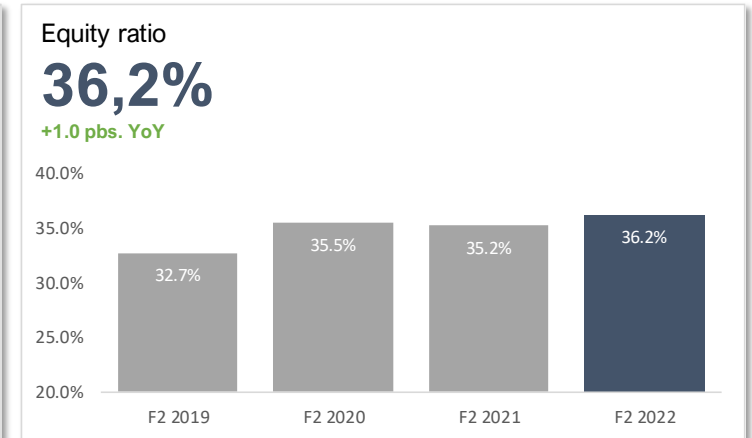
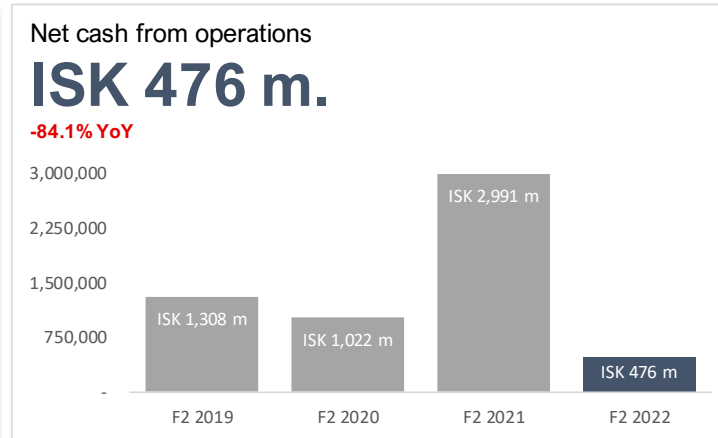
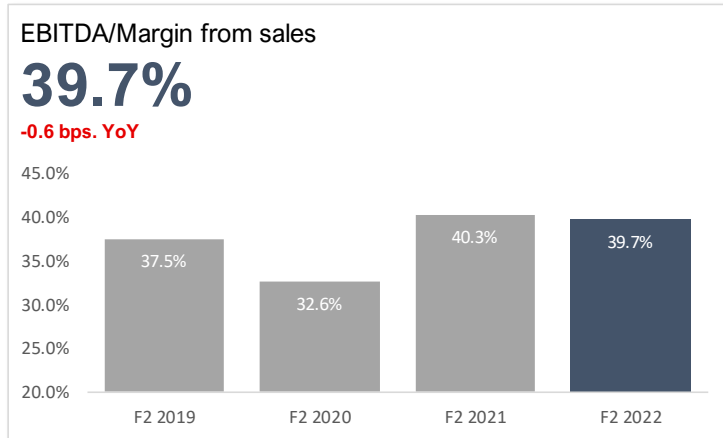
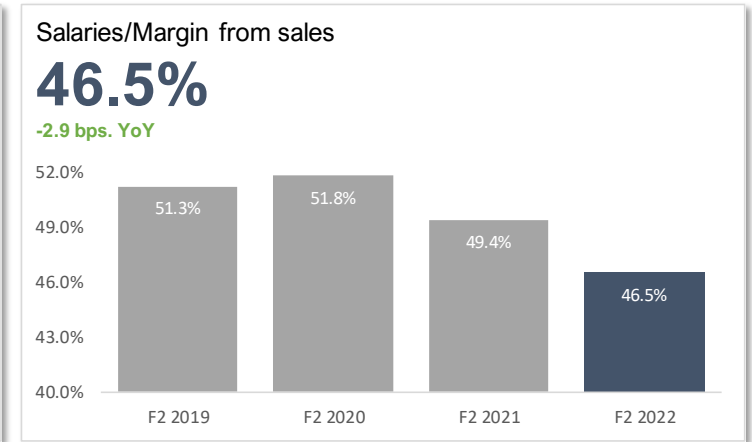
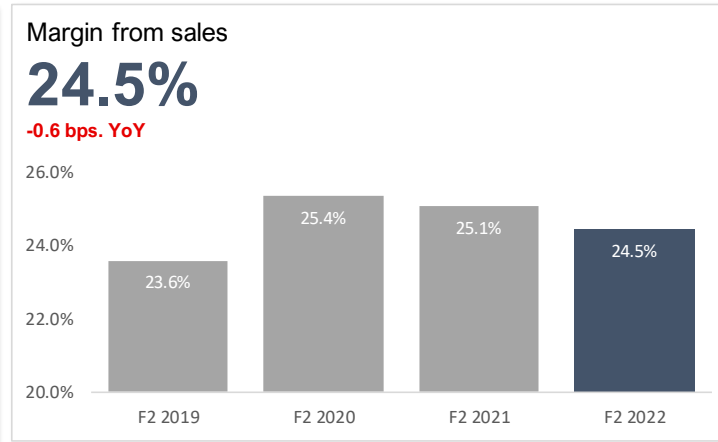
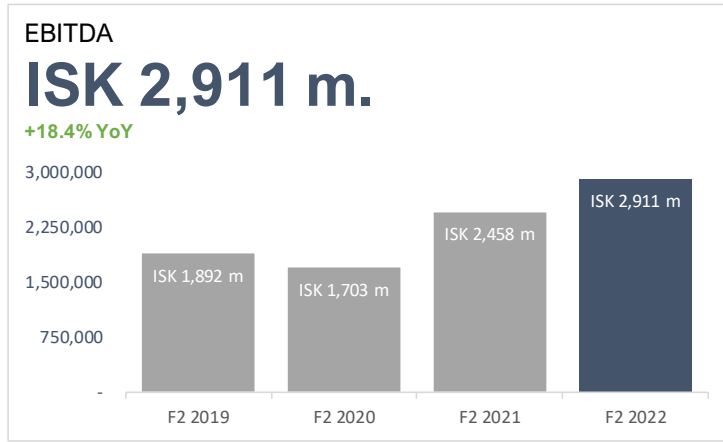


Presentation of Q2 2022 results

Magnús Kr. Ingason, CFO



CONSOLIDATED HIGHLIGHTS

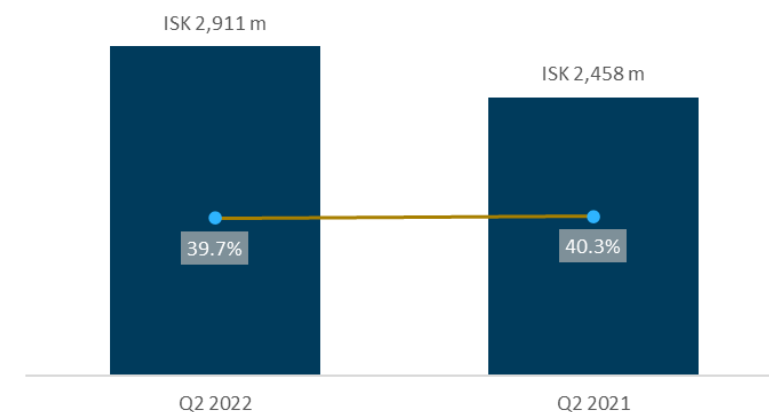


CONSOLIDATED OPERATIONS Q2 2022

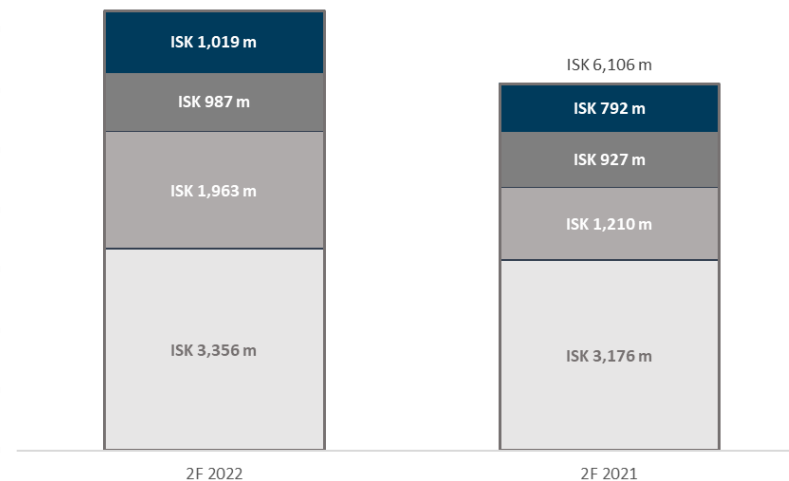
| Amounts are in ISK million | Q2 2022 | Q2 2021 | Change | % Chg. |
|--|---------|---------|--------|--------|
| Sale of goods and services | 29,936 | 24,326 | 5,610 | 23.1% |
| Margin from sale of goods and services | 7,325 | 6,106 | 1,220 | 20.0% |
| Lease revenue and operating income | 482 | 603 | (122) | -20.2% |
| Salaries and personnel expenses | (3,408) | (3,017) | (391) | 13.0% |
| Other operating expenses | (1,489) | (1,234) | (255) | 20.7% |
| EBITDA | 2,911 | 2,458 | 452 | 18.4% |
| Key Figures | | | | |
| EBITDA/Margin from sales | 39.7% | 40.3% | -0.6% | -1.3% |
| Salaries/Margin from sales | 46.5% | 49.4% | -2.9% | -5.8% |
| Earnings per share | 4.45 | 3.21 | 1.24 | 38.6% |

- Sale of goods and services ISK 29,936 million, increase of ISK 5,610 million or 23.1% YoY.
- Margin from sale ISK 7,325 million, increase of ISK 1,220 million or 20.0% YoY.
- Continuing rises in commodity prices increase turnover and decrease margins.
- Salaries and personnel expenses ISK 3,408 million, increase of ISK 391 million or 13.0% YoY.
- Number of full-time employees 1,237, increase by 43 or 3.6% YoY.
- EBITDA ISK 2,911 million in Q2 2022, increase by 452 million or 18.4% YoY.

■ EBITDA ● EBITDA/Sales margin



■ Sales margin groceries ■ Sales margin from energy ISK 7,325 m ■ Sales margin electronics ■ Sales margin from other goods

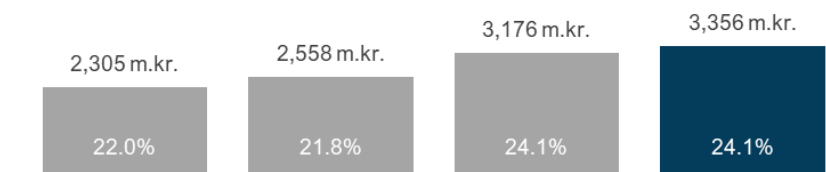


MARGIN FROM SALE OF GOODS AND SERVICES

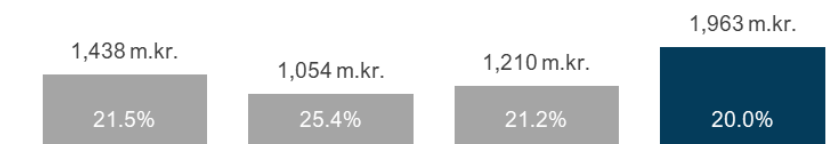
- Margin from sales increases in every category in ISK.
- Margin from sales in grocery and convenience goods increases 5.7% YoY, Fuel and electricity increases 62.2%, Electronic equipment 6.5% and other goods and services 28.6%.
- Total margin from sales is ISK 7,325 million compared to ISK 6,106 million on Q2 2021, an increase by 20.0%.
- Margin from sales ratio for Q2 2022 is 24.5% a decrease of 0.6 bps. due to rise in commodity prices and global inflation.



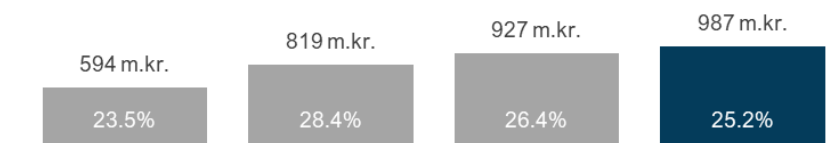
Grocery and convenience goods



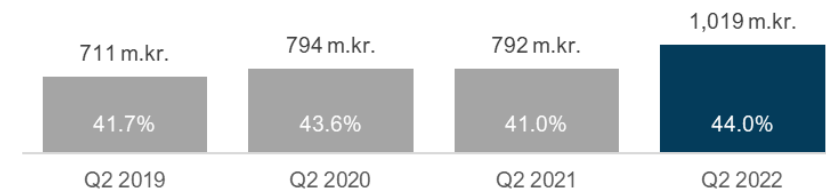
Fuel and electricity



Electronic equipment



Other goods and services

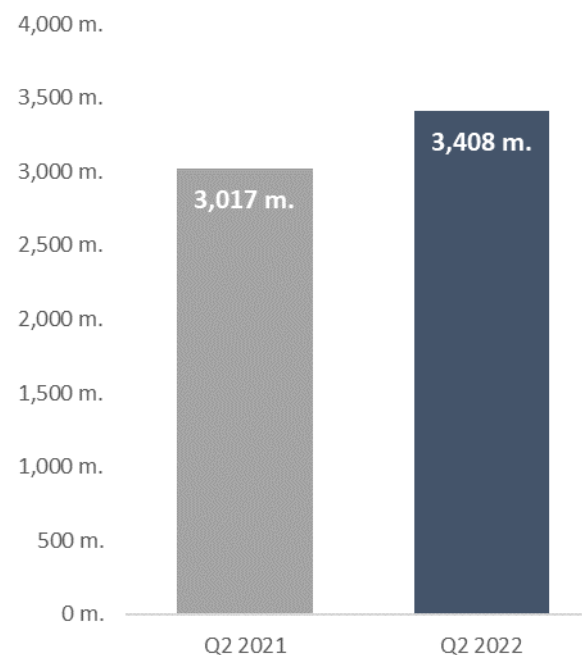


SALARIES AND OTHER PERSONNEL EXPENSES

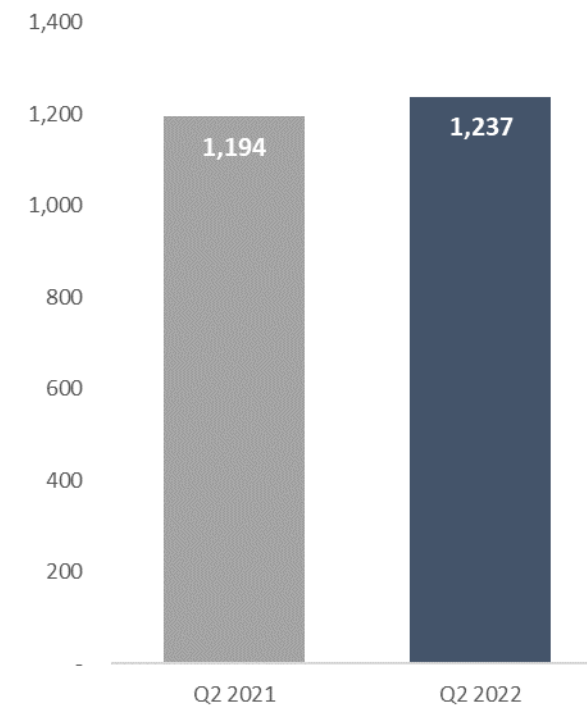
- Salaries and personnel expenses increase by ISK 391 million YoY.
- Full-time equivalents increase by 43 YoY and amounts to ISK 107 million.
- Two contractual wage increases came to effect between the periods in January and April 2022 and had an effect of ISK 128 million YoY increase.
- Personnel expenses increase by ISK 66 million YoY.
- Other expenses increase by ISK 107 million YoY.

| | |
|--|--------------|
| Salaries and other personnel expenses Q2 2021 | 3,017 |
| Change in full-time equivalents | 107 |
| Contractual wage increases | 128 |
| Accrued vacation, change | (16) |
| Personnel expenses | 66 |
| Other | 107 |
| Salaries and other personnel expenses Q2 2022 | 3,408 |

Salaries and other
personnell expenses
YoY comparison



Full-time equivalents
YoY comparison

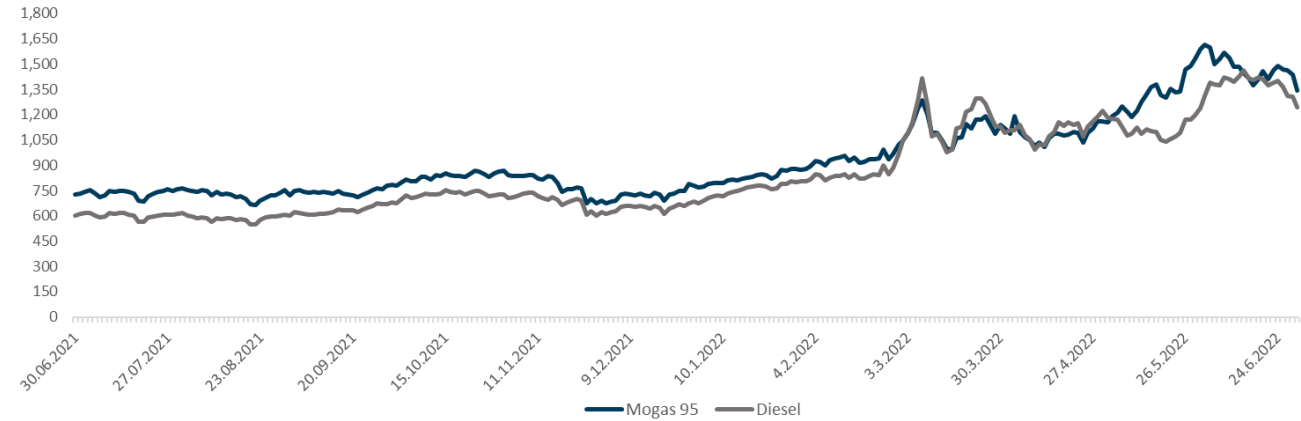


HIGHLIGHTS Q2 2022

Volatility in diesel and gasoline prices.

- The Q2 2022 average price of diesel fuel was 1,203 USD, compared to an average of 561 USD in Q2 2021, an increase of 115%.
- The Q2 2022 average price of gasoline was 1,294 USD, compared to an average of 669 USD in Q2 2021, an increase of 94%.

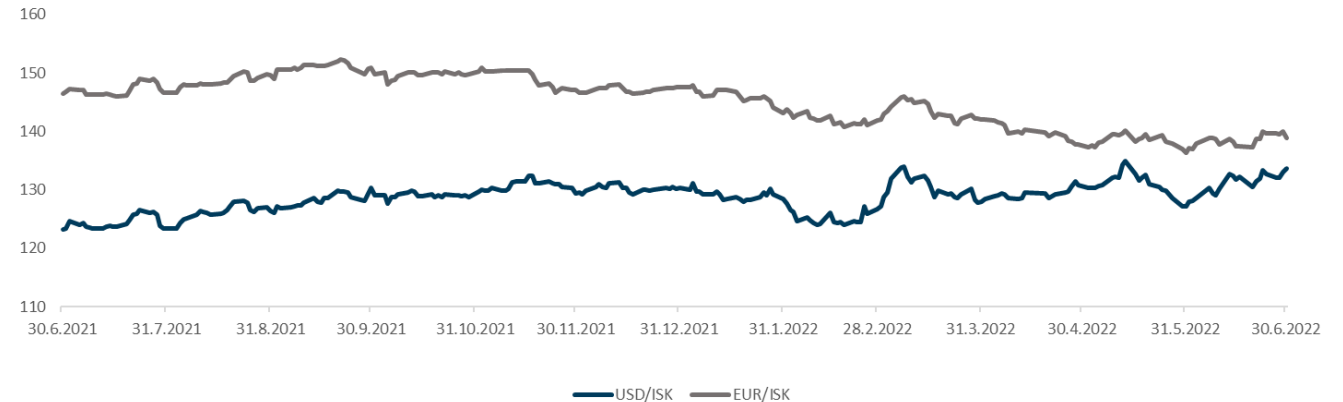
Price development of Mogas 95 and Diesel



Volatility in USD/ISK and EUR/ISK exchange rates.

- USD/ISK increased by 4.5% and the difference between highest and lowest exchange rate in Q2 is 5.9%.
- EUR/ISK decreased by 2.2% and the difference between the highest and lowest exchange rate in Q2 is 4.1%.

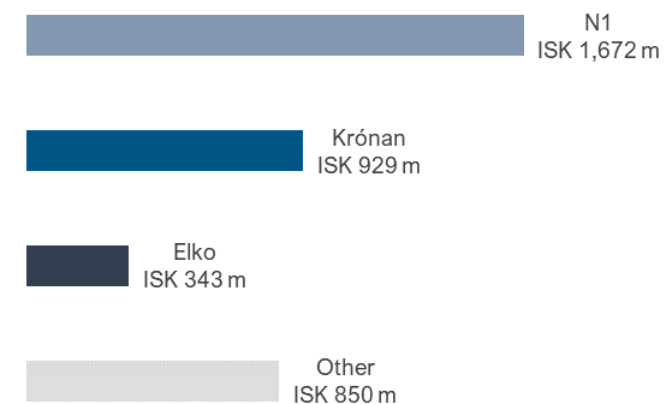
Exchange rate development



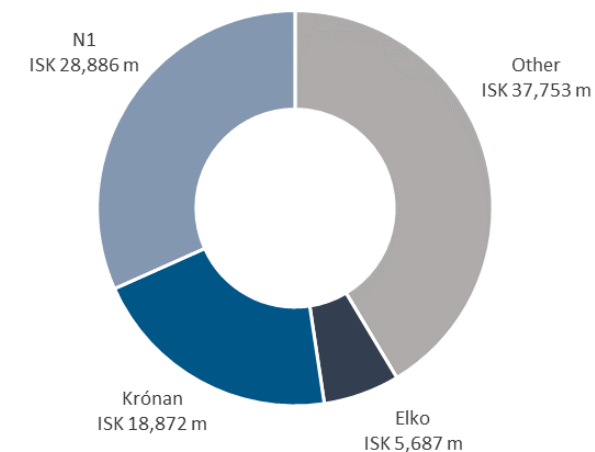
OPERATING SEGMENTS OF THE GROUP – Q2 2022

| Amounts are in ISK million | N1 | Krónan | Elko | Other | Total |
|---|----------|----------|---------|---------|----------|
| Total segment revenue | 13,877 | 12,415 | 3,950 | 1,852 | 32,094 |
| Total operating expenses of segments | (12,205) | (11,486) | (3,607) | (1,002) | (28,299) |
| Segment EBITDA | 1,672 | 929 | 343 | 850 | 3,794 |
| Segment depreciation and amortisation | (654) | (442) | (127) | (264) | (1,487) |
| Fair value changes of investment properties | 0 | 0 | 0 | (33) | (33) |
| Operating result of segments | 1,018 | 487 | 217 | 553 | 2,274 |
| Financial expenses | (175) | (108) | (11) | (547) | (841) |
| Share of profit from associates | 0 | 0 | 0 | 106 | 106 |
| Income tax expense | (169) | (76) | (41) | 4 | (281) |
| Profit | 674 | 303 | 164 | 116 | 1,258 |
| Segment assets | 28,886 | 18,872 | 5,687 | 37,753 | 91,198 |
| Segment capital expenditure | 471 | 891 | 336 | 1,418 | 3,115 |
| Segment liabilities | 18,965 | 15,052 | 4,624 | 19,574 | 58,215 |

Segment EBITDA



Segment Assets





- Revenue was ISK 13,877 million, an increase ISK 4,601 million or 49.6% YoY.
- Sales of fuel and electricity increased by ISK 4,078 million or 71.3% YoY. Sales in liters were 49.3 million, 10.2% higher than Q2 2021, but the price increase in fuel YoY explains the difference.
- Sale of other goods and services increase by ISK 385 million or 19.9% YoY of which largest increase came from sale of car services, chemical sales and tires.
- Margin from fuel and electricity sales was ISK 1,963 million, an increase of ISK 753 million or 62.2% YoY. Gain from fuel hedges was ISK 55 million YoY.
- Margin from other goods and services amount to ISK 1,019 million, increase of ISK 227 millions or 28.6% YoY.
- EBITDA was ISK 1,672 million, an increase of ISK 715 million or 74.7% YoY.

| | Q2 2022 | Q2 2021 | Change | % |
|---------------|----------|---------|-----------|--------|
| Total revenue | 13,877 | 9,275 | 4,601 | 49.6% |
| Total cost | (12,205) | (8,318) | (3,887) | 46.7% |
| EBITDA | 1,672 | 957 | 715 | 74.7% |
| EBITDA-ratio | 12.0% | 10.3% | +1.7 bps. | 16.8% |
| EBIT | 1,018 | 469 | 549 | 117.0% |
| EBIT-ratio | 7.3% | 5.1% | +2.3 bps. | 45.0% |
| Profit (loss) | 674 | 187 | 488 | 260.9% |

NEW LOCATIONS AND SERVICE



- In June new service station opened in Mývatn.
- Increased number of charging stations at Staðarskáli and new stations at key locations.
- New facility at Klettagarðar 4, about 2,000 m², was bought in Q2. In August we will start using the facility for the car service unit and this location will allow us to improve the quality and service level for larger vehicles.
- Djúsi and Ísey Skyr bar opened in two new locations, Háholt in Mosfellsbær and in Borgartún.
- N1 is servicing deliveries for Dropp at their service stations and the number of deliveries quintupled from last year.
- Online store has doubled in sales over the last year.
- The N1 app will be available to the public for testing in the coming weeks.
- N1 has been visible during the summer around big sport events, the UEFA Women's EURO in England with special focus on encouraging young people and the N1 tournament in Akureyri with over 2,000 participants.



Mývatn – Opened in June



UEFA Women's EURO

- Revenue was ISK 12,415 million, an increase of 465 million or 3.9% YoY.
- Two stores were sold in the middle of last year and one new opened in Borgartun on May 12 this year. Like for like, revenues are up by 6% YoY.
- EBITDA was ISK 929 million, decrease of 185 million or 16.6% YoY.
- Conditions in the commodity markets are difficult due to the war in Ukraine affecting prices and product range.
- Large increase in transport costs, packaging and other cost which affects global inflation.
- Margin levels are under pressure for this reason.
- Every effort is made to ensure a product range and increase efficiency in order to counteract the current price increases.

| | Q2 2022 | Q2 2021 | Change | % |
|---------------|----------|----------|-----------|--------|
| Total revenue | 12,415 | 11,951 | 465 | 3.9% |
| Total cost | (11,486) | (10,836) | (650) | 6.0% |
| EBITDA | 929 | 1,114 | (185) | -16.6% |
| EBITDA-ratio | 7.5% | 9.3% | -1.8 bps. | -19.7% |
| EBIT | 487 | 738 | (251) | -34.0% |
| EBIT-ratio | 3.9% | 6.2% | -2.3 bps. | -36.5% |
| Profit (loss) | 303 | 503 | (200) | -39.7% |

PRICING AND CHANGES IN PURCHASE PRICES



- Price increase from domestic suppliers and manufacturers common this year.
- Price increase from foreign suppliers but strengthening of the ISK krona has reduced the impact on prices.
- Energy- and transportation cost has continued to increase in Europe in Q2 and is still uncertain for rest of the year.
- Clear signs that customers are moving from more expensive products and now look more for the less expensive brand names.
- This behaviour is expected to continue in Q3.



Segir skyldu félagsins að reyna að sporna við hækkun á vöruverði til neytenda

Eilsabet Inga Sigurðardóttir skrifar · 14. júní 2022 21:00



Ásta S. Fjeldsted er framkvæmdastjóri Kronunnar.

SIGURJÓN OLASON

NEW STORES AND IMPROVEMENTS



- New 700 m2 store was opened in Borgartún on May 12th and has had a good start.
- New 1,500 m2 stores was opened on July 7th in Skeifan and is one of Kronan's superb store with novelty as Olifa – La Madre pizza place which has had a great start. The store has had a good start in sale and high customer satisfaction.
- The store in Akranes was fully renewed this year and the store at Fitjar was renewed partly.
- Constructions on a new store in Akureyri are in good progress and the store will be opened at the end of November.
- „Skannað og skundað“ self service at Kronan is now available in 17 stores out of 25.



- Revenue was ISK 3,950 million, increase of 427 million or 12.1% YoY.
- Stores in Keflavík airport are recovering, a huge increase or 704% YoY.
- Margin levels similar between years but under high pressure due to price increases from suppliers.
- Continued increase in online sales but decrease in stores in the capital area between years.
- EBITDA was ISK 343 million, decrease of ISK 2 million or 0.5% YoY.

| | Q2 2022 | Q2 2021 | Change | % |
|---------------|---------|---------|-----------|--------|
| Total revenue | 3,950 | 3,523 | 427 | 12.1% |
| Total cost | (3,607) | (3,178) | (429) | 13.5% |
| EBITDA | 343 | 345 | (2) | -0.5% |
| EBITDA-ratio | 8.7% | 9.8% | -1.1 bps. | -11.3% |
| EBIT | 217 | 242 | (25) | -10.5% |
| EBIT-ratio | 5.5% | 6.9% | -1.4 bps. | -20.2% |
| Profit (loss) | 164 | 177 | (12) | -7.0% |

NEW STORE AND UPGRADE ON ONLINE STORE



- ELKO opened a new 1,400 m² store in Skeifan in the beginning of July, replacing an old one in the same area. In this store the focus is on design and technology to ensure customers good experience and also focusing on having samples of all product availability.
- Upgrade on ELKO online store in Q2, now with online ordering for the airport store, new product information system and more.
- ELKO is a VR exemplary company of the year 2022, this is the first time the company participates.



OTHER ENTITIES HIGHLIGHTS Q2 2022



- Revenue was ISK 1,852 million, increase of ISK 108 million or 6.2% YoY.
- Net operating income of properties were ISK 885 million, compared to ISK 845 million Q2 2021.
- Own use of property increased to 88% compared to 85% Q2 2021, an increase of 3 bps.
- Sale of 4 properties late last year lowers the EBITDA between years.
- EBITDA ISK 850 million, a decrease of ISK 69 million or 7.5% YoY.

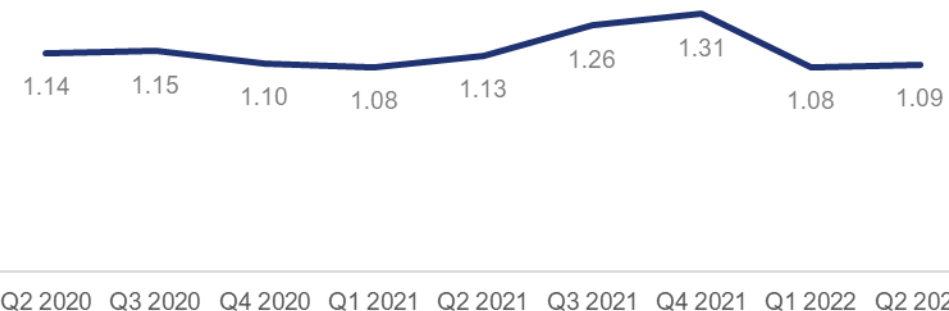
| | Q2 2022 | Q2 2021 | Change | % |
|---------------|---------|---------|-----------|--------|
| Total revenue | 1,852 | 1,744 | 108 | 6.2% |
| Total cost | (1,002) | (825) | (177) | 21.4% |
| EBITDA | 850 | 919 | (69) | -7.5% |
| EBITDA-ratio | 45.9% | 52.7% | -6.8 bps. | -12.9% |
| EBIT | 553 | 579 | (26) | -4.5% |
| EBIT-ratio | 29.9% | 33.2% | -3.3 bps. | -10.1% |
| Profit (loss) | 116 | 72 | 44 | 61.5% |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Amounts are in ISK million | 30.6.2022 | 31.12.2021 | Change | % |
|------------------------------|---------------|---------------|--------------|--------------|
| Goodwill | 14,668 | 14,668 | 0 | 0.0% |
| Other Intangible assets | 4,624 | 4,744 | (120) | -2.5% |
| Property and equipment | 33,856 | 32,544 | 1,312 | 4.0% |
| Leased assets | 7,924 | 6,155 | 1,769 | 28.7% |
| Investment properties | 6,421 | 6,100 | 321 | 5.3% |
| Shares in associates | 2,235 | 2,324 | (89) | -3.8% |
| Shares in other companies | 13 | 13 | 0 | 0.0% |
| Long-term receivables | 234 | 228 | 5 | 2.3% |
| Non-current assets | 69,975 | 66,778 | 3,197 | 4.8% |
| Inventories | 12,462 | 9,545 | 2,917 | 30.6% |
| Trade receivables | 6,011 | 4,757 | 1,254 | 26.4% |
| Other short-term receivables | 666 | 889 | (223) | -25.1% |
| Cash and cash equivalents | 2,085 | 4,003 | (1,918) | -47.9% |
| Current assets | 21,224 | 19,194 | 2,029 | 10.6% |
| Total assets | 91,198 | 85,972 | 5,227 | 6.1% |

- Strong Balance Sheet.
- Operational- and investment assets increase due to large investments in the quarter.
- Accounts receivable and inventories increase in line with price hikes in the commodities markets, opening of new stores and seasonal fluctuations.
- Cash balance was ISK 2,085 million at end of Q2, a decrease of ISK 1,918 million from year end 2021.

Current ratio



Inventory turnover

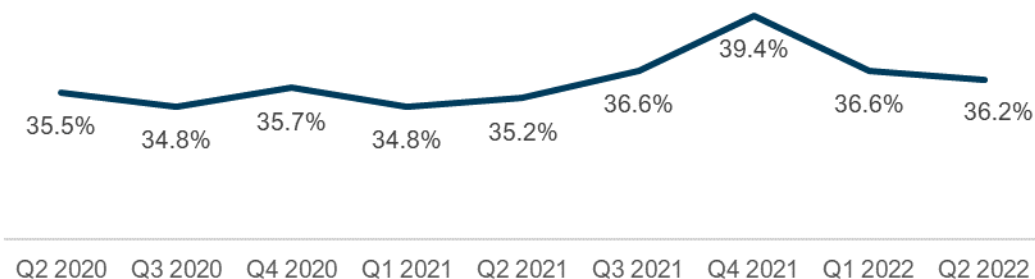


CONSOLIDATED STATEMENT OF FINANCIAL POSITION

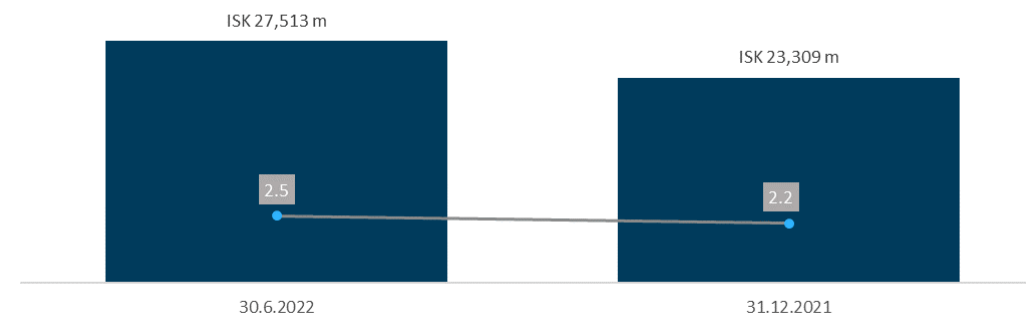
| Amounts are in ISK million | 30.6.2022 | 31.12.2021 | Change | % |
|-------------------------------------|-----------|------------|--------|--------|
| Equity | 32,984 | 33,910 | (927) | -2.7% |
| Payable to credit institutions | 25,217 | 25,930 | (713) | -2.7% |
| Lease liabilities | 7,596 | 5,869 | 1,727 | 29.4% |
| Deferred tax liabilities | 5,959 | 5,590 | 369 | 6.6% |
| Non-current liabilities | 38,772 | 37,388 | 1,384 | 3.7% |
| Payable to credit institutions | 4,381 | 1,382 | 2,999 | 217.0% |
| Lease liabilities | 657 | 554 | 103 | 18.6% |
| Trade payables | 7,567 | 7,022 | 545 | 7.8% |
| Other short-term liabilities | 6,839 | 5,716 | 1,123 | 19.7% |
| Current liabilities | 19,443 | 14,673 | 4,770 | 32.5% |
| Total equity and liabilities | 91,198 | 85,972 | 5,227 | 6.1% |

- Equity ratio of 36.2% at the end of Q2 2022
- Purchase of own shares ISK 1,031 million during the first 6 months and dividends paid ISK 1,563 millions in April 2022.
- Repayments of interest-bearing loans amounted to ISK 895 million during the first 6 months of the year.
- Other short-term liabilities increase due to seasonal fluctuations and increased activity.
- Current capital structure is in line with company strategy and well within the covenant agreements with credit institutions.

Equity ratio



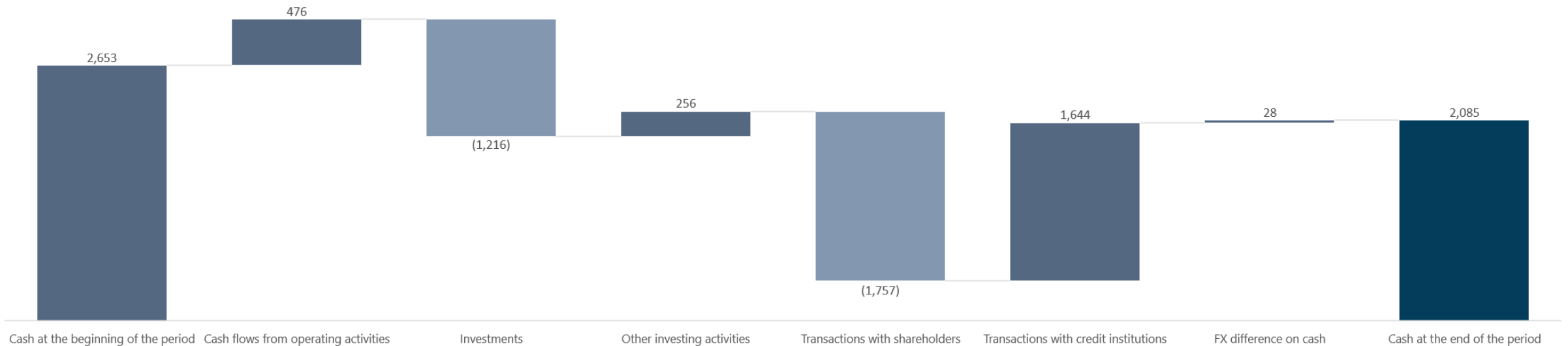
■ Net interest bearing liabilities without lease liabilities
● Net interest bearing liabilities without lease liabilities / EBITDA



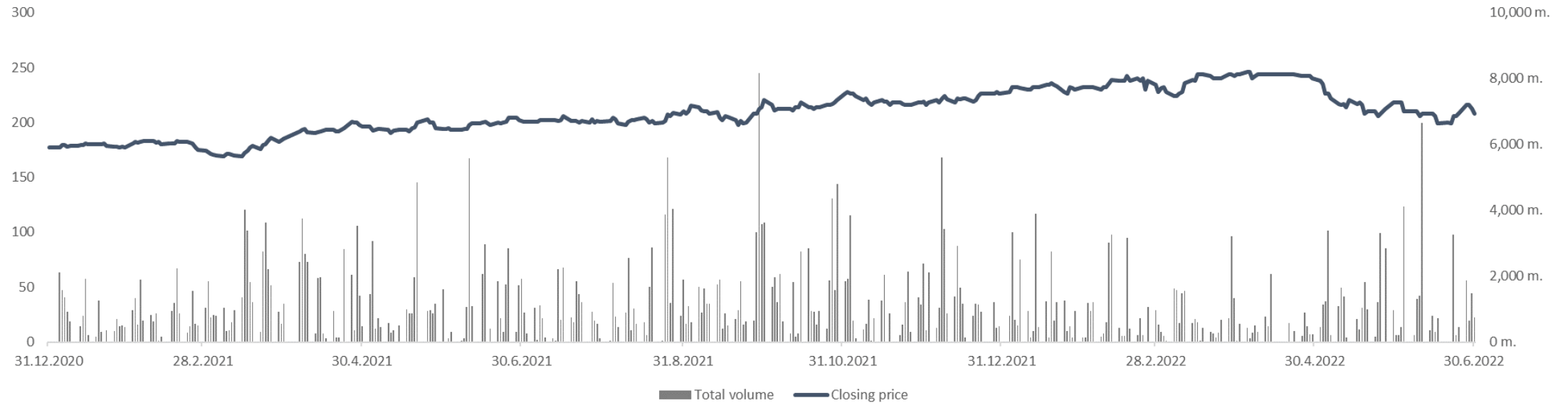
CONSOLIDATED STATEMENT OF CASH FLOW Q2 2022

| | Q2 2022 | Q2 2021 | Change | % |
|---------------------------------------|---------|---------|---------|---------|
| Cash at the beginning of the period | 2,653 | 2,463 | 190 | 7.7% |
| Cash flows from operating activities | 476 | 2,991 | (2,515) | -84.1% |
| Investments | (1,216) | (538) | (678) | 126.0% |
| Other investing activities | 256 | 456 | (200) | -43.8% |
| Transactions with shareholders | (1,757) | (1,371) | (386) | 28.1% |
| Transactions with credit institutions | 1,644 | (872) | 2,516 | -288.6% |
| FX difference on cash | 28 | 4 | 24 | 575.7% |
| Cash at the end of the period | 2,085 | 3,134 | (1,050) | -33.5% |

- Cash from operating activities was ISK 476 million, a decrease of ISK 2,515 million YoY.
- Investments were ISK 1,216 million in Q2 2022, an increase of ISK 678 million YoY.
- Dividends paid ISK 1,563 millions and purchase of own shares ISK 195 million during the quarter.
- Repayments of interest-bearing debt amounted to ISK 695 million, but new short-term loan was taken ISK 2,500 million
- Decrease in cash position in Q2 2022 amounted to ISK 1,350 million.



SHARE PRICE DEVELOPMENT



Shareholders (10 largest)

| | % |
|---------------------------------|------|
| Lífeyrissj.starfsm.rík. A-deild | 10.6 |
| Lífeyrissjóður verzlunarmanna | 9.9 |
| Gildi - lífeyrissjóður | 9.8 |
| Brú Lífeyrissjóður starfs sveit | 7.8 |
| Birta lífeyrissjóður | 6.8 |
| Almennir lífeyrissjóðurinn | 4.6 |
| Stapi lífeyrissjóður | 4.5 |
| Frjálsi lífeyrissjóðurinn | 3.7 |
| Íslandsbanki hf. | 3.4 |
| Festa - lífeyrissjóður | 3.4 |

Market information

| | |
|-----------------------------------|--------------|
| Issued shares | 310 m. |
| Market cap at the end of Jun 2022 | ISK 76,250 M |
| Market cap at the end of Dec 2021 | ISK 60,669 M |
| Number of shareholders | 1,154 |



Position and outlook

POSITION AND OUTLOOK FOR 2022

Financial forecast 2022

- Festi's EBITDA forecast for 2022 is increased by ISK 400 million and is now estimated between 9,800 – 10,200 m.kr.

Assumptions and risks:

- Impact of Russia's invasion of Ukraine on commodity prices and supply
- Major changes in world commodity prices and the ISK exchange rate
- High inflation in international markets and Iceland
- Number of tourist arrivals to Iceland

Highlights:

- The quarters operations performed better than expected.
- Sharp rises in commodity markets.
- High inflation in international markets and Iceland.
- High pressure on margins.
- Closely working with suppliers to ensure product offerings and seek all means to achieve efficiency to counteract current price increases.

Investments and transactions with shareholders:

- Investments in Q2 2022 amounted to ISK 1,216 million, total of ISK 3,115 million for the first 6 months.
- Investments are expected as ISK 5,500 million for 2022.
- Purchase of own shares for ISK 195 million during Q2 2022.
- Dividends in the amount of ISK 1,563 million. kr. paid on April 8th, 2022.

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