Skagi hf.
Financial results
FY 2025

SKAGI

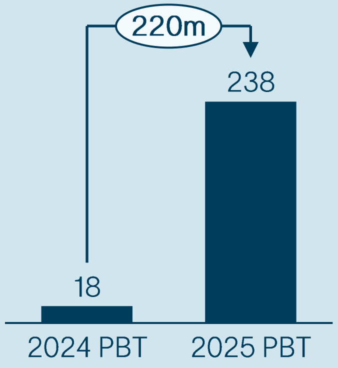
Key highlights 2025

Very strong core operational improvement for Skagi group

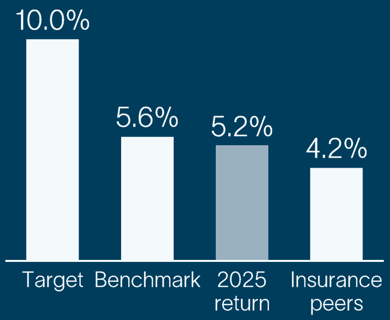
Core profits before tax up **3x**

Best insurance result in VÍS history

Continued growth in financial services revenues and material increase in profitability

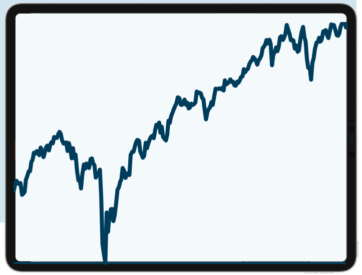


Investment results below target and benchmark impacting ROE significantly



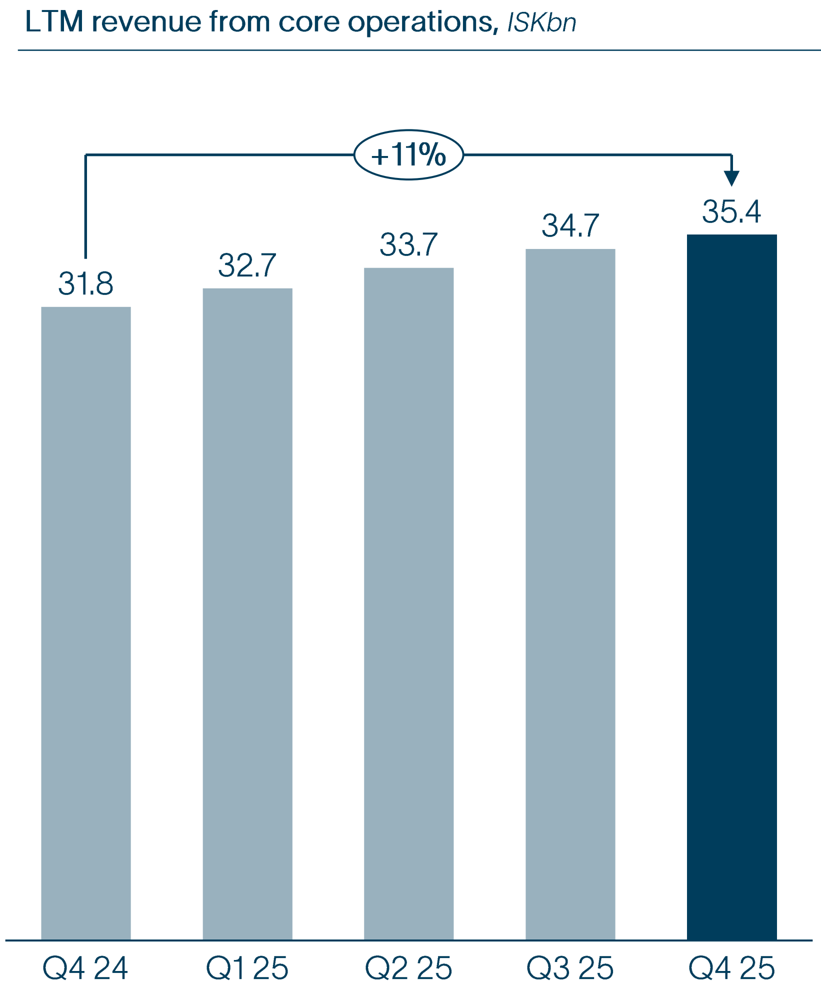
Successful integration of Íslensk verðbréf with the Skagi group

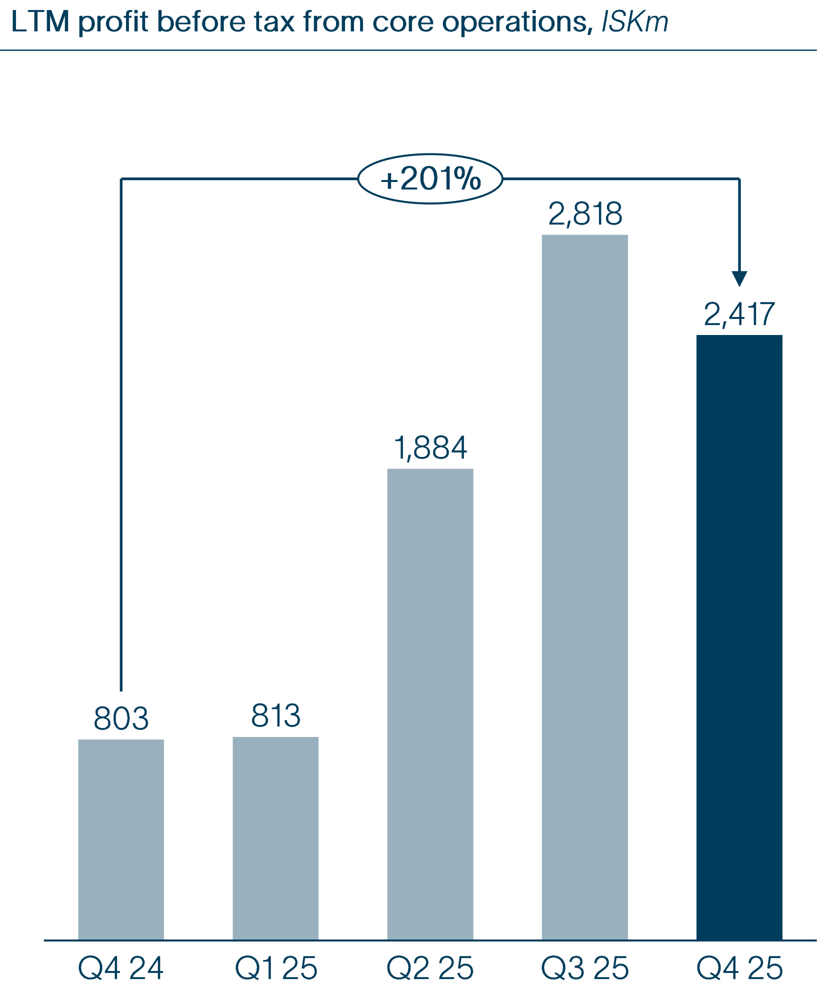
Best performing fund, second year in a row



Good progress in merger discussions with Íslandsbanki

Strong growth and profit contribution from core operations

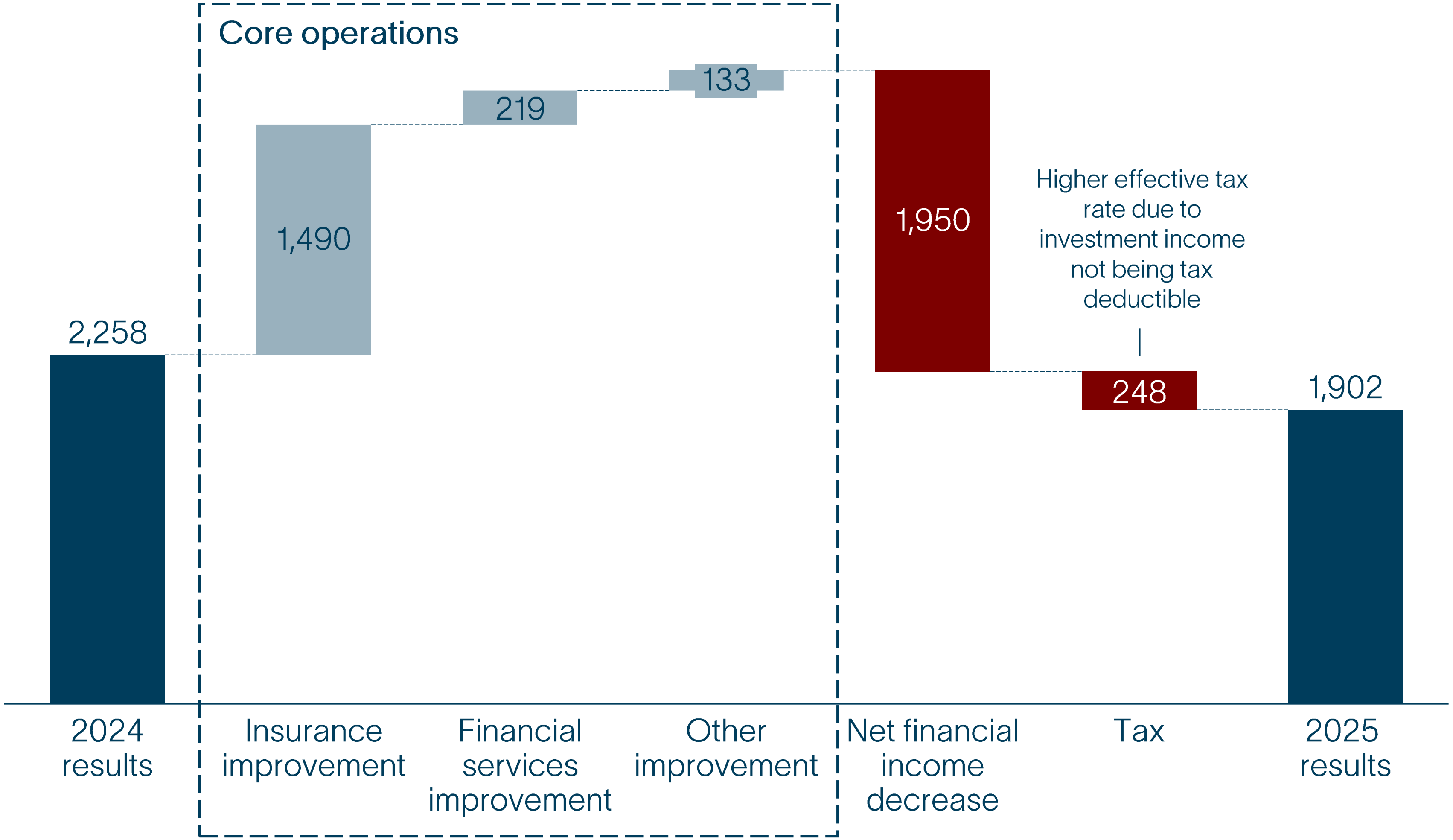




- Ongoing strong growth and performance in Skagi core operations driven by record insurance returns and improved profitability from financial services
- Core revenues increase 11% on the year, and profits before tax from core operations increase 3x
- Core operations are defined as insurance and financial services operating segments, and exclude investment activities on pre-tax basis

Strong growth in core income but negative financial income impacts results

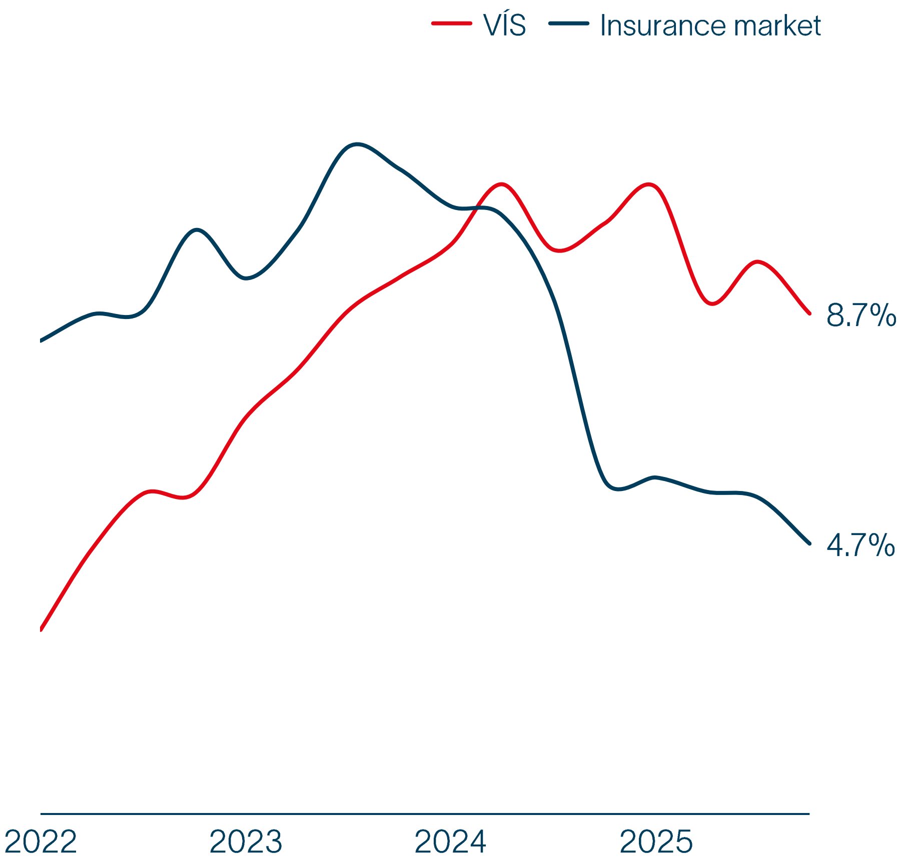
Profitability bridge, FY 2024 vs FY 2025, *ISKm*



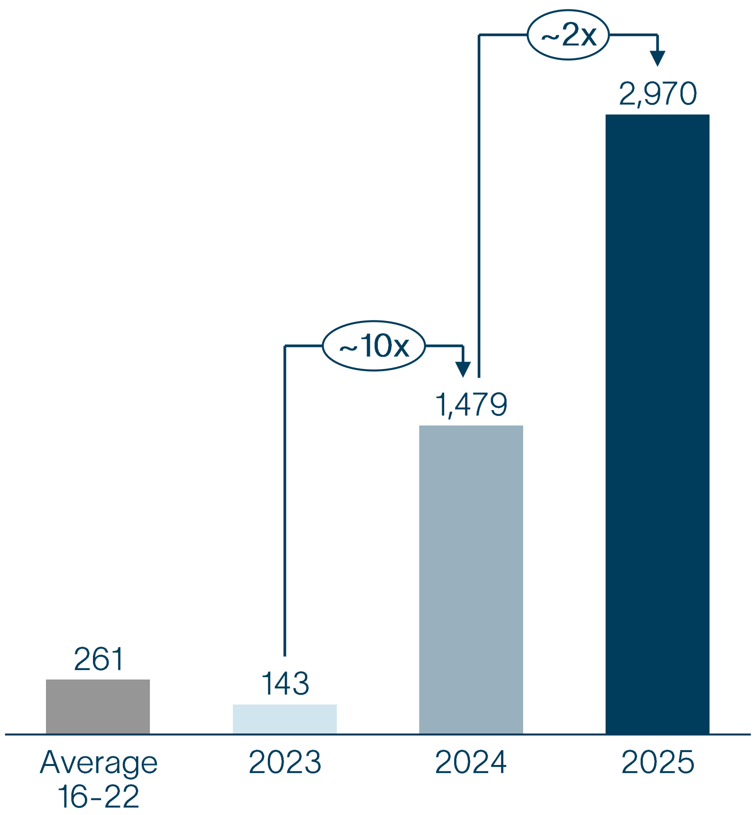
- Despite strong growth in profitability from core operations, group profitability is down compared to previous year
- Improvement in insurance service result is the most significant positive impact with 1.5bn in positive contribution
- The most significant negative impact on YoY profitability is a weaker performance from investment portfolio and financial insurance expenses negatively impacting by 2.0bn

2025 was a record year for VÍS insurance

YoY insurance premium growth by quarter
VÍS vs insurance market in Iceland[1]



Insurance service results
2016-2025



Key accomplishments in 2025

Best insurance result in company history
2,970m

Insurance profits double
101% increase

Revenue increase above market
9.5%

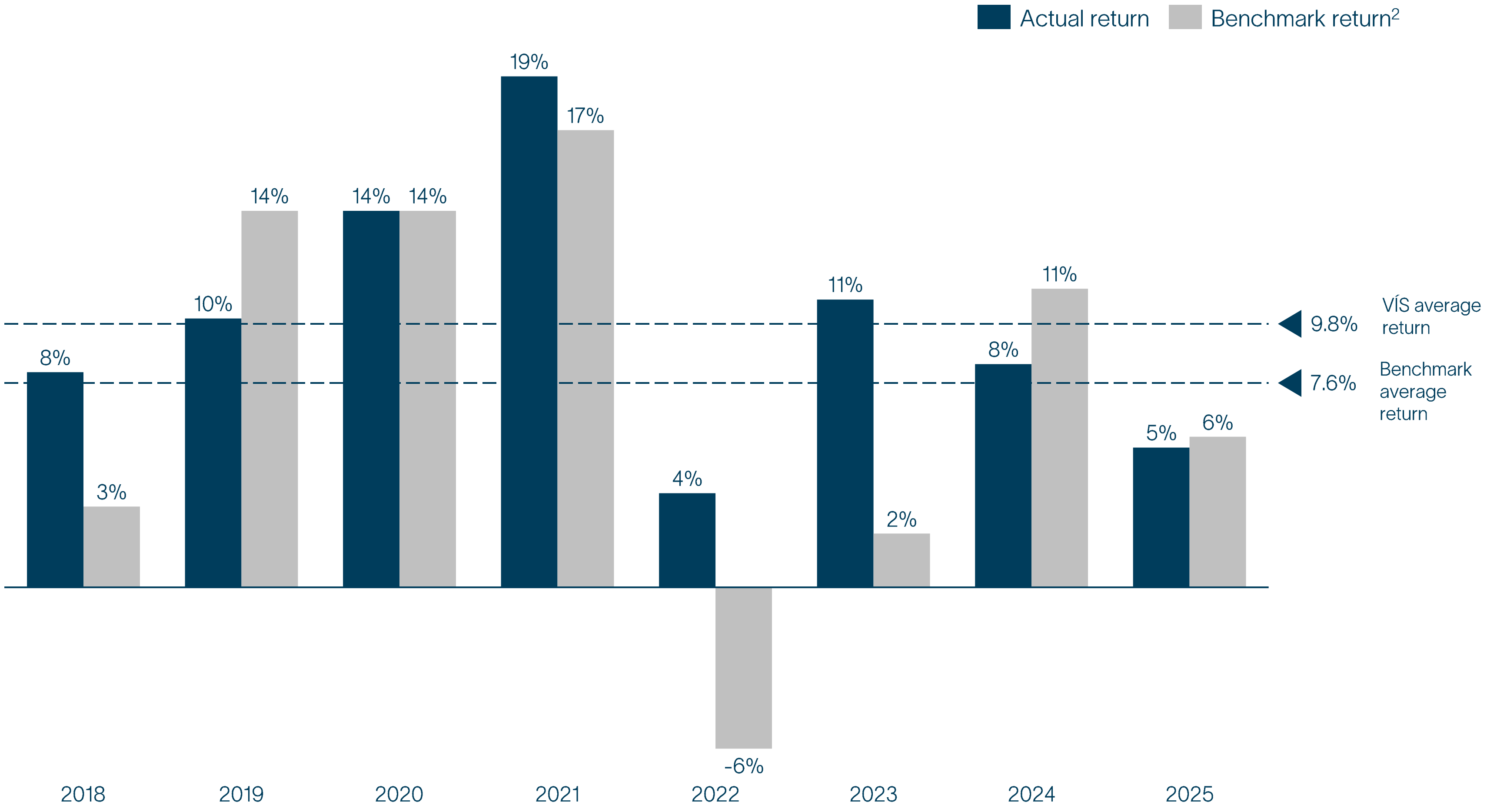
Material growth in life insurance
12,2%

Happier customers
NPS growing most of all insurance firms

1 Weighted average growth of VÍS, Sjóvá, TM and Vörður

Insurance investment results below average returns

Return of insurance investments[1]

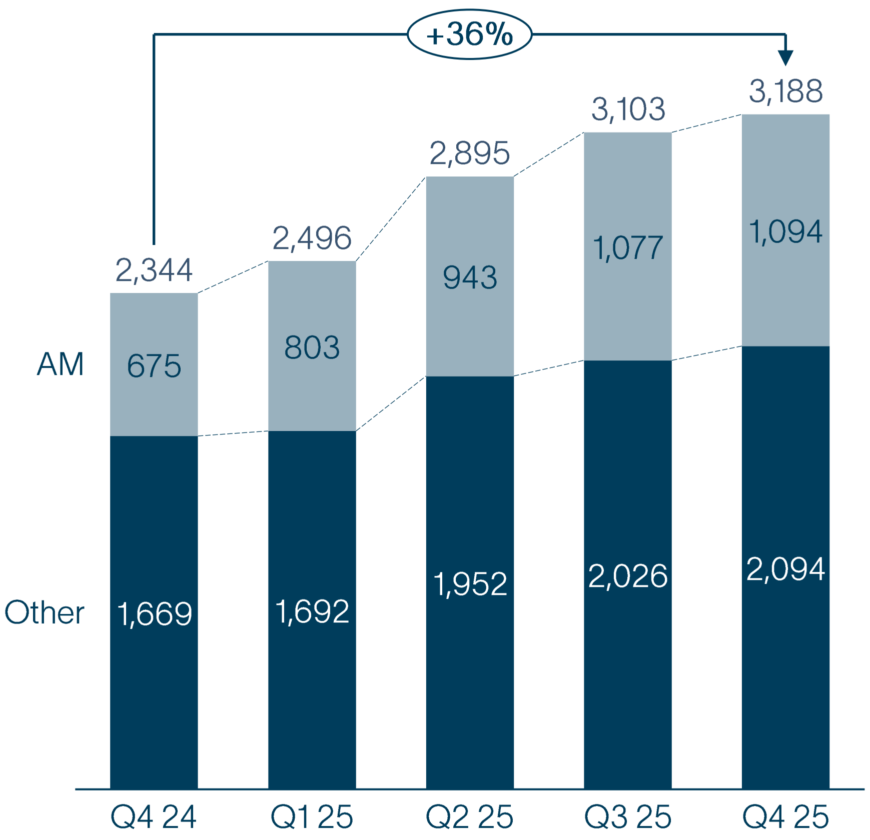


1. VÍS insurance investments under management of Íslensk verðbréf
2. Benchmark return is combined from Kvika banki indices for each relevant asset class, based on investment strategy for VÍS Investment portfolio in each year

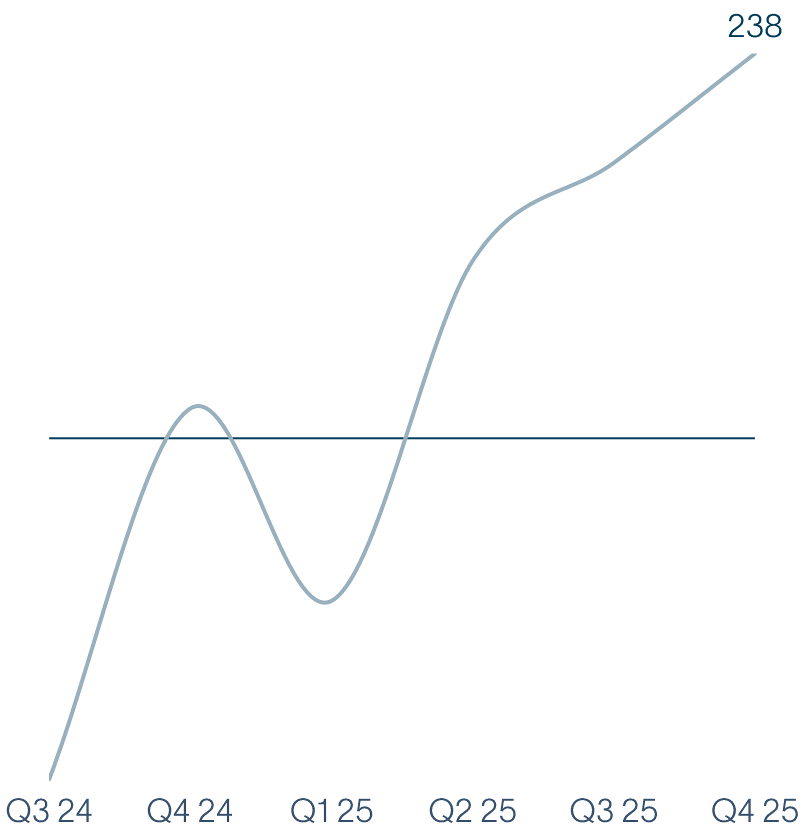
- 2025 investment returns under long-term expectations
- Total returns of 5.2% are just below benchmark return of 5.6% but well below return average of 9.8%
- VÍS return still outperforms insurance peer average return of 4,2%
- Results under 2025 target of 10%
- Updated target for 2026 is 9,5% return on the year

Consistent revenue growth from financial services with profitability improving

Financial Services LTM revenues by quarter, *ISKm*



Financial Services LTM pre-tax profit/loss by quarter, *ISKm*



Key accomplishments in 2025

Continued revenue growth momentum
36% growth

Significant profit increase
220m improvement

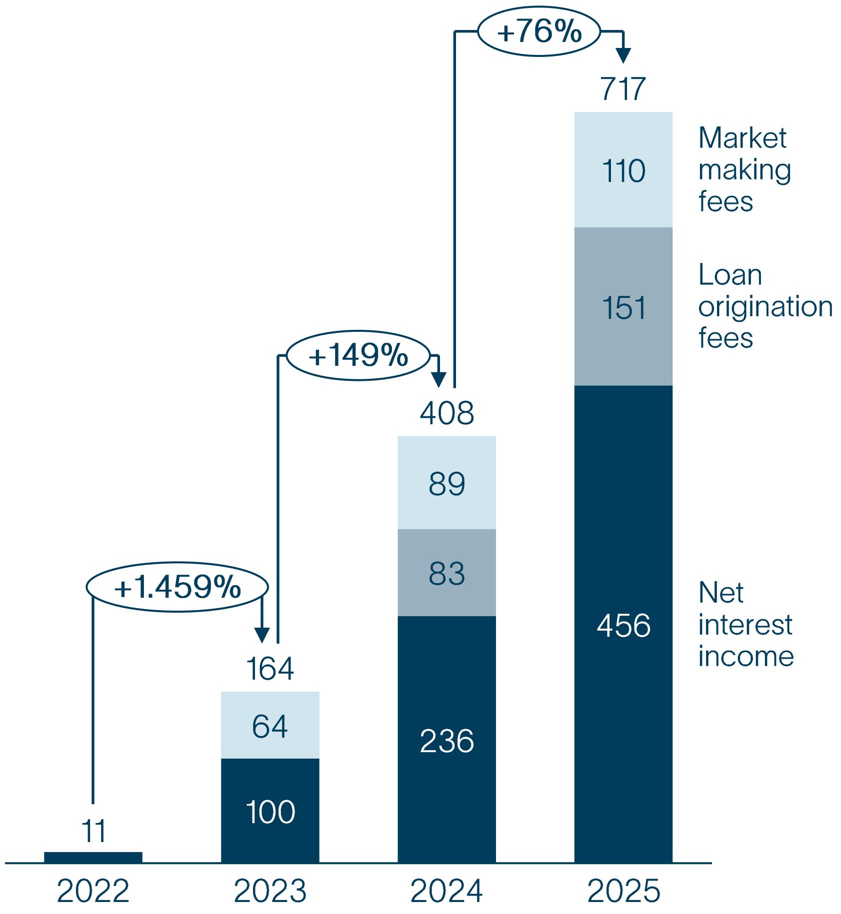
Valuable AuM growth
12% growth, driven by closed-end and specialized products

Scaling of loan book
~2x increase in NII and loan origination fees

Successful merger integration of ÍV, Fossar and SIV

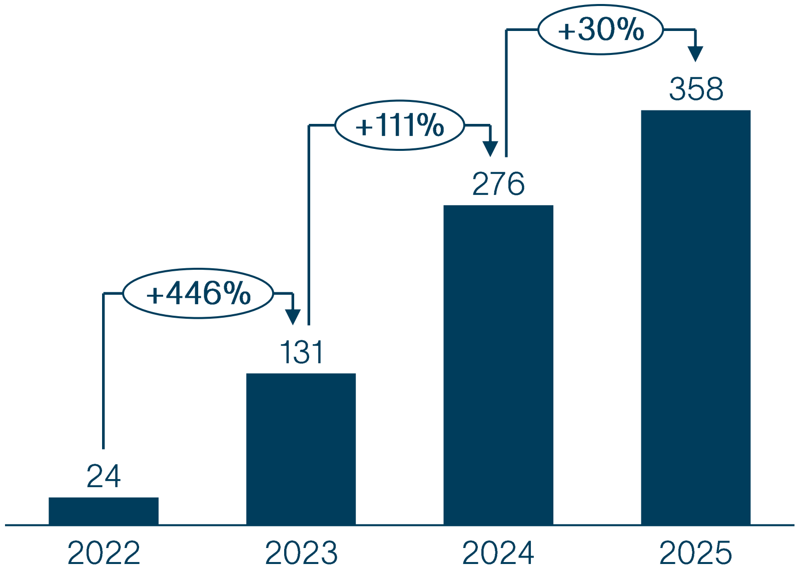
Fossar investment banking revenues scaling

Fossar net interest income, loan origination fees and market-making revenues, *ISKm*



Corporate finance revenues and selected examples of projects in 2025

Styrkás
unbroken
EpiEndo Pharmaceuticals
teya
Baridi Iceland ehf
samkaup
Drangar
Rapyd
RG Reykjavik Geothermal
Guldsmeden Hotels Eyja



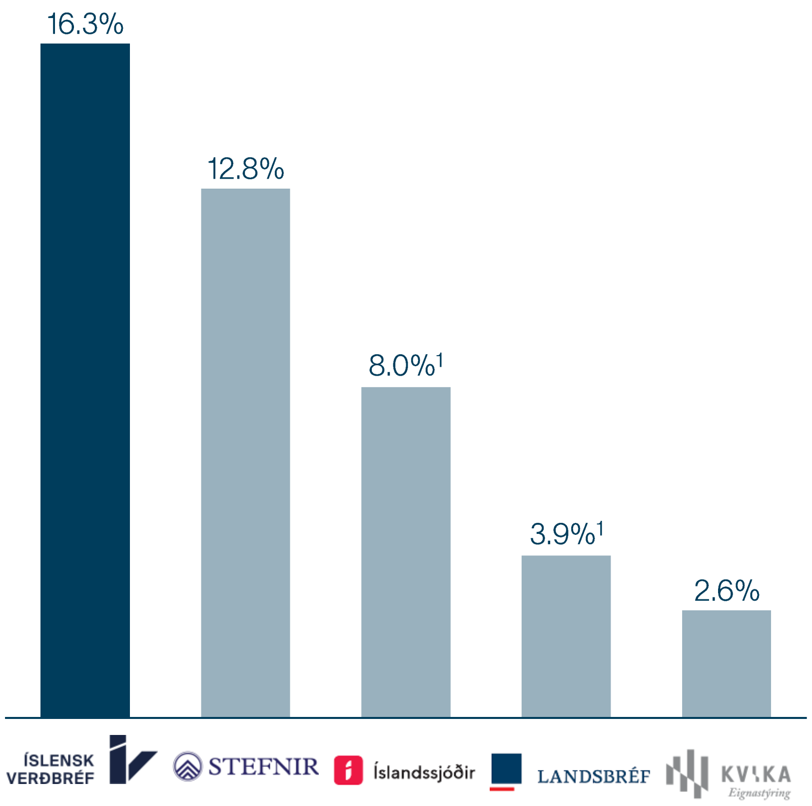
FOSSAR

- Since obtaining an investment banking license in mid 2022, Fossar has strategically expanded beyond trading, with a clear focus on building client-driven revenues
- Investments in lending, market making and corporate finance capabilities have translated into strong momentum and a growing contribution from these segments
- As a result, revenue mix is increasingly balanced, reducing reliance on trading while strengthening stable, client-oriented income streams.

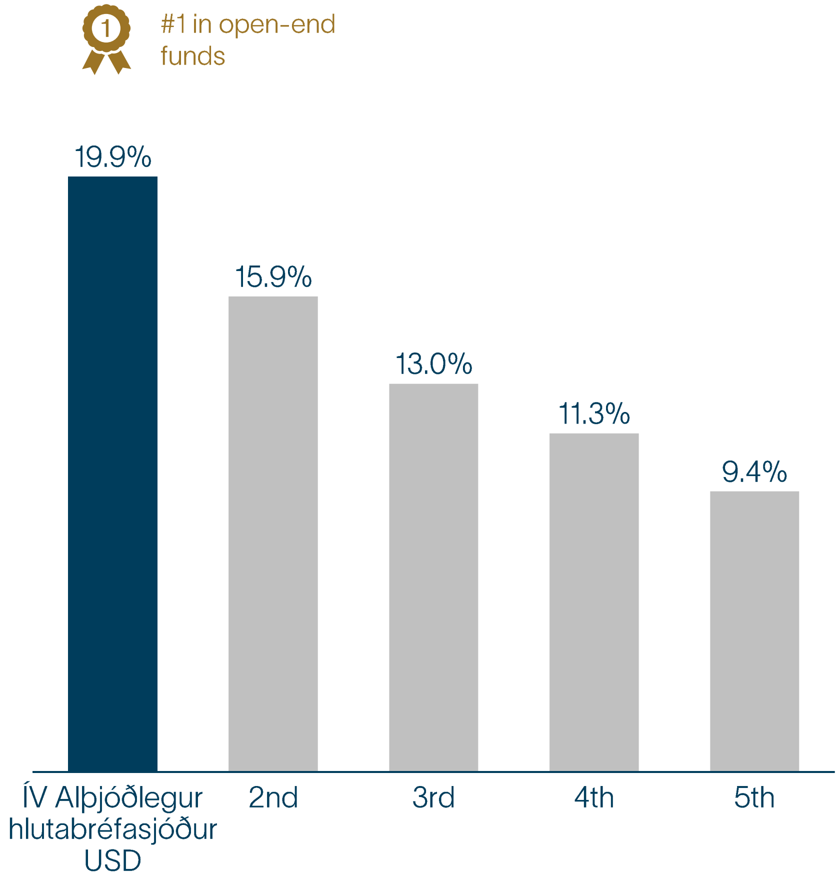
A year of growth for Íslensk verðbréf

ÍSLENSK VERÐBRÉF

AuM growth for Icelandic asset management firms
2025, %



Total return for highest performing open-end funds[2],
2025, %



- Strong growth for Íslensk verðbréf in 2025, growing faster than any other asset management company in Iceland
- Growth driven by two new credit funds and inflow from new asset management contracts
- ÍV Alþjóðlegur hlutabréfasjóður furthermore performed better than any other open-end fund in 2025, delivering 16,5% yield to fund owners
- 2025 marks the second year running in which Íslensk verðbréf holds the highest performing open-end fund in Iceland

1 As AuM for Íslandssjóðir and Landsbréf are not disclosed in group annual reports, respective group AuM growth is used as a proxy.
2 Source: Keldan.is

Key results and targets

	KPI	2025 target	2025 actual	2026 target
Group				
	ROE	>15%	8.6%	>15%
	Core operations PBT	*>2,000m*[1]	2,417m	>2,400m
Insurance				
	Combined ratio	<94%	90.7%	<93.5%
	Revenue growth	*>9%*[1]	9.5%	>7%
Financial services				
	Financial services revenue	>3,100m	3,188m	>3,500m
	AuM	*>250bn*[1]	253bn	>270bn
Investments				
	Investment return	>10%	5.2%	>9.5%

1 „Core operations PBT", „Insurance revenue growth", and „AuM" targets reflect internal management targets but were not published before
„Combined ratio „ and „Financial services revenue" are guided targets, others are operational targets

SKAGI

- Operational performance exceeded targets overall in 2025, with all key operational targets delivered except investment returns, resulting in ROE falling short of target.
- Combined ratio and core operational profitability targets significantly exceeded.
- For 2026 targets on combined ratio and financial services revenue continue to be guidance targets, while we will publish updated status on all targets each quarter

Good progress in merger discussions with Íslandsbanki

Completed	Completed	Near-complete	Ongoing	Not started
Due dilligence	**Synergy validation**	**ICA preparation**	**Merger agreement**	**Approvals**
Legal, tax and commercial due diligence completed	Synergy assessment by external advisors completed	Drafting of notice to Icelandic Competition Authorities and relevant analysis near complete	Final terms of merger agreement to be agreed upon by both boards	Approvals by regulatory bodies and authorities, alongside shareholder approvals to follow

SKAGI

Strong merger rationale

Shareholders
Improved profitability and revenue generation capabilities
Higher recurring dividends

Customers
Enhanced product offering, while economies of scale will benefit customers

Employees
Strengthened professional development opportunities and information sharing

Community
Additional financial capacity towards socially sustainable investments

2025 and Q4 Financials

Income statement Q4 2025

Strong investment returns and financial services improvement

Income statement	Q4 2025	Q4 2024	Diff.	Diff. %
Insurance service result	50	437	-387	-89%
Net interest income	138	77	61	79%
Net fee and commission income	686	680	6	1%
Net financial income	1,532	1,313	219	17%
Other income	185	162	23	15%
Net Operating Income	**2,591**	**2,669**	**-78**	**-3%**
Operating expenses	-1,056	-1,009	-47	5%
Amortization of intangible assets	-49	-43	-6	14%
Net impairments	-1	-1	1	-50%
Profit before taxes	**1,485**	**1,615**	**-130**	**-8%**
Income tax	80	-58	138	+138%
Profit	**1,565**	**1,558**	**+8**	**1%**
Group KPIs				
Core Revenues	9,304	8,599	704	8%
ROE - annualised	27.2%	29.0%	-1.8p.p	
Profit per share	0.82	0.82	-0.0	0%
Business Unit KPIs				
Insurance revenue	8,205	7,546	659	9%
Combined ratio	99.4%	94.2%	5.2p.p	
Financial services income	976	892	84	9%
Investment income	1,846	1,544	200	18%
Investment income return %	4.0%	3.6%	0.4p.p	

SKAGI

Insurance
- Insurance revenue 8,205m (8.5% YoY)
- Combined ratio 99.4% and insurance service result 50m (-387m YoY)

Financial services
- Net interest income 138m (79% YoY)
- Net fee and commission income 686m (1% YoY)

Investments
- Investment income 1,846m, representing a 4.0% return in the period
- Net financial income 1,532m (219m YoY)

Net operating income
- Net operating income 2,592m (-3% YoY)

Expenses
- Operating expenses 1,056m (5% YoY)

Results
- Pre-tax profit of 1,486m (-8% YoY)
- Profit after tax of 1,566m (1% YoY)

Income statement FY2025

Full-year results impacted by negative investment returns

Income statement	FY 2025	FY 2024	Diff.	Diff. %
Insurance service result	2,970	1,479	1,491	101%
Net interest income	461	237	224	95%
Net fee and commission income	2,358	1,816	542	30%
Net financial income	38	1,900	-1,862	-98%
Other income	321	241	80	33%
Net Operating Income	**6,148**	**5,673**	**475**	**8%**
Operating expenses	-3,508	-2,967	-541	18%
Amortization of intangible assets	-196	-150	-46	31%
Net impairments	-7	-11	4	-36%
Profit before taxes	**2,437**	**2,545**	**-108**	**-4%**
Income tax	-535	-287	-248	-46%
Profit	**1,902**	**2,258**	**-356**	**-16%**
Group KPIs				
Core Revenues	35,355	31,750	3,605	11%
ROE - annualised	8.6%	10.8%	-2.2p.p	
Profit per share	1.00	1.19	-0.19	-16%
Business Unit KPIs				
Insurance revenue	31,959	29,182	2,777	10%
Combined ratio	90.7%	94.9%	-4.2p.p	
Financial services income	3,188	2,344	844	36%
Investment income	2,355	3,657	-1,302	-35%
Investment income return %	5.2%	8.3%	-3p.p	

SKAGI

Insurance
- Insurance revenue 31.959m (9.5% YoY)
- Combined ratio 90.7% and insurance service result 2.970m (1,491 million improvement YoY)

Financial services
- Net interest income 323m (102% YoY)
- Net fee and commission income 1,672m (47% YoY)

Investments
- Investment income 2,355m, representing a 5.2% return
- Net financial income 38m

Net operating income
- Net operating income 6,148m (8% YoY)

Expenses
- Operating expenses 3,508m (18% YoY)

Results
- Pre-tax profit of 2,437m (-108m YoY)
- Profit after tax of 1,902m (-356m YoY)

Balance sheet

Strong and robust balance sheet

Balance sheet	31.12.2025	30.9.2025	Δ%	31.12.2024	Δ%
Assets					
Cash	1,750	1,503	16%	2,322	-25%
Insurance investments assets	48,601	46,865	4%	44,927	8%
Fixed income securities	6,771	5,373	26%	5,996	13%
Shares and other variable income securities	517	406	27%	469	10%
Securities used for hedging	3,110	6,353	-51%	6,103	-49%
Loans to customers	11,837	10,743	10%	7,880	50%
Goodwill and intangible assets	5,737	5,764	0%	5,547	3%
Other assets	6,713	6,683	0%	5,939	13%
Total Assets	**85,035**	**83,688**	**2%**	**79,183**	**7%**
Liabilities and Equity					
Insurance liabilities	30,331	29,363	3%	28,834	5%
Money market deposits	8,972	10,801	-17%	10,663	-16%
Bonds and bills	8,611	6,073	42%	4,387	96%
Other liabilities	9,229	11,475	-20%	9,263	0%
Subordinated liabilities	3,908	3,849	2%	3,764	4%
Total Liabilities	**61,051**	**61,561**	**-1%**	**56,912**	**7%**
Equity	23,984	22,128	8%	22,271	8%
Total Liabilities and Equity	**85,035**	**83,688**	**2%**	**79,183**	**7%**

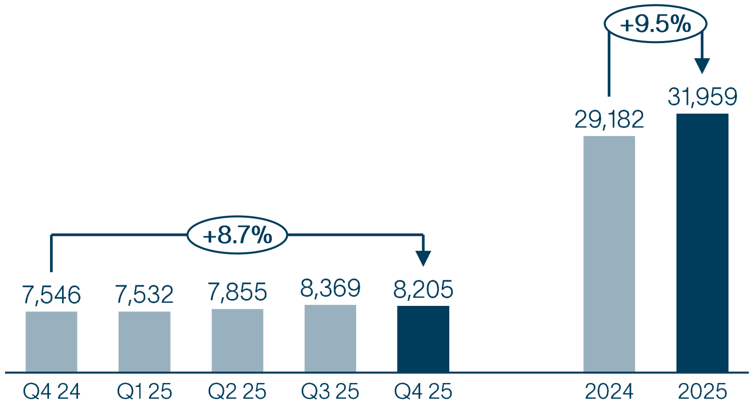
SKAGI

- Total group assets are 85bn (+7% YoY)
- Insurance investment assets stand at 48.6bn (50bn including cash)
- Insurance liability 30.3bn (5% YoY)
- Balance sheet of Fossar consists mainly of liquid government bonds and listed assets
- Loans to customers consist in part of financing with security in liquid listed assets
- Fossar funding source is mostly in form of money market deposits, bills and bonds
- Fossar has continued to diversify its funding sources with longer term bonds
- Goodwill and intangible assets are mainly related to acquisitions and mergers in financial services
- Equity of the group stands at 24.0bn (+8 YoY)

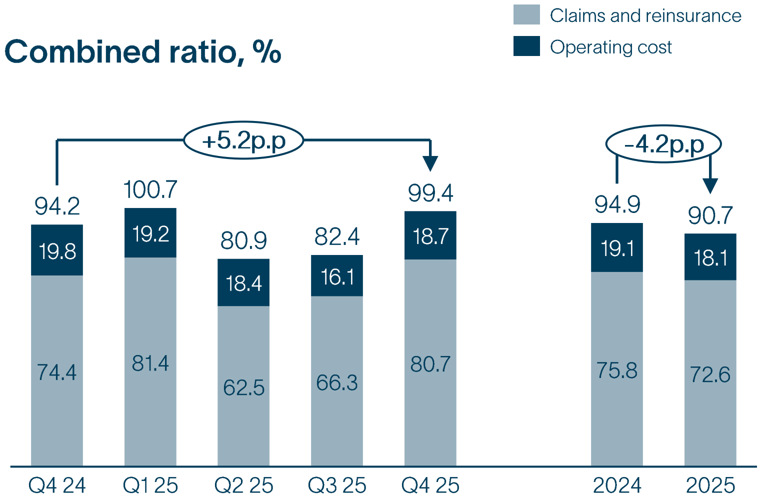
Insurance

Best insurance result in VÍS history

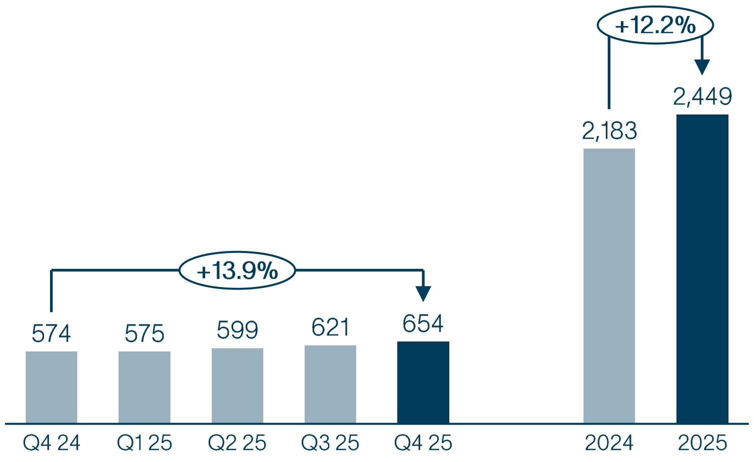
Insurance revenue



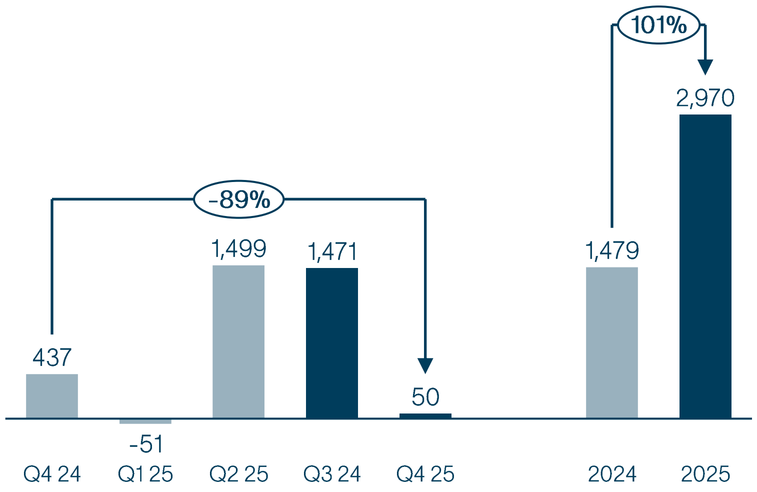
Combined ratio, %



Life insurance revenue



Insurance service results



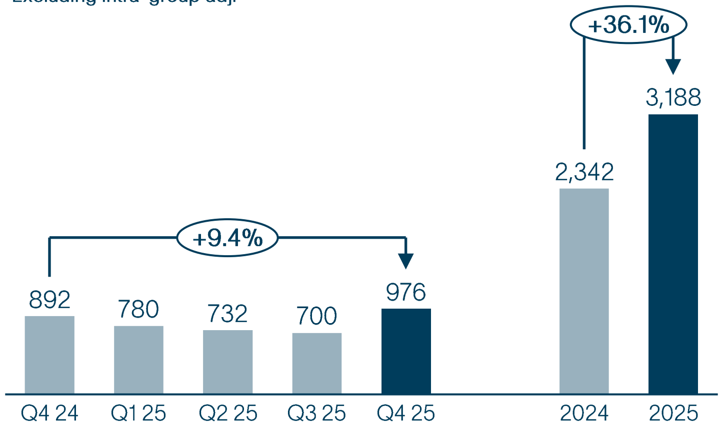
All amounts are in ISKm unless stated otherwise

- Best insurance results for VÍS since listing, with almost 3bn in insurance results and 90.7% combined ratio
- Positive momentum in insurance revenue remains, with 8.7% insurance revenue growth in Q4 YoY and 9.5% in 2025 total
- Strong 14% Q4 growth in life and health insurance and ongoing emphasis on growth in this product range
- Partnership with Íslandsbanki going well, with further growth anticipated in corporate insurance

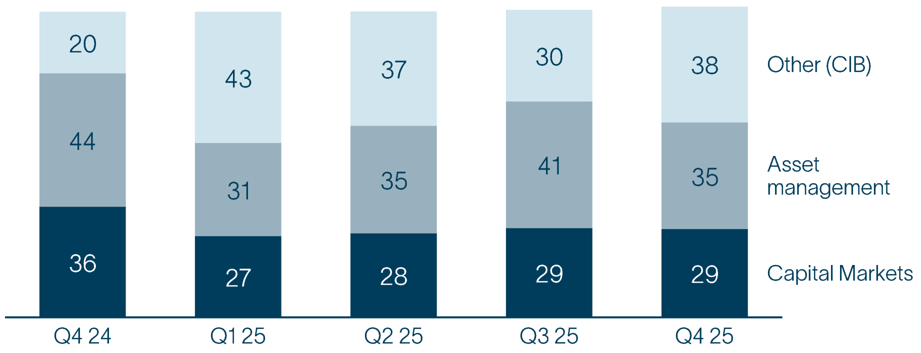
Financial services

Growth of Financial services continues

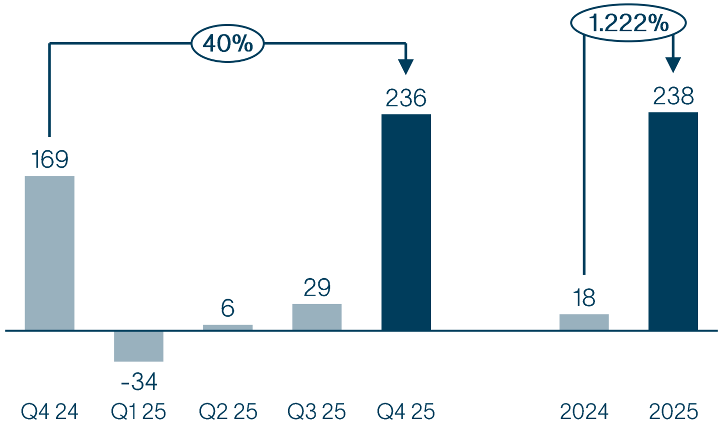
Net financial services income
Excluding intra-group adj.



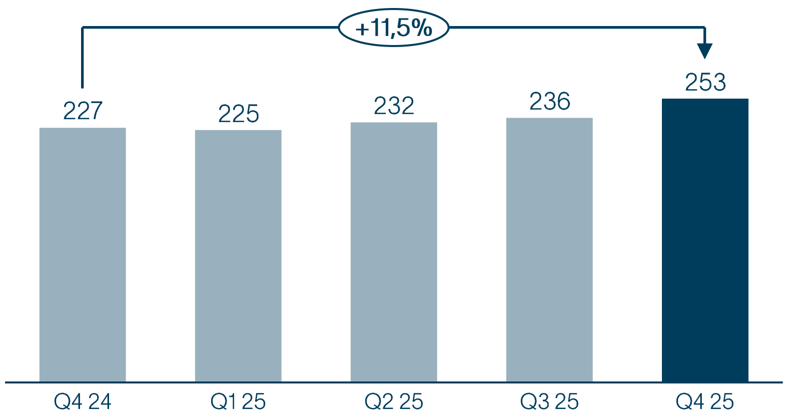
Composition of financial services income, %
Excluding financial income



Financial services profit before tax



Assets under management *billions ISK*



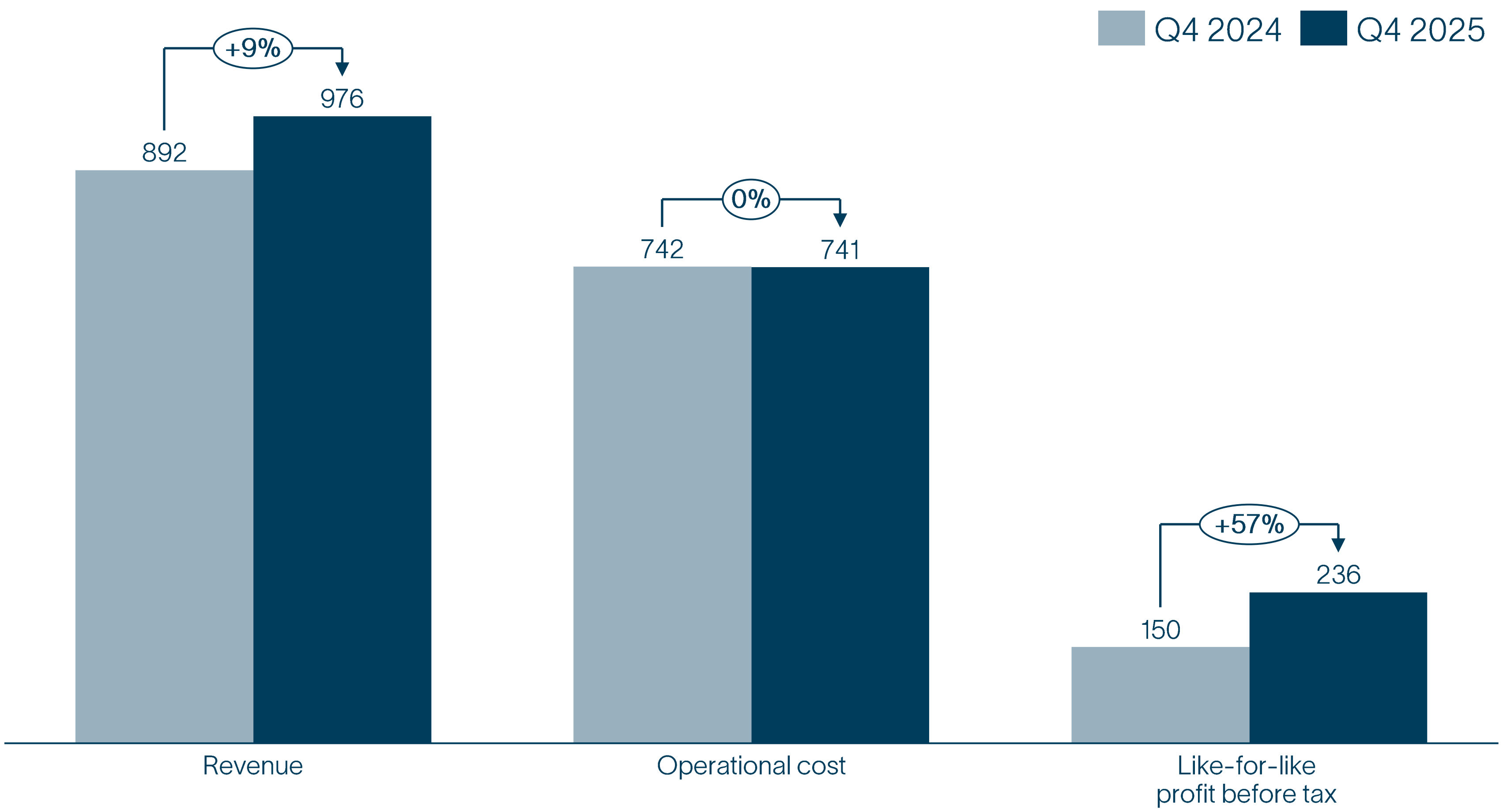
All amounts are in ISKm unless stated otherwise

FOSSAR ÍSLENSK VERÐBRÉF

- Financial services generate revenue growth of 9% in Q4 and 36% in 2025
- Financial services continues to deliver diversified income streams, with over 70% of income coming from non-capital markets related activities in 2025
- Group AuM of 253bn at end of period growing at 4% YoY
- Profitability increases 220m YoY with economy of scale following improvement in revenue from new investment banking activities, such as corporate finance, market making, debt financing and net interest income.
- PBT of 238m and profit after tax of 299m in Financial Services

Q4 is the first like-for-like quarter comparison for financial services

Financial Services Q4 revenues, costs and profit before tax,
ISKm, YoY 2024 vs 2025

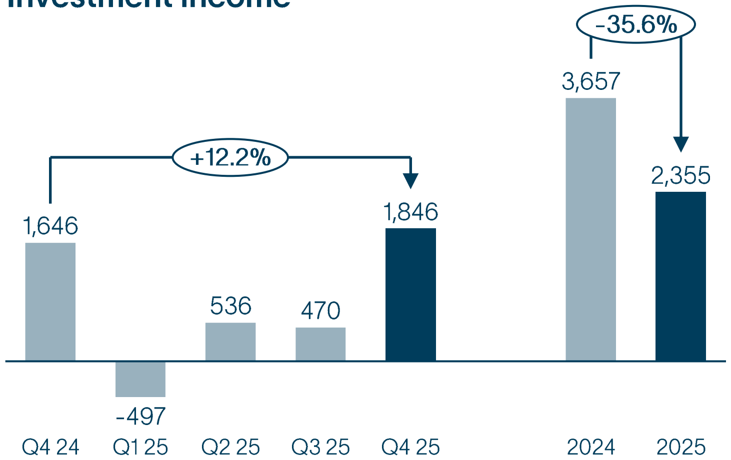


- Q4 2025 in financial services is the first quarter this year that is directly comparable to previous year
- Comparison highlights cost discipline and scale economies of the business
- Not all synergies have been fully realized in ÍV and Fossar, so we anticipate further scale economies
- Quality of earnings increasing YoY with higher share being recurring
- Note that 2024 operational costs and PBT have been corrected to reflect same 19m contribution to shared services as in 2025

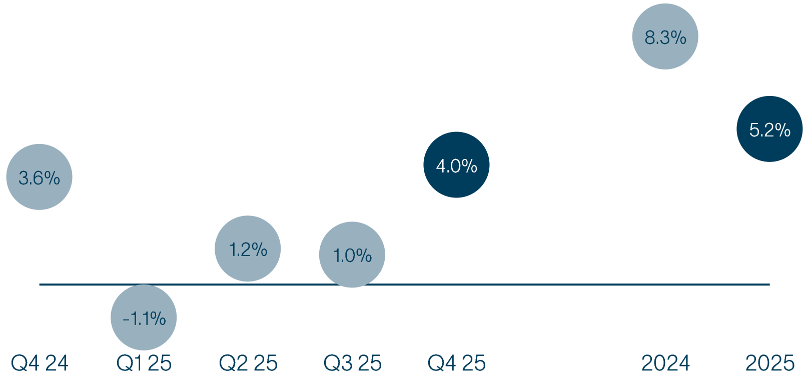
Investments

Weak equities market continues to negatively affect investment income

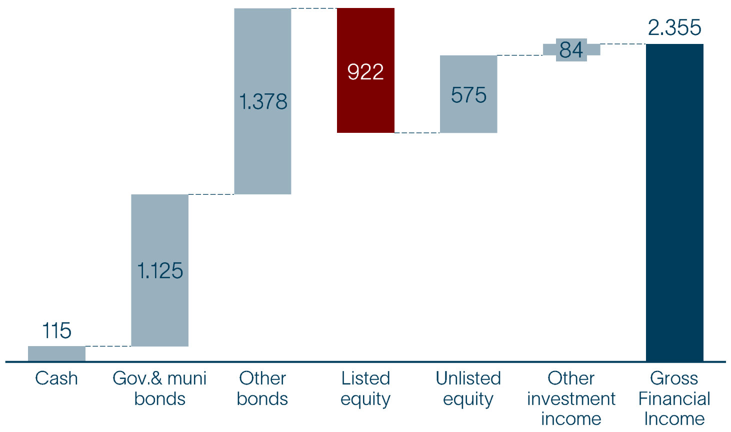
Investment income



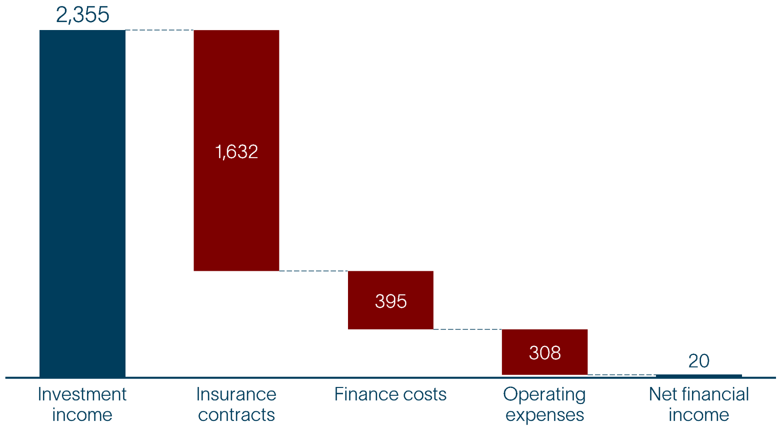
Return on investment assets



Gross investment income in 2025



Net financial income breakdown of investments in 2025



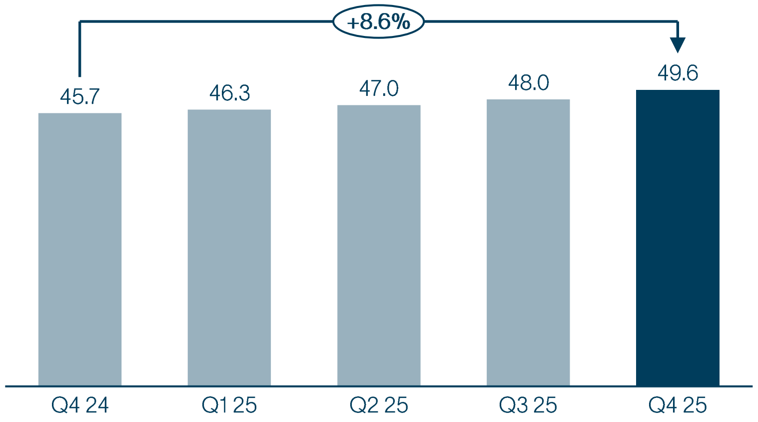
All amounts are in ISKm unless stated otherwise

- Weak listed equities negatively impact investment results by ISK -922m in 2025
- Return on investments 4.0% in Q3 and 5.2% in 2025
- Investment income of 1,846 in Q4 and 2,355 in 2025
- Investment income mainly driven across bond portfolio whilst equities has remained weak
- Current interest rate environment drives high financial expenses from insurance contracts and other finances costs, totaling around 2bn in 2025
- Net financial income result of investments is 20m in 2025

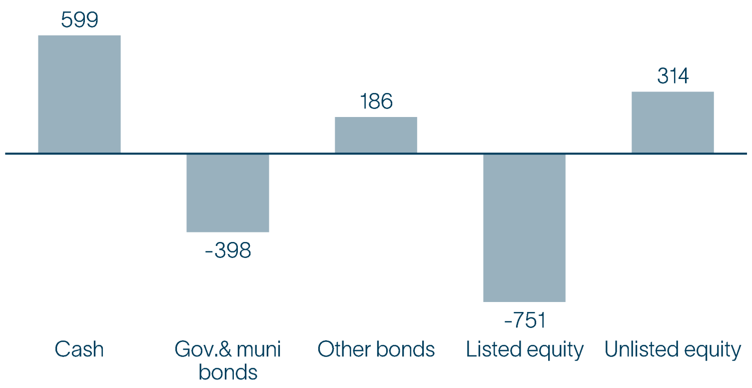
Investment portfolio

Investment portfolio with limited exposure on listed equity

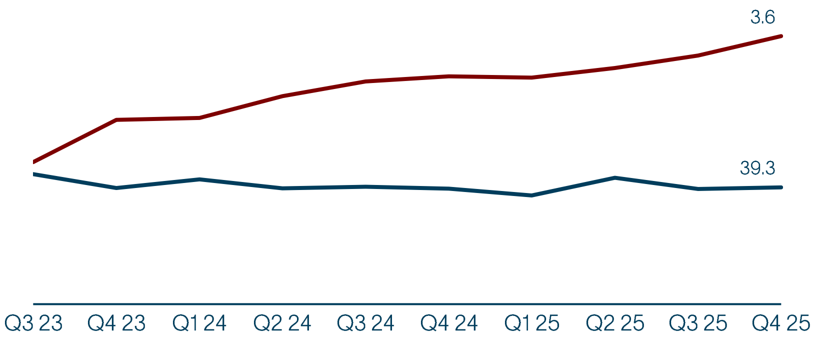
Investment assets[1], ISK billions



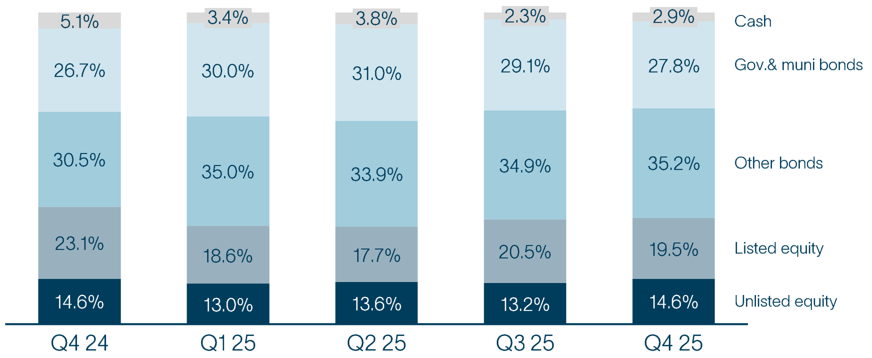
Asset allocation shift in Q4 25



Bonds - duration and CPI-linked ratio



Asset allocation



All amounts are in ISKm unless stated otherwise

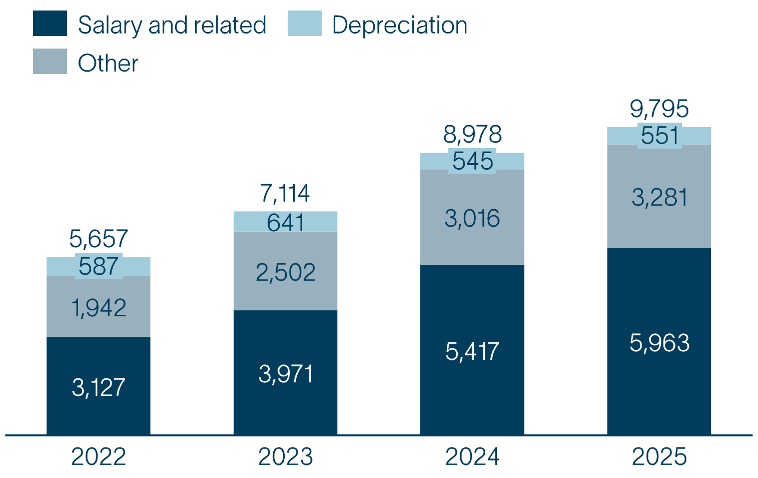
1. Insurance Investment assets of VÍS and Lífís

- Investment asset portfolio[1] stands at 50bn at end of year, consisting of financial assets of VÍS insurance
- Composition of portfolio is 66% bonds and 34% equity, thereof 15% in unlisted equity
- Allocation shift with reduced listed equities and but higher weight of unlisted equities due to fair value uplift of current assets
- Duration higher at about 3.6 in Q4
- Foreign bonds are comprised of foreign credit funds and bonds issued by financial institutions
- Currency hedges are in place against the foreign bond exposure

Operating costs

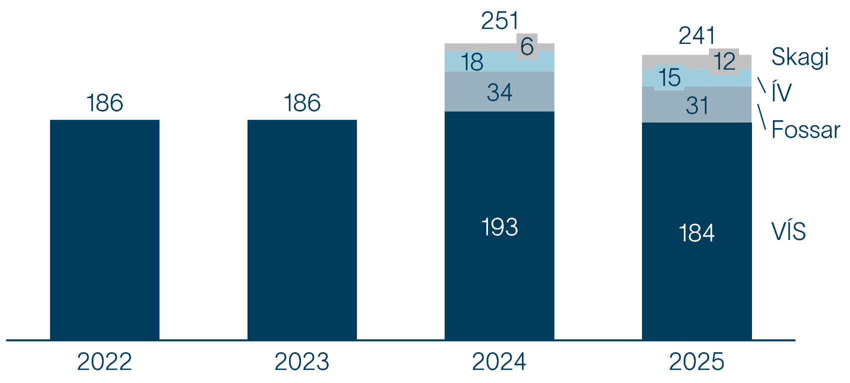
Operating costs impacted by costs related to ÍV merger

Operating costs



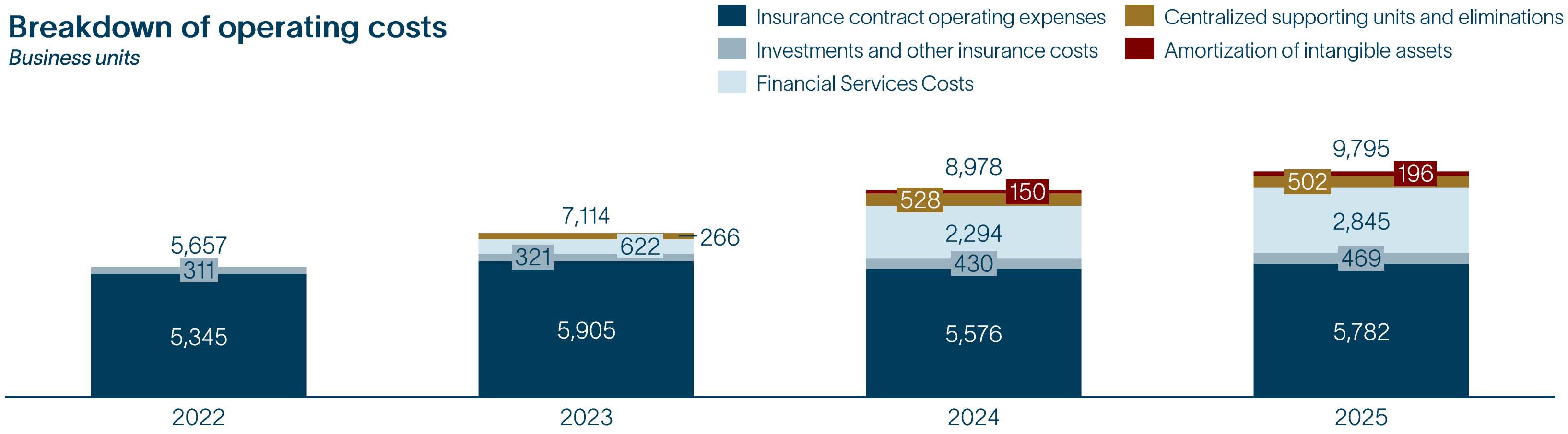
Employees (FTEs)

Number of FTEs during the year



Breakdown of operating costs

Business units



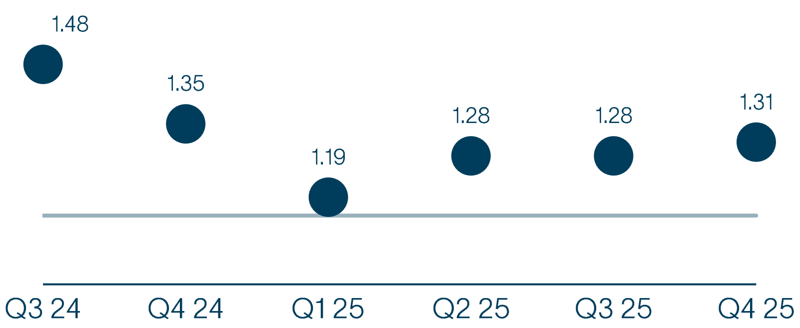
All amounts are in ISKm unless stated otherwise

- Operating costs increase YoY mainly due to inclusion of ÍV base operating costs. Higher costs are also due to integration and other one-off expenses within Financial services of approx. 115 million in 2025
- Other integration costs amounted to 40 million related to transfer of insurance and establishment of group structure and costs related to merger discussions with Íslandsbanki amounted to approx. 40 million,
- Streamlining of operating costs continues with focus on cost measures and synergies across all business units

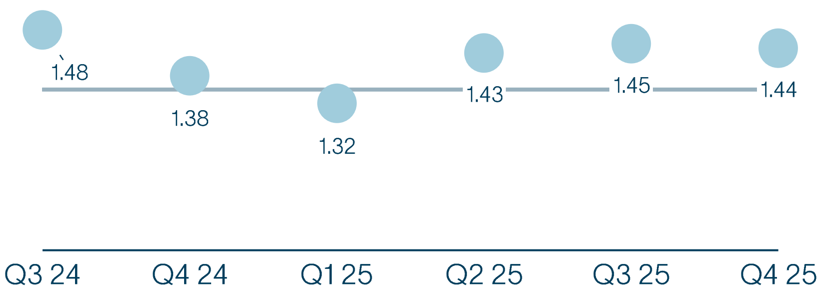
Solvency ratio and inv. bank capital

Solvency ratios are within policy levels

Group solvency ratio

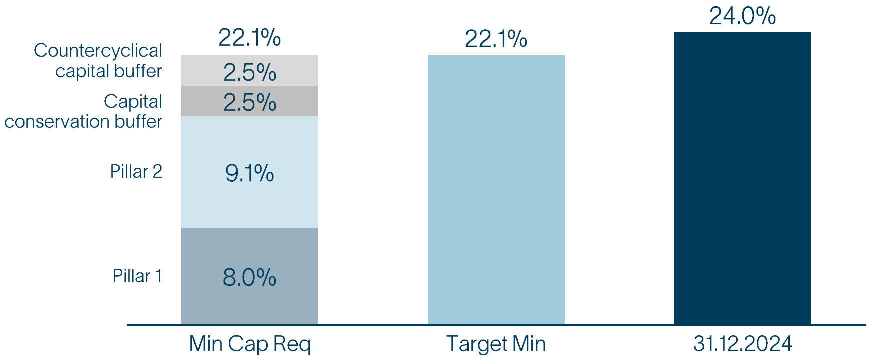


Insurance solvency ratio

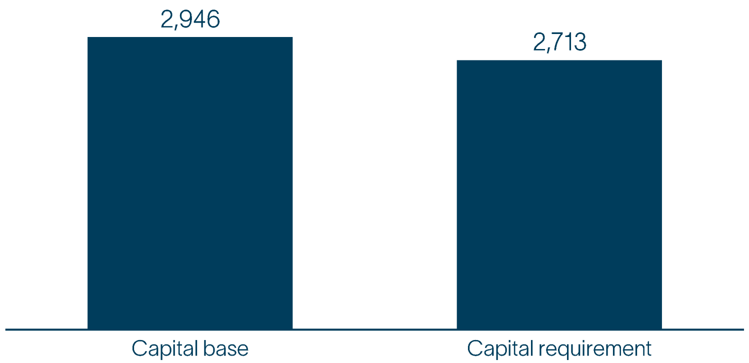


Solvency ratios for Skaga and VÍS pre dividend policy

Fossar – capital ratio



Fossar – capital and requirement



All amounts are in ISKm unless stated otherwise

Solvency position

- Group solvency ratio is 1.31 at end of year
- Solvency ratios are presented on a post-dividend basis
- Pre dividend solvency ratios are 1.36 for Group and 1.52 for VÍS
- Own funds are within target policy levels;

Fossar capital position

- Fossar capital ratio of 24%
- Fossar capital position is >200m above capital requirement

Capital allocation

- Capital allocation optimization within the Group to support internal and external growth is consistently monitored

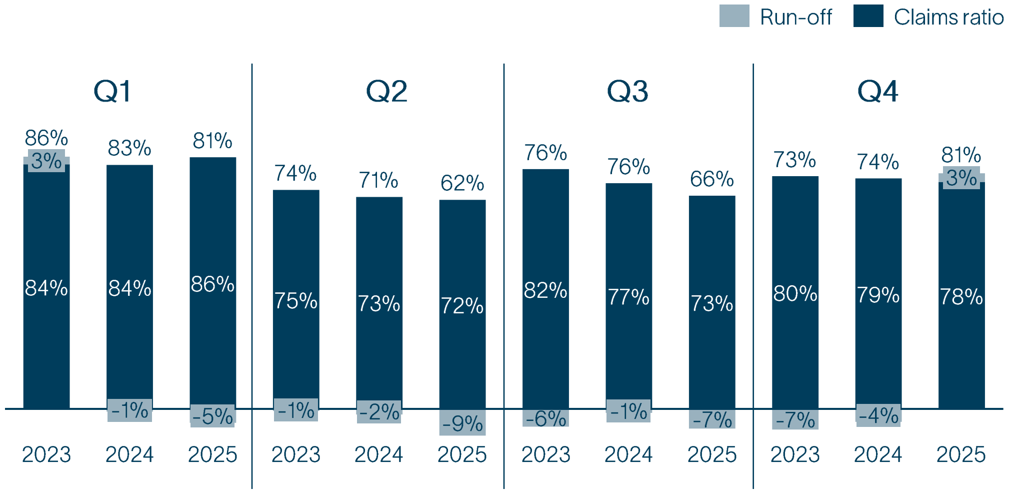
Key takeaways

- **3x increase** in group core profits
- Best insurance results **in VÍS history, up 2x from previous year**
- Strong revenue growth and **material profitability increase** in Skagi financial services
- Investment returns below long-term average, and higher finance expenses from insurance contracts **impacting group profitability significantly**
- Ongoing **growth momentum** for all Skagi group companies
- **Good progress** in merger discussions with Íslandsbanki

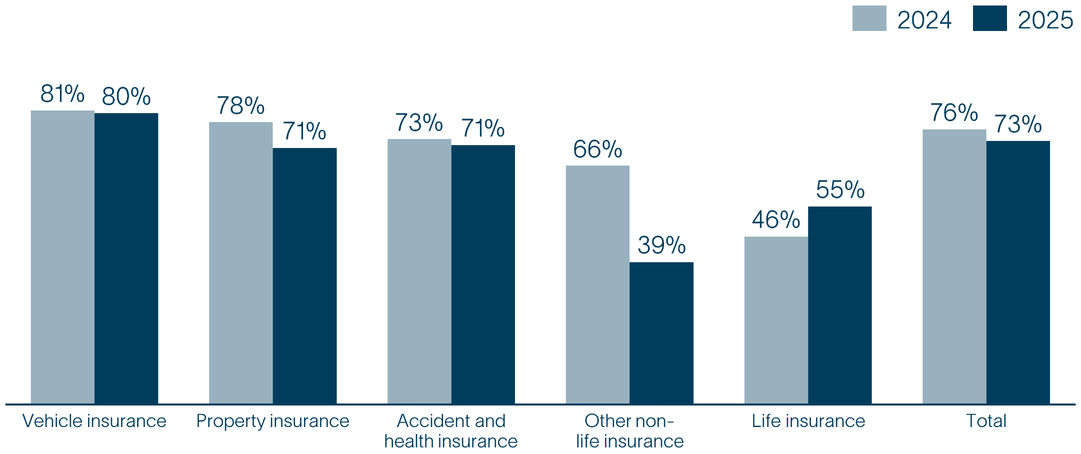
Appendix:
Further information

VÍS insurance – additional information

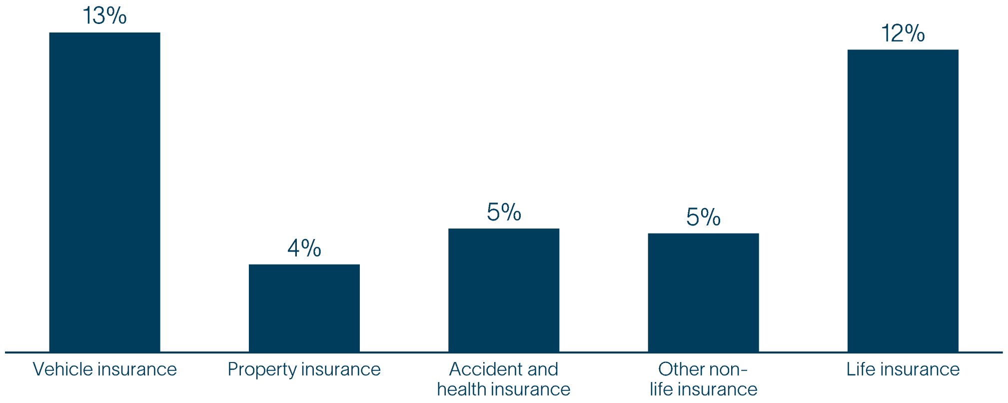
Claims ratio and run-off



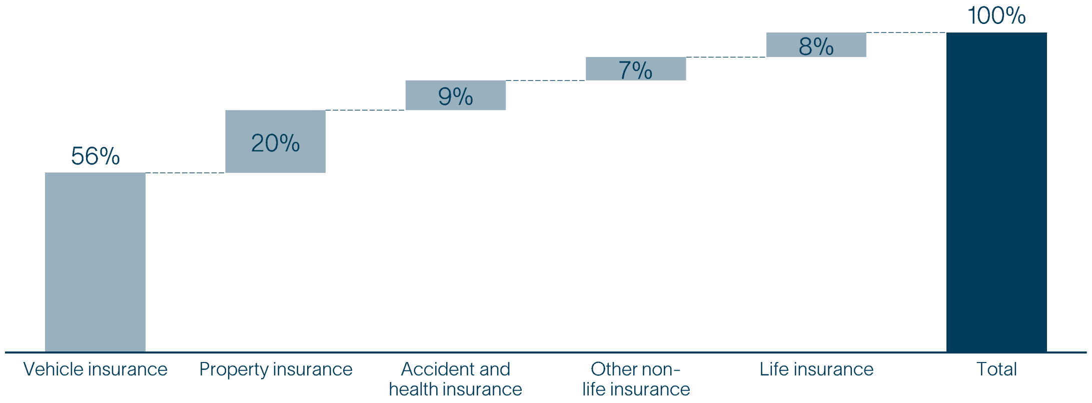
Claims ratio by insurance line-of-business



YoY 2025 growth rate by line-of-business



Line-of-business composition of total insurance revenues



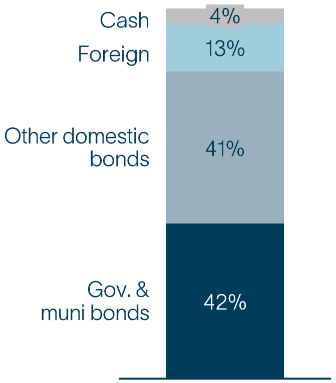
Claims ratios include both claims and reinsurance

Investment portfolio – additional information

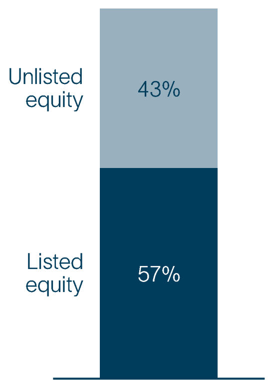
Breakdown of asset allocation and major positions in the portfolio

Allocation of bonds and equity

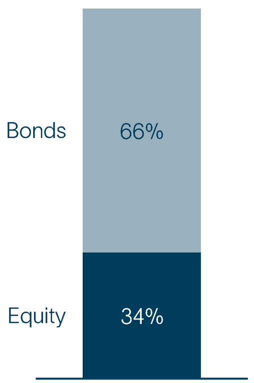
Bonds & Cash 33bn



Equity 17bn

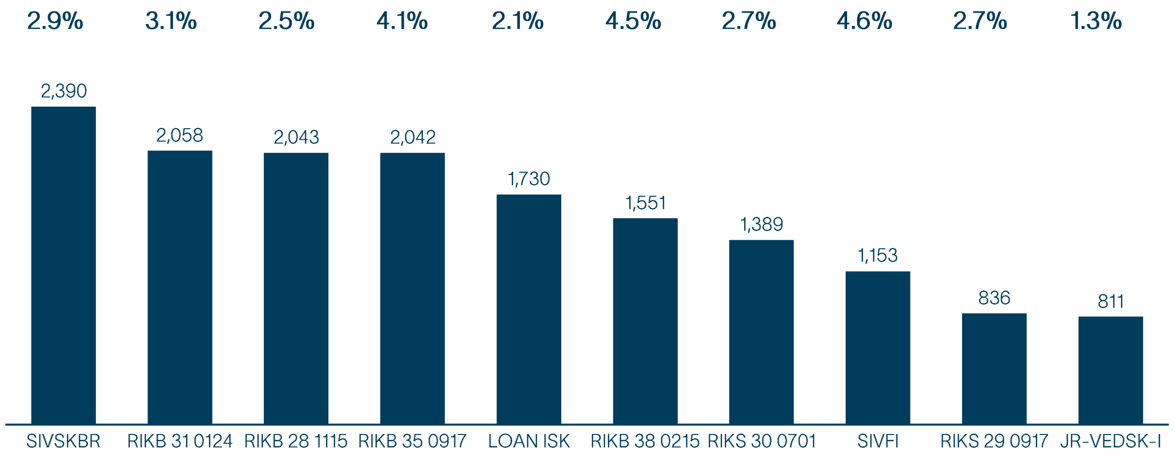


Total Portfolio 50bn



Target Portfolio
Bonds 65% / Equity 35%

Bonds – 10 largest and return in quarter

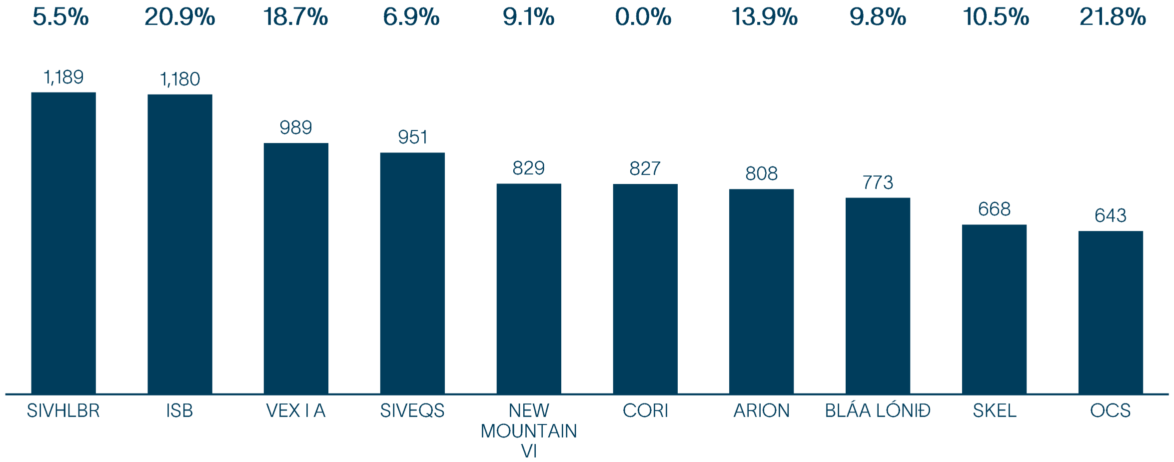


Unlisted assets – 5 largest

	Value 31.12.2025	Value 30.09.2025	Difference	Share price 31.12.2025
CORIPHARMA	827	827	*0*	13.7
BLUE LAGOON	773	705	*68*	87.8
annata	614	610	*4*	135.7*
nox HEALTH	438	425	*13*	83.5**
Styrkás	359	300	*59*	24.5

* indirect via VPE AN (VEX) | **indirect via Nox Holding ehf.

Equity – 10 largest and return in quarter



1 Increase is due to participation in equity raise and not an increase in share price
All amounts are in ISKm unless stated otherwise

Fossar Investment Bank – balance sheet

Strong balance sheet with majority of assets in listed assets

FOSSAR

Balance sheet	31.12.2025	31.12.2024	Δ%
Assets			
Fixed income securities	6,518	5,666	*15%*
Shares and other variable income securities	517	469	*10%*
Securities used for hedging	3,110	6,103	*-49%*
Cash	497	135	*269%*
Loans to customers	11,837	7,880	*50%*
Claims and other assets	3,021	1,633	*85%*
Total assets	25,500	21,886	*17%*
Liabilities and Equity			
Borrowings	3,300	2,700	*22%*
Money market deposits	8,972	10,663	*-16%*
Bills and marketable instruments	8,611	4,387	*96%*
Other liabilities	1,434	1,451	*-1%*
Total liabilities	22,317	19,202	*16%*
Total equity	3,182	2,684	*19%*
Total Liabilities and Equity	25,500	21,886	*17%*

LCR ratio and net stable funding ratio

Liquidity coverage ratio (LCR)	31.12.2025	31.12.2024
High quality liquid assets	3,055	3,740
Net outflow	733	1,309
Liquidity coverage ratio (LCR)	**417%**	**286%**
Minimum regulatory requirement	*100%*	*100%*
Net stable funding ratio (NSFR)	**31.12.2025**	**31.12.2024**
Available stable funding	10,253	9,479
Required stable funding	4,852	3,487
Net stable funding ratio (NSFR)	211%	272%
Minimum regulatory requirement	*100%*	*100%*

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Financial services – additional information

SKAGI

Financial services	12M 2025	12M 2024	Var	%	4Q25	4Q24	Var	%
Net interest income	461	237	224	94%	138	77	61	78%
Net fee and commission income	2,534	1,942	592	30%	707	698	9	1%
Financial income	189	140	49	35%	130	113	17	15%
Other operating income	4	24	-20	-83%	2	4	-2	-60%
Revenue	**3,188**	**2,344**	**844**	**36%**	**976**	**892**	**84**	**9%**
Operating expenses	-2,845	-2,294	-551	24%	-715	-716	2	0%
Allocated costs from supporting units	-76		-76	n/a	-19	0	-19	n/a
Amortization of intangible assets	-23	-20	-2	11%	-6	-5	-1	20%
Net credit impairments	-7	-11	4	-39%	-0	-1	1	-84%
Total expenses	**-2,950**	**-2,325**	**-625**	**27%**	**-740**	**-723**	**-17**	**2%**
Profit (loss) before tax	**238**	**18**	**219**	**1193%**	**236**	**169**	**67**	**40%**
Tax	61	202	-141	-70%	61	116	-55	-48%
Profit after tax	**299**	**220**	**79**	**36%**	**297**	**285**	**12**	**4%**

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