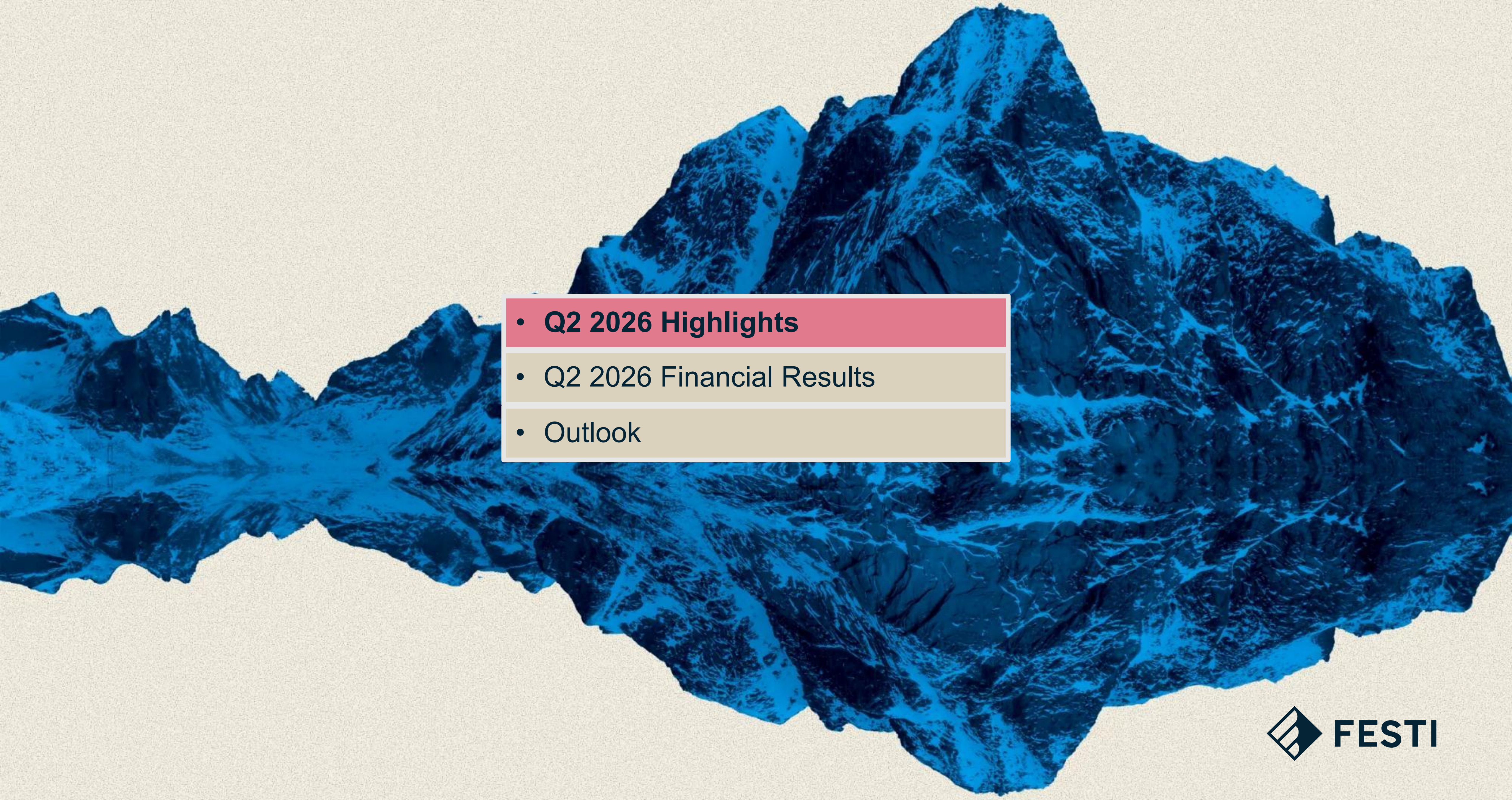
Presentation of Q2 2026 Results

29 July 2026

Ásta S. Fjeldsted
Magnús Kr. Ingason



- **Q2 2026 Highlights**
- Q2 2026 Financial Results
- Outlook

FESTI

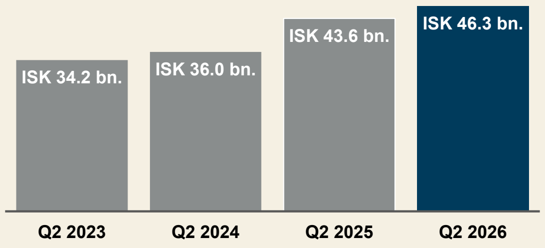
Consolidated Highlights for Q2 2026

- Performance remained resilient although results were below expectations

Sale of goods and services

ISK 46.3 bn.

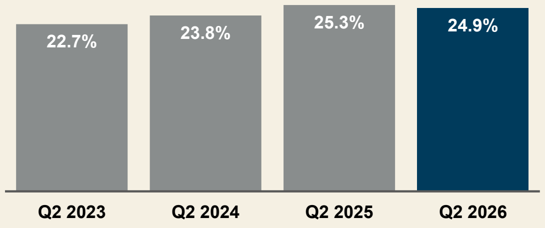
+6.4% year-on-year



Margin from sale

24.9%

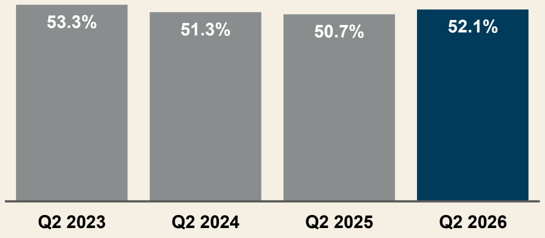
-0.4 p.p. year-on-year



Salaries/Margin from sale

52.1%

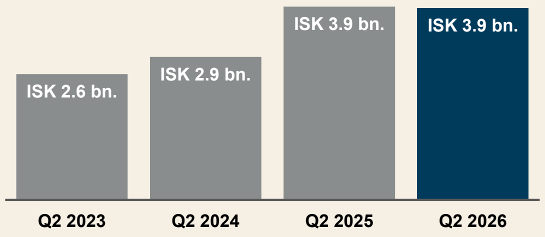
+1.4 p.p. year-on-year



EBITDA

ISK 3.9 bn.

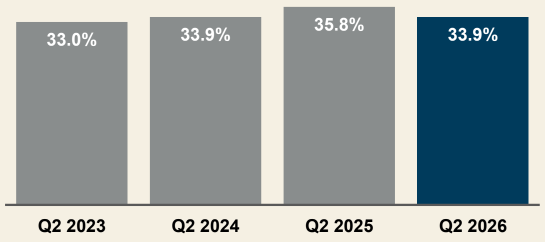
-0.8% year-on-year



EBITDA/Margin from sale

33.9%

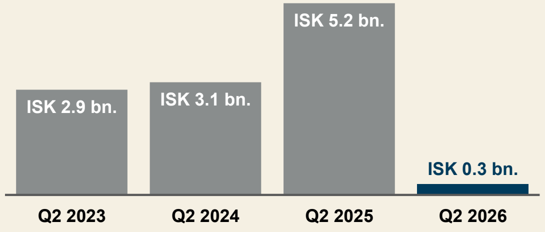
-1.9 p.p. year-on-year



Cash from operating activities

ISK 0.3 mn.

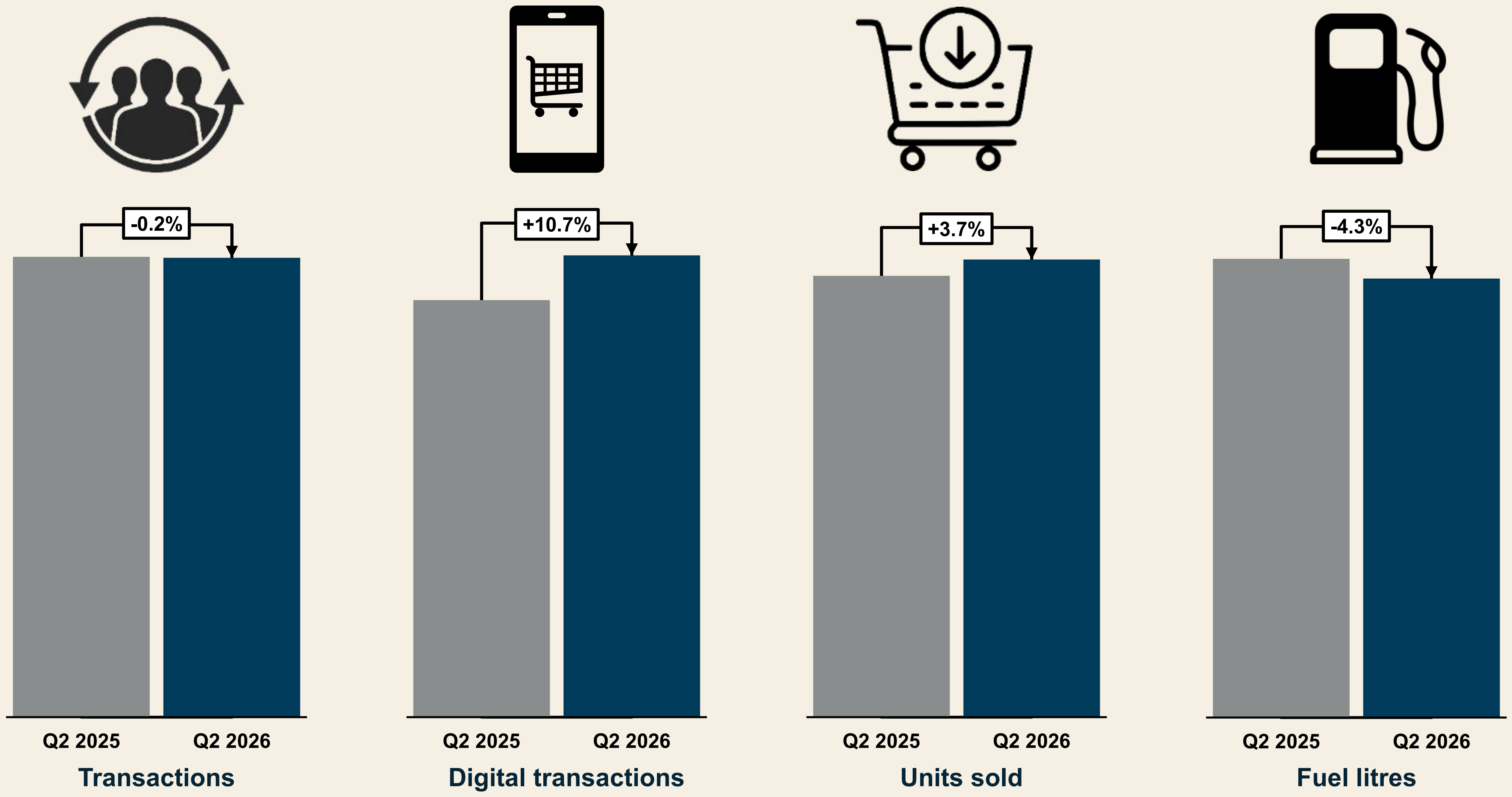
-94.5% year-on-year



Key Operating Results

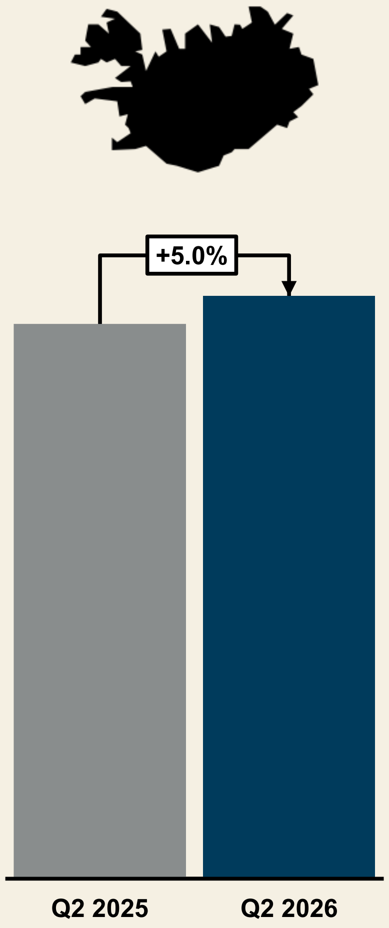
- **Group performance was solid** despite margin from fuel sales falling short of expectations.
- **Sales increased 6.4%** year-on-year, with growth across all product categories.
- **Margin level was 24.9%**, down 0.4 p.p. from Q2 2025
- **EBITDA was broadly unchanged year-on-year**.
- **Operating cash flow decreased by ISK 4.9 billion year-on-year** due to increased working capital tied up in inventories and trade receivables following the rise in global fuel prices.
- Underlying business remains strong, but external factors have temporarily affected profitability.

Increase in Sales – Fewer Transactions, Larger Baskets

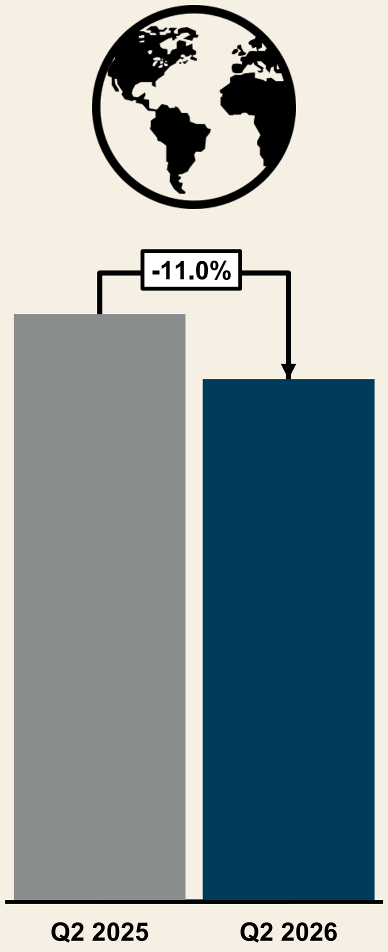


Card Turnover - Domestic Growth, Foreign Decline

- Fewer tourist arrivals and reduced fuel levies explain the decline in foreign turnover



Domestic card turnover



Foreign card turnover

ELKO: Q2 2026 Highlights

ELKO Maintains Market Position

- **ELKO's growth continued** while the consumer electronics market declined 4.1% year-on-year.[1]
- **Online sales accounted for 27.5% of total sales** vs. 25.3% in Q2 2025.

Opening of ELKO Smáralind

- **ELKO opened its sixth store** in Smáralind in June.
- **Performance has been in line with expectations** and the store has already attracted more than 24,000 visits.

Refursbishment of ELKO Grandi

- ELKO **Grandi will undergo refurbishment this autumn**.
- Construction will commence in September, with **reopening planned before the November promotional season**.

1) According market research by Meniga.

Krónan: Q2 2026 Highlights

Strong Momentum in Store Activity

- **In-store transactions increased** 2.6% year-on-year, unadjusted for the 9-week closure of Krónan Lindir during the quarter, and **units sold increased** 4.5%.
- **Adjusted for the closure of Lindir, in-store transactions increased 7.4% and units sold 10.7%.**

Strong Momentum in Store Activity

- **Sales increased 52%** year-on-year.
- **Units sold increased 47%.**
- **Transactions increased 43%.**
- Share of total sales continues to grow.

Opening of Krónan Lindir

- **Krónan Lindir reopened** following refurbishment on June 11 and has **exceeded expectations.**
- From reopening through July 26, **transactions and units sold increased 15%** year-on-year, and **sales increased 21%**.

Lyfja: Q2 2026 Highlights

Digital Channels Continue to Grow

- **Online sales increased by 15%** year-on-year.
- **Strong contribution from the website lyfja.is,** where sales increased 56% and June was a record month.

Lyfja Strengthens Its Market Position

- **Brand awareness reached 98%** and Lyfja has the **most favourable brand** perception in the pharmacy market. [1]
- **Lyfja‘s NPS increased** by 13 p.p quarter-on-quarter and 20 p.p year-on-year. [2]

Focus on Skincare Delivers Results

- Increased focus on skincare drove a **10% increase in units sold across the category** year-on-year.
- **Strong customer demand during promotional campaigns** and multiple sold-out educational events during the quarter.

Strong Momentum at Lyfja Heyrn

- **Margin level at Lyfja Heyrn increased 39%** year-on-year, while **hearing aid unit sales grew by 11%**.
- **Record number of respondents name Lyfja Heyrn as their first choice** [2] and customer satisfaction reached 9.2 out of 10.

1) According market research by Prósent. 2) According to market research by Gallup.

N1: Q2 2026 Highlights

Solid Underlying Performance

- Units sold declined 1.6% year-on-year, while **service station sales remained stable**.
- Fuel volumes declined by 4.3%, mainly due to **lower B2B sales**.

Challenging External Conditions

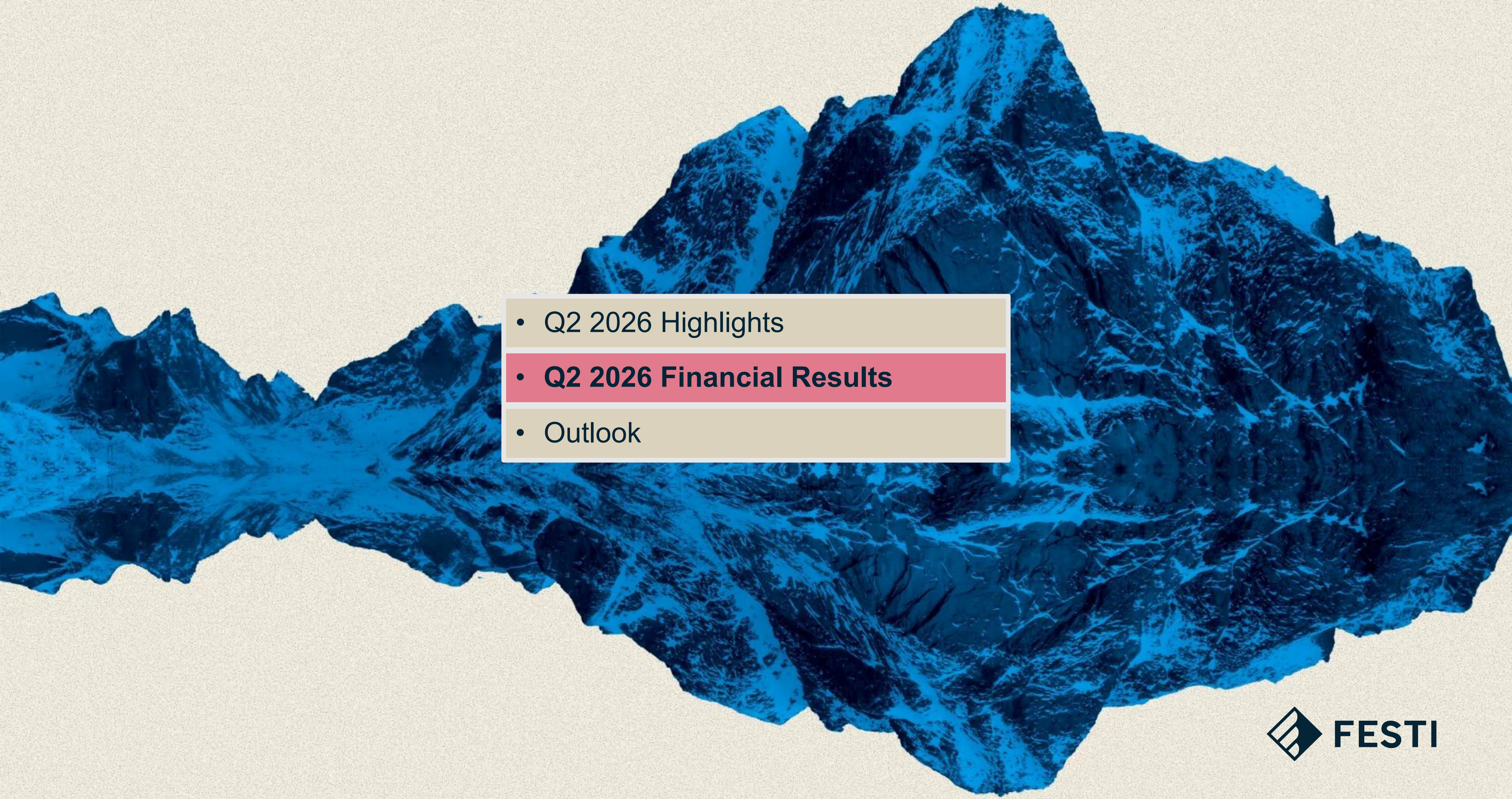
- **Sharp increases in global fuel prices** significantly impacted procurement costs.
- Cost increases were not fully reflected in retail prices, resulting in **margin from fuel sales coming in below expectations**.

New Station at Geysir

- **New service station opened at Geysir** in early June, replacing the previous location in the area.
- **Improved access for passenger cars and larger vehicles** at one of Iceland's most visited tourist destinations.

New Tyre Hotel and Service Centre

- **New full-service facility** for tyre services, oil changes and car washes **will open at Borgahella this autumn**.
- One-stop service destination for passenger and commercial vehicles.
- **Increased capacity** and upgraded facilities to meet **growing demand**.



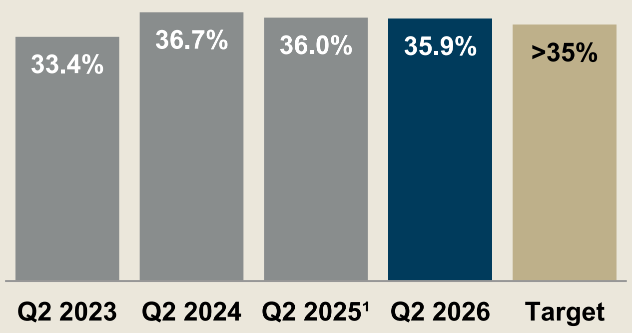
- Q2 2026 Highlights
- **Q2 2026 Financial Results**
- Outlook

FESTI

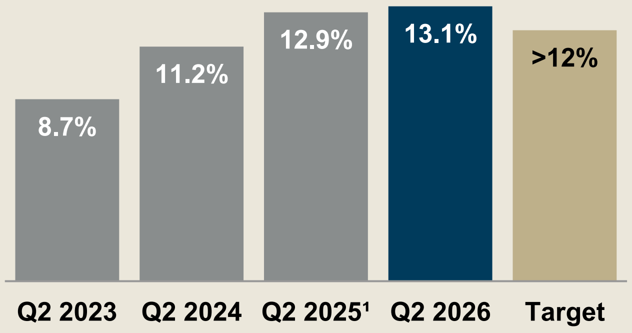
Group Operations in Q2 2026

Amounts are in ISK million	Q2 2026	Q2 2025	Change	% Change
Sale of goods and services	46,347	43,579	2,768	6.4%
Margin from sale of goods and services	11,522	11,008	514	4.7%
Lease revenue and operating income	560	569	(9)	-1.6%
Salaries and personnel expenses	(6,002)	(5,585)	(417)	7.5%
Other operating expenses	(2,173)	(2,055)	(118)	5.7%
EBITDA	3,908	3,938	(30)	-0.8%
EBIT	2,420	2,470	(49)	-2.0%
Profit for the period	1,299	1,419	(120)	8.5%
Key Figures				
EBITDA/Margin from sales	33.9%	35.8%	-1.9 p.p.	-5.2%
Salaries/Margin from sales	52.1%	50.7%	+1.4 p.p.	2.7%
Earnings per share	4.22	4.55	-0.33	-7.3%

EBITDA/margin (12m underlying)[1]



Return on equity (12m underlying)[1]



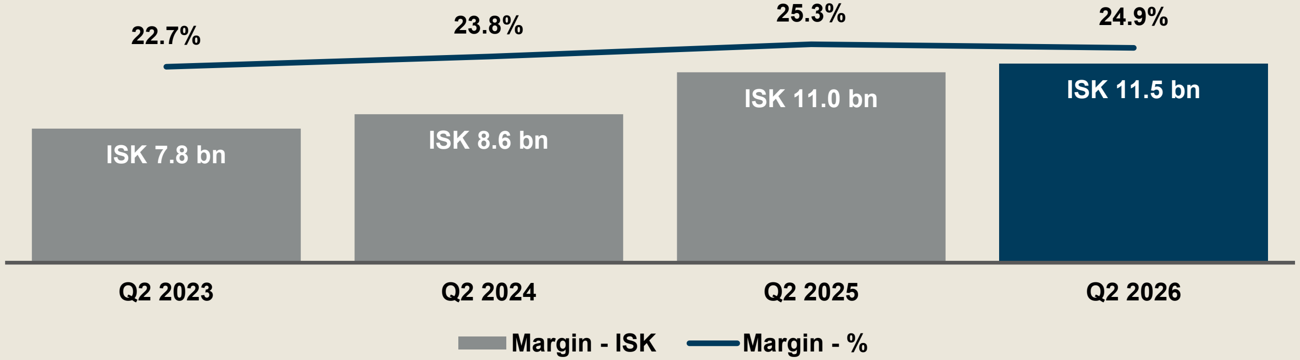
- **Sales of goods and services** increased by ISK 2.8 billion, or 6.4% year-on-year. Excluding the impact of changes in FX, global fuel prices (GFP) and fuel levies, sales increased by 1.0%.
- **Margin from sales** was ISK 11.5 billion, an increase of ISK 0.5 billion, or 4.7% year-on-year.
- **Margin level** was 24.9%, down 0.4 p.p. year-on-year, but up 0.9 p.p. excluding changes in FX, GFP and fuel levies.
- **Salaries and personnel expenses** amounted to ISK 6.0 billion, an increase of ISK 0.4 billion, or 7.5% year-on-year.
- **Full-time equivalents** were 1,754 during the quarter, an increase of 60, or 3.5% year-on-year.
- **Other operating expenses** increased by ISK 0.1 billion, or 5.7% year-on-year.
- **EBITDA** amounted to ISK 3.9 billion, a decrease of 0.8% year-on-year.
- **Profit for the quarter** amounted to ISK 1.3 billion, a decrease of ISK 120 million year-on-year.

FESTI

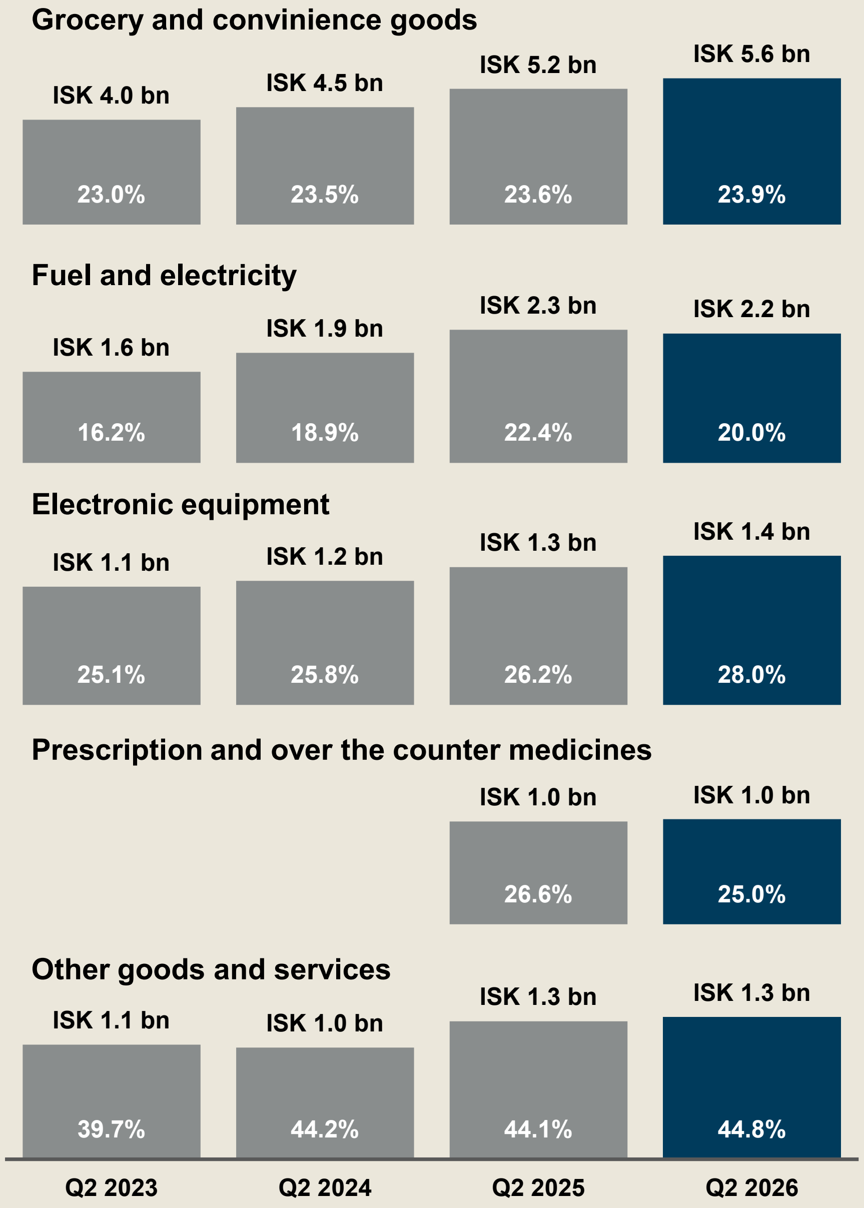
1) Q2 2025 adjusted for ISK 750 million administrative fine recognised in Q4 2024

Margin From Sales in Q2 2026

Sales margin



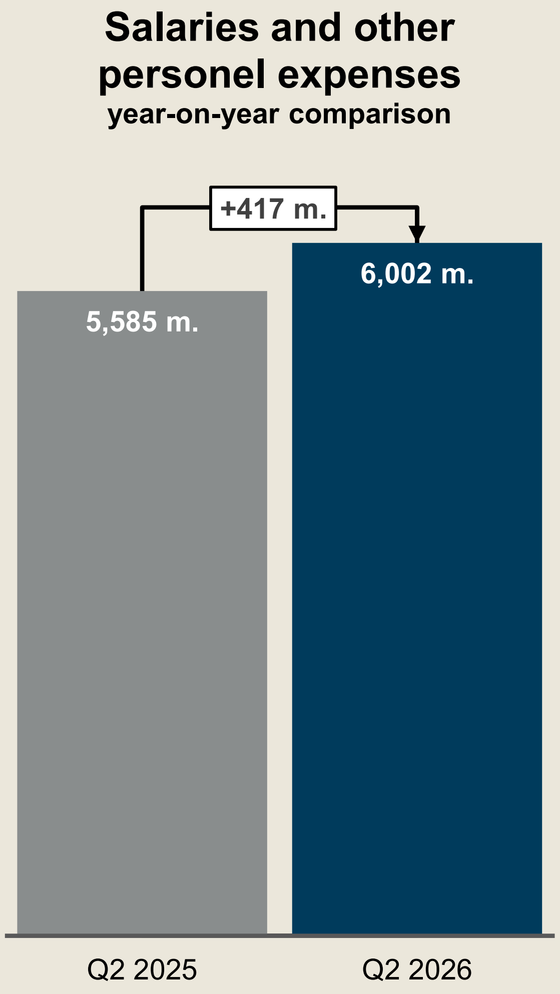
- **Sales increased** across all product categories.
- **Total margin** from sales amounted to ISK 11.5 billion, an increase of 4.7% year-on-year.
- **Margin level was 24.9%**, down 0.4 p.p. year-on-year, but up 0.9 p.p. excluding changes in FX, GFP and fuel levies.
- **Margin level declined** in fuel and electricity and prescription and OTC medicines, **while improving** across other product categories.
- **Margin from sales** increased by 7.8% in **groceries,** decreased by 2.6% in **fuel and electricity**, increased by 8.2% in **consumer electronics,** increased by 2.3% **in prescription and OTC medicines**, and increased by 3.2% **in other goods and services**.

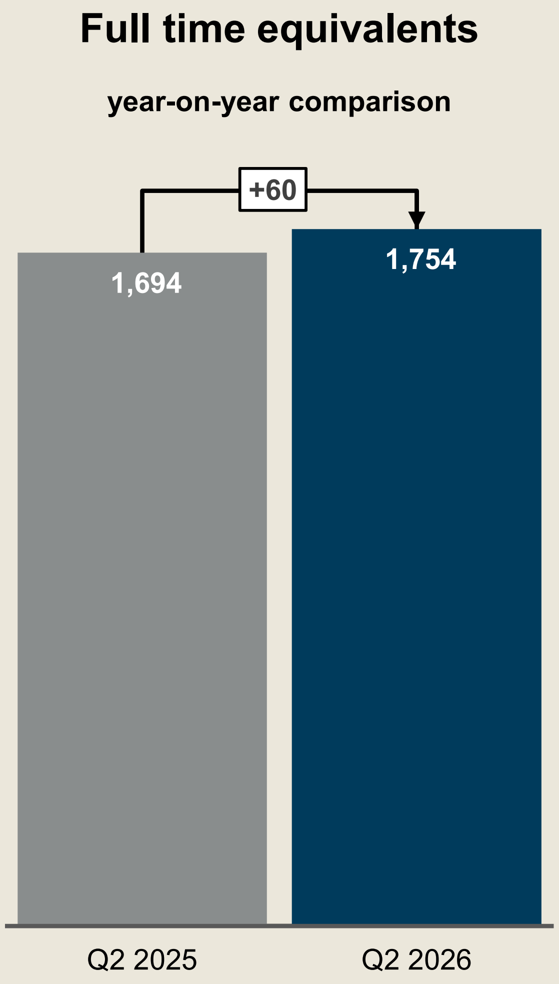


Salaries and other personnel expenses in Q2 2026

Salaries and other personel expenses Q2 2025	**5,585**
Change in full-time position equivalents	192
Contractual wage increases	191
Other changes	33
Salaries and other personel expenses Q2 2026	**6,002**

- **Salaries and personnel expenses** amounted to ISK 6.0 billion, an increase of ISK 0.4 billion, or 7.5% year-on-year.
- **Full-time equivalents increased by 60, or 3.5% year-on-year**, primarily reflecting staffing requirements at the new refrigerated warehouse at Bakkinn, Krónan’s online store and the new ELKO store in Smáralind.
- **Average cost per FTE increased by 3.7% year-on-year**. Contractual wage increases amounted to ISK 198 million (3.5% increase effective January 1, 2026).
- Excluding the impact of the increase in FTEs, **personnel expenses increased by 3.2% year-on-year**.





FESTI

ELKO – Q2 2026 Operating Results

6
Electronics stores

Equality award
Jafnvægisvogin 2025

2 yrs
Happiest customers in
the electronics market

- Revenue amounted to ISK 5.0 billion, an increase of ISK 51 million, or 1.0% year-on-year.
- Margin level increased by 0.3 p.p. quarter-on-quarter and by 1.5 p.p. year-on-year.
- EBITDA amounted to ISK 425 million, a decrease of ISK 3 million, or 0.7% year-on-year.
- Profit amounted to ISK 186 million, an increase of ISK 12 million, or 6.8% year-on-year.

ISK million	**Q2 2026**	Q2 2025	Change	%
Total revenue	**5,003**	4,952	51	1.0%
Total cost	**(4,578)**	(4,524)	(54)	1.2%
EBITDA	**425**	428	(3)	-0.7%
EBITDA-ratio	**8.5%**	8.6%	-0.2 p.p.	-1.7%
EBIT	**238**	250	(12)	-4.9%
EBIT-ratio	**4.8%**	5.0%	-0.3 p.p.	-5.8%
Profit (loss)	**186**	174	12	6.8%

Krónan – Q2 2026 Operating Results

KRÓNAN

26

Grocery stores

Sjálfbærniásinn

Sustainability ace two times running

9 yrs

Happiest customers in the grocery market

- Revenue amounted to ISK 21.7 billion, an increase of ISK 1.6 billion, or 8.1% year-on-year.
- Store count remained unchanged year-on-year, while a larger store opened in Reykjanesbær and additional pickup locations were added to the online store over the past twelve months.
- Margin level increased by 0.2 p.p. quarter-on-quarter and by 0.4 p.p. year-on-year.
- EBITDA amounted to ISK 1,656 million, an increase of ISK 146 million, or 9.7% year-on-year.
- Profit amounted to ISK 727 million, an increase of ISK 75 million, or 11.5% year-on-year.

ISK million	**Q2 2026**	Q2 2025	Change	%
Total revenue	**21,690**	20,061	1,629	8.1%
Total cost	**(20,034)**	(18,551)	(1,482)	8.0%
EBITDA	**1,656**	1,510	146	9.7%
EBITDA-ratio	**7.6%**	7.5%	+0.1 p.p.	1.5%
EBIT	**1,013**	902	111	12.3%
EBIT-ratio	**4.7%**	4.5%	+0.2 p.p.	3.9%
Profit (loss)	**727**	652	75	11.5%

Lyfja – Q2 2026 Operating Results

42
Pharmacies and outlets

Equality award
Jafnvægisvogin 2025

Strongest in
Iceland 2025

- Revenue amounted to ISK 5.3 billion, an increase of ISK 328 million, or 6.6% year-on-year..
- Margin level decreased by 1.1 p.p. year-on-year but increased by 0.2 p.p. quarter-on-quarter.
- EBITDA amounted to ISK 341 million, a decrease of ISK 51 million, or 13.0% year-on-year.
- Profit amounted to ISK 37 million, a decrease of ISK 28 million year-on-year.

ISK million	**Q2 2026**	Q2 2025	Change	%
Total revenue	**5,290**	4,961	328	6.6%
Total cost	**(4,949)**	(4,570)	(379)	8.3%
EBITDA	**341**	392	(51)	-13.0%
EBITDA-ratio	**6.4%**	7.9%	-1.5 p.p.	-18.4%
EBIT	**69**	118	(49)	-41.7%
EBIT-ratio	**1.3%**	2.4%	-1.1 p.p.	-45.3%
Profit (loss)	**37**	65	(28)	-42.7%

N1 – Q2 2026 Operating Results

94 Fuel dispenser locations

11 Tire and oil service stations

16 EV charging locations

- Revenue amounted to ISK 15.5 billion, an increase of ISK 1.0 billion year-on-year.
- Sales of fuel and electricity increased by ISK 0.9 billion, or 9.0% year-on-year, while fuel volumes declined by 4.3%.
- Margin level decreased by 1.6 p.p. year-on-year. Excluding the impact of GFP and FX, margin level increased by 2.5 p.p.
- EBITDA amounted to ISK 1.6 billion, a decrease of ISK 66 million, or 3.9% year-on-year.
- Profit amounted to ISK 402 million, a decrease of ISK 127 million year-on-year.

ISK million	Q2 2026	Q2 2025	Change	%
Total revenue	**15,466**	14,514	952	6.6%
Total cost	**(13,866)**	(12,849)	(1,017)	7.9%
EBITDA	**1,600**	1,665	(66)	-3.9%
EBITDA-ratio	**10.3%**	11.5%	-1.1 p.p.	-9.8%
EBIT	**783**	832	(49)	-5.8%
EBIT-ratio	**5.1%**	5.7%	-0.7 p.p.	-11.6%
Profit (loss)	**402**	528	(127)	-24.0%

Yrkir – Q2 2026 Operating Results

Yrkir

84
Properties owned by Group

99%
Properties rented out

90%
Own use of properties

- Revenue amounted to ISK 1.2 billion, an increase of ISK 92 million, or 8.2% year-on-year.
- Net operating income (NOI) amounted to ISK 1,016 million, up 6.9% year-on-year from ISK 951 million in Q2 2025.
- EBITDA amounted to ISK 960 million, an increase of 8.0% year-on-year.
- Fair value gain amounted to ISK 61 million, a decrease of ISK 21 million year-on-year
- Profit amounted to ISK 29 million, a decrease of ISK 2 million year-on-year.

ISK million	Q2 2026	Q2 2025	Change	%
Total revenue	**1,211**	1,119	92	8.2%
Total cost	**(251)**	(231)	(21)	8.9%
EBITDA	**960**	889	71	8.0%
EBITDA-ratio	**79.3%**	79.4%	-0.1 p.p.	-0.2%
EBIT	**469**	442	27	6.2%
EBIT-ratio	**38.8%**	39.5%	-0.7 p.p.	-1.9%
Profit (loss)	**29**	31	(2)	-7.7%

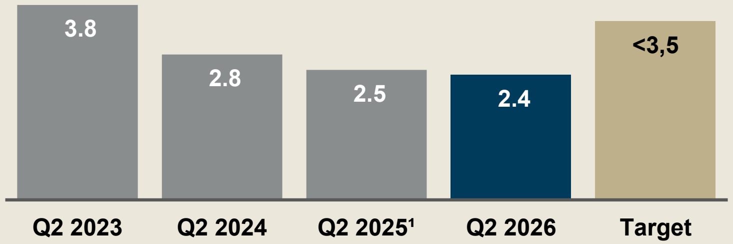
Balance Sheet as of 30.06.2026

Amounts are in ISK million	30.6.2026	31.12.2025	Change	%
Operating assets	44,385	43,655	730	1.7%
Intangible assets	25,811	26,026	(215)	-0.8%
Other non-current assets	19,698	19,415	283	1.5%
Non-current assets	89,895	89,096	799	0.9%
Inventories	17,457	14,179	3,278	23.1%
Trade- and short-term receivables	7,695	6,557	1,138	17.4%
Cash and cash equivalents	1,313	5,929	(4,616)	-77.8%
Current assets	26,465	26,665	(200)	-0.7%
Total assets	**116,360**	**115,761**	**599**	**0.5%**
Equity	46,789	47,684	(895)	-1.9%
Interest bearing debt	23,166	24,016	(850)	-3.5%
Lease liabilities	9,897	10,029	(132)	-1.3%
Deferred tax liabilities	7,944	7,620	324	4.3%
Non-current liabilities	41,008	41,666	(658)	-1.6%
Payable to credit institutions	5,892	3,393	2,499	73.7%
Interest bearing debt	1,572	1,438	135	9.4%
Trade- and short-term liabilities	21,099	21,581	(482)	-2.2%
Current liabilities	28,563	26,411	2,152	8.1%
Total equity and liabilities	**116,360**	**115,761**	**599**	**0.5%**

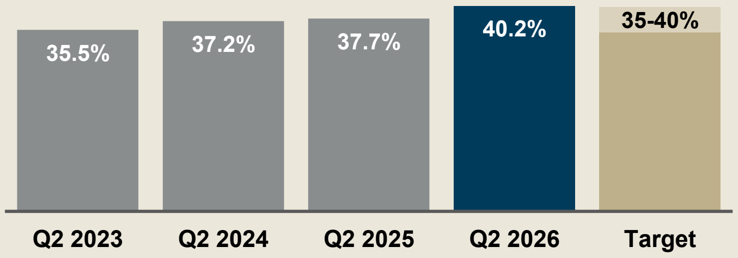
Balance sheet expanded by ISK 0.6 billion over H1-26.

- Capex amounted to ISK 3.2 billion during the period.
- Higher global fuel prices increased working capital requirements. Inventories increased by ISK 3.3 billion and trade receivables by ISK 1.1 billion.
- Dividends paid amounted to ISK 2.2 billion.
- Undrawn credit facilities of ISK 4.0 billion at period-end

Net interest-bearing debt/EBITDA (12m underlying) [1]



Equity ratio



FESTI

1) Q2 2025 adjusted for ISK 750 million administrative fine recognised in Q4 2024

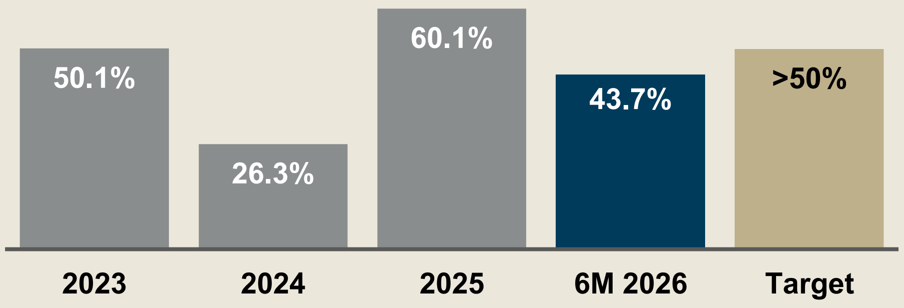
Cash Flow Statement for Q2 2026

ISK millions	Q2 2026	Q2 2025	Change	%
Cash at the beginning of the period	**4,220**	**5,029**	**(808)**	**-16.1%**
EBITDA	3,908	3,938	(30)	-0.8%
Changes in oparating items	(2,829)	2,105	(4,933)	-234.4%
Interest and taxes	(792)	(837)	45	-5.4%
Cash flows from operating activities	**287**	**5,205**	**(4,918)**	**-94.5%**
Investments	(1,854)	(2,172)	319	-14.7%
Other investing activities	484	407	77	19.0%
Investing activities	**(1,370)**	**(1,766)**	**396**	**-22.4%**
Transactions with shareholders	(2,151)	(1,401)	(751)	53.6%
Transactions with credit institutions	409	(1,784)	2,193	122.9%
Other financing activities	(96)	(168)	72	-42.7%
Financing activities	**(1,839)**	**(3,353)**	**1,514**	**-45.2%**
FX difference on cash	15	27	(12)	-45.0%
Cash at the end of the period	**1,313**	**5,142**	**(3,829)**	**-74.5%**

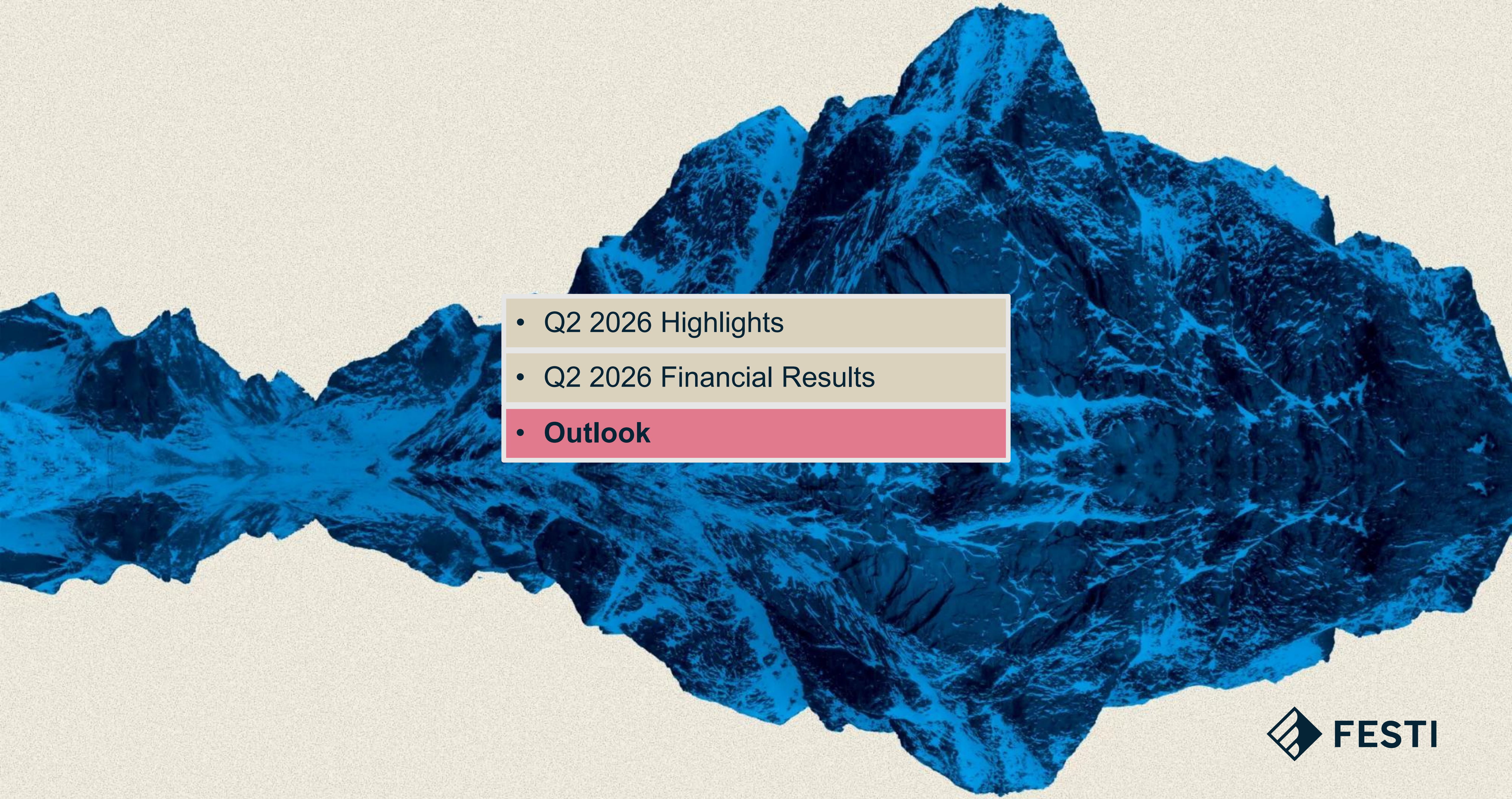
Cash flow remained affected by one-off items

- Higher fuel prices and reduction in VAT rate on fuel increased working capital tied up in inventories and trade receivables by ISK 3.5 billion.
- Trade payables and removal of fuel levies explain approximately ISK 1.0bn of the year-on-year change
- Dividends of ISK 2.2bn paid to shareholders; ISK 1.0bn share buyback programme launched on July 1.
- Loan repayments of ISK 0.6bn; new short-term loan of ISK 1.0bn; cash at the end of the period was ISK 1.3 bn.

Transactions with shareholders/last year profit



FESTI



- Q2 2026 Highlights
- Q2 2026 Financial Results
- **Outlook**

FESTI

Outlook for 2026

Discussion

- **Outlook for the business remains positive** despite continued economic and geopolitical uncertainty.
- **Krónan continues to perform strongly** and is expected to deliver robust, profitable growth**. ELKO and Lyfja are maintaining solid momentum**, while **N1 is expected to remain affected by elevated and volatile fuel prices**.
- **Key initiatives ahead** include the opening of a **new Lyfja pharmacy** at Vellir in Hafnarfjörður, **a new Krónan store** in Höfn and the continued development of **N1's foodservice offering**.
- **Financial position remains robust despite** the temporary impact on cash flow from increased working capital tied up in inventories and trade receivables.
- **Underlying business remains strong**, with significant opportunities to further enhance earnings and profitability.

EBITDA & CAPEX Guidance for the Year

- **EBITDA guidance for 2026 has been lowered by ISK 500 million to ISK 16.0 – 16.5 billion.**
- **CAPEX guidance for 2026 remains unchanged at ISK 7.5 – 8.0 billion.**

Key Assumptions

- **Continued tensions in the Middle East** have created significant uncertainty.
- **Fuel prices have increased significantly** due to concerns over supply chain disruptions.
- **Inflation in Iceland has increased** and, if it remains at current levels through year-end, is expected to put further pressure on operating costs.
- **Interest rates are now expected to increase** during the second half of the year.
- The **Icelandic króna is expected to remain strong in real terms** through year-end.

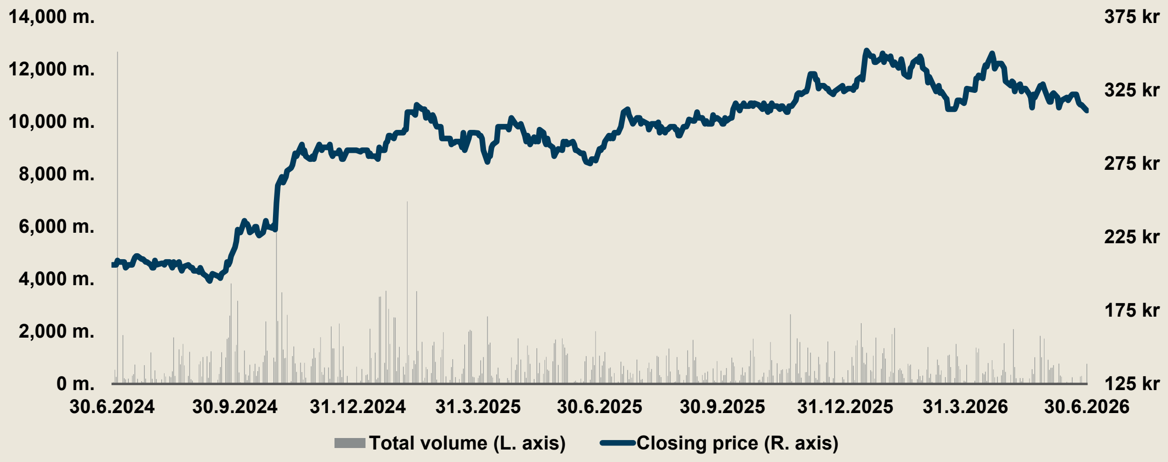
FESTI

Market Information

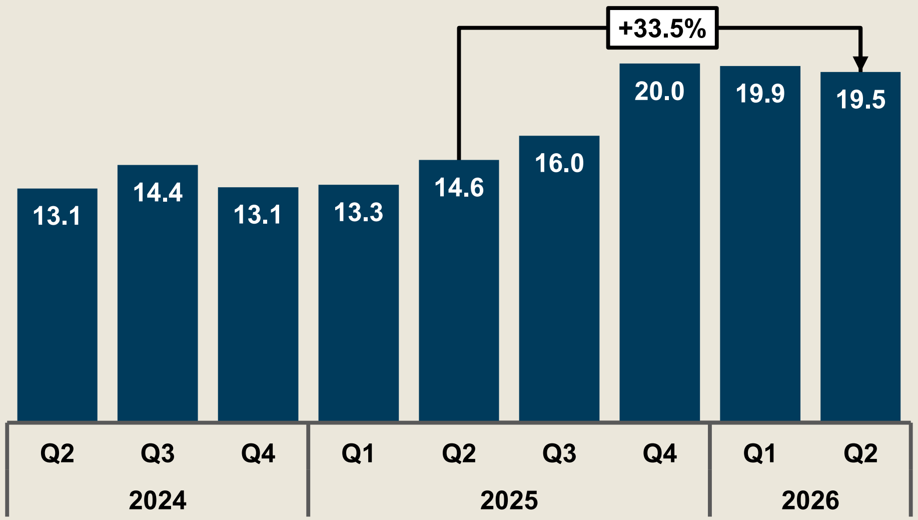
Shareholders (10 largest)	%
Lífeyrissjóður verzlunarmanna	16.0
Lífeyrissj.starfsm.rík. A-deild	10.4
Gildi - lífeyrissjóður	9.5
Brú Lífeyrissjóður starfs sveit	9.1
Almenni-Lífsverk lífeyrissjóður	6.9
Stapi lífeyrissjóður	4.2
Birta lífeyrissjóður	4.1
Frjálsi lífeyrissjóðurinn	3.7
Söfnunarsjóður lífeyrisréttinda	2.8
Festa - lífeyrissjóður	2.1

Market information	30.6.2026	31.12.2025	Change
Issued shares	309 m.	309 m.	-0.1%
Price at the end of the period	ISK 311	ISK 324	-4.0%
Market cap	ISK 96,058 M	ISK 100,161 M	-4.1%
Turnover 12m	ISK 45,720 M	ISK 55,325 M	-17.4%
Number of shareholders	2,073	1,729	19.9%
Basic earnings per share (12M)	19.5	20.0	-2.3%

Share price development on Nasdaq OMX



Basic earnings per share rolling 12 months (ISK per share)



FESTI

Thank you

FESTI

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.

FESTI