



Condensed Interim Financial Statements

1 January - 31 March 2023



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Endorsement and Statement by the Board of Directors and the CEO

Operations of the Group

The Condensed Consolidated Interim Financial Statements of Festi hf. for the period from 1 January to 31 March 2023 have been prepared in accordance with International Accounting Standard IAS 34, Interim Financial Reporting, and should be read in conjunction with the Group's Annual Consolidated Financial Statements as at and for the year ended 31 December 2022. The interim financial statements comprise the Consolidated Interim Financial Statements of Festi hf. (the "Company") and its subsidiaries together referred to as the "Group". The Condensed Consolidated Interim Financial Statements have not been audited or reviewed by the Company's independent auditors.

Operations in the three-month period ended 31 March 2023

For the period from 1 January to 31 March 2023, loss amounted to ISK 91 million. Total comprehensive loss for the period was ISK 109 million. At the end of the period equity amounted to ISK 32,905 million, including share capital in the amount of ISK 305 million. Based on the Company's 2023 Annual General Meeting resolution in March, a dividend of ISK 914 million was approved and paid to the shareholders in April and is therefore included in other short-term liabilities in these Condensed Consolidated Interim Financial Statements. Reference is made to the Consolidated Statement of Changes in Equity regarding information on changes in equity.

Prices of commodities are considerably higher compared to same quarter last year with increase in turnover and cost of goods sold and lowering sales ratio. Inflation remains high, affecting product prices and cost overall. The Group entities are monitoring the situation closely and are taking various steps to reduce these effects for their customers.

Statement by the Board of Directors and the CEO

The Company's Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union and, as applicable, additional requirements of the Icelandic Financial Statements Act.

According to the best of our knowledge, in our opinion the Condensed Consolidated Interim Financial Statements give a true and fair view of the financial performance of the Group for the three-month period ended 31 March 2023, its assets, liabilities and Consolidated Financial Position as of 31 March 2023, and its Consolidated Cash Flows for the period then ended.

Furthermore, in our opinion the Condensed Consolidated Interim Financial Statements and the Endorsement and Statement by the Board of Directors and the CEO give a true and fair view of the development and results of the Group's operations and its position and describes the principal risk and uncertainties faced by the Group.

The Board of Directors and the CEO have today discussed the Company's Condensed Consolidated Interim Financial Statements of Festi hf. for the period from 1 January to 31 March 2023 and confirm them by means of their signatures.

Kópavogur, 3 May 2023.

Board of Directors

Guðjón Karl Reynisson, Chairman
Sigurlína Ingvarsdóttir, Vice-Chairman
Hjörleifur Pálsson
Magnús Júlíusson
Margrét Guðmundsdóttir

CEO

Ásta Sigríður Fjeldsted

Consolidated Statement of Comprehensive Income for the period from 1 January to 31 March 2023

	Notes	2023 1.1.-31.3.	2022 1.1.-31.3.
Sale of goods and services	6	29.483.531	24.571.564
Cost of goods sold		(23.256.243)	(18.837.445)
Margin from sale of goods and services	7	<u>6.227.288</u>	<u>5.734.119</u>
Other operating income	6	496.934	430.759
Salaries and other personnel expenses	8	(3.672.552)	(3.006.224)
Other operating expenses	9	(1.650.753)	(1.409.284)
		<u>(4.826.371)</u>	<u>(3.984.749)</u>
Operating profit before depreciation, amortisation and changes in value (EBITDA)		1.400.917	1.749.370
Depreciation of property and equipment and leased assets and amortisation of intangible assets		(943.764)	(807.881)
Changes in value of investment property		15.546	9.746
Operating profit before finance items (EBIT)		472.699	951.235
Finance income	10	27.255	28.988
Finance costs	10	(817.897)	(442.817)
Foreign currency differences	10	23.989	(28.037)
Share of profit of associates		122.064	62.998
		<u>(644.589)</u>	<u>(378.868)</u>
(Loss) profit before income tax (EBT)		(171.890)	572.367
Income tax		80.825	(96.569)
(Loss) profit for the period		<u>(91.065)</u>	<u>475.798</u>
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Translation difference arising from operations of a foreign associate		(17.887)	(19.268)
Effective portion of changes in fair value of cash flow hedges, net of income tax		30	(89.498)
Total other comprehensive loss		<u>(17.857)</u>	<u>(108.766)</u>
Total comprehensive (loss) income for the period		<u>(108.922)</u>	<u>367.032</u>
Basic and diluted earnings per share in ISK		(0,30)	1,35

The notes on pages 8 to 16 are an integral part of these condensed financial statements.

Consolidated Statement of Financial Position as at 31 March 2023

	Notes	31.3.2023	31.12.2022
Assets			
Goodwill		14.842.340	14.862.133
Other intangible assets		4.434.026	4.516.745
Property and equipment	11	34.992.922	34.815.148
Leased assets		8.082.211	8.012.354
Investment properties		6.503.882	6.478.617
Shares in associates		2.705.045	2.600.869
Shares in other companies		14.140	14.140
Long-term receivables		148.418	150.354
Non-current assets		<u>71.722.984</u>	<u>71.450.360</u>
Inventories		14.197.341	13.085.771
Trade receivables		5.794.227	5.960.168
Other short-term receivables		609.880	764.487
Cash and cash equivalents		1.823.338	2.112.137
Current assets		<u>22.424.786</u>	<u>21.922.563</u>
Total assets		<u><u>94.147.770</u></u>	<u><u>93.372.923</u></u>
Equity			
Share capital		304.500	307.500
Share premium		8.370.514	8.900.637
Other restricted equity		11.924.210	11.791.388
Retained earnings		12.305.334	13.460.578
Equity		<u>32.904.558</u>	<u>34.460.103</u>
Liabilities			
Loans from credit institutions	12	28.323.311	28.224.162
Lease liabilities		7.775.086	7.714.823
Deferred tax liability		5.920.023	6.000.840
Non-current liabilities		<u>42.018.420</u>	<u>41.939.825</u>
Loans from credit institutions	12	1.795.804	1.789.733
Lease liabilities		752.213	711.514
Trade payables		9.393.203	8.630.348
Other short-term liabilities		7.283.572	5.841.400
Current liabilities		<u>19.224.792</u>	<u>16.972.995</u>
Total liabilities		<u>61.243.212</u>	<u>58.912.820</u>
Total equity and liabilities		<u><u>94.147.770</u></u>	<u><u>93.372.923</u></u>

The notes on pages 8 to 16 are an integral part of these condensed financial statements.

Consolidated Statement of Changes in Equity for the period from 1 January to 31 March 2023

	Other restricted equity							Retained earnings	Total equity
	Share capital	Share premium	Statutory reserve	Revaluation reserve	Unrealised profit of subsidiaries and associates	Other restricted accounts			
1 January to 31 March 2022									
Equity 1.1.2022	316.118	10.824.306	79.029	4.827.722	7.561.783	80.735	10.220.702	33.910.395	
Profit for the period							475.798	475.798	
Total other comprehensive income						(108.766)		(108.766)	
Restricted due to subsidiaries and associates					383.048		(383.048)	0	
Dissolution of revaluation of an associate				(5.201)			5.201	0	
Dissolution of revaluation of property and equipment				(26.090)			26.090	0	
	316.118	10.824.306	79.029	4.796.431	7.944.831	(28.031)	10.344.743	34.277.427	
<i>Transactions with shareholders:</i>									
Purchased own shares	(3.618)	(832.623)						(836.241)	
Transferred from statutory reserve			(904)				904	0	
Dividend declared to shareholders (ISK 5 per share)							(1.562.500)	(1.562.500)	
Equity 31.3.2022	312.500	9.991.683	78.125	4.796.431	7.944.831	(28.031)	8.783.147	31.878.686	
Total other restricted equity							12.791.356		
1 January to 31 March 2023									
Equity 1.1.2023	307.500	8.900.637	76.875	4.701.950	7.028.539	(15.976)	13.460.578	34.460.103	
Loss for the period							(91.065)	(91.065)	
Total other comprehensive loss							(17.857)	(17.857)	
Restricted due to subsidiaries and associates					179.450		(179.450)	0	
Dissolution of revaluation of an associate				(2.432)			2.432	0	
Dissolution of revaluation of property and equipment				(25.589)			25.589	0	
	307.500	8.900.637	76.875	4.673.929	7.207.989	(33.833)	13.218.084	34.351.181	
<i>Transactions with shareholders:</i>									
Purchased own shares	(3.000)	(530.123)						(533.123)	
Transferred from statutory reserve			(750)				750	0	
Dividend declared to shareholders (ISK 3 per share)							(913.500)	(913.500)	
Equity 31.3.2023	304.500	8.370.514	76.125	4.673.929	7.207.989	(33.833)	12.305.334	32.904.558	
Total other restricted equity							11.924.210		

The notes on pages 8 to 16 are an integral part of these condensed financial statements.

Consolidated Statement of Cash Flows for the period from 1 January to 31 March 2023

	Notes	2023 1.1.-31.3.	2022 1.1.-31.3.
Cash flows from operating activities			
Profit before depreciation, amortisation and changes in value (EBITDA)		1.400.917	1.749.370
Operating items not affecting cash flows:			
Gain on sale of property and equipment .....	(	5.174)	(10.120)
		<u>1.395.743</u>	<u>1.739.250</u>
Changes in operating assets and liabilities:			
Inventories, (increase) decrease .....	(	1.111.570)	30.322
Trade and other short-term receivables, decrease (increase)		342.673	(1.366.605)
Trade and other short-term liabilities, increase		1.444.550	968.813
Changes in operating assets and liabilities		<u>675.653</u>	<u>(367.470)</u>
Interest received		68.102	25.603
Interest paid .....	(	754.426)	(349.821)
Income tax paid .....	(	146.892)	(64.800)
Net cash from operating activities		<u>1.238.180</u>	<u>982.762</u>
Cash flows used in investing activities			
Purchased intangible assets .....	(	116.534)	(165.347)
Purchased property and equipment .....	(	726.025)	(1.169.884)
Sold property and equipment		37.204	47.680
Purchase of investment properties .....	(	9.718)	(564.457)
Sold investment properties		0	220.000
Change in shares in companies		0	(4.000)
Long-term receivables, change .....	(	215)	18.613
Net cash used in investing activities	(	<u>815.288)</u>	<u>(1.617.395)</u>
Cash flows used in financing activities			
Purchased own shares .....	(	533.123)	(836.241)
Repayment of long-term loans from credit institutions .....	(	1.435)	(199.648)
Repayment of lease liabilities .....	(	197.187)	(145.967)
Short-term loans, change		0	500.000
Net cash used in financing activities	(	<u>731.745)</u>	<u>(681.856)</u>
Decrease in cash and cash equivalents .....	(	308.853)	(1.316.489)
Foreign currency difference on cash and cash equivalents		20.054	(33.628)
Cash and cash equivalents at the beginning of the period		<u>2.112.137</u>	<u>4.002.716</u>
Cash and cash equivalents at the end of the period		<u><u>1.823.338</u></u>	<u><u>2.652.599</u></u>
Investing and financing activities not affecting cash flows			
New lease contracts and their remeasurement .....	(	298.149)	(123.432)
New lease liabilities and their remeasurement		298.149	123.432
Trade and other short-term receivables		913.500	1.562.500
Dividend declared .....	(	913.500)	(1.562.500)

The notes on pages 8 to 16 are an integral part of these condensed financial statements.

Notes to the Condensed Interim Consolidated Financial Statements

1. Reporting entity

Festi hf. (the "Company" or "the Group") is an Icelandic public limited liability company incorporated and domiciled in Iceland. The Company's headquarters are located at Dalvegur 10-14, Kópavogur, Iceland. The main operation of the Company and its subsidiaries (together referred to as the "Group") consists of sale of fuel, goods and service in service stations, groceries and related products, sale of electronic equipment and leasing of properties. These Condensed Consolidated Interim Financial Statements of the Company as at and for the three months ended 31 March 2023 comprise of the Company and its subsidiaries. The Company is listed on Nasdaq Iceland.

2. Basis of preparation

The Condensed Consolidated Interim Financial Statements for the three months ended 31 March 2023 have been prepared in accordance with International Accounting Standard IAS 34, Interim Financial Reporting, as adopted by the European Union and, as applicable, additional requirements of the Icelandic Financial Statements Act. The Condensed Consolidated Interim Financial Statements have been prepared under the historical cost convention, except for financial assets and liabilities, which are valued at fair value through Other Comprehensive Income and the Company's real estate leased to third parties are revalued to fair value. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual Consolidated Financial Statements as at and for the year ended 31 December 2022.

The accounting policies and methods of computation applied in these Condensed Consolidated Interim Financial Statements are the same as those applied by the Group in its Consolidated Financial Statements as at and for the year ended 31 December 2022.

The Condensed Consolidated Interim Financial Statements are prepared and presented in Icelandic krona (ISK), which is the Company's functional currency. All amounts are presented in thousands of Icelandic krona unless otherwise stated. The Board of Directors of Festi hf. approved the Condensed Consolidated Interim Financial Statements on 3 May 2023.

3. Use of estimates and judgements

The preparation of the Condensed Consolidated Interim Financial Statements in conformity with IFRSs requires management to make judgements, estimates and assumptions, which affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were in all major matters the same as those applied to the Consolidated Financial Statements as at and for the year ended 31 December 2022.

4. New and revised IFRS's

The accounting policies and methods of computation applied in these Condensed Consolidated Interim Financial Statements are the same as those applied by the Group in its Consolidated Financial Statements as at and for the year ended 31 December 2022. A few new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these Condensed Consolidated Interim Financial Statements as they are not considered to have significant impact on the Condensed Consolidated Interim Financial Statements.

Notes, continued:

5. Operating segments

An operating segment is a component of the Group that engages in business activity from which it may earn revenue and incur expenses, including revenue and expenses relating to transactions with other segments of the Group. Segments are determined by the Company's management, which regularly reviews the Group's segments to decide upon how assets are allocated as well as to monitor their financial performance.

Operating results of segments, their assets and liabilities consist of items directly attributable to individual segments as well as those items which can be allocated in a logical way. Capital expenditure of segments consist of the total cost of acquisition of operating and intangible assets. Transactions between segments are priced on an arm's length basis.

The operating companies of N1, Krónan and ELKO in the Group are individual operating segments. The Group's other entities comprise the fourth segment. That segment consists of the operations of the parent company Festi, Bakkinn Vöruhótel and Festi fasteignir.

Reportable segments for the three months ended 31 March 2023

	N1	Krónan	ELKO	Other companies	Segments total
External revenue	11.650.428	14.197.253	3.877.015	255.769	29.980.465
Intra-group revenue	70.443	295.815	5.370	1.723.017	2.094.645
Total segment revenue	11.720.871	14.493.068	3.882.385	1.978.786	32.075.110
Operating profit before depreciation, amortisation and changes in value (EBITDA) .	330.450	950.778	219.271	845.229	2.345.728
Segment depreciation and amortisation	(709.967)	(516.844)	(134.303)	(257.290)	(1.618.404)
Changes in value of investment property ...	0	0	0	15.546	15.546
Operating (loss) profit of segments (EBIT) .	(379.517)	433.934	84.968	603.485	742.870
Net finance costs	(268.655)	(101.935)	(12.351)	(737.288)	(1.120.229)
Share of profit of associates	0	0	0	122.064	122.064
Income tax	129.561	(60.797)	(14.524)	43.266	97.506
(Loss) profit for the period	(518.611)	271.202	58.093	31.527	(157.789)
31 March 2023					
Segment assets	29.473.574	21.525.976	5.794.398	37.353.822	94.147.770
Segment capital expenditure	363.313	238.551	53.508	196.905	852.277
Segment liabilities	19.989.010	16.655.654	4.048.609	20.549.939	61.243.212

Notes, continued:

5. Operating segments, continued:

Reportable segments for the three months ended 31 March 2022

	N1	Krónan	ELKO	Other companies	Segments total
External revenue	9.979.215	11.376.738	3.421.062	225.308	25.002.323
Intra-group revenue	60.275	15.884	3.060	1.562.011	1.641.230
Total segment revenue	10.039.490	11.392.622	3.424.122	1.787.319	26.643.553
Operating profit before depreciation, amortisation and changes in value (EBITDA) .	632.516	848.750	311.901	818.398	2.611.565
Segment depreciation and amortisation	(636.866)	(411.761)	(112.839)	(249.089)	(1.410.555)
Changes in value of investment property ...	0	0	0	9.746	9.746
Operating (loss) profit of segments (EBIT) .	(4.350)	436.989	199.062	579.055	1.210.756
Net finance costs	(256.943)	(98.904)	(23.525)	(424.572)	(803.944)
Share of profit of associates	0	0	0	62.998	62.998
Income tax	52.263	(67.564)	(35.107)	(25.650)	(76.058)
(Loss) profit for the period	(209.030)	270.521	140.430	191.831	393.752

31 March 2022

Segment assets	28.199.602	18.731.880	4.895.501	35.265.844	87.092.827
Segment capital expenditure	301.691	316.796	146.533	1.134.668	1.899.688
Segment liabilities	18.629.299	13.393.717	3.159.497	20.031.627	55.214.140

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities, and other material items

1.1.-31.3.2023	Segments total	Eliminations	According to financial statements
Operating profit before depreciation, amortisation and changes in value (EBITDA)	2.345.728	(944.811)	1.400.917
Depreciation of property and equipment and leased assets and amortisation of intangible assets	(1.618.404)	674.640	(943.764)
Changes in value of investment property	15.546		15.546
Operating profit (EBIT)	742.870	(270.171)	472.699
Net finance costs	(1.120.229)	353.576	(766.653)
Share of profit of associates	122.064		122.064
Income tax	97.506	(16.681)	80.825
Loss for the period	(157.789)	66.724	(91.065)

1.1.-31.3.2022

Operating profit before depreciation, amortisation and changes in value (EBITDA)	2.611.565	(862.195)	1.749.370
Depreciation of property and equipment and leased assets and amortisation of intangible assets	(1.410.555)	602.674	(807.881)
Changes in value of investment property	9.746		9.746
Operating profit (EBIT)	1.210.756	(259.521)	951.235
Net finance costs	(803.944)	362.078	(441.866)
Share of profit of associates	62.998		62.998
Income tax	(76.058)	(20.511)	(96.569)
Profit for the period	393.752	82.046	475.798

Notes, continued:

6. Operating income

Sale of goods and services

Sale of goods and services are recognised based on the fundamental principle of recognising revenue as or when control of goods and services are transferred to the customer.

Income from lease of real estate

Real estate leased to parties outside the Group are classified as investment properties. An investment property is a real estate held to earn rentals or for capital appreciation or both. Investment properties are recognised at fair value. Fair value changes of investment properties are presented separately in the income statement, and therefore presented separately from lease income from those same assets.

Other operating revenue

Revenue from warehouse activities, commissions, gain on sale of assets and other income are presented in other operating income.

Operating income is specified as follows:

	2023	2022
	1.1. - 31.3.	1.1. - 31.3.
Sale of goods and services:		
Convenience goods	15.382.898	12.399.351
Fuel and electricity	8.361.187	7.066.641
Electronic equipment	3.845.659	3.397.300
Sale of other goods and services	1.893.787	1.708.272
Total sale of goods and services	<u>29.483.531</u>	<u>24.571.564</u>
Other operating income:		
Lease income from properties	167.707	145.092
Warehouse services	92.641	85.599
Commissions	109.645	88.637
Gain on sale of property and equipment	5.174	10.120
Other operating income	121.767	101.311
Total other operating income	<u>496.934</u>	<u>430.759</u>
Total operating revenue	<u>29.980.465</u>	<u>25.002.323</u>

7. Margin from sale of goods and services

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

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

	2023	2022
	1.1. - 31.3.	1.1. - 31.3.
Convenience goods	3.470.726	2.879.046
Fuel and electricity	1.129.661	1.273.939
Electronic equipment	926.574	914.803
Other goods and services	700.327	666.331
Margin from sale of goods and services	<u>6.227.288</u>	<u>5.734.119</u>

Notes, continued:

8. Salaries and other personnel expenses

Salaries and other personnel expenses are specified as follows:

	2023	2022
	1.1. - 31.3.	1.1. - 31.3.
Salaries	2.792.942	2.250.515
Salary-related expenses	745.260	651.620
Other personnel expenses	134.350	104.089
Total salaries and other personnel expenses	<u>3.672.552</u>	<u>3.006.224</u>

9. Other operating expenses

Other operating expenses are specified as follows:

	2023	2022
	1.1. - 31.3.	1.1. - 31.3.
Operating expenses of properties	511.765	429.547
Maintenance expenses	302.411	230.600
Sales and marketing expenses	348.323	304.814
Office and administrative expenses, including fees to auditors	122.580	108.741
Communication expenses	236.564	197.501
Insurance and claims expenses	33.894	63.189
Other expenses	95.216	74.892
Total other operating expenses	<u>1.650.753</u>	<u>1.409.284</u>

10. Finance income and finance costs

Finance income is specified as follows:

	2023	2022
	1.1. - 31.3.	1.1. - 31.3.
Interest income on cash and cash equivalents	3.268	7.182
Interest income on receivables	23.987	21.806
Total finance income	<u>27.255</u>	<u>28.988</u>

Finance costs are specified as follows:

Interest expense and CPI-indexation on loans from credit institutions	684.889	342.108
Interest expense on lease liabilities	113.656	87.200
Other interest expense	19.352	13.509
Total finance costs	<u>817.897</u>	<u>442.817</u>

11. Operating assets

Acquisition of operating assets in the first three months of 2023 amounted to ISK 726 million (2022 Q1: 1.170 million). Thereof investment in buildings is ISK 411 million (2022 Q1: 514 million), interiors, equipment and tools was ISK 253 million (2022 Q1: 636 million) and investment in computers and other IT hardware was ISK 62 million (2022 Q1: 20 million).

Notes, continued:

12. Loans from credit institutions

All loans from credit institutions are denominated in Icelandic kroner. The loans are secured by pledge in real estate and inventories.

The loans are specified as follows:

	2023	2022
	1.1. - 31.3.	1.1. - 31.12.
Long-term loans		
Balance at the beginning of the year	28.224.162	25.929.521
Repayments	(1.435)	(1.593.965)
New loans	0	3.960.000
From acquired subsidiary	0	12.716
Expensed borrowing costs	4.131	12.633
CPI-indexation	102.524	310.987
Change in current portion	(6.071)	(407.730)
Balance at year-end	<u>28.323.311</u>	<u>28.224.162</u>
Short-term loans		
Current portion of long-term loans	1.795.804	1.789.733
Balance at year-end	<u>1.795.804</u>	<u>1.789.733</u>
Total loans from credit institutions	<u>30.119.115</u>	<u>30.013.895</u>

	Wheighted average interest rates		Outstanding at end of period	
	2023	2022	31.3.2023	31.12.2022
Non-indexed loans at floating interest rates	8,3%	5,3%	26.534.520	26.532.580
CPI-indexed loans at floating interest rates	3,0%	2,4%	3.584.595	3.481.315
Total loans from credit institutions			<u>30.119.115</u>	<u>30.013.895</u>

The maturities of the loans are specified as follows:

Year 2023	1.795.804	1.789.733
Year 2024	1.799.055	1.790.002
Year 2025	7.638.662	7.632.823
Year 2026	1.798.972	1.792.758
Year 2027	1.799.155	1.792.941
Year 2028	1.600.838	1.594.624
Due for payment onwards	13.686.629	13.621.014
Total loans from credit institutions	<u>30.119.115</u>	<u>30.013.895</u>

As of 31 March 2023, the Group had undrawn credit lines in the amount of ISK 4,000 million.

Notes, continued:

13. Lease liabilities

Lease liabilities are specified as follows:

	2023	2022
	1.1. - 31.3.	1.1. - 31.12.
Carrying amount at the beginning of the year	8.426.337	6.422.563
New lease contracts	131.631	1.780.255
From acquired subsidiary	0	198.911
Increase due to indexation of lease payments	166.518	703.183
Payment of lease liabilities during the year	(197.187)	(678.575)
Total lease liabilities	<u>8.527.299</u>	<u>8.426.337</u>
Current portion	(752.213)	(711.514)
Total non-current portion of lease liabilities	<u>7.775.086</u>	<u>7.714.823</u>

The maturity analysis of lease liabilities is specified as follows at end of period:

Year 2023	564.160	711.514
Year 2024	786.515	749.319
Year 2025	800.306	773.159
Year 2026	790.327	749.690
Year 2027	699.141	728.811
Year 2028	551.259	574.670
Due for payment onwards	4.335.591	4.139.174
Total	<u>8.527.299</u>	<u>8.426.337</u>

	2023	2022
	1.1. - 31.3.	1.1. - 31.3.

Impact of lease liabilities in profit or loss are as follows:

Depreciation of lease assets	219.540	170.568
Interest expensed on lease liabilities	109.836	87.200

Expensed rent due to lease agreements not capitalised:

Real estate rent	34.005	28.690
Other rent payments	1.147	1.025

Impact of rental agreements on Statement of Cash Flows:

Payments due to lease contracts	310.843	233.167
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All lease liabilities are denominated in Icelandic krona.

Notes, continued:

14. Group entities

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

Company	Activity
Festi hf.	Festi is a holding company that specialises in operating companies that are leading in the retail and fuel sale in Iceland. Festi's role is to support its operating companies in fulfilling customers' demands so as to enable them to continue to be at the forefront in providing goods and services across the country. Festi provides its subsidiaries with supporting services, among other things in the area of finance, operations and business development.
Bakkinn vöruhótel ehf.	Bakkinn vöruhótel specialises in product storage, packaging, labelling and distribution of products for customers that elect to outsource their warehouse activities.
ELKO ehf.	ELKO specialises in selling household appliances and electronic equipment. The company operates stores in the capital region, Akureyri and at the Leifur Eiríksson International Airport in Keflavík, as well as an online shop.
Festi fasteignir ehf.	Festi fasteignir specialises in leasing of non-residential real estate to retail companies.
Krónan ehf.	Krónan is a retail company that operates convenience stores in Iceland. The company operates stores throughout the country under the brand names of Krónan, Kr. and smart shop with home deliveries.
Icelandic Food Company ehf.	Icelandic Food Company specialises in production of convenience goods sold in Krónan and N1.
Vínportið ehf.	Vínportið specialises in imports and wholesales of alcohol to ÁTVR stores and to hotels and restaurants. Vínportið began its operations in 2022.
N1 ehf.	N1 specialises in wholesale and retail of fuel, operation of service stations, including tire and lubrication service stations around the country. The Company's service stations sell fuel in addition to refreshments and sale of various convenience goods. N1 also purchases electricity on the wholesale market and sells it on the retail market to individuals and companies in Iceland.

Notes, continued:

15. Financial ratios

The Group's key financial ratios

	2023	2022
	1.1. - 31.3.	1.1. - 31.3.
Operations		
Turnover rate of inventories		
Utilisation of goods / average balance of inventories during the period	7,3	8,3
Sales days in trade receivables:		
Average balance of trade receivables during the period / goods and services sold	14,9	19,3
EBITDA / margin from sales of goods and services	22,5%	30,5%
Salaries and other personnel expenses / margin from sales of goods and services ...	59,0%	52,4%
Other operating expenses / margin from sales of goods and services	26,5%	24,6%
	31.3.2023	31.12.2022
Financial position		
Current ratio: current assets / current liabilities	1,17	1,29
Liquidity ratio: (current assets - inventories) / current liabilities	0,43	0,52
Leverage: net interest bearing liabilities excluding lease liabilities / EBITDA	2,93	2,78
Intrinsic value of share capital	108,06	112,07
Equity ratio: equity / total capital	34,9%	36,9%