

## Profit ISK 1,419 million in Q2 2025

### Main results in Q2 2025

- Sales of goods and services amounted to ISK 43,579 million, an increase of 20.9% between years but 7.3% excluding the impact of Lyfja, which became part of the group in July 2024.
- Margin from sales of goods and services amounted to ISK 11,008 million, an increase of 28.1% from the previous year but 10.5% excluding the effect of Lyfja.
- Profit margin was 25.3%, up by 1.5 p.p. from Q2 2024 and increasing by 0.9 p.p. from last quarter.
- Salaries and personnel costs amounted to ISK 5,585 million, an increase of 26.6% between years but 5.9% excluding the effect of Lyfja.
- EBITDA amounted to ISK 3,938 million, increasing by 35.1% between years but increasing by 21.6% excluding the effect of Lyfja.
- Profit for the quarter amounted to ISK 1,419 million, increasing by ISK 467 million between years.
- Equity amounted to ISK 44,123 million, and the equity ratio was 37.7% at the end of Q2 2025, compared to 37.9% at year-end 2024. A dividend of ISK 1,401 million was paid to shareholders on 9<sup>th</sup> of April.
- The company's EBITDA guidance for the year 2025 was raised 17<sup>th</sup> of July by ISK 800 million and is ISK 15,200 – 15,600 million.

ISK million	Q2 2025	Q2 2024	Change	%Change	6M 2025	6M 2024	Change	%Change
<b>Income Statement</b>								
Sale of goods and services	43,579	36,037	7,542	20.9%	81,365	68,260	13,105	19.2%
Margin from sale of goods and services	11,008	8,593	2,415	28.1%	20,220	15,626	4,594	29.4%
Other operating income	569	527	43	8.1%	1,118	1,035	83	8.1%
EBITDA	3,938	2,915	1,022	35.1%	6,427	4,813	1,614	33.5%
EBIT	2,470	1,932	537	27.8%	3,569	2,906	663	22.8%
EBT	1,736	1,169	567	48.5%	2,064	1,399	665	47.5%
Profit for the period	1,419	953	467	49.0%	1,699	1,155	544	47.1%
<b>Statement of Financial Position</b>								
					<b>30.6.2025</b>	<b>31.12.2024</b>	<b>Change</b>	<b>%Change</b>
Inventories					14,316	14,118	198	1.4%
Trade receivables					6,472	7,168	-696	-9.7%
Cash and cash equivalents					5,142	4,075	1,067	26.2%
Interest bearing liabilities					43,030	43,956	-927	-2.1%
Net interest bearing liabilities					37,887	39,881	-1,993	-5.0%
Net interest bearing debt/EBITDA					2.7	3.2	-0.5	-15.6%
Equity ratio					37.7%	37.9%	-0.2 p.p.	-0.4%
Return on equity					10.7%	10.4%	+0.3 p.p.	3.3%
<b>Statement of Cash Flows</b>								
	<b>Q2 2025</b>	<b>Q2 2024</b>	<b>Change</b>	<b>%Change</b>	<b>6M 2025</b>	<b>6M 2024</b>	<b>Change</b>	<b>%Change</b>
Cash flows from operating activities	5,205	3,063	2,142	69.9%	7,612	3,600	4,011	111.4%
Investing activities	-1,766	-529	-1,236	233.5%	-2,530	-1,264	-1,266	100.2%
Financing activities	-3,353	-2,059	-1,294	62.8%	-4,035	-2,284	-1,751	76.7%
Cash and cash equivalents at the end of the period	5,142	3,395	1,747	51.5%	5,142	3,395	1,747	51.5%
<b>Key indicators</b>								
Margin from sale	25.3%	23.8%	+1.5 p.p.	5.9%	24.9%	22.9%	+2.0 p.p.	8.6%
Personel expenses/margin from sale	50.7%	51.3%	-0.6 p.p.	-1.2%	53.9%	53.5%	+0.4 p.p.	0.7%
EBITDA/margin from sale	35.8%	33.9%	+1.9 p.p.	5.4%	31.8%	30.8%	+1.0 p.p.	3.2%
Profit/margin from sale	12.9%	11.1%	+1.8 p.p.	16.3%	8.4%	7.4%	+1.0 p.p.	13.7%
Earnings per share	4.6	3.2	1.4	43.9%	5.5	3.8	1.7	42.2%
Cash flows from operations/margin from sale	47.3%	35.6%	+11.7 p.p.	32.6%	37.6%	23.0%	+14.6 p.p.	63.4%
Investments	2,172	956	1,217	127.3%	3,073	1,697	1,377	81.1%

## Operations in Q2 2025

The company's operations were good in the second quarter and the results were above expectations. Sales of goods and services increased in all business segments in the quarter with total increase of 20.7% YoY or 7.8% excluding Lyfja which became part of the group last July and is therefore not in comparative figures. Business transactions increased by 10.7% or 2.6% excluding Lyfja. The sales margin was 25.3% in the quarter, up 0.9 p.p. from the previous quarter and up by 1.5 p.p. from the same quarter last year. The margin from sales of goods and services increased by 28.1% YoY and operating expenses increased by 23.1%. The company's EBITDA was ISK 3,938 million for the quarter, an increase of 35.1% from the previous year. N1's EBITDA increased by ISK 457 million or 37,8% YoY. Krónan's EBITDA increased by ISK 134 million or 9,7% YoY. ELKO's EBITDA increased by ISK 81 million or 23,2% YoY. Net profit for the second quarter was ISK 1,419 million, an increase of ISK 467 million or 49.0% YoY.

Lyfja's sales amounted to ISK 4,961 million in the second quarter, EBITDA was ISK 392 million and profit ISK 65 million.

## Revenues in Q2 2025

- Total revenue was ISK 44,148 million, an increase of 20.7% YoY.
- Revenue from sales of goods and services was ISK 43,579 million in Q2 2025, an increase of 20.9% YoY.
- Sales of groceries and convenience goods amounted to ISK 22,015 million, up by 14.7% YoY.
- Sales of fuel and electricity amounted to ISK 10,157 million, an increase of 1.5% YoY.
- Sales of electronic equipment amounted to ISK 4,889 million, an increase of 9.6% YoY.
- Sales of medicine, prescription and over the counter, amounted to ISK 3,587 million.
- Sales of other goods and services were ISK 2,931 million, an increase of 23.5% YoY.

ISK million	Q2 2025	Q2 2024	Change	%Change	6M 2025	6M 2024	Change	%Change
<b>Sale of goods and services</b>								
Grocery and convenience goods	22,015	19,199	2,816	14.7%	41,644	37,173	4,471	12.0%
Fuel and electricity	10,157	10,003	154	1.5%	18,346	18,456	-110	-0.6%
Electronic equipment	4,889	4,462	427	9.6%	9,198	8,495	703	8.3%
Medicine, prescription and over the counter	3,587	0	3,587	-	7,060	0	7,060	-
Other goods and services	2,931	2,373	558	23.5%	5,117	4,136	981	23.7%
<b>Total sale of goods and services</b>	<b>43,579</b>	<b>36,037</b>	<b>7,542</b>	<b>20.9%</b>	<b>81,365</b>	<b>68,260</b>	<b>13,105</b>	<b>19.2%</b>
<b>Total other operating income</b>	<b>569</b>	<b>527</b>	<b>43</b>	<b>8.1%</b>	<b>1,118</b>	<b>1,035</b>	<b>83</b>	<b>8.1%</b>
<b>Total income</b>	<b>44,148</b>	<b>36,564</b>	<b>7,585</b>	<b>20.7%</b>	<b>82,483</b>	<b>69,295</b>	<b>13,188</b>	<b>19.0%</b>

Sales of groceries and convenience goods increased by 14.7% YoY, including part of Lyfja's sales which falls under this segment. Sales of fuel and electricity increased by 1.5% YoY with fuel prices in the global market decreasing by 17-21% YoY, depending on fuel type. Volume sold amounted to 57.1 million liters, which is an increase of 3.3% between years. Revenue from sales of electronics increased by 9.6% and revenue from other goods and services increased by 23.5% YoY, including part of Lyfja's sales which falls under this segment. Medicine, prescription and over the counter, is a new sale segment where revenue amounted to ISK 3,587 million in Q2 2025.

## Margin for sales of goods and services in Q2 2025

- Margin for sales of goods and services amounted to ISK 11,008 million, an increase of 28.1% YoY. The margin level was 25.3%, a 0.9 p.p. increase from last quarter but increases by 1.5 p.p. YoY.
- Margin for grocery and convenience goods was ISK 5,201 million, an increase of 15.4% YoY. The margin level was 23.6%, an increase of 0.1 p.p. YoY.
- Margin for fuel and electricity was ISK 2,277 million, an increase of ISK 392 million YoY. The margin level was 22.4%, an increase of 3.5 p.p. YoY.
- Margin for electronics was ISK 1,282 million, an increase of 11.2% YoY. The margin level was 26.2%, an increase of 0.4 p.p. YoY.
- Margin for medicine, prescription and over the counter, a new segment, was ISK 955 million.
- Margin for other goods and services was ISK 1,294 million, an increase of 23.4% YoY. The margin level was 44.1%, a decrease of 0.1 p.p. YoY.

ISK million	Q2 2025	Q2 2024	Change	%Change	6M 2025	6M 2024	Change	%Change
<b>Margin from sale of goods and services</b>								
Grocery and convenience goods	5,201	4,506	695	15.4%	9,782	8,489	1,293	15.2%
Fuel and electricity	2,277	1,886	392	20.8%	4,107	3,294	814	24.7%
Electronic equipment	1,282	1,153	129	11.2%	2,390	2,184	206	9.4%
Medicine, prescription and over the counter	955	0	955	-	1,887	0	1,887	-
Other goods and services	1,294	1,049	245	23.4%	2,053	1,659	394	23.8%
<b>Total margin from sale of goods and services</b>	<b>11,008</b>	<b>8,593</b>	<b>2,415</b>	<b>28.1%</b>	<b>20,220</b>	<b>15,626</b>	<b>4,594</b>	<b>29.4%</b>

The total margin for sales of goods and services was ISK 11,008 million compared to ISK 8,593 million for the same quarter last year, an increase of 28.1%. Margin for sales of groceries and convenience goods was ISK 5,201 million, up by 15.4% YoY. Margin for fuel and electricity was ISK 2,277 million, an increase of ISK 392 million YoY. Margin for sales of electronics was ISK 1,282 million, an increase of 11.2%. Margin for medicine, prescription and over the counter, a new segment with Lyfja's incorporation was ISK 955 million. The margin for other goods and services was ISK 1,294 million, an increase of 23.4% YoY.

## Operating expenses in Q2 2025

- Operating expenses in Q2 2025 were ISK 7,640 million, an increase of ISK 1,435 million or 23.1% YoY.
- Salaries and other personnel expenses increased by ISK 1,175 million or 26.6% YoY but 5.9% excluding Lyfja.
- The number of full-time equivalents was 1,694 in Q2 2025, an increase of 19.0% YoY or 0.5% excluding Lyfja.
- Total other operating expenses increased by ISK 261 million or 14.5% YoY but increases by 5.0% excluding Lyfja.

ISK million	Q2 2025	Q2 2024	Change	%Change	6M 2025	6M 2024	Change	%Change
<b>Operating expenses</b>								
Salaries and other personnel expenses	5,585	4,410	1,175	26.6%	10,890	8,357	2,532	30.3%
<b>Other operating expenses</b>								
Operating costs of real estate	604	529	75	14.2%	1,196	1,054	141	13.4%
Maintenance expenses	291	264	27	10.3%	588	547	41	7.5%
Sales and marketing expenses	542	481	61	12.7%	987	853	134	15.6%
Office and administrative expenses	128	142	-14	-9.7%	282	258	24	9.3%
Communication expenses	344	253	91	35.9%	681	503	177	35.3%
Insurance and claims	41	48	-7	-14.1%	73	101	-28	-28.1%
Other expenses	104	77	27	34.4%	215	172	43	24.8%
<b>Total other operating expenses</b>	<b>2,055</b>	<b>1,794</b>	<b>261</b>	<b>14.5%</b>	<b>4,022</b>	<b>3,490</b>	<b>532</b>	<b>15.2%</b>
<b>Total operating expenses</b>	<b>7,640</b>	<b>6,204</b>	<b>1,435</b>	<b>23.1%</b>	<b>14,911</b>	<b>11,847</b>	<b>3,064</b>	<b>25.9%</b>

Salaries and other personnel expenses amounted to ISK 5,585 million in Q2 2025 compared to ISK 4,410 million in Q2 2024, which is an increase of 26.6% or 5.9% excluding Lyfja. Full-time equivalents were 1,694 in the quarter, an increase of 271 full-time equivalents (FTE) or 19.0% YoY, but 0.5% excluding Lyfja. Average salary cost per FTE increases YoY by 6.6%, but 5.0% excluding Lyfja. Total increase of salaries and other personnel expenses is ISK 198 million or 4.5% if cost relating to change in FTE is not included. The table below shows analysis of the increase in salaries and other personnel expenses in ISK million YoY:

<b>Salaries and other personnel expenses Q2 2024</b>	<b>4,410</b>
Change in full-time position equivalents	977
Contractual wage increases	143
Change in personell expenses	37
Share options	6
Other changes	12
<b>Salaries and other personnel expenses Q2 2025</b>	<b>5,585</b>

Other operating expenses were ISK 2,055 million compared to ISK 1,794 million in Q2 2024, which is an increase of ISK 261 million or 14.5%. Excluding the effect of Lyfja the increase is 5.0%. The effect of inflation and increased sales affect comparison of cost items over years, but good results have been achieved in reducing all operating costs in the current environment.

## Financial items in Q2 2025

- Net finance expenses and the impact of affiliates were negative by ISK 734 million in Q2 2025 compared to negative ISK 763 million in Q2 2024, a positive increase of ISK 29 million YoY.
- Finance income amounted to ISK 87 million, an increase of ISK 13 million YoY.
- Finance expenses amounted to ISK 1,014 million, an increase of ISK 52 million YoY.
- Currency difference was positive by ISK 7 million and increases by ISK 15 million YoY.
- The share of profit from associates amounted to ISK 187 million, increases by ISK 53 million YoY.

ISK million	Q2 2025	Q2 2024	Change	%Change	6M 2025	6M 2024	Change	%Change
Finance income	87	74	13	17.6%	209	159	50	31.6%
Finance expenses	-1,014	-962	-52	5.4%	-1,974	-1,902	-72	3.8%
Foreign currency differences	7	-9	15	178.1%	-12	16	-29	-176.5%
Share of profit from associates	187	134	53	39.8%	273	221	53	23.9%
<b>Total</b>	<b>-734</b>	<b>-763</b>	<b>29</b>	<b>-3.9%</b>	<b>-1,505</b>	<b>-1,507</b>	<b>2</b>	<b>-0.1%</b>

Finance income amounted to ISK 87 million, an increase of ISK 13 million YoY. Finance expenses amounted to ISK 1,014 million, an increase of ISK 52 million. Currency difference was positive by ISK 7 million, a positive increase of ISK 15 million compared to last year. The share of profit from associates amounted to a positive ISK 187 million, an increase of ISK 53 million.

## Statement of financial position at the end of Q2 2025

- Total assets amounted to ISK 117.0 bn., an increase of ISK 2.1 bn. from year-end 2024.
- Non-current assets amounted to ISK 89.7 bn., an increase of ISK 1.4 bn. from year-end 2024.
- Current assets amounted to ISK 27.3 bn., an increase of ISK 0.7 bn. from year-end 2024.
- Cash and cash equivalents amount to ISK 5.1 bn., an increase of ISK 1.1 bn. from year-end 2024.
- Net interest-bearing liabilities amounted to ISK 37.9 bn., a decrease of ISK 2.0 bn. from year-end 2024.
- Equity ratio was 37.7% at the end of Q2 2025 compared to 37.9% at year-end 2024.

ISK million	30.6.2025	31.12.2024	Change	%Change
Goodwill	18,367	18,367	0	0.0%
Other intangible assets	8,011	8,197	-185	-2.3%
Property and equipment	42,090	41,217	873	2.1%
Leased assets	11,214	10,535	679	6.4%
Investment properties	7,292	7,012	280	4.0%
Inventories	14,316	14,118	198	1.4%
Trade receivables	6,472	7,168	-696	-9.7%
Cash and cash equivalents	5,142	4,075	1,067	26.2%
Interest bearing liabilities	43,030	43,956	-927	-2.1%
Net interest bearing liabilities	37,887	39,881	-1,993	-5.0%
Equity ratio	37.7%	37.9%	-0.2 p.p.	-0.4%
Inventory turnover	8.7	7.9	0.8	10.1%

Goodwill amounted to ISK 18,367 million and remains unchanged from the beginning of the year. Other intangible assets were ISK 8,011 million at the end of Q2 2025, a decrease of ISK 185 million. Properties and equipment amounted to ISK 42,090 million, an increase of ISK 873 million and investment properties amounted to ISK 7,292 million at the end of Q2 2025, an increase of ISK 280 million from year-end 2024.

Inventories increased by ISK 198 million from year-end 2024. Trade receivables decreased by ISK 696 million from the beginning of the year. Cash and cash equivalents increased by 1,067 million from year-end 2024.

Net interest-bearing liabilities amounted to ISK 37,887 million which is a decrease of ISK 1,993 million from year-end 2024. Equity ratio was 37.7% at the end of Q2 2025 compared to 37.9% at year-end 2024. The company's cash position remains strong as well as the balance sheet.

## Cashflow in Q2 2025

- Net cash from operating activities was ISK 5,205 million, an increase of ISK 2,142 million from the year before.
- Net cash used in investing activities was ISK 1,766 million, an increase of ISK 1,236 million from the year before.
- Net cash used in financing activities was ISK 3,353 million, an increase of ISK 1,294 million from last year.

ISK million	Q2 2025	Q2 2024	Change	%Change	6M 2025	6M 2024	Change	%Change
<b>Cash flow</b>								
<b>Cash and cash equivalents, beginning of period</b>	<b>5,029</b>	<b>2,961</b>	<b>2,067</b>	<b>69.8%</b>	<b>4,075</b>	<b>3,362</b>	<b>713</b>	<b>21.2%</b>
Net cash to operating activities	5,205	3,063	2,142	69.9%	7,612	3,600	4,011	111.4%
Net cash used in investing activities	-1,766	-529	-1,236	233.5%	-2,530	-1,264	-1,266	100.2%
Net cash used in financing activities	-3,353	-2,059	-1,294	62.8%	-4,035	-2,284	-1,751	76.7%
Effect of movements in exchange rates on cash	27	-41	68	-166.4%	20	-20	40	-196.6%
<b>Cash and cash equivalents change</b>	<b>87</b>	<b>475</b>	<b>-388</b>	<b>-81.7%</b>	<b>1,047</b>	<b>53</b>	<b>994</b>	<b>1876.6%</b>
<b>Cash and cash equivalents, end of period</b>	<b>5,142</b>	<b>3,395</b>	<b>1,747</b>	<b>51.5%</b>	<b>5,142</b>	<b>3,395</b>	<b>1,747</b>	<b>51.5%</b>

Net cash from operations in Q2 2025 amounted to ISK 5,205 million, an increase of ISK 2,142 million between years. Net cash used in Investments amounted to ISK 1,766 million, an increase of ISK 1,236 million between years. Net cash used in financing activities amounted to ISK 3,353 million, an increase of ISK 1,294 million between years. Installments on interest-bearing loans and leases amounted to ISK 1,784 million and lease liabilities ISK 364 million. Dividend of ISK 1,401 million was paid during the quarter. Cash and cash equivalents increased by ISK 87 million in the second quarter of 2025 and amounted to ISK 5,142 million at the end of Q2 2025.

## Outlook for Festi hf. operations, EBITDA and CAPEX budget for 2025

EBITDA guidance for the year 2025 was increased 17<sup>th</sup> of July by ISK 800 million to ISK 15,200 – 15,600 million. CAPEX forecast for the year 2025 is increased by ISK 600 million to ISK 5,800 – ISK 6,200 million.

The following external factors can have a major impact on the company's operations:

- Developments in inflation and interest rates, as well as the exchange rate of the Icelandic krona.
- Developments in international affairs and their impact on international trade.
- The development of international conflicts and their effects on the supply of goods and the world market price of commodities.
- Uncertainty in the number of tourist arrivals to Iceland and Icelanders travelling abroad.

## Shareholders

- The Company's market capitalization at the end of Q2 2025 amounted to ISK 89.0 billion, an increase of 0.7% from the beginning of the year.
- The number of shareholders was 1,653 at the end of Q2 2025 and increase by 434 from year end 2024.

## **Investor meeting and online presentation on Wednesday, July 30<sup>th</sup>, 2025**

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An investor meeting and online presentation for market participants will take place on Thursday, July 30<sup>th</sup> at Dalvegur 10-14, 3<sup>rd</sup> floor.

Ásta S. Fjeldsted, CEO of Festi, and Magnús Kr. Ingason, CFO of Festi, will present the Group's performance and answer questions. The meeting starts at 08:30 local time.

Registration for the web stream takes place at: <https://www.festi.is/en/tenglar/results-Q2-2025>

Participants attending virtually will be able to ask questions during the meeting via the e-mail [fjarfestatengsl@festi.is](mailto:fjarfestatengsl@festi.is). Answers will be provided at the end of the presentation.

The presentation will be held in Icelandic. Promotional material for the meeting will be available after that on the Festi website:

<https://www.festi.is/en/fjarhagsupplysingar>

### **Financial calendar**

- Q2 2025: July 29<sup>th</sup>, 2025
- Q3 2025: October 30<sup>th</sup>, 2025
- Q4 2025: February 5<sup>th</sup>, 2026
- Annual general meeting 2026: March 5<sup>th</sup>, 2026

For further information please contact Ásta S. Fjeldsted, CEO ([asta@festi.is](mailto:asta@festi.is)) or Magnús Kr. Ingason, CFO ([mki@festi.is](mailto:mki@festi.is)).