FESTI

Profit of ISK 1,299 million in Q2 2026

Q2 2026 Key Operating Results

- Sales amounted to ISK 46,347 million, an increase of 6.4% year-on-year.
- Margin from sales of goods and services amounted to ISK 11,522 million, an increase of 4.7%.
- Margin level was 24.9%, down 0.4 p.p. from Q2 2025, but up 0.9 p.p. excluding the effects of exchange-rate movements, changes in global fuel prices and changes to fuel-related government levies at the beginning of the year.
- EBITDA amounted ISK 3,908 million, a decrease of 0.8% year-on-year.
- Profit amounted to ISK 1,299 million and return on equity was 13.1%.
- Cash flow from operating activities amounted to ISK 287 million, a decrease of ISK 4,918 million year-on-year, primarily due to one-off movements in operating assets and liabilities.
- Net interest-bearing debt amounted to ISK 39,214 million, an increase of ISK 6,267 million from year-end 2025, primarily due to higher inventories and trade receivables following the rise in global fuel prices.
- Equity amounted to ISK 46,789 million and the equity ratio was 40.2% at the end of Q2 2026, compared with 41.2% at year-end 2025. Festi paid a dividend of ISK 2,151 million to shareholders in the quarter.
- The Company has lowered its 2026 EBITDA guidance by ISK 500 million to ISK 16,000–16,500 million due to lower-than-expected margin from fuel sales.

ISK million	Q2 2026	Q2 2025	Change	%Change	6M 2026	6M 2025	Change	%Change
Income Statement								
Sale of goods and services	46,347	43,579	2,768	6.4%	86,408	81,365	5,043	6.2%
Margin from sale of goods and services	11,522	11,008	514	4.7%	21,269	20,220	1,049	5.2%
Other operating income	560	569	-9	-1.6%	1,124	1,118	6	0.5%
EBITDA	3,908	3,938	-30	-0.8%	6,473	6,427	46	0.7%
EBIT	2,420	2,470	-49	-2.0%	3,500	3,569	-69	-1.9%
EBT	1,582	1,736	-153	-8.8%	1,853	2,064	-211	-10.2%
Profit for the period	1,299	1,419	-120	-8.5%	1,517	1,699	-181	-10.7%
Statement of Financial Position					**30.6.2026**	**31.12.2025**	**Change**	**%Change**
Inventories					17,457	14,179	3,278	23.1%
Trade receivables					6,166	5,435	731	13.4%
Cash and cash equivalents					1,313	5,929	-4,616	-77.8%
Interest bearing debt					40,527	38,876	1,652	4.2%
Net interest bearing debt					39,214	32,947	6,267	19.0%
Net interest bearing debt/EBITDA					2.4	2.1	0.3	14.3%
Equity ratio					40.2%	41.2%	-1.0 p.p.	-2.4%
Return on equity					13.1%	13.9%	-0.8 p.p.	-5.4%
Statement of Cash Flows	**Q2 2026**	**Q2 2025**	**Change**	**%Change**	**6M 2026**	**6M 2025**	**Change**	**%Change**
Cash flows from operating activities	287	5,205	-4,918	-94.5%	255	7,612	-7,357	-96.6%
Investing activities	-1,370	-1,766	396	-22.4%	-2,814	-2,530	-284	11.2%
Financing activities	-1,839	-3,353	1,514	-45.2%	-2,076	-4,035	1,959	-48.5%
Cash and cash equivalents at the end of the period	1,313	5,142	-3,829	-74.5%	1,313	5,142	-3,829	-74.5%
Key indicators								
Margin level	24.9%	25.3%	-0.4 p.p.	-1.6%	24.6%	24.9%	-0.3 p.p.	-1.0%
Personel expenses/margin from sale	52.1%	50.7%	+1.4 p.p.	2.7%	55.0%	53.9%	+1.1 p.p.	2.1%
EBITDA/margin from sale	33.9%	35.8%	-1.9 p.p.	-5.2%	30.4%	31.8%	-1.4 p.p.	-4.3%
Profit/margin from sale	11.3%	12.9%	-1.6 p.p.	-12.5%	7.1%	8.4%	-1.3 p.p.	-15.1%
Earnings per share	4.2	4.6	-0.4	-7.3%	4.9	5.5	-0.6	-9.5%
Cash flows from operations/margin from sale	2.5%	47.3%	-44.8 p.p.	-94.7%	1.2%	37.6%	-36.4 p.p.	-96.8%
Investments	1,854	2,172	-319	-14.7%	3,221	3,073	148	4.8%

Operations in Q2 2026

Group performance was solid during the quarter, although margin from fuel sales fell short of management's expectations. Performance across other product categories was positive, with both sales and margin increasing year-on-year. Customer transactions across the Group were broadly stable year-on-year, while average basket size increased as units sold rose by 3.7%. Fuel volumes declined by 4.3%, primarily due to lower B2B sales. The margin level was 24.9%, up 0.6 p.p. from the previous quarter but down 0.4 p.p. year-on-year. Margin from sales increased by 4.7% year-on-year, while operating expenses rose by 7.0%. EBITDA amounted to ISK 3,908 million, down 0.8% from the same quarter last year. EBITDA at ELKO decreased by ISK 3 million, or 0.7%, year-on-year. EBITDA at Krónan increased by ISK 146 million, or 9.7%, while EBITDA at Lyfja decreased by ISK 51 million, or 13.0%, and EBITDA at N1 decreased by ISK 66 million, or 3.9%. Net earnings for the quarter amounted to ISK 1,299 million, down ISK 120 million from the same quarter last year.

Revenues in Q2 2026

- Total income amounted to ISK 46,907 million, an increase of 6.2% year-on-year, or 1.0% excluding the impact of exchange rate changes, global fuel price fluctuations and changes in public levies on fuel at the beginning of the year.
- Total sales of goods and services amounted to ISK 46,347 million, an increase of 6.4% year-on-year.
- Sales of groceries and convenience goods amounted to ISK 23,436 million, up 6.5% year-on-year.
- Sales of fuel and electricity amounted to ISK 11,075 million, up 9.0% year-on-year.
- Sales of electronic equipment amounted to ISK 4,947 million, up 1.2% year-on-year.
- Sales of prescription and over-the-counter medicine amounted to ISK 3,905 million, up 8.9% year-on-year.
- Sales of other goods and services amounted to ISK 2,983 million, up 1.8% year-on-year.

ISK million	Q2 2026	Q2 2025	Change	%Change	6M 2026	6M 2025	Change	%Change
Sale of goods and services								
Grocery and convenience goods	23,436	22,015	1,421	6.5%	45,221	41,644	3,577	8.6%
Fuel and electricity	11,075	10,157	918	9.0%	18,704	18,346	359	2.0%
Electronic equipment	4,947	4,889	58	1.2%	9,559	9,198	362	3.9%
Medicine, prescription and over the counter	3,905	3,587	318	8.9%	7,789	7,060	729	10.3%
Other goods and services	2,983	2,931	52	1.8%	5,134	5,117	17	0.3%
Total sale of goods and services	**46,347**	**43,579**	**2,768**	**6.4%**	**86,408**	**81,365**	**5,043**	**6.2%**
Total other operating income	**560**	**569**	**-9**	**-1.6%**	**1,124**	**1,118**	**6**	**0.5%**
Total income	**46,907**	**44,148**	**2,759**	**6.2%**	**87,532**	**82,483**	**5,048**	**6.1%**

Sales of groceries and convenience goods increased by 6.5% year-on-year despite the nine-week closure of Krónan's largest store, Lindir, for refurbishment during the quarter. Sales of fuel and electricity increased by 9.0% year-on-year despite volumes declining 4.3% year-on-year, primarily reflecting the sharp increase in global fuel prices, 50-85% depending on product, together with the changes in public levies on fuel at the beginning of the year. Sales of electronic equipment increased by 1.2% year-on-year, while sales of prescription and over-the-counter medicine increased by 8.9% year-on-year. Sales of other goods and services increased by 1.8% year-on-year.

Margin from sales of goods and services in Q2 2026

- Margin from sales of goods and services amounted to ISK 11,522 million, an increase of 4.7% year-on-year. The margin level was 24.9%, an increase of 0.6 p.p. from the previous quarter and a decrease of 0.4 p.p. year-on-year.
- Margin from sales of groceries and convenience goods amounted to ISK 5,607 million, an increase of 7.8% year-on-year. The margin level was 23.9%, an increase of 0.5 p.p. from the previous quarter and an increase of 0.3 p.p. year-on-year.
- Margin from sales of fuel and electricity amounted to ISK 2,217 million, a decrease of 2.6% year-on-year. The margin level was 20.0%, a decrease of 1.5 p.p. from the previous quarter and a decrease of 2.4 p.p. year-on-year.
- Margin from sales of electronic equipment amounted to ISK 1,386 million, an increase of 8.2% year-on-year. The margin level was 28.0%, an increase of 0.3 p.p. from the previous quarter and an increase of 1.8 p.p. year-on-year.
- Margin from sales of prescription and over-the-counter medicine amounted to ISK 977 million, an increase of 2.3% year-on-year. The margin level was 25.0%, an increase of 0.4 p.p. from the previous quarter and a decrease of 1.6 p.p. year-on-year.
- Margin from sales of other goods and services amounted to ISK 1,335 million, an increase of 3.2% year-on-year. The margin level was 44.8%, an increase of 0.7 p.p. year-on-year.

ISK million	Q2 2026	Q2 2025	Change	%Change	6M 2026	6M 2025	Change	%Change
Margin from sale of goods and services								
Grocery and convenience goods	5,607	5,201	406	7.8%	10,715	9,782	932	9.5%
Fuel and electricity	2,217	2,277	-60	-2.6%	3,854	4,107	-253	-6.2%
Electronic equipment	1,386	1,282	105	8.2%	2,664	2,390	274	11.5%
Medicine, prescription and over the counter	977	955	22	2.3%	1,933	1,887	46	2.4%
Other goods and services	1,335	1,294	42	3.2%	2,104	2,053	51	2.5%
Total margin from sale of goods and services	**11,522**	**11,008**	**514**	**4.7%**	**21,269**	**20,220**	**1,049**	**5.2%**

Margin from sales of goods and services amounted to ISK 11,522 million, compared with ISK 11,008 million in the second quarter of 2025, an increase of 4.7% year-on-year. Margin from sales of groceries and convenience goods amounted to ISK 5,607 million, an increase of 7.8% year-on-year. Margin from sales of fuel and electricity amounted to ISK 2,217 million, a decrease of 2.6% year-on-year. Margin from sales of electronic equipment amounted to ISK 1,386 million, an increase of 8.2% year-on-year. Margin from sales of prescription and over-the-counter medicine amounted to ISK 977 million, an increase of 2.3% year-on-year. Margin from sales of other goods and services amounted to ISK 1,335 million, an increase of 3.2% year-on-year.

Operating expenses in Q2 2026

- Operating expenses in Q2 2026 amounted to ISK 8,175 million, an increase of 7.0%, year-on-year.
- Salaries and other personnel expenses increased by ISK 417 million, or 7.5%, year-on-year.
- The number of full-time equivalents was 1,754 during the quarter, an increase of 3.5% year-on-year.
- Other operating expenses increased by ISK 118 million, or 5.7%, year-on-year.

ISK million	Q2 2026	Q2 2025	Change	%Change	6M 2026	6M 2025	Change	%Change
Operating expenses								
Salaries and other personnel expenses	6,002	5,585	417	7.5%	11,690	10,890	801	7.4%
Other operating expenses								
Operating costs of real estate	651	604	47	7.7%	1,279	1,196	84	7.0%
Maintenance expenses	329	291	37	12.9%	610	588	22	3.8%
Sales and marketing expenses	524	542	-18	-3.4%	1,011	987	24	2.4%
Office and administrative expenses	158	128	30	23.1%	304	282	22	7.8%
Communication expenses	357	344	12	3.6%	702	681	21	3.1%
Insurance and claims	51	41	10	24.8%	95	73	22	30.2%
Other expenses	104	104	0	-0.1%	229	215	13	6.2%
Total other operating expenses	**2,173**	**2,055**	**118**	**5.7%**	**4,230**	**4,022**	**208**	**5.2%**
Total operating expenses	**8,175**	**7,640**	**535**	**7.0%**	**15,920**	**14,911**	**1,009**	**6.8%**

Salaries and other personnel expenses amounted to ISK 6,002 million in Q2 2026 compared to ISK 5,585 million in Q2 2025, an increase of 7.5% year-on-year. Full-time equivalents (FTE) were 1,754 in the quarter, an increase of 60 FTE or 3.5% year-on-year. Average salary cost per FTE increased by 3.7% year-on-year, while salaries and personnel expenses increased by 3.2% overall excluding the effects of changes in FTEs. The table below provides an analysis of the increase in salaries and other personnel expenses in ISK million year-on-year:

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**

Other operating expenses amounted to ISK 2,173 million compared to ISK 2,055 million in Q2 2025, an increase of ISK 118 million, or 5.7%, year-on-year. Operating expenses continued to reflect the effects of inflation and higher business activity across the Group. Despite these cost pressures, the Group maintained good cost discipline during the quarter, with operating expenses increasing by 7.0% year-on-year, broadly in line with inflation and revenue growth.

Financial items in Q2 2026

- Net finance cost amounted to ISK 927 million in Q2 2026 compared to ISK 921 million in Q2 2025, an increase of ISK 6 million year-on-year.
- Interest income amounted to ISK 59 million, a decrease of ISK 28 million year-on-year.
- Interest expense amounted to ISK 904 million, a decrease of ISK 110 million year-on-year.
- Foreign exchange differences and fair value changes of derivatives had a combined negative impact of ISK 82 million, compared to a positive impact of ISK 6 million in Q2 2025.

ISK million	Q2 2026	Q2 2025	Change	%Change	6M 2026	6M 2025	Change	%Change
Interest income	59	87	-28	-32.1%	178	209	-31	-14.9%
Interest expenses	-904	-1,014	110	-10.9%	-1,909	-1,974	66	-3.3%
Foreign currency differences	3	7	-3	-47.8%	4	-12	16	128.4%
Fair value changes of derivatives	-85	0	-85	-	-85	0	0	-
Total net financial cost	**-927**	**-921**	**-6**	**0.6%**	**-1,813**	**-1,778**	**-35**	**1.9%**

Statement of financial position at the end of Q2 2026

- Total assets amounted to ISK 116.3 billion at the end of Q2 2026, an increase of ISK 0.6 billion from year-end 2025.
- Non-current assets amounted to ISK 89.9 billion, an increase of ISK 0.8 billion from year-end 2025.
- Current assets amounted to ISK 26.5 billion, a decrease of ISK 0.2 billion from year-end 2025.
- Cash and cash equivalents amounted to ISK 1.3 billion at the end of Q2 2026, a decrease of ISK 4.6 billion from year-end 2025.
- Net interest-bearing debt amounted to ISK 39.2 billion, an increase of ISK 6.3 billion from year-end 2025.
- The equity ratio was 40.2% at the end of Q2 2026, compared to 41.2% at year-end 2025.

ISK million	30.6.2026	31.12.2025	Change	%Change
Goodwill	18,367	18,367	0	0.0%
Other intangible assets	7,444	7,659	-215	-2.8%
Property and equipment	44,385	43,655	730	1.7%
Leased assets	10,459	10,510	-50	-0.5%
Investment properties	7,262	6,731	531	7.9%
Inventories	17,457	14,179	3,278	23.1%
Trade receivables	6,166	5,435	731	13.4%
Cash and cash equivalents	1,313	5,929	-4,616	-77.8%
Interest bearing debt	40,527	38,876	1,652	4.2%
Net interest bearing debt	39,214	32,947	6,267	19.0%
Equity ratio	40.2%	41.2%	-1.0 p.p.	-2.4%
Inventory turnover	8.0	8.7	-0.7	-8.0%

Goodwill amounted to ISK 18,367 million, representing 15.8% of total assets. Other intangible assets amounted to ISK 7,444 million, a decrease of ISK 215 million from year-end 2025. Property and equipment amounted to ISK 44,385 million, an increase of ISK 730 million from year-end 2025. Investment properties amounted to ISK 7,262 million, an increase of ISK 531 million from year-end 2025. Trade receivables increased by ISK 731 million, while cash and cash equivalents decreased by ISK 4,615 million from year-end 2025.

Net interest-bearing debt amounted to ISK 39,214 million, an increase of ISK 6,267 million from year-end 2025. The equity ratio was 40.2% at the end of Q2 2026, compared to 41.2% at year-end 2025. The Group has access to committed credit facilities of approximately ISK 4.0 billion. The liquidity position remains healthy and the balance sheet remains strong.

Cashflow in Q2 2026

- Net cash from operating activities amounted to ISK 287 million, a decrease of ISK 4,918 million from the previous year. The year-on-year decrease was primarily attributable to one-off changes in operating assets and liabilities.
- Net cash used in investing activities amounted to ISK 1,370 million, compared to ISK 974 million in the previous year.
- Net cash used in financing activities amounted to ISK 1,839 million, compared to ISK 325 million in the previous year.

ISK million	Q2 2026	Q2 2025	Change	%Change	6M 2026	6M 2025	Change	%Change
Cash flow								
Cash and cash equivalents, beginning of period	**4,220**	**5,029**	**-808**	**-16.1%**	**5,929**	**4,075**	**1,854**	**45.5%**
Net cash to operating activities	287	5,205	-4,918	-94.5%	255	7,612	-7,357	-96.6%
Net cash used in investing activities	-1,370	-1,766	396	-22.4%	-2,814	-2,530	-284	11.2%
Net cash used in financing activities	-1,839	-3,353	1,514	-45.2%	-2,076	-4,035	1,959	-48.5%
Effect of movments in exchange rates on cash	15	27	-12	-45.0%	20	20	0	0.5%
Cash and cash equivalents change	**-2,907**	**114**	**-3,020**	**-**	**-4,616**	**1,067**	**-5,682**	**-**
Cash and cash equivalents, end of period	**1,328**	**5,169**	**-3,841**	**-74.3%**	**1,333**	**5,162**	**-3,829**	**-74.2%**

Net cash from operating activities amounted to ISK 287 million in Q2 2026, compared to ISK 5,205 million in the same quarter of 2025. The lower operating cash flow primarily reflects a temporary build-up in working capital as elevated fuel prices increased the value of inventories and trade receivables. This effect is expected to reverse as fuel prices normalize.

Net cash used in investing activities amounted to ISK 1,370 million, compared to ISK 974 million in the same quarter of 2025. Capital expenditure amounted to ISK 1,854 million, compared to ISK 2,173 million in the same quarter of 2025. Net cash used in financing activities amounted to ISK 1,839 million, compared to ISK 325 million in the same quarter of 2025. Repayments of interest-bearing debt amounted to ISK 556 million, repayments of lease liabilities amounted to ISK 394 million, and dividends paid to shareholders amounted to ISK 2,151 million. Cash and cash equivalents decreased by ISK 2,906 million during Q2 2026 and amounted to ISK 1,313 million at the end of the period.

Outlook for Festi hf. operations, EBITDA and CAPEX budget for 2026

- Continued tensions in the Middle East have increased geopolitical uncertainty.
- Fuel prices have increased significantly due to concerns over potential supply chain disruptions.
- Updated outlook assumes that margin from fuel sales will be lower in the second half of the year than previously anticipated.
- Inflation in Iceland has increased and, if it remains at current levels for the remainder of the year, is expected to have a significant impact on operating expenses across the Group.
- Tourist arrivals are expected to remain broadly unchanged year-on-year, and all business segments are expected to improve earnings apart from N1, which is most affected by the disruption in global energy markets.
- Group will continue to place a strong emphasis on improving efficiency and cost optimisation across its value chain.
- Festi remains in a strong financial position and is well positioned to support further growth, while retaining significant potential to further improve earnings.

EBITDA guidance for 2026 has been lowered by ISK 500 million to ISK 16,000 – 16,500 million.

CAPEX guidance for 2026 remains unchanged at ISK 7,500 – 8,000 million.

Shareholders

- Market capitalization at the end of Q2 2026 amounted to ISK 96.1 billion, a decrease of 4.1% from the year-end 2025.
- The number of shareholders was 2,073 at the end of Q2 2026 and increase by 344 from year-end 2025.

Investor meeting and online presentation on Thursday, July 29th, 2026

An investor meeting will be held on Wednesday 29 July 2026, at 8:30 am GMT, at the Company´s headquarters at Dalvegur 10 – 14, Kópavogur. Ásta S. Fjeldsted, CEO of Festi, and Magnús Kr. Ingason, CFO of Festi, will present the results and answer questions.

Registration for the online stream is available here: https://www.festi.is/en/tenglar/results-q2-2026

Participants attending virtually will be able to submit questions during the meeting via the e-mail 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

- Q3 2026: October 28th, 2026
- Q4 2027: February 3rd, 2027
- 2027 Annual General Meeting: March 4th, 2027

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