Profit of ISK 2,309 million in Q3 2026

Q3 2026 Key Operating Results

- Sales of goods and services amounted to ISK 51,147 million, up 8.6% year-on-year.
- Margin from sales of goods and services amounted to ISK 11,901 million, down 1.3% year-on-year.
- Margin level was 23.3%, down 2.3 p.p. year-on-year, or 0.8 p.p. excluding the effects of changes in exchange rates, fuel prices and public levies on fuel.
- EBITDA amounted to ISK 4,988 million, down 6.2% year-on-year.
- Profit amounted to ISK 2,309 million, down 12.9% year-on-year. Return on equity was 12.2%.
- Cash flow from operating activities amounted to ISK 4,839 million, down ISK 1,825 million year-on-year.
- Net interest-bearing debt, including lease liabilities, amounted to ISK 39,892 million, up ISK 6,945 million from year-end 2025, primarily reflecting increased working capital requirements associated with higher fuel prices, together with investments, share buybacks and the dividend paid in the first half of the year.
- Total equity amounted to ISK 48,229 million and the equity ratio was 40.2% (41.2% at year-end 2025). Share repurchases amounted to ISK 921 million during the quarter.
- Acquisitions of all shares in Skjáauglýsingar ehf. and the remaining 30% stake in Local ehf. were completed for a total purchase price of ISK 564 million, net of cash acquired. Additional consideration of up to ISK 300 million is contingent on Skjáauglýsingar's performance in 2027 and 2028. The companies are expected to generate combined annual EBITDA of approximately ISK 150 million and will be included in the Group's consolidated accounts from 1 October 2026.

ISK million	Q3 2026	Q3 2025	Change	%Change	9M 2026	9M 2025	Change	%Change
Income Statement								
Sales of goods and services	51,147	47,093	4,054	8.6%	137,555	128,458	9,097	7.1%
Margin from sales of goods and services	11,901	12,057	-156	-1.3%	33,170	32,277	893	2.8%
Other operating income	600	545	56	10.2%	1,724	1,663	61	3.7%
EBITDA	4,988	5,319	-331	-6.2%	11,461	11,746	-286	-2.4%
EBIT	3,459	3,796	-337	-8.9%	6,960	7,366	-406	-5.5%
EBT	2,835	3,244	-409	-12.6%	4,688	5,309	-621	-11.7%
Profit for the period	2,309	2,651	-342	-12.9%	3,827	4,349	-523	-12.0%
Statement of Financial Position					30.9.2026	31.12.2025	Change	%Change
Inventories					16,683	14,179	2,504	17.7%
Trade receivables					6,755	5,435	1,319	24.3%
Cash and cash equivalents					1,771	5,929	-4,158	-70.1%
Interest bearing debt					41,663	38,876	2,787	7.2%
Net interest bearing debt					39,892	32,947	6,945	21.1%
Net interest bearing debt/EBITDA					2.5	2.1	0.4	19.0%
Equity ratio					40.2%	41.2%	-1.0 p.p.	-2.3%
Return on equity					12.2%	13.9%	-1.7 p.p.	-12.3%
Statement of Cash Flows	**Q3 2026**	**Q3 2025**	**Change**	**%Change**	**9M 2026**	**9M 2025**	**Change**	**%Change**
Cash flows from operating activities	4,839	6,664	-1,825	-27.4%	5,094	14,276	-9,182	-64.3%
Investing activities	-2,256	-1,166	-1,089	93.4%	-5,069	-3,696	-1,373	37.2%
Financing activities	-2,138	-3,835	1,697	-44.3%	-4,214	-7,870	3,656	-46.5%
Cash and cash equivalents at the end of the period	1,771	6,811	-5,040	-74.0%	1,771	6,811	-5,040	-74.0%
Key indicators								
Margin level	23.3%	25.6%	-2.3 p.p.	-9.1%	24.1%	25.1%	-1.0 p.p.	-4.0%
Personnel expenses/margin from sales	45.5%	43.3%	+2.2 p.p.	4.9%	51.6%	49.9%	+1.7 p.p.	3.3%
EBITDA/margin from sales	41.9%	44.1%	-2.2 p.p.	-5.0%	34.6%	36.4%	-1.8 p.p.	-5.1%
Profit/margin from sales	19.4%	22.0%	-2.6 p.p.	-11.7%	11.5%	13.5%	-2.0 p.p.	-14.4%
Earnings per share	7.5	8.5	-1.0	-11.9%	12.4	14.0	-1.6	-11.0%
Cash flows from operations/margin from sale	40.7%	55.3%	-14.6 p.p.	-26.4%	15.4%	44.2%	-28.8 p.p.	-65.3%
Investments	2,283	1,192	1,092	91.6%	5,504	4,265	1,240	29.1%

Operations in Q3 2026 and outlook for the remainder of the year

The Group's operating performance in the third quarter was satisfactory against a challenging external backdrop, although results varied across business units and overall earnings were below management's expectations. Sales increased 8.6% year-on-year, while margin from sales declined 1.3%.

The conflict in the Middle East has created significant uncertainty. Commodity prices, including oil, have risen sharply and volatility has increased amid concerns over supply chain disruptions. As anticipated, margin from fuel sales remained under pressure during the quarter, as there was limited scope to raise sales prices sufficiently to offset higher procurement costs. Margin from sales of fuel and electricity decreased by ISK 622 million year-on-year. Fewer tourist arrivals also weighed on sales across business units, while weaker demand in the consumer electronics market led to a 3.5% decline in margin from sales of electronic equipment. Krónan maintained its momentum in the grocery market, with healthy sales and earnings growth. Performance across other product categories was generally positive.

Customer transactions increased 1.5% and units sold rose 4.7% across the Group. Fuel volumes declined 2.8%, primarily due to lower sales to high-volume B2B customers. Margin level was 23.3%, down 1.6 p.p. quarter-on-quarter and 2.3 p.p. year-on-year.

Inflation remains high, at around 6%, affecting product prices and operating expenses across all categories. Despite these pressures, the Group maintained strong cost discipline, with salaries and other operating expenses increasing by only 3.2% year-on-year.

EBITDA amounted to ISK 4,988 million, down 6.2% year-on-year. EBITDA at Krónan increased by ISK 274 million (15.1%), while EBITDA decreased by ISK 598 million (23.7%) at N1, ISK 60 million (10.5%) at ELKO and ISK 52 million (11.2%) at Lyfja. Profit for the quarter amounted to ISK 2,309 million, down ISK 342 million year-on-year.

Management expects margin from fuel sales to remain under pressure in the coming months and inflation to remain elevated through Q4 2026. The Group continues to address these challenges, including through collaboration with suppliers. The outlook for the year remains positive and full-year EBITDA guidance is unchanged at ISK 16,000–16,500 million.

Sales of goods and services in Q3 2026

- Total income amounted to ISK 51,747 million, up 8.6% year-on-year, or 2.1% excluding the effects of changes in exchange rates, fuel prices and public levies on fuel at the beginning of the year.
- Sales of groceries and convenience goods amounted to ISK 24,957 million, up 7.6% year-on-year.
- Sales of fuel and electricity amounted to ISK 14,400 million, up 16.5% year-on-year.
- Sales of electronic equipment amounted to ISK 5,067 million, down 2.0% year-on-year.
- Sales of prescription and over-the-counter medicine amounted to ISK 4,012 million, up 8.3% year-on-year.
- Sales of other goods and services amounted to ISK 2,711 million, up 1.5% year-on-year.

ISK million	Q3 2026	Q3 2025	Change	%Change	9M 2026	9M 2025	Change	%Change
Sale of goods and services								
Grocery and convenience goods	24,957	23,187	1,770	7.6%	70,178	64,831	5,347	8.2%
Fuel and electricity	14,400	12,362	2,038	16.5%	33,105	30,708	2,397	7.8%
Electronic equipment	5,067	5,169	-102	-2.0%	14,626	14,367	259	1.8%
Medicine, prescription and over the counter	4,012	3,703	309	8.3%	11,801	10,763	1,038	9.6%
Other goods and services	2,711	2,672	39	1.5%	7,845	7,789	56	0.7%
Total sale of goods and services	**51,147**	**47,093**	**4,054**	**8.6%**	**137,555**	**128,458**	**9,097**	**7.1%**
Total other operating income	**600**	**545**	**56**	**10.2%**	**1,724**	**1,663**	**61**	**3.7%**
Total income	**51,747**	**47,638**	**4,109**	**8.6%**	**139,279**	**130,121**	**9,158**	**7.0%**

Sales of groceries and convenience goods increased 7.6% year-on-year as Krónan continued its strong momentum, including through substantial growth in its online store. Sales of fuel and electricity rose 16.5%, even as fuel volumes fell by 2.8%. This primarily reflected sharp rises in global fuel prices, which were 75–85% higher year-on-year depending on the product, together with changes in public levies on fuel at the beginning of the year. Sales of electronic equipment declined 2.0% due to weaker demand in the consumer electronics market, while sales of medicine increased 8.3%. Fewer tourist arrivals weighed on sales across business units. Sales of other goods and services increased 1.5%.

Margin from sales of goods and services in Q3 2026

- Margin from sales of goods and services amounted to ISK 11,901 million, down 1.3% year-on-year. Margin level was 23.3%, down 1.6 p.p. quarter-on-quarter and 2.3 p.p. year-on-year.
- Margin from sales of groceries and convenience goods amounted to ISK 6,057 million, up 8.5% year-on-year. Margin level was 24.3%, up 0.3 p.p. quarter-on-quarter and 0.2 p.p. year-on-year.
- Margin from sales of fuel and electricity amounted to ISK 2,449 million, down 20.3% year-on-year. Margin level was 17.0%, down 3.0 p.p. quarter-on-quarter and 7.8 p.p. year-on-year.
- Margin from sales of electronic equipment amounted to ISK 1,360 million, down 3.5% year-on-year. Margin level was 26.8%, down 1.2 p.p. quarter-on-quarter and 0.4 p.p. year-on-year.
- Margin from sales of prescription and over-the-counter medicine amounted to ISK 1,012 million, up 5.4% year-on-year. Margin level was 25.2%, up 0.2 p.p. quarter-on-quarter but down 0.7 p.p. year-on-year.
- Margin from sales of other goods and services amounted to ISK 1,023 million, down 1.0% year-on-year. Margin level was 37.7%, down 0.9 p.p. year-on-year.

ISK million	Q3 2026	Q3 2025	Change	%Change	9M 2026	9M 2025	Change	%Change
Margin from sale of goods and services								
Grocery and convenience goods	6,057	5,582	474	8.5%	16,771	15,365	1,407	9.2%
Fuel and electricity	2,449	3,072	-622	-20.3%	6,303	7,179	-876	-12.2%
Electronic equipment	1,360	1,409	-50	-3.5%	4,024	3,799	225	5.9%
Medicine, prescription and over the counter	1,012	960	52	5.4%	2,945	2,848	97	3.4%
Other goods and services	1,023	1,033	-10	-1.0%	3,127	3,086	40	1.3%
Total margin from sale of goods and services	**11,901**	**12,057**	**-156**	**-1.3%**	**33,170**	**32,277**	**893**	**2.8%**

Margin from sales of goods and services decreased by ISK 156 million year-on-year, primarily due to lower margin from fuel and electricity sales, which fell by ISK 622 million. Fuel procurement costs remained elevated following increases in global fuel prices, with limited scope to raise sales prices sufficiently to offset the cost increase. This was partly offset by increases of ISK 474 million in margin from sales of groceries and convenience goods and ISK 52 million in margin from sales of medicine. Margin from sales of electronic equipment decreased by ISK 50 million due to weaker demand in the consumer electronics market, while margin from sales of other goods and services decreased by ISK 10 million.

Operating expenses in Q3 2026

- Operating expenses in Q3 2026 amounted to ISK 7,514 million, up 3.2% year-on-year.
- Salaries and other personnel expenses increased by ISK 184 million, or 3.5%, year-on-year.
- Full-time equivalents averaged 1,785 during the quarter, up 1.7% year-on-year.
- Other operating expenses increased by ISK 47 million, or 2.3%, year-on-year.

ISK million	Q3 2026	Q3 2025	Change	%Change	9M 2026	9M 2025	Change	%Change
Operating expenses								
Salaries and other personnel expenses	5,409	5,225	184	3.5%	17,100	16,115	985	6.1%
Other operating expenses								
Operating costs of real estate	607	627	-20	-3.2%	1,886	1,823	63	3.5%
Maintenance expenses	330	327	2	0.7%	940	915	24	2.6%
Sales and marketing expenses	504	490	14	2.9%	1,514	1,477	38	2.6%
Office and administrative expenses	152	109	42	38.6%	455	391	64	16.4%
Communication expenses	352	343	9	2.5%	1,053	1,024	30	2.9%
Insurance and claims	46	28	18	63.8%	178	101	76	75.4%
Other expenses	115	132	-18	-13.3%	307	348	-41	-11.7%
Total other operating expenses	**2,104**	**2,057**	**47**	**2.3%**	**6,334**	**6,079**	**255**	**4.2%**
Total operating expenses	**7,514**	**7,282**	**231**	**3.2%**	**23,434**	**22,194**	**1,240**	**5.6%**

Salaries and other personnel expenses amounted to ISK 5,409 million in the third quarter, compared with ISK 5,225 million in the same period of 2025, an increase of 3.5% year-on-year. The average number of full-time equivalents (FTEs) was 1,785, up by 29, or 1.7%, year-on-year. Average salaries and other personnel expenses per FTE increased 1.8% year-on-year. The table below provides a breakdown of the year-on-year change in salaries and other personnel expenses in ISK million.

Salaries and other personnel expenses Q3 2025	**5,225**
Change in full-time equivalents	84
Contractual wage increases	213
Personnel expenses	-39
Other expenses	-73
Salaries and other personnel expenses Q3 2026	**5,409**

Other operating expenses amounted to ISK 2,104 million, compared with ISK 2,057 million in the same period last year, an increase of ISK 47 million, or 2.3%. Inflation and increased business activity continued to put upward pressure on most cost categories. Nevertheless, strong cost discipline limited the increase in total operating expenses to just 3.2% year-on-year, well below both inflation and sales growth.

Financial items in Q3 2026

- Net finance cost amounted to ISK 836 million, compared with ISK 803 million in the same quarter last year, an increase of ISK 33 million year-on-year.
- Interest income amounted to ISK 51 million, down ISK 74 million year-on-year.
- Interest expense amounted to ISK 955 million, up ISK 41 million year-on-year.
- Foreign exchange differences had a positive impact of ISK 67 million, an improvement of ISK 81 million year-on-year.
- Share of profit of associates amounted to ISK 212 million, compared with ISK 251 million in the same quarter last year.

ISK million	Q3 2026	Q3 2025	Change	%Change	9M 2026	9M 2025	Change	%Change
Interest income	51	125	-74	-59.0%	229	333	-105	-31.4%
Interest expenses	-955	-914	-41	4.5%	-2,864	-2,888	25	-0.9%
Foreign currency differences	67	-14	81	-	71	-26	97	-
Fair value changes of derivatives	0	0	0	-	-85	0	-85	-
Total net financial cost	**-836**	**-803**	**-33**	**4.2%**	**-2,649**	**-2,581**	**-68**	**2.6%**

Statement of financial position at the end of Q3 2026

- Total assets amounted to ISK 119.8 billion at the end of Q3 2026, up ISK 4.1 billion from year-end.
- Non-current assets amounted to ISK 93.6 billion, up ISK 4.5 billion from year-end.
- Current assets amounted to ISK 26.3 billion, down ISK 0.4 billion from year-end.
- Cash and cash equivalents amounted to ISK 1.8 billion, down ISK 4.2 billion from year-end.
- Net interest-bearing debt amounted to ISK 39.9 billion, up ISK 6.9 billion from year-end.
- Equity ratio was 40.2% at the end of Q3 2026, compared with 41.2% at year-end 2025.
- Financial leverage ratio (net interest-bearing debt excluding lease liabilities / EBITDA) was 1.70x at the end of Q3 2026, compared with 1.34x at year-end 2025.

ISK million	30.9.2026	31.12.2025	Change	%Change
Goodwill	18,949	18,367	582	3.2%
Other intangible assets	7,580	7,659	-79	-1.0%
Property and equipment	45,451	43,655	1,796	4.1%
Leased assets	12,101	10,510	1,591	15.1%
Investment properties	7,320	6,731	589	8.7%
Inventories	16,683	14,179	2,504	17.7%
Trade receivables	6,755	5,435	1,319	24.3%
Cash and cash equivalents	1,771	5,929	-4,158	-70.1%
Interest bearing debt	41,663	38,876	2,787	7.2%
Net interest-bearing debt	39,892	32,947	6,945	21.1%
Equity ratio	40.2%	41.2%	-1.0 p.p.	-2.3%
Inventory turnover	8.7	9.0	-0.3	-3.3%

Goodwill amounted to ISK 18,949 million at quarter-end, representing approximately 15.8% of total assets, and increased by ISK 582 million from year-end following the acquisitions of Skjáauglýsingar ehf. and the remaining 30% stake in Local ehf. The purchase price allocations have not yet been finalised. Other intangible assets amounted to ISK 7,580 million, down ISK 79 million from year-end. Property and equipment amounted to ISK 45,451 million, up ISK 1,796 million, while leased assets increased by ISK 1,591 million. Investment properties amounted to ISK 7,320 million, up ISK 589 million from year-end.

Inventories amounted to ISK 16,683 million and trade receivables to ISK 6,755 million, a combined increase of ISK 3,823 million from year-end, primarily due to higher fuel prices. Increased working capital requirements and the dividend paid in the first half of the year were the main reasons for the ISK 4,158 million decrease in cash and cash equivalents from year-end.

Net interest-bearing debt, including lease liabilities, amounted to ISK 39,892 million, up ISK 6,945 million from year-end. Festi's financial position remains strong, with an equity ratio of 40.2% and access to ISK 2.5 billion in undrawn credit facilities.

Cash flow in Q3 2026

- Net cash from operating activities amounted to ISK 4,839 million, down ISK 1,825 million year-on-year.
- Net cash used in investing activities amounted to ISK 2,256 million, up ISK 1,089 million year-on-year.
- Net cash used in financing activities amounted to ISK 2,138 million, down ISK 1,697 million year-on-year.

ISK million	Q3 2026	Q3 2025	Change	%Change	9M 2026	9M 2025	Change	%Change
Cash flow								
Cash and cash equivalents, beginning of period	**1,313**	**5,142**	**-3,829**	**-74.5%**	**5,929**	**4,075**	**1,854**	**45.5%**
Net cash from operating activities	4,839	6,664	-1,825	-27.4%	5,094	14,276	-9,182	-64.3%
Net cash used in investing activities	-2,256	-1,166	-1,089	93.4%	-5,069	-3,696	-1,373	37.2%
Net cash used in financing activities	-2,138	-3,835	1,697	-44.3%	-4,214	-7,870	3,656	-46.5%
Effect of movments in exchange rates on cash	12	6	6	90.5%	32	26	6	23.0%
Cash and cash equivalents change	**458**	**1,669**	**-1,211**	**-72.6%**	**-4,158**	**2,736**	**-6,894**	**-**
Cash and cash equivalents, end of period	**1,771**	**6,811**	**-5,040**	**-74.0%**	**1,771**	**6,811**	**-5,040**	**-74.0%**

Net cash from operating activities amounted to ISK 4,839 million in Q3 2026, compared with ISK 6,664 million in Q3 2025. The decrease primarily reflected movements in working capital. Trade payables declined slightly during the quarter following a substantial increase in the same period last year, while trade receivables decreased by less than last year. Lower EBITDA and higher interest and tax payments also contributed. Inventories decreased by ISK 777 million during the quarter. The working capital build-up associated with higher fuel prices, amounting to ISK 2.5 billion since the start of the year, has therefore begun to unwind.

Net cash used in investing activities amounted to ISK 2,256 million, compared with ISK 1,166 million in Q3 2025. Capital expenditures on property and equipment, intangible assets and investment properties amounted to ISK 2,283 million, up ISK 1,092 million year-on-year.

Net cash used in financing activities amounted to ISK 2,138 million, compared with ISK 3,835 million in Q3 2025, primarily reflecting lower repayments of interest-bearing loans. Repayments of interest-bearing loans amounted to ISK 809 million, repayments of lease liabilities to ISK 413 million and share repurchases to ISK 921 million.

Cash and cash equivalents increased by ISK 458 million during the quarter, including foreign exchange effects, to ISK 1,771 million at the end of September.

Outlook, EBITDA and CAPEX guidance for 2026

- Continued tensions in the Middle East have created significant geopolitical uncertainty.
- Commodity prices, including oil, have risen significantly and volatility has increased amid concerns over supply chain disruptions.
- Margin from fuel sales is expected to remain under pressure in the fourth quarter amid persistently elevated global fuel prices.
- Inflation in Iceland remains high, at around 6%, and is expected to stay elevated through year-end and have a significant impact on product prices and operating expenses across the Group. Tourist arrivals are expected to continue to decline year-on-year.
- The Group will continue to focus on cost optimisation and greater efficiency across its value chain.
- All business units are expected to improve earnings in the fourth quarter, except Lyfja which remains under pressure from rising costs and fixed medicine mark-ups, which are regulated by public authorities and were last revised on 1 October 2023.
- Festi remains in a strong financial position and is well positioned for growth, with numerous opportunities to further improve earnings.

EBITDA guidance for 2026 remains unchanged at ISK 16,000–16,500 million.
CAPEX guidance for 2026 remains unchanged at ISK 7,500–8,000 million.

Shareholders

- Market capitalisation amounted to ISK 88.1 billion at the end of Q3 2026, down 12.0% since the start of 2026.
- The Company had 2,017 shareholders at the end of Q3 2026, up 288 since the start of 2026.

Results presentation and webcast for market participants, Thursday 29 October 2026

Festi will host a results presentation and webcast for market participants on Thursday 29 October 2026. Ásta S. Fjeldsted, CEO, and Magnús Kr. Ingason, CFO, will present the Group's results and answer questions. The event will begin at 8:30 a.m. GMT at the Company's headquarters, Dalvegur 10–14, third floor.

To register for the webcast, please use the following link: https://www.festi.is/tenglar/uppgjor-3f-2026

Participants attending virtually may submit questions during the presentation by emailing fjarfestatengsl@festi.is. Questions will be answered at the end of the event.

Presentation materials will be available on Festi's website after the event: https://www.festi.is/fjarhagsupplysingar

Financial calendar

- Q4 2026: 3 February 2027
- 2027 Annual General Meeting: 4 March 2027

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