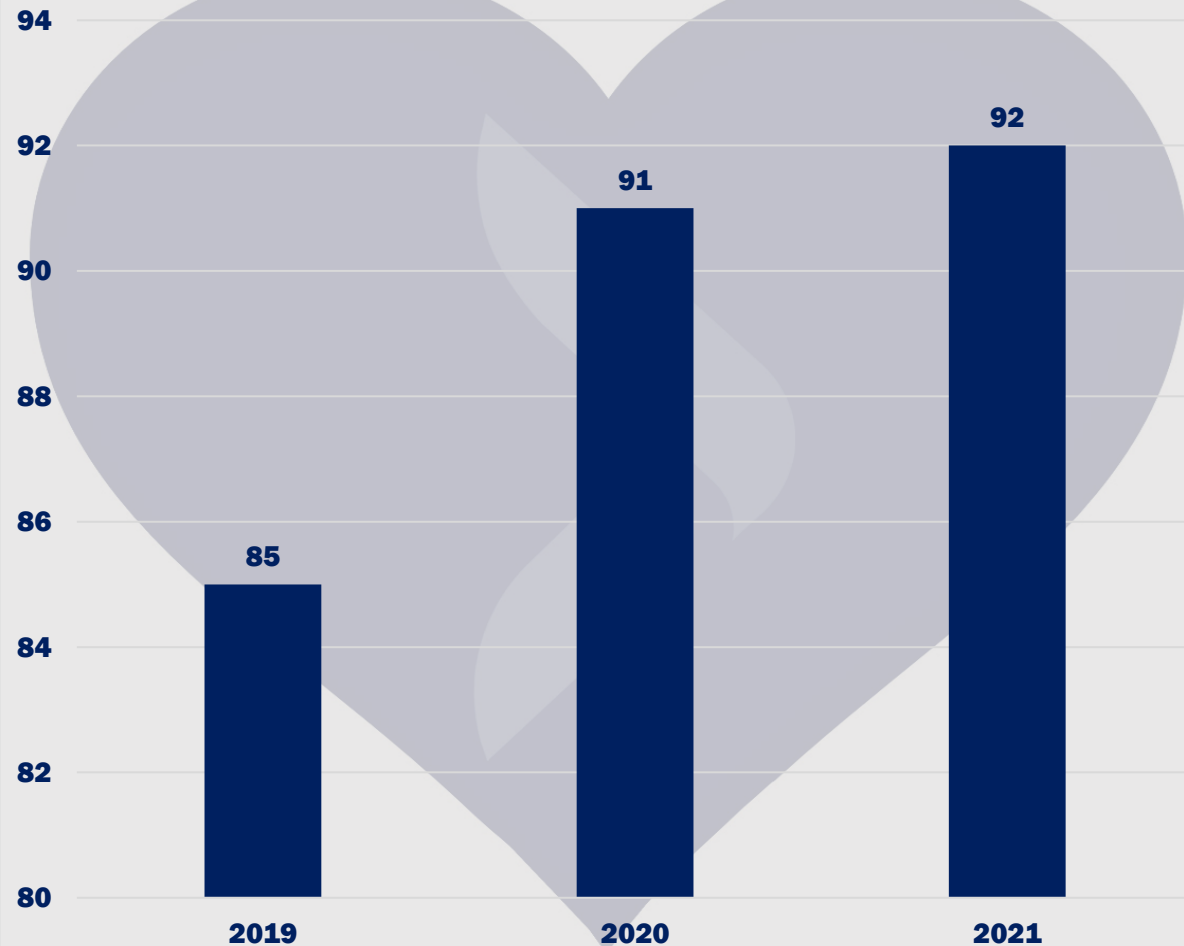
- Revenue was ISK 4,820 million, increase of 580 million or 13.7% YoY.
- New store in Akureyri contributed ISK 198 million to the increase. Increase in other stores 8.2% YoY.
- ELKO store at international airport is starting to gain momentum.
- Margins are up with better pricing and changed emphasis
- Emphasis on „one stop shop“, product range and services.
- EBITDA was ISK 617 million, increase of 212 million or 52.2% YoY.
- New web launched, dropbox outside Lindir store and improved system processing web orders due to launch in Q4.
- ELKO will open a new store in Skeifan mid-year 2022 and close current store at the same time.

Amounts are in ISK million	Q4 2021	Q4 2020	Change	%Change
Total segment revenue	4,820	4,240	580	13.7%
Total operating expenses of segments	-4,203	-3,834	-369	9.6%
Segment EBITDA	617	406	212	52.2%
Segment depreciation and amortisation	-155	-119	-36	30.3%
Operating result of segments	463	287	176	61.2%
Financial expenses	-33	-43	10	-23.6%
Income tax expense	-86	-49	-37	75.7%
Profit	344	195	149	76.5%
Segment assets	5,135	4,971	164	3.3%
Segment capital expenditure	215	314	-99	-31.6%
Segment liabilities	3,553	3,753	-200	-5.3%

Market share 2021



Happy or Not



NEXT 5 YEARS

Best stores

All stores renovated and ready for battle 2024

Best work-place

Happiest workforce 2022

Best service

Happiest customers 2022

Best online platform

Heavy investment the next 5 years



**2018 – YEAR OF IT
PROCESSES**

**2019 – YEAR OF
RESTRUCTURING**

**2020 – LAUNCH OF NEW
STRATEGY**

**2021 – YEAR OF HUMAN
RESOURCES**

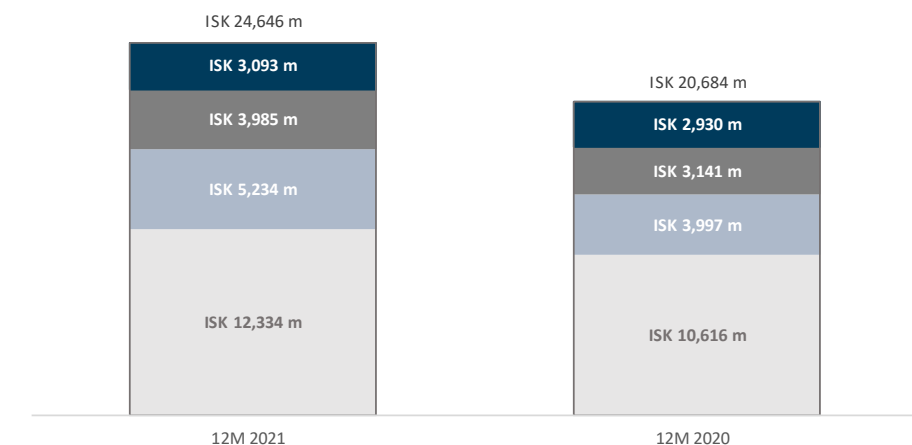
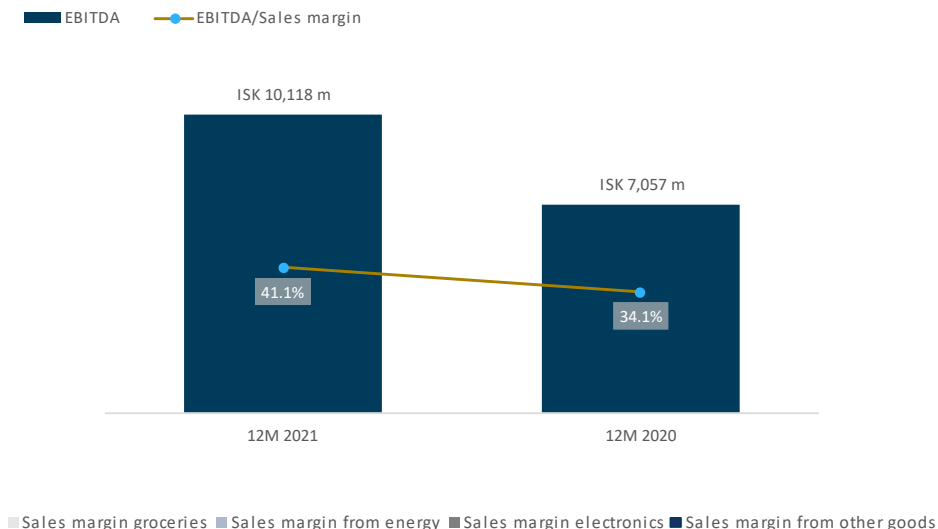
2022 – YEAR OF AFTERSALES

**STRATEGY
FOCUS**



CONSOLIDATED OPERATIONS IN 12M 2021

Amounts are in ISK million	12M 2021	12M 2020	Change	% Chg.
Sale of goods and services	98,736	86,260	12,476	14.5%
Margin from sale of goods and services	24,646	20,684	3,962	19.2%
Lease revenue and operating income	2,316	1,658	658	39.7%
Salaries and personnel expenses	-11,659	-10,521	-1,138	10.8%
Other operating expenses	-5,186	-4,765	-421	8.8%
EBITDA	10,118	7,057	3,061	43.4%
Key Figures				
EBITDA/Sales margin	41.1%	34.1%	6.9%	20.3%
Salaries/Sales margin	47.3%	50.9%	-3.6%	-7.0%
Earnings per share	15.73	6.95	8.78	126.3%



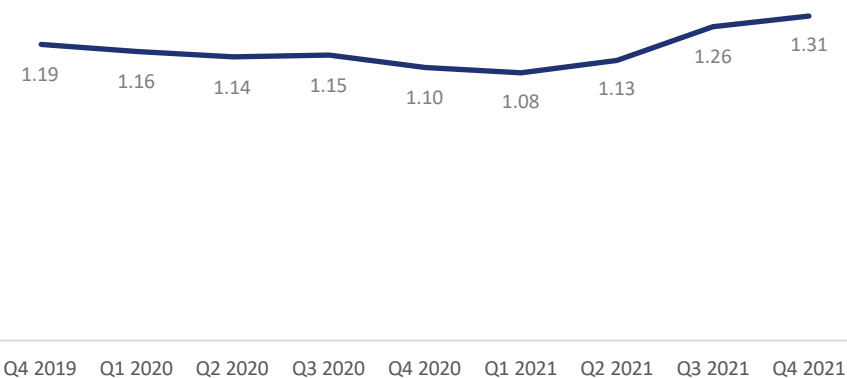
- Sale of goods and services ISK 98,736 million, increase of 14.5% YoY.
- Margin from sale ISK 24,646 million, increase of 19.2% YoY.
- Salaries and personnel expenses increase by 1,138 million between years, thereof 562 million due to increase of 59 in FTE.
- Other operating expenses increase by ISK 421 million YoY, of which ISK 237 million is in maintenance expenses, which was less last year due to COVID-19 restrictions, and ISK 227 million in sales and marketing costs, which is largely related to the increase in sales.
- EBITDA ISK 10,118 million in 2021, increase of 43.4% YoY.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts are in ISK million	31.12.2021	31.12.2020	Change	% Chg.
Goodwill	14,668	14,668	0	0.0%
Other Intangible assets	4,744	4,971	-227	-4.6%
Property and equipment	32,544	32,297	247	0.8%
Leased assets	6,155	5,420	736	13.6%
Investment properties	6,100	7,467	-1,367	-18.3%
Shares in associates	2,324	2,150	174	8.1%
Shares in other companies	13	13	0	1.4%
Long-term receivables	228	272	-43	-16.0%
Non-current assets	66,778	67,258	-480	-0.7%
Inventories	9,545	7,668	1,877	24.5%
Trade receivables	4,757	4,924	-166	-3.4%
Other short-term receivables	889	952	-63	-6.6%
Cash and cash equivalents	4,003	2,563	1,440	56.2%
Current assets	19,194	16,107	3,087	19.2%
Total assets	85,972	83,365	2,607	3.1%

- Strong Balance Sheet.
- Fair value assessments of intercompany real estate were carried out, operating assets increased by ISK 2,026 million as a result.
- Higher inventories due to higher global oil prices and increased activity.
- Trade receivables decrease e.g., due to a new contract with credit card acquirer.
- Cash was ISK 4,003 million at end of Q4, increase of ISK 1,440 million from year beginning.

Current ratio



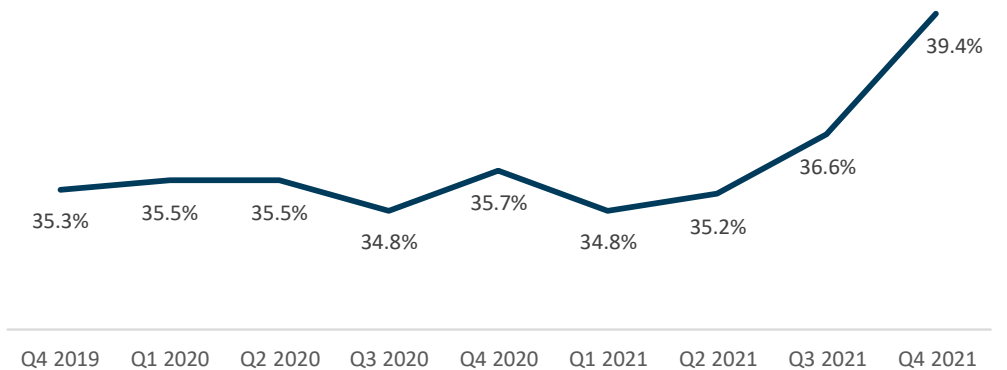
Inventory turnover



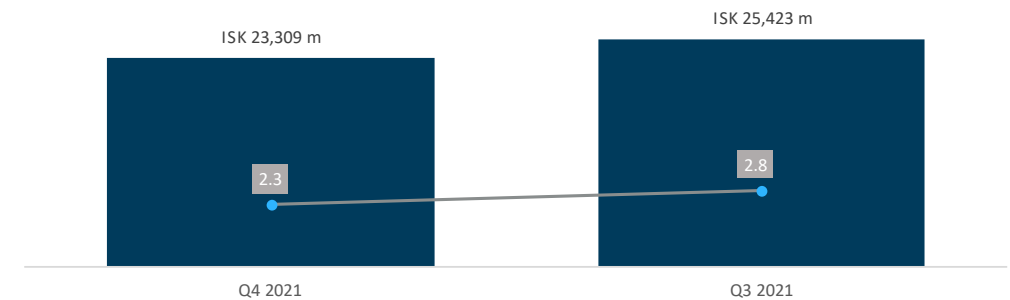
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts are in ISK million	31.12.2021	31.12.2020	Change	% Chg.
Equity	33,910	29,784	4,127	13.9%
Payable to credit institutions	25,930	29,075	-3,145	-10.8%
Lease liabilities	5,869	5,181	688	13.3%
Deferred tax liabilities	5,590	4,664	926	19.9%
Non-current liabilities	37,388	38,919	-1,531	-3.9%
Payable to credit institutions	1,382	3,474	-2,092	-60.2%
Lease liabilities	554	430	124	28.8%
Trade payables	7,022	7,019	3	0.0%
Other short-term liabilities	5,716	3,739	1,976	52.9%
Current liabilities	14,673	14,662	11	0.1%
Total equity and liabilities	85,972	83,365	2,607	3.1%

Equity ratio



■ Net interest bearing liabilities without lease liabilities
 ● Net interest bearing liabilities without lease liabilities / EBITDA

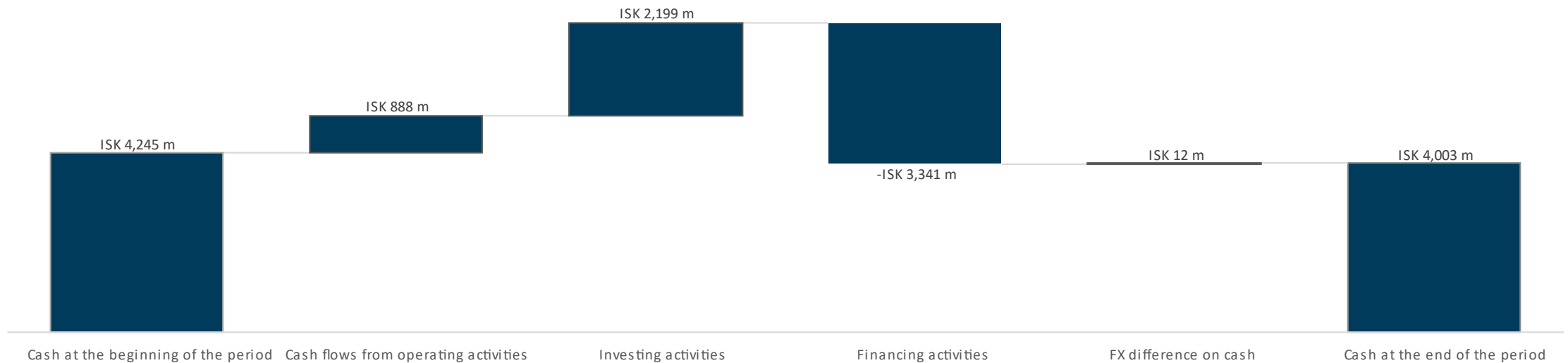


- Equity ratio of 39.4%
- Purchase of own shares ISK 1,461 million and dividends paid ISK 970 million during the year.
- Repayments of interest-bearing loans amounted to ISK 6,089 million during the year.
- Other short-term liabilities increase with higher inventories.
- Current capital structure is in line with company strategy and well within the covenant agreements with credit institutions.

CONSOLIDATED STATEMENT OF CASH FLOW Q4

Amounts are in ISK million	Q4 2021	Q4 2020	Change	% Chg.
Cash at the beginning of the period	4,245	4,991	-746	-14.9%
Cash flows from operating activities	888	18	870	4854.7%
Investing activities	2,199	-979	3,178	-324.7%
Financing activities	-3,341	-1,455	-1,886	129.7%
FX difference on cash	12	-12	24	-196.9%
Cash at the end of the period	4,003	2,563	1,440	56.2%

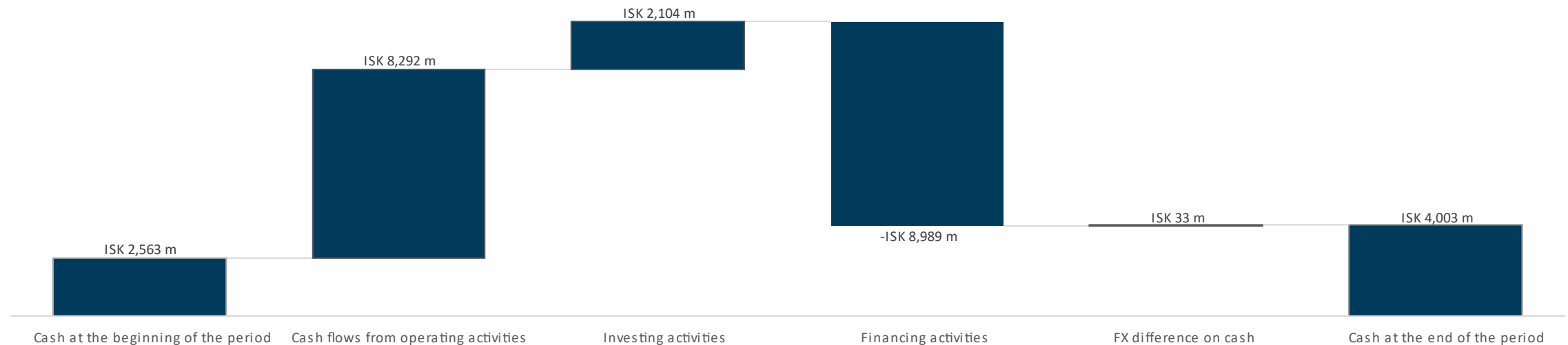
- Cash from operating activities was ISK 888 million an increase of ISK 870 million due to better results and changes in contract with the credit card acquirer.
- Investing activities are positive as ISK 2,199 million in Q4 2021, an increase of ISK 3,178 million YoY.
- Financing activities are negative and amount to ISK 3,341 million in Q4 2021, an increase of 1,886 million YoY.
- Decrease in cash position in Q4 2021 amounted to ISK 242 million



CONSOLIDATED STATEMENT OF CASH FLOW 12M

Amounts are in ISK million	12M 2021	12M 2020	Change	% Chg.
Cash at the beginning of the period	2,563	5,369	-2,806	-52.3%
Cash flows from operating activities	8,292	4,387	3,905	89.0%
Investing activities	2,104	-3,414	5,517	-161.6%
Financing activities	-8,989	-3,800	-5,189	136.5%
FX difference on cash	33	21	12	55.3%
Cash at the end of the period	4,003	2,563	1,440	56.2%

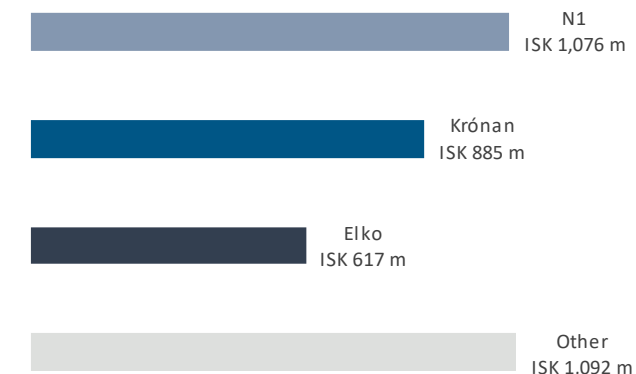
- Cash from operating activities was ISK 8,292 million, an increase of ISK 3,905 million YoY, due to better results and changes in contract with the credit card acquirer
- Investment activities are positive and amount to ISK 2,104 million in 2021, an increase ISK 5,517 million YoY.
- Financing activities are negative and amount to ISK 8,989 million in 2021, an increase of ISK 5,189 million YoY.
- Increase in cash position in 2021 was ISK 1,440 million, an increase of ISK 4,246 million YoY.



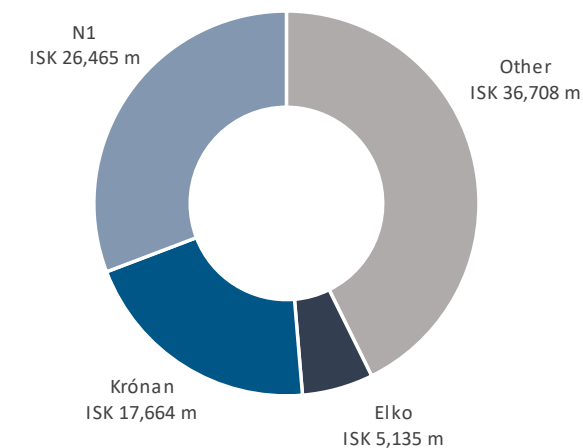
OPERATING SEGMENTS OF THE GROUP – Q4 2021

Amounts are in ISK million	N1	Krónan	Elko	Other	Total
Total segment revenue	10,044	11,853	4,820	1,902	28,620
Total operating expenses of segments	-8,968	-10,968	-4,203	-810	-24,950
Segment EBITDA	1,076	885	617	1,092	3,670
Segment depreciation and amortisation	-626	-392	-155	-32	-1,205
Fair value changes of investment properties	0	0	0	343	343
Operating result of segments	450	493	463	1,402	2,808
Financial expenses	-186	-99	-33	-500	-818
Share of profit from associates	0	0	0	8	8
Income tax expense	-4	-75	-86	-250	-415
Profit	259	320	344	660	1,583
Segment assets	26,465	17,664	5,135	36,708	85,972
Segment capital expenditure	864	700	215	603	2,381
Segment liabilities	16,480	12,623	3,553	19,406	52,061

Segment EBITDA



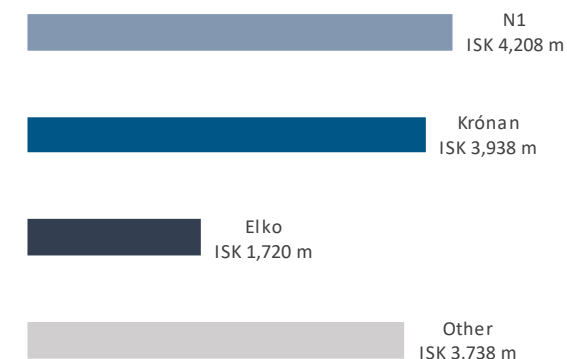
Segment Assets



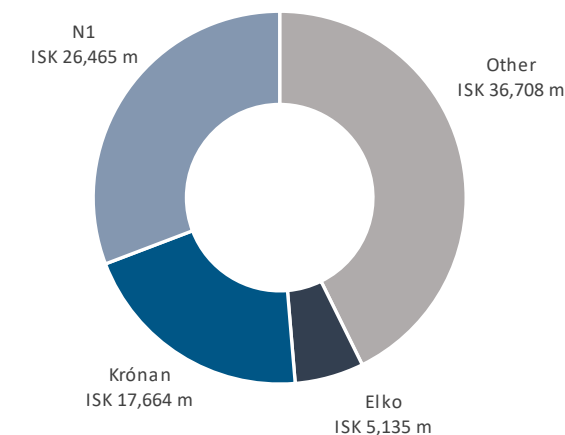
OPERATING SEGMENTS OF THE GROUP – 12M 2021

Amounts are in ISK million	N1	Krónan	Elko	Other	Total
Total segment revenue	37.755	46.824	15.444	7.268	107.292
Total operating expenses of segments	-33.547	-42.886	-13.725	-3.530	-93.688
Segment EBITDA	4.208	3.938	1.720	3.738	13.604
Segment depreciation and amortisation	-2.456	-1.514	-485	-1.115	-5.570
Fair value changes of investment properties	0	0	0	736	736
Operating result of segments	1.752	2.424	1.235	3.359	8.769
Financial expenses	-843	-418	-94	-1.982	-3.337
Share of profit from associates	0	0	0	301	301
Income tax expense	-204	-397	-228	-275	-1.103
Profit	705	1.608	912	1.403	4.630
Segment assets	26.465	17.664	5.135	36.708	85.972
Segment capital expenditure	864	700	215	603	2.381
Segment liabilities	16.480	12.623	3.553	19.406	52.061

Segment EBITDA

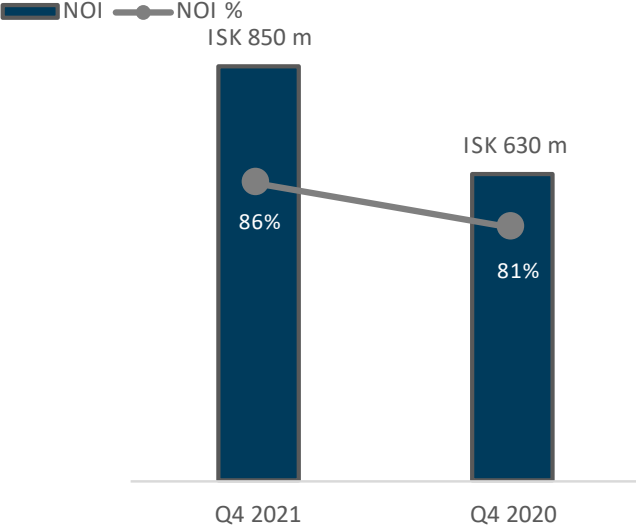


Segment Assets



REAL ESTATE OPERATIONS OF THE GROUP

Properties, key figures	Q4 2021	Q4 2020
NOI*	ISK 851 m	ISK 631 m
NOI ratio	86%	81%
Utization ratio	97%	97%
LTV**	57%	61%
Number of Festi's properties	85	93
Total square meters	92 thousand m ²	106 thousand m ²
Own use	85%	84%
Leased to third parties	15%	16%



* Net operating income

** Loan-to-value ratio

SHARE PRICE DEVELOPMENT



Shareholders (10 largest)

	%
Lífeyrissjóður starfsmanna ríkisins A-, B- og S-deild	14.7
Gildi - lífeyrissjóður	10.6
Lífeyrissjóður verzlunarmanna	9.8
Brú Lífeyrissjóður starfsmanna sveitafélaga	6.5
Birta lífeyrissjóður	5.9
Almenni lífeyrissjóðurinn	4.8
Stapi lífeyrissjóður	4.7
Stefnir	4.4
Frjálsi lífeyrissjóðurinn	3.6
Söfnunarsjóður lífeyrisréttinda	2.9

Market information

Issued shares	316 m.
Market cap at the end of Dec 2021	ISK 73,111 M
Market cap at the end of Dec 2020	ISK 56,417 M
Number of shareholders	1,037



POSITION AND OUTLOOK



POSITION AND OUTLOOK FOR 2022

Financial forecast 2022

- EBITDA forecast for the year 2022 is estimated to be ISK 9,000 – ISK 9,400 million

Assumptions:

- Increase in imported goods and delays in the supply chain in the world market.
- Large fluctuations in ISK exchange rate and global oil markets turmoil can lead to changes in margins and sales.
- Uncertainty due to COVID-19 effects.

Highlights:

- All companies of the group showed their best ever operating results.
- Completed sales of 3 real estates to Reitir during the quarter
- Fair value revaluation of real estate in own operations amounted to just over ISK 2 billion.
- Next year will be a large investment year.

Investments and transactions with shareholders:

- Investments in Q4 2021 amounted to ISK 846 million.
- Investments are expected as ISK 5,500 million for 2022.
- Purchase of own shares for ISK 669 million during the quarter.
- Purchase of own shares in Q1 2022 amounts to ISK 837 million.
- Proposal to the AGM is to pay ISK 5 per share in dividend ISK 1,581 million.

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