

Presentation of Q4 2022 results

9 February 2023

Magnús Kr. Ingason



- **Q4 operations**

- Q4 results and 12M 2022

- Position and outlook

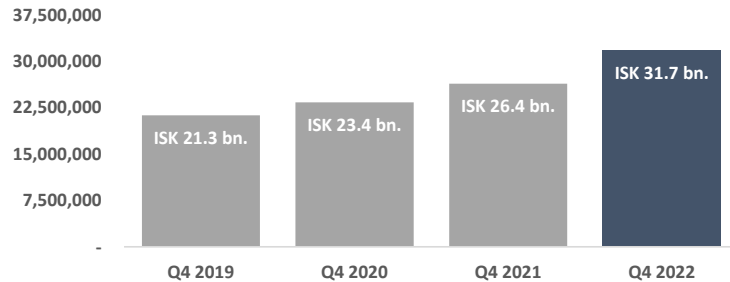
Consolidated highlightst Q4 2022



Sale of goods and services

ISK 31,744 m.

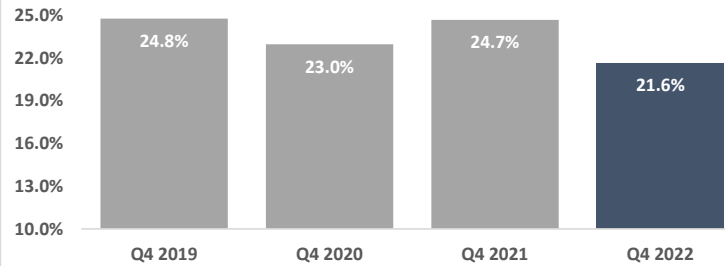
+20.1% YoY



Margin from sales

21.6%

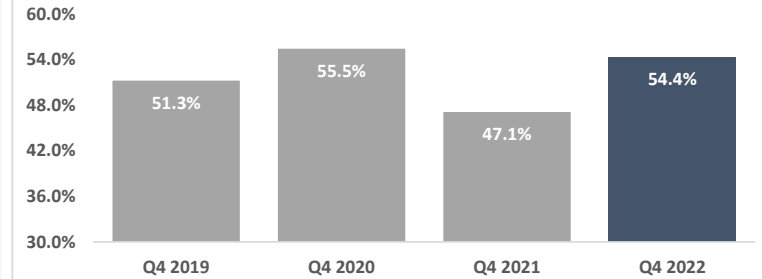
-3.1 p.p. YoY



Salaries/Margin from sales

54.4%

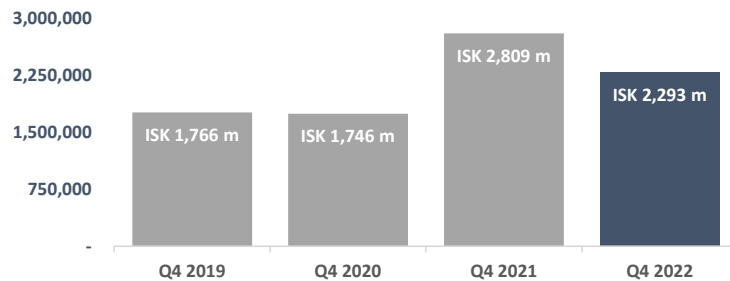
+7.3 p.p. YoY



EBITDA

ISK 2,293 m.

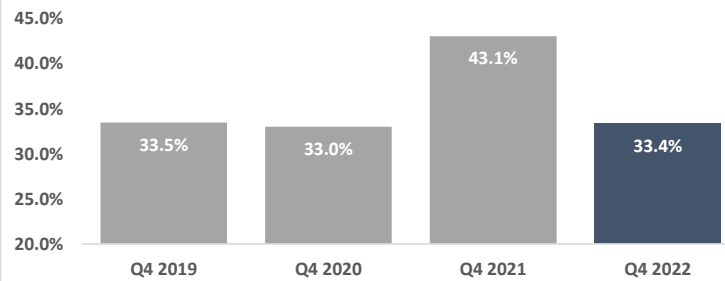
-18.4% YoY



EBITDA/Margin from sales

33.4%

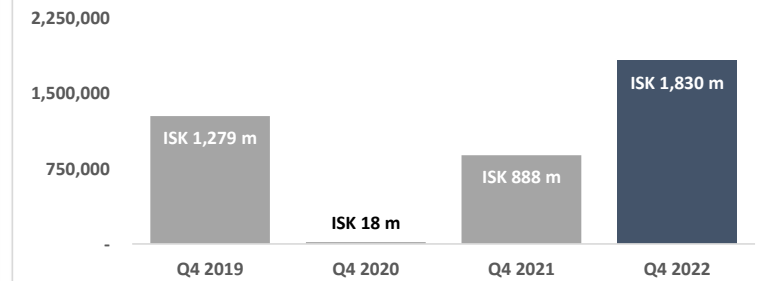
-9.7 p.p. YoY



Net cash from operations

ISK 1,830 m.

+206.1% YoY



Significant growth in sales in Q4 2022



- **Sale of goods and services increased by 20.1% year-on-year** as volume has increased in most areas of the operation.
- Significant increases in commodity prices between years had a major impact on turnover and the margin level, especially in the fuel part of the operation. The margin level decreased by 3.1 pp between years.
- In December Krónan opened an elegant store in Akureyri to great reception. Home deliveries via Krónans online store is available from February 1, 2023.
- ELKO's electronic sales increased by 4.5% in the quarter but at the same time there are indications that the electronics market has shrunk by 10% according to Meniga.
- Icelandic Food Company ehf., 45% stake acquired and is a wholly-owned subsidiary of Krónan from January 2023.
- The transfer of Reykjavík city purchases of electricity from ON to N1. For the first time Reykjavík City purchases electricity from other electricity supplier.
- N1 Service app is off to a great start and around 5,000 people have already downloaded the app.



Increased service and products variety at N1



- **N1 strengthens its offering of healthy and fresh fast food.** New Djúsi branches has been opened in Borgartún in 4Q. Djúsi and Ísey Skeyr Bar will open at N1 in Háholt in Q1 2023
- **New and enhanced service station opened in Stórihjalli.** Significantly improved customer service experience.
- **Service stations N1** delivered around 82 thousand **Dropp** packages in Q4 and 214 packages during the year.
- **Car Service N1** – Increase in sales from last year in all product categories. In addition N1 Tirehotel popularity is increasing and great growth between years.
- **Car workshop N1 in Klettagarðar** has been well received by customers with larger cars and equipment.



Digital development and charity



- **N1 Service app is off to a great start** and around 5,000 people have already downloaded the app.
- **Digital development is ongoing.** Customers will soon be able to order catering from N1, Ísey Skyr Bar and Djúsí with the app.
- N1 will take the first steps towards **self-service** in the coming months with the installation of „Kiosks“ at selected N1 service centres.
- **N1 supported a number of charities during the year.** To mention a few as Women´s shelter, BUGL, Maternity support committee, Family support and Píeta.
- **N1 stands out at events during the year** both at the Agricultural EXPO and the Iceland Fishing EXPO



N1 Rafmagn merges with N1 from the beginning of the year 2023



- **N1 Rafmagn merged with N1 at the beginning of the year**, which enables the company to increase its service offering to all N1 customers.
- **N1 Rafmagn's customers** exceeded 21 thousand for the first time in the second half of the year.
- **Two new fast charging stations** were installed at the N1 service station in Borgarnes, and **N1 is working on increasing the number of fast charging stations** at other service stations in the coming months.
- **The N1 app was activated for all fast charging stations** and now N1 customers can start and stop charging with the app as well as find the nearest available fast charging station.



Elegant new store opened in Akureyri and a lot of traffic in Krónan's online sales.



- In December **Krónan opened an elegant store in Akureyri** to great reception. Home deliveries via Krónan's online store will be available from February 2023.
- **Renovation and updating of Krónan in Mosfellsbær and Árbær completed** with positive feedback from customers.
- **Krónan's online sales is booming** and sales have increased by 70% compared to the same period in 2021.
- **Scan and go is now available in all of the 26 stores** and its popularity is steadily increasing.
- **Krónan has decided to quit using the Kr. brand** and therefore the Kr. stores in Vík and Þorlákshöfn will be converted into Krónan in the beginning of the year 2023.
- **Krónan opened a dry goods bar in Skeifan** as a new addition to Krónan's packaging free solutions.
- **The production company Icelandic Food Company was purchased at the end of the year and is now a subsidiary of Krónan.** With this Kronan will strengthen its position in ready-made meals and semi ready-made meals.
- **Krónan was selected as one of the top 5 marketing companies in the country** according to ÍMARK.
- **Krónan was nominated to the Fjöregg** for remarkable success in reducing food waste.



Icelandic Food Company new subsidiary of Krónan



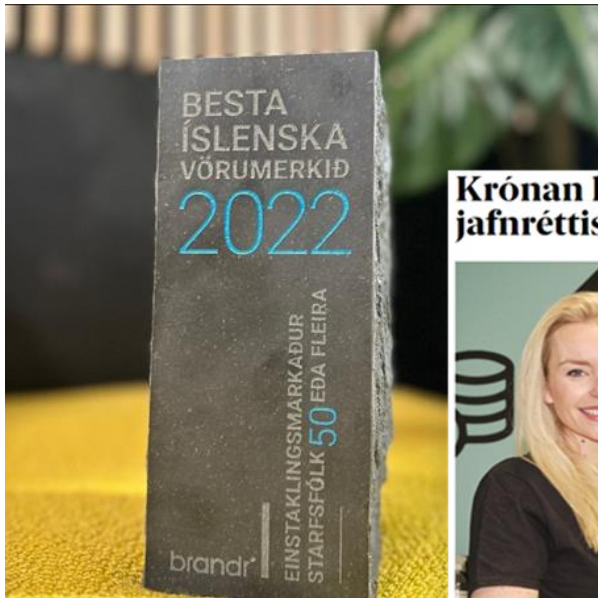
- **The company was founded at the end of 2019** as a collaborative project between Gleðipinnar, Rotisserie and Festi to handle production of products for sale in Krónan, N1 and Gleðipinnar's restaurants.
- **In 2022, the name and trademark was changed** to Icelandic Food Company (IFC ehf.).
- **Icelandic Food Company was bought by Krónan late in the year and is now wholly-owned subsidiary of Krónan.** This will further strengthen Krónan's position in ready-made meals and semi ready-made meals.
- **The managing director of the company is Þórður Bjarnason.**



Krónan has the most satisfied customers and visible results in gender equality



- Krónan won The Icelandic Satisfaction Scale for the sixth year in a row and has the most satisfied customers in the grocery market.
- Krónan was recognized by FKA Balance Scale for gender equality in the top layer of management.
- Krónan received the Gender equality Incentive Award for Equality from SA Confederation of Icelandic Enterprise and the University of Iceland for visible success in equality issues.
- Krónan was recognized by Brandr for the best Icelandic brand in the consumer market.



Krónan hlýtur Hvatningarverðlaun jafnréttismála árið 2022

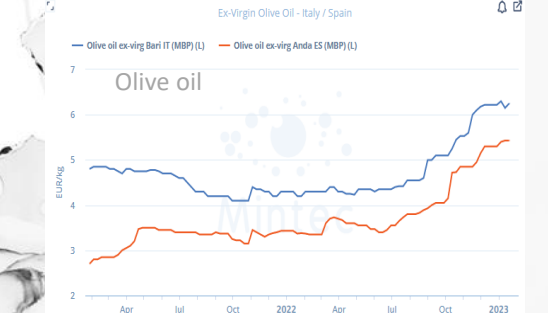
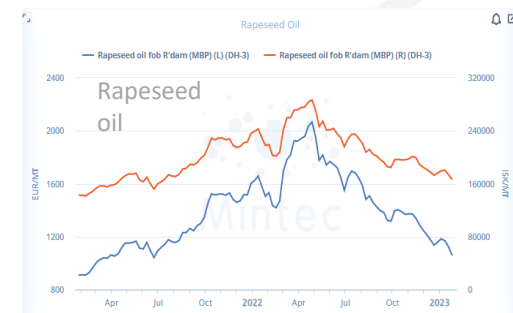
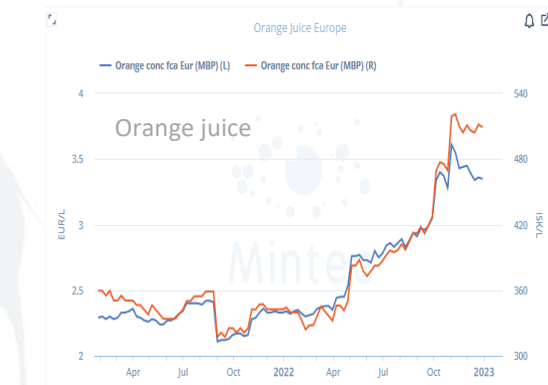
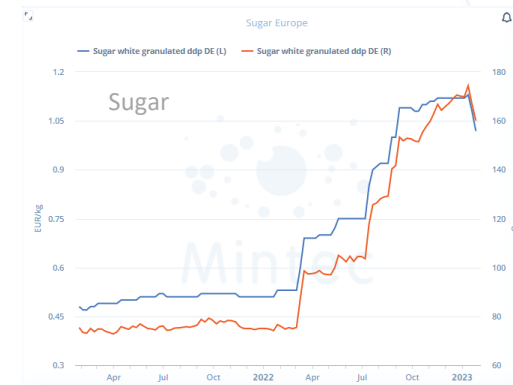
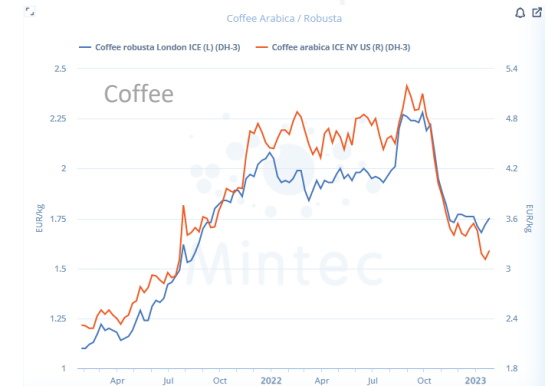
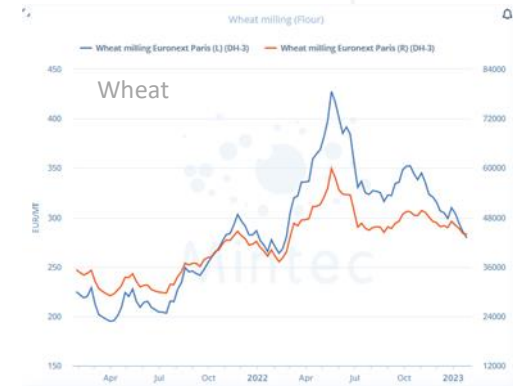


- More than 450 families received a food support before for Christmas from Krónan and the customers of Krónan or a total of ISK 10 million.
- A magnificent Christmas campaign was proved successful as Krónan hosted the biggest secret santa game in Icelandic history.
- Krónan's share of the grocery market among people aged from 25-55 in the capital area has increased from 33% in 2019 to 42% in 2022 according to a market survey performed by Gallup.
- Recommendation (NPS) from Krónan's customers according to Gallup had the highest score in December with the score of 28 points compared to the competition average of 10 points.

Price trends and commodity markets



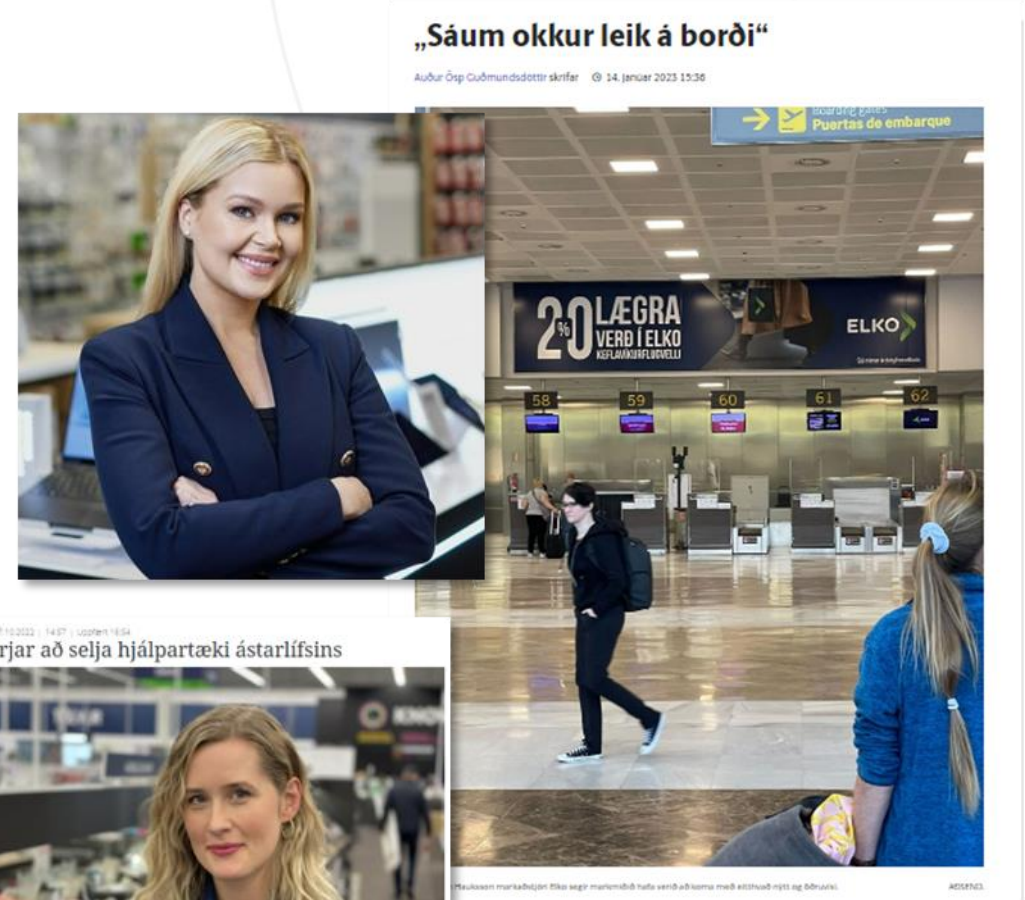
- There are clear signs in Q4 that **consumers have changed their consumption patterns** and are increasingly **choosing cheaper options** due to the change in price trends. Its expected to see this trend continue.
- Continued pressure on margins as **conditions in commodity markets remain difficult**. Energy costs and gas prices abroad remain high. The continued weakening in Icelandic currency is also a concern.
- **Prices on the commodity markets have started to fall in many product categories**, but it varies when this results in lower purchase prices. We expect to see decreases in prices of for example wheat and coffee before the end of Q2 2023. The situation remains difficult in gas-intensive production such as paper.
- **We are looking at all options to optimize prices and prevent increased costs in the supply chain**. We have increased the number of foreign suppliers and increased our own imports in the last few months.



ELKO increases market share that otherwise indicates a recession



- There are indications that the electronics market has shrunk by 10% according to Meniga while ELKO's sales increase in electronics was 4.5% in the quarter.
- **Pleasure toys** were available for sale online on Singles' Day and were well received. The products are also available at Keflavík Airport.
- **The synergy of ELKO's new location in Skeifan** next to Krónan's store is significant, but the year-on-year increase in sales in the area is 20% in the quarter.
- **ELKO advertised for the first time abroad** at the airport in Tenerife.
- **Jónína Birgisdóttir was appointed director of ELKO's service department.** Jónína was previously the sales and service manager at Alma housing association, where Jónína was in charge of the service department. Jónína is a lawyer.



Vísun | nr. | 27.10.2022 | 14:57 | Lopten 18:54
Elko byrjar að selja hjálpartæki ástarlífsins

Rannveig, heggsjónastofur vinnuþrófi. Einn áhrifur sem fókust sem unnskildur, löngu komna úr úr þessum ástandi. Ágætis áhrif á þessum 25 árum þegar þú snerst frá náttúru og ljósmáttum.

ELKO's online store has never been more popular



- **ELKO's online store's percentage of sales has never been higher** in December or over 30% of sales. It is clear that customers continue to use online shopping more and more.
- **ELKO's Christmas campaign** premiered in November with great reception, where the focus on how **ELKO can make life easier with incredible technology and service**. ELKO's Christmas gift guide was published as before with great excitement from customers.
- **ELKO distributed from its grant fund**, as in previous years, during the quarter, where customers chose who received the grant and the **Foundation for Children with Cancer** was chosen. Employees also chose by themselves and handed over grants to numerous of charities. **The Women's Shelter** was also supported with a selection of equipment and recreational materials.
- **Playstation 5 is still popular**, low supply and all shipments **sold out quickly** during the year.
- **Air Fryer was the Christmas gift of the year!**



Summary



- Q4 operations
- Q4 results and 12M 2022
- Position and outlook

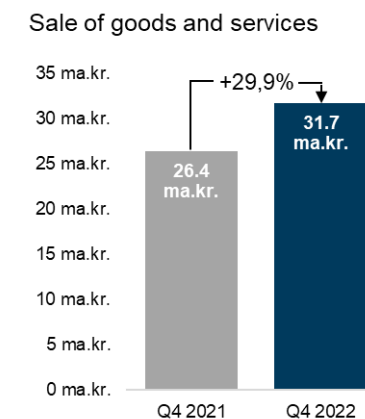
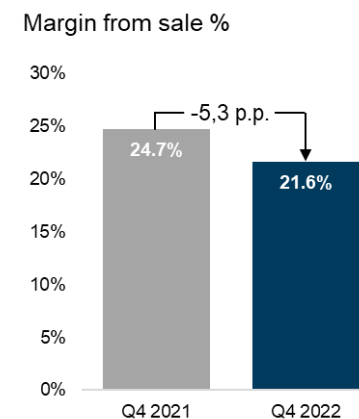
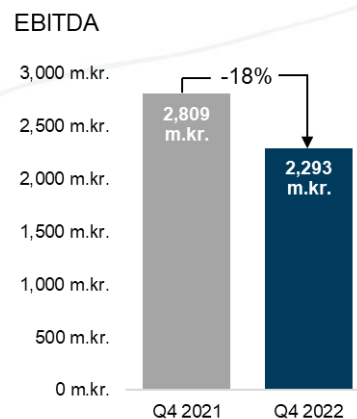
Operations of the group in 4Q 2022



- **Sale of goods and services** increased by ISK 5.3 billion or 20.1% YoY.
- **Margin from sale** was ISK 6,871 million, increase of ISK 349 million or 5.4% YoY.
- **Sharp rises in commodity prices**, transportation and distribution costs in comparison between years increase turnover but lower margin level.
- **Salaries and personnel expenses** ISK 3,735 million, increase of ISK 663 million or 21.6% YoY.
- **Number of full-time employees** 1,284, increase by 129 or 11,2% YoY.
- **Additional costs** due to a new collective wage agreement in the labour market from the last 1 November amounted to ISK 200 million in the quarter.
- **EBITDA** ISK 2,293 million in the fourth quarter, decrease by ISK 516 million or 18.4% YoY.

Amounts are in ISK million

	Q4 2022	Q4 2021	Change	% Chg.
Sale of goods and services	31,744	26,428	5,316	20.1%
Margin from sale of goods and services	6,871	6,522	349	5.4%
Lease revenue and operating income	673	724	(51)	-7.1%
Salaries and personnel expenses	(3,735)	(3,072)	(663)	21.6%
Other operating expenses	(1,515)	(1,364)	(151)	11.1%
EBITDA	2,293	2,809	(516)	-18.4%
Key Figures				
EBITDA/Margin from sales	33.4%	43.1%	-9.8%	-22.5%
Salaries/Margin from sales	54.4%	47.1%	7.3%	15.4%
Earnings per share	2.29	4.26	-1.97	-46.2%



Operations of the group in 2022

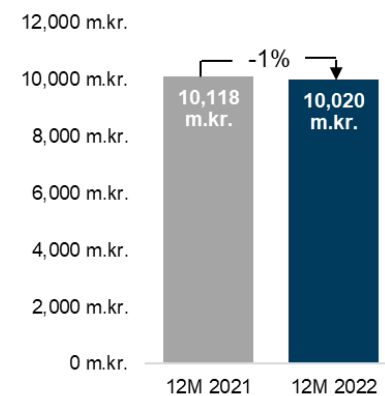


- **Sale of goods and services** increased by ISK 22.7 billion or 23% between years.
- **Margin from sale** was ISK 26,994 million, increase of ISK 2,348 million or 9.5% between years.
- **Sharp rises in commodity prices**, transportation and distribution costs in comparison between years increase turnover but lower margin level.
- **Salaries and personnel expenses** ISK 13,456 million, increase of ISK 1,797 million or 15.4% from last year.
- **Number of full-time employees** 1,251, increase by 74 or 6.3% from last year.
- **EBITDA** ISK 10,020 million in the year, decrease by ISK 98 million or 1.0% from last year.

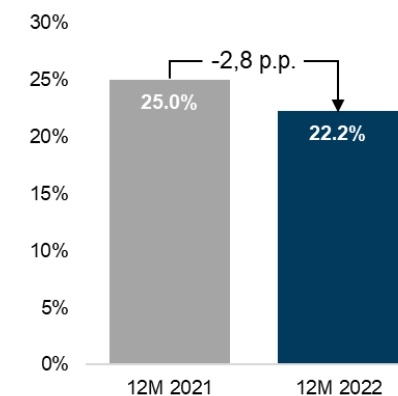
Amounts are in ISK million

	12M 2022	12M 2021	Change	% Chg.
Sale of goods and services	121,398	98,736	22,662	23.0%
Margin from sale of goods and services	26,994	24,646	2,348	9.5%
Lease revenue and operating income	2,386	2,316	70	3.0%
Salaries and personnel expenses	(13,456)	(11,659)	(1,797)	15.4%
Other operating expenses	(5,905)	(5,186)	(719)	13.9%
EBITDA	10,020	10,118	(98)	-1.0%
Key Figures				
EBITDA/Sales margin	37.1%	41.1%	-3.9%	-9.6%
Salaries/Sales margin	49.8%	47.3%	2.5%	5.4%
Earnings per share	13.19	15.48	-2.29	-14.8%

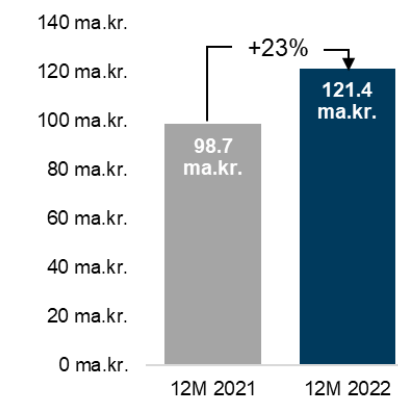
EBITDA



Margin from sale %



Sale of goods and services

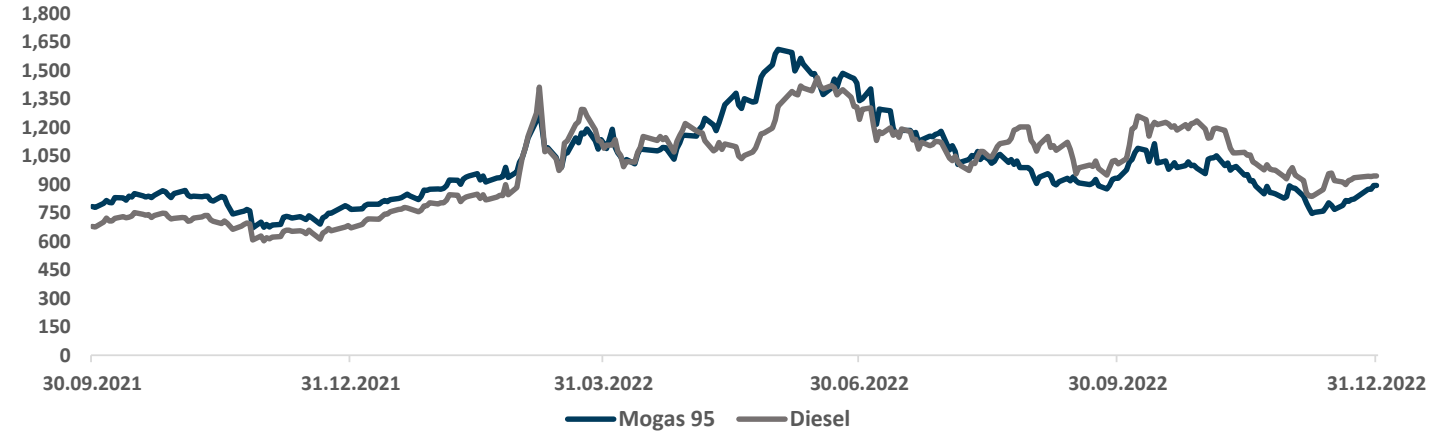


External factors Q4 2022



- Fluctuations in fuel prices between 4Q 2021 and 4Q 2022:
- Diesel average price was USD 1,058 compared to USD 690 in Q4 2021, increase by 53%.
- Gosoline average price was USD 927 compared to USD 785 dollar in Q4 2021, increase by 18%.

Price development of Mogas 95 and Diesel



- Fluctuations in currency USD/ISK and EUR/ISK between 4Q 2021 and 4Q 2022:
- USD/ISK strengthened by 10.4% against ISK and the difference between the highest and lowest exchange rate in Q4 is 5.8%.
- EUR/ISK weakened by 1.6% against ISK and the difference between highest and lowest exchange rate in Q4 is 9.3%.

Exchange rate development

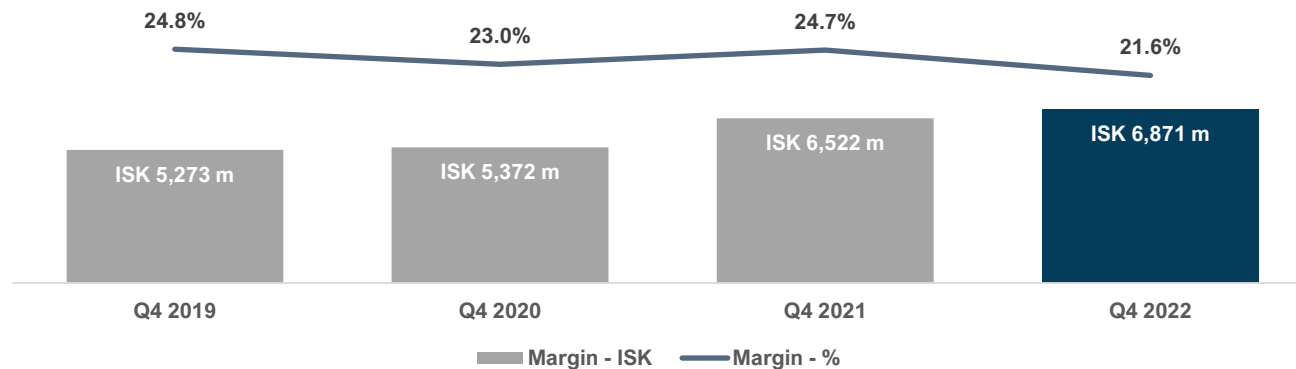


Margin from sales – Fourth Quarter

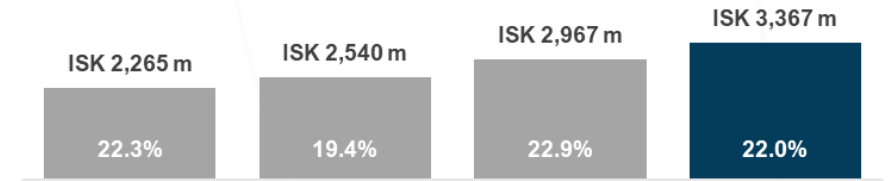


- **Turnover increases** in every category but **margin from sales decreases** due to increasing commodity prices and international inflation.
- **Margin ratio in Q4 2022 was 21.6%** a decrease of 3.1 p.p.
- **Margin from sales in ISK increases** YoY in every category except fuel.
- **Margin from sales in ISK in grocery and convenience goods increases 13.5% YoY, Fuel and electricity decreases 18.7%, electronic equipment increases 1.1% and other goods and services increase 16.2% YoY.**
- **Total margin from sales** increases by 5,4% YOY and is 6,871 million compared to 6,522 million in Q4 2021.

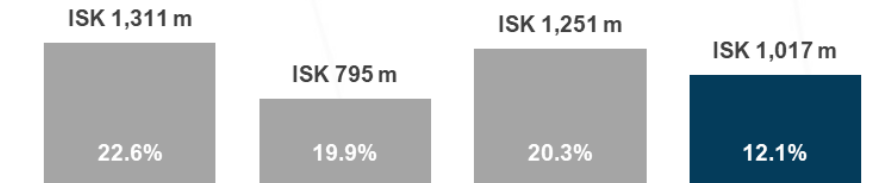
Margin from sale of goods and services



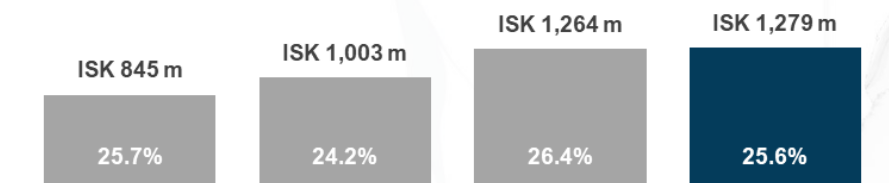
Grocery and convenience goods



Fuel and electricity



Electronic equipment



Other goods and services



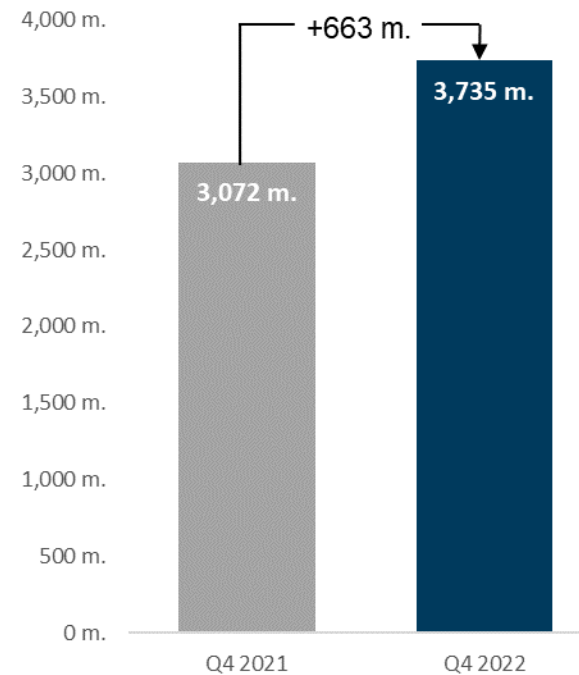
Salaries and other personnel expenses



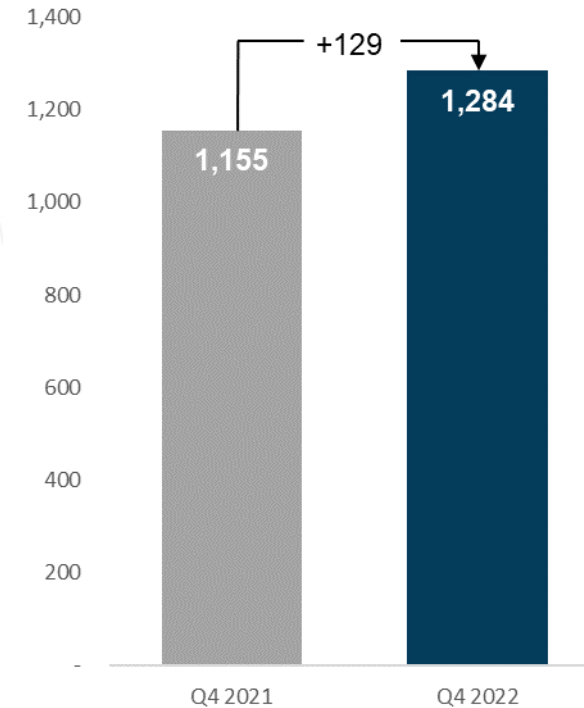
- Salaries and other personnel expenses increases by ISK 663 million YoY.
- Full-time equivalents increase by 129 YoY and the increase amounts to ISK 321 million.
 - Krónan and ELKO's new stores, N1's new car workshop along with new outlets are the main reason for the increasment.
- Three contractual wage increases came to effect between the periods in January, April and November 2022 and had an effect of 315 million YoY increase.

Salaries and other personnel expenses Q4 2021	3,072
Change in full-time equivalents	321
Contractual wage increases	248
Accrued vacation, change	67
Personnel expenses	27
Salaries and other personnel expenses Q4 2022	3,735

Salaries and other personell expenses
YoY comparison



Full time equivalents
YoY comparison

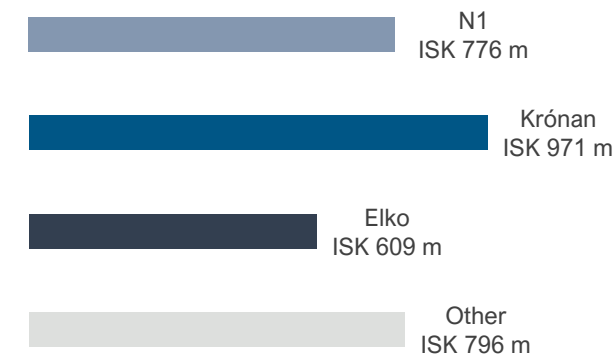


Operating segments of the group – Q4 2022

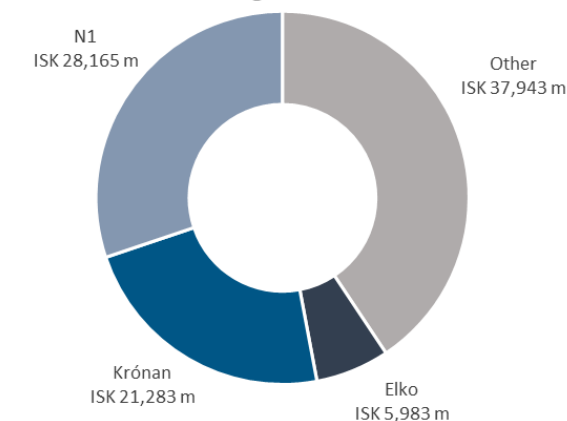


Amounts are in ISK million	N1	Krónan	Elko	Other	Total
Operating revenue outside of group	12,936	14,086	5,094	321	32,436
Other revenue within group	72.8	24.2	2.7	1,613	1,712
Total segment revenue	13,009	14,110	5,096	1,934	34,149
Total operating expenses of segments	(12,233)	(13,139)	(4,488)	(1,138)	(30,997)
Segment EBITDA	776	971	609	796	3,152
Segment depreciation and amortisation	(688)	(494)	(139)	(90)	(1,410)
Fair value changes of investment properties	0	0	0	174	174
Operating result of segments	88	477	470	881	1,916
Financial expenses	(325)	(127)	(54)	(583)	(1,090)
Share of profit from associates	0	0	0	69	69
Income tax expense	40	(42)	(83)	(53)	(139)
Profit	(198)	308	332	314	756
Segment assets	28,165	21,283	5,983	37,943	93,373
Segment capital expenditure	1,224	1,735	534	2,281	5,774
Segment liabilities	18,070	16,708	4,308	19,827	58,913

Segment EBITDA



Segment Assets



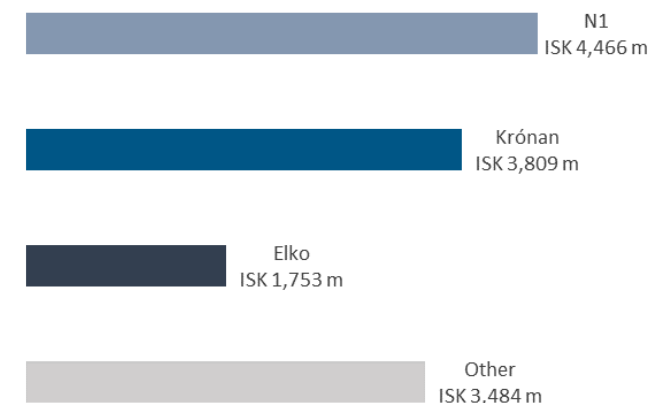
Operating segments of the group – 12M 2022



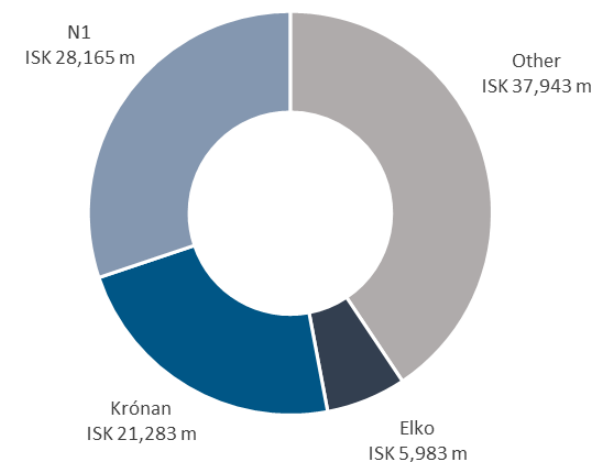
Amounts are in ISK million

	N1	Krónan	Elko	Other	Total
Operating revenue outside of group	54,259	51,332	16,950	1,244	123,785
Other revenue within group	263.5	94.7	11.9	6,372	6,742
Total segment revenue	54,522	51,427	16,962	7,616	130,526
Total operating expenses of segments	(50,056)	(47,618)	(15,209)	(4,132)	(117,014)
Segment EBITDA	4,466	3,809	1,753	3,484	13,513
Segment depreciation and amortisation	(2,639)	(1,797)	(522)	(859)	(5,817)
Fair value changes of investment properties	0	0	0	216	216
Operating result of segments	1,827	2,012	1,231	2,842	7,912
Financial expenses	(886)	(443)	(117)	(2,181)	(3,628)
Share of profit from associates	0	0	0	453	453
Income tax expense	(196)	(286)	(223)	(110)	(814)
Profit	745	1,283	891	1,004	3,924
Segment assets	28,165	21,283	5,983	37,943	93,373
Segment capital expenditure	1,224	1,735	534	2,281	5,774
Segment liabilities	18,070	16,708	4,308	19,827	58,913

Segment EBITDA



Segment Assets



N1 – Highlights Q4 2022



- Revenue was ISK 13,009 million, an increase of ISK 2,964 million or 29.5% YoY.
- Sales of fuel and electricity increased by ISK 2,263 million or 36.7% YoY. Sales in liters were 41.8 million, 1% higher than last year, but the price increase in fuel YoY has other effects.
- Sale of other goods and services increase by ISK 632 million or 16.6% YoY of which largest increase came from sale of tires, service and chemicals.
- Margin from fuel and electricity sales was ISK 1,018 million, decrease of ISK 232 million or 18.6% YoY. Loss from fuel hedges was ISK 124 million YoY. There was also a lower margin per liter of most fuels and electricity.
- Margin from other goods and services amount to ISK 1,171 million, increase of ISK 201 millions or 20.8% YoY.
EBITDA was ISK 776 million, a decrease of ISK 301 million or 27.9% YoY.

 **95**
Afgreiðslustaðir
eldsneytis

 **12**
Hjólbarða- og
smurverkstæði

 **14**
Afgreiðslustaðir
rafhleðslu

	Q4 2022	Q4 2021	Change	%
Total revenue	13,009	10,044	2,964	29.5%
Total cost	(12,233)	(8,968)	(3,265)	36.4%
EBITDA	776	1,076	(301)	-27.9%
EBITDA-ratio	6.0%	10.7%	-4.8 p.p.	-44.3%
EBIT	88	450	(362)	-80.4%
EBIT-ratio	0.7%	4.5%	-3.8 p.p.	-84.9%
Profit (loss)	(198)	259	(457)	-176.2%

KRÓNAN – Highlights Q4 2022



- Revenue was ISK 14,110 million, an increase of 2,257 million or 19.0% YoY
- New stores opened in Borgartún, Akureyri and Skeifan and one was closed in Skeifan. Like for like, revenues are up by 8.7% YoY.
- Conditions in the commodity markets are difficult due to the war in Ukraine affecting prices and product variety.
- Freezing the prices of 240 products throughout the quarter to respond to calls for „fight against inflation“.
- Continuing price increase in all product categories keep the margin level under pressure. .
- EBITDA was ISK 971 million, an increase of ISK 86 million or 9.7% YoY.

 **27**
Matvöruverslanir

 Fyrsta verslunarkeðjan á Íslandi með Svansvottun

 **6 ár**
Ánægðustu viðskiptavinir á matvörumarkaði

	Q4 2022	Q4 2021	Change	%
Total revenue	14,110	11,853	2,257	19.0%
Total cost	(13,139)	(10,968)	(2,171)	19.8%
EBITDA	971	885	86	9.7%
EBITDA-ratio	6.9%	7.5%	-0.6 p.p.	-7.8%
EBIT	477	493	(16)	-3.3%
EBIT-ratio	3.4%	4.2%	-0.8 p.p.	-18.8%
Profit (loss)	308	320	(12)	-3.7%

ELKO – Highlights Q4 2022



- Revenue was ISK 5,096 million, increase of 276 million or 5.7% YoY.
- Stores in Keflavik airport are recovering due to increasing tourism, huge increase or 70% YoY.
- Increase in new ELKO store in Skeifan but decrease in other stores in the capital area between years.
- Margin levels similar between years but under high pressure due to price increases from suppliers.
- EBITDA was 609 million, decrease of 8 million or 1.4% YoY.



Raftækjaverslanir



Jafnvægisvogin 2022



Fyrirmyndarfyirtæki
VR 2022

	Q4 2022	Q4 2021	Change	%
Total revenue	5,096	4,820	276	5.7%
Total cost	(4,488)	(4,203)	(285)	6.8%
EBITDA	609	617	(8)	-1.4%
EBITDA-ratio	11.9%	12.8%	-0.9 p.p.	-6.7%
EBIT	470	463	7	1.6%
EBIT-ratio	9.2%	9.6%	-0.4 p.p.	-3.9%
Profit (loss)	332	344	(11)	-3.3%

Other entities highlights Q4 2022

BAKKINN
vöruhótel



FESTI
fasteignir

- Revenue was 1,934 million, increase of ISK 31 million or 1.7% YoY.
- Net operating income of properties were ISK 983 million, compared to ISK 990 million Q4 2021.
- Own use of property increased to 88% compared to 85% Q4 2021, increase of 3 pp.
- Profit of ISK 276 million from sale of four properties in the fourth quarter of last year skews the EBITDA comparison YoY.
- EBITDA ISK 796 million, an decrease of ISK 296 million or ISK 20 million if last years salesprofit is accounted for.

 **81**
Eignir í eigu
samstæðunnar

 **97%**
Húsnæðis í útleigu

 **88%**
Eigin not húsnæðis

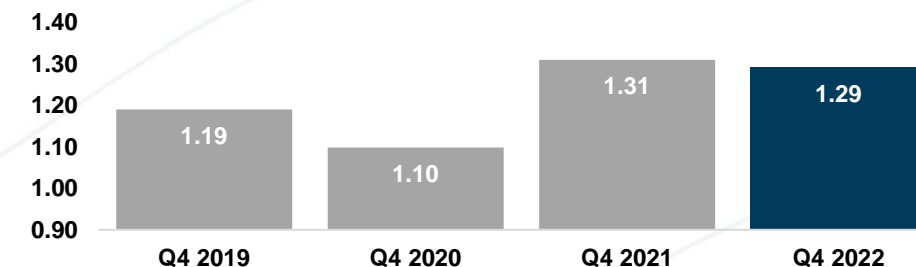
	Q4 2022	Q4 2021	Change	%
Total revenue	1,934	1,902	31	1.7%
Total cost	(1,138)	(810)	(327)	40.4%
EBITDA	796	1,092	(296)	-27.1%
EBITDA-ratio	41.2%	57.4%	-16.2 p.p.	-28.3%
EBIT	881	1,050	(170)	-16.2%
EBIT-ratio	45.5%	55.2%	-9.7 p.p.	-17.5%
Profit (loss)	314	378	(65)	-17.1%

Statement of Financial Position 31.12.2022

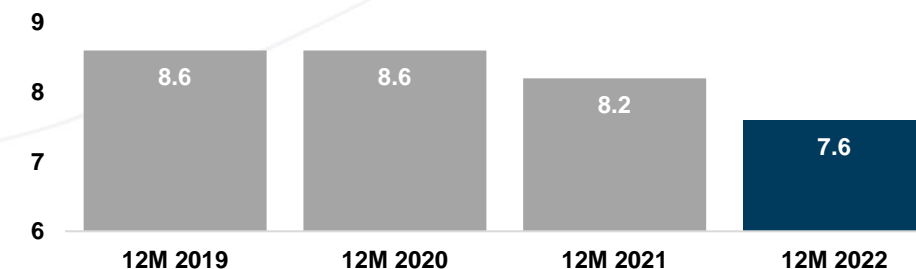


Amounts are in ISK million	31.12.2022	31.12.2021	Change	%
Goodwill	14,862	14,668	194	1.3%
Other Intangible assets	4,517	4,744	(228)	-4.8%
Property and equipment	34,815	32,544	2,271	7.0%
Leased assets	8,012	6,155	1,857	30.2%
Investment properties	6,479	6,100	378	6.2%
Shares in associates	2,601	2,324	277	11.9%
Shares in other companies	14	13	1	9.3%
Long-term receivables	150	228	(78)	-34.1%
Non-current assets	71,450	66,778	4,673	7.0%
Inventories	13,086	9,545	3,540	37.1%
Trade receivables	5,960	4,757	1,203	25.3%
Other short-term receivables	764	889	(124)	-14.0%
Cash and cash equivalents	2,112	4,003	(1,891)	-47.2%
Current assets	21,923	19,194	2,728	14.2%
Total assets	93,373	85,972	7,401	8.6%

Current ratio



Inventory turnover



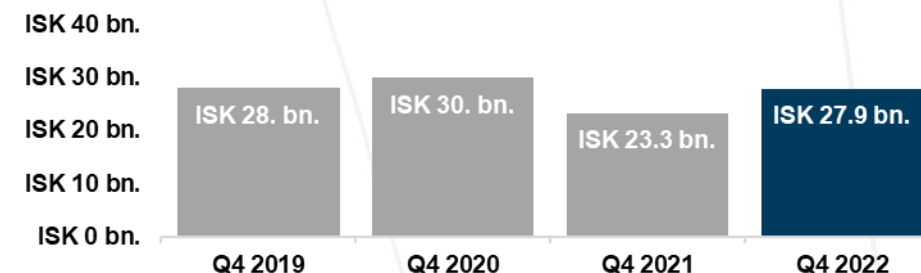
- **Strong balance sheet**
- Operational- and investment assets **increase by ISK 2,649 million, due to large investments** during the year.
- Leased assets **increased due to new lease contracts** for new stores.
- Accounts receivable and inventories **increase in line with price hikes in the commodities markets** and opening of new stores.
- **Cash balance was ISK 2,112 million at year end, a decrease** of 1,891 million from year end 2021.

Statement of Financial Position 31.12.2022

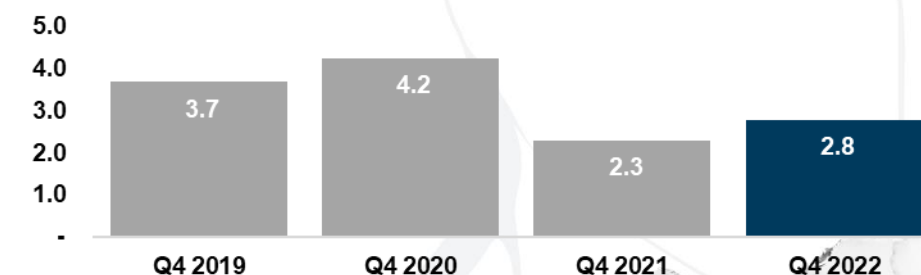


Amounts are in ISK million	31.12.2022	31.12.2021	Change	%
Equity	34,460	33,910	550	1.6%
Payable to credit institutions	28,224	25,930	2,295	8.8%
Lease liabilities	7,715	5,869	1,846	31.5%
Deferred tax liabilities	6,001	5,590	411	7.3%
Non-current liabilities	41,940	37,388	4,552	12.2%
Payable to credit institutions	1,790	1,382	408	29.5%
Lease liabilities	712	554	158	28.5%
Trade payables	8,630	7,022	1,609	22.9%
Other short-term liabilities	5,841	5,716	126	2.2%
Current liabilities	16,973	14,673	2,300	15.7%
Total equity and liabilities	93,373	85,972	7,401	8.6%

Net interest bearing debt



Net interest bearing debt / EBITDA



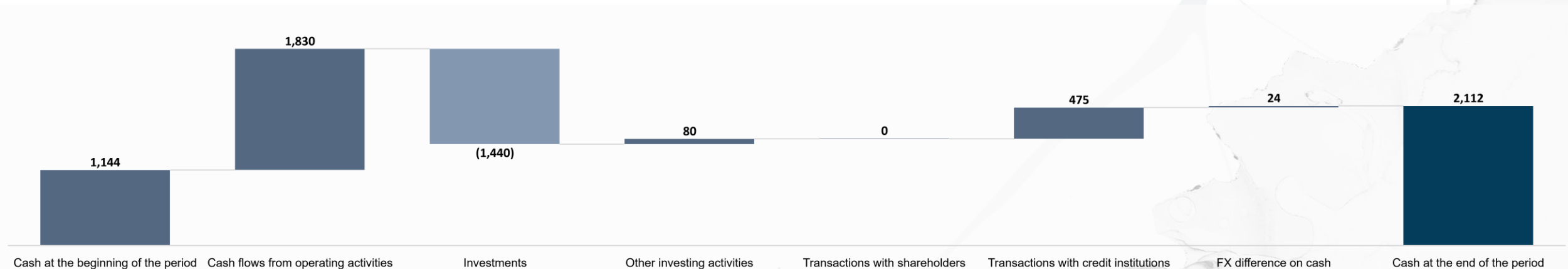
- **Equity ratio of 36.9% at year end.**
- **Purchase of own shares ISK 1,932 million during the year and dividends paid ISK 1,563 millions.**
- **Repayments of interest-bearing loans amounted to ISK 1,594 million during the year.**
- Other short-term liabilities increase due to increased activity.
- Current capital structure is **in line with company strategy** and **well within the covenant agreements with credit institutions.**

Consolidated Statement of Cash Flow Q4 2022



- **Cash from operating activities was ISK 1,830 million, a decrease of ISK 942 million YoY**, due to increased commitments in inventory and trade receivables.
- **Investments amounted to ISK 1,440 million** in Q4 2022, an increase of ISK 548 million YoY.
- **New long-term loan ISK 3,960 million** to fund the years capital expenditure and commitments in inventory.
- **Repayments of interest-bearing debt** amounted to ISK 885 million
- **Increase in cash position** in Q4 2022 amounted to ISK 944 million.

ISK millions	Q4 2022	Q4 2021	Change	%
Cash at the beginning of the period	1,144	4,245	(3,101)	-73.0%
Cash flows from operating activities	1,830	888	942	106.1%
Investments	(1,440)	(892)	(548)	61.5%
Other investing activities	80	3,091	(3,012)	-97.4%
Transactions with shareholders	0	(669)	669	-100.0%
Transactions with credit institutions	475	(2,672)	3,147	-117.8%
FX difference on cash	24	12	12	105.4%
Cash at the end of the period	2,112	4,003	(1,891)	-47.2%

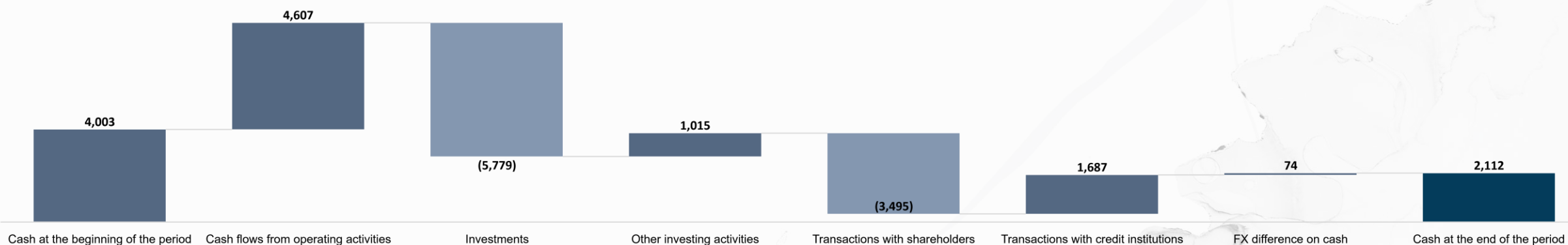


Consolidated Statement of Cash Flow 12M 2022



- **Cash from operating activities was ISK 4,607 million, a decrease of ISK 3,685 million YoY**, due to increased commitments in inventory and trade receivables.
- **Investments amounted to ISK 5,779 million** in 2022, an increase of ISK 3,330 million YoY.
- **Purchase of own shares ISK 1,932 million.**
- **Dividends paid ISK 1,563 million**
- **Repayments of interest-bearing debt** amounted to ISK 2,273 million
- **Decrease in cash position** in 2022 amounted to ISK 1,964 million.

ISK millions	12M 2022	12M 2021	Change	%
Cash at the beginning of the period	4,003	2,563	1,440	56.2%
Cash flows from operating activities	4,607	8,292	(3,685)	-44.4%
Investments	(5,779)	(2,449)	(3,330)	135.9%
Other investing activities	1,015	4,553	(3,538)	-77.7%
Transactions with shareholders	(3,495)	(2,430)	(1,064)	43.8%
Transactions with credit institutions	1,687	(6,558)	8,246	-125.7%
FX difference on cash	74	33	41	123.0%
Cash at the end of the period	2,112	4,003	(1,891)	-47.2%



- Q4 operations
- Q4 results and 12M 2022
- **Position and outlook**

Share price development – Nasdaq OMX

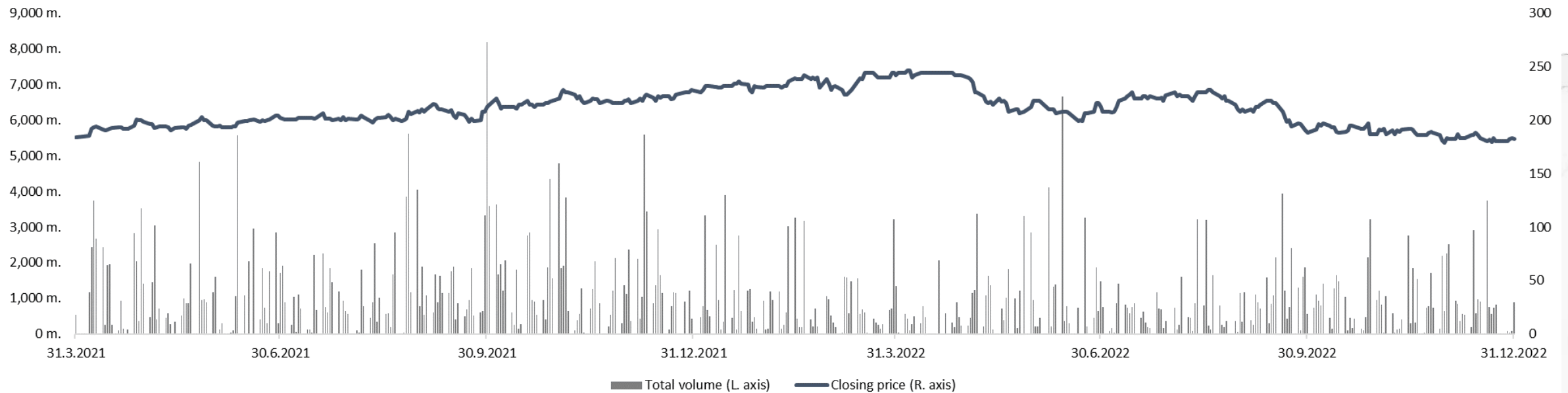


Shareholders (10 largest)

	%
Lífeyrissjóður starfsmanna ríkisins, A- og B-deild	13.7
Gildi - lífeyrissjóður	10.8
Lífeyrissjóður verzlunarmanna	9.6
Brú Lífeyrissjóður starfsmanna sveitarfélaga	8.8
Birta lífeyrissjóður	7.1
Almenni lífeyrissjóðurinn	4.7
Stapi lífeyrissjóður	4.6
Festa - lífeyrissjóður	4.1
Frjálsi lífeyrissjóðurinn	3.7
Söfnunarsjóður lífeyrisréttinda	3.0

Market information

Issued shares	308 m.
Market cap at the end of Dec 2022	ISK 56,875 M
Market cap at the end of Sep 2021	ISK 73,914 M
Number of shareholders	1,269



Position and outlook for 2023



Financial forecast 2023

- Festi's EBITDA forecast for 2023 is ISK 9,750 – 10,250 million.

Assumption and risks:

- Impact of wage disputes on the labor market.
- Icelandic Central Bank's interest rate hikes.
- Impact of Russia's invasion in Ukraine on commodity prices and supply variety.
- Major changes in world commodity prices and the ISK exchange rate.
- High inflation in international markets and Iceland.
- Uncertainty about the number of tourist arrivals in Iceland and Icelanders' travels abroad.

Highlights:

- The quarters operations preformed as expected.
- Sales for the quarter increased by 20.1%, but there was a large increase in grocery sales and other products.
- Continued high commodity prices in the quarter and high inflation on international markets and Iceland puts high pressure on margins.
- Closely working with suppliers to ensure product variety and looking at all options to achieve efficiency to counteract current price increases.
- Closely monitoring operational expense and finding ways to lower unit costs.

Investments and transactions with shareholders:

- Investments in Q4 2022 amounted to ISK 1,439 million, total of ISK 5,774 million for the year.
- The company's CAPEX plan for 2023 is not published because of uncertainty in the economy.
- Purchase of own shares for 1,932 million during the year.
- Dividends in the amount of ISK 1,563 million paid April 8th, 2022.

Thank you



Disclaimers



- All information in this presentation is based on sources which Festi hf. considers reliable at the time of publication, but it cannot be guaranteed that the information is infallible.
- All information in this presentation is owned by Festi hf. It is not permitted to copy, change or distribute in any way information from this presentation, in part or entirety.
- This presentation is only intended for information purposes and is not part of, or a basis for, any decisions made by the recipient. Recipients should not interpret information in this presentation as a promise or as instructions. Festi hf. is not obliged to provide recipients of this presentation with further information about the company or to make changes or corrections to the presentation if information upon which it is based changes.
- The company's future outlook is dependent on a number of risks and uncertainties which may have the effect that the actual result in the future is considerably different to the scenario described in this presentation. This includes factors such as exchange rates, the global price of fuel, the availability of funding, new legislation coming into effect and the impact of regulators, etc.
- Festi hf. wishes to point out that recipients of the presentation should not rely on statements contained within in the future since they are only applicable on the date of publication of the presentation. All statements concerning the company's future prospects are entirely valid with respect to this disclaimer.
- By receiving this presentation the recipient agrees that they are bound by the above provisos and limitations.