

# **SKEL Investment company hf. (SKEL)**

Performance – First Quarter 2022 (Q1 2022)

**ISK 3,342 million profit in Q1 2022**

**Turnaround in the operation of SKEL operating companies**

**Sale of real estate portfolio to Kaldalón completed**

**Changes in accounting policies**

## **KEY INDICATORS AND RESULTS OF Q1 2022**

- Investment income amounted to ISK 4,533 million, including income from investment assets amounting to ISK 4,226 million.
- Operating expenses amounted to ISK 255 million, including ISK 60 million in severance cost.
- Pre-tax profit amounted to ISK 4,278 million.
- Profit after taxes amounted to ISK 3,342 million.
- The contribution margin of operating companies amounted to ISK 1,982 million, as compared to ISK 1,324 million in Q1 2021.
- EBITDA for SKEL and its operating companies in Q1 2022, net of the profit from sales of real estate in the amount of ISK 4,104 million, amounted to ISK 733 million, as compared to ISK 184 million in Q1 2021.
- Earnings per share were 1.73.
- A dividend of ISK 500 million ISK was paid on 13 April 2022.
- Equity at the end of the quarter amounted to ISK 21,765 million and the equity ratio was 79.4%

Since the objects and role of SKEL have consisted in investment business as of the beginning of 2022, the principal focus of this notice is on the business operation of SKEL. Comparison of SKEL's results with those of preceding years is not appropriate for this reason, but key figures of operating companies are highlighted separately.

The objects of the Company were changed to investment activities at the Company's last annual general meeting, with the result that assets will now reflect fair value at any time. This adjustment will take full effect in the financial reports for the year 2022.

## **PROSPECTS FOR 2022**

The Company is projecting positive results for the Company in the range of ISK 7.6 - 8.3 billion after taxes, taking into account an anticipated profit from the sale of real estate in the amount of ISK 5 billion as previously published.

### **JÓN ÁSGEIR JÓHANNESSON, CHAIRMAN OF THE BOARD OF DIRECTORS OF SKEL:**

„On the whole, our business was successful over the quarter in the shadow of the armed conflict in Ukraine, which had a considerable impact here in Iceland with rising oil prices. The business activities of the operating companies showed a turnaround with the addition of new companies to the portfolio in 2021 and a resultant positive impact over the quarter, with EBITDA more than tripling between years.

Work on the continued transformation of the Company continued in the quarter, and the sale of the Company's properties was finalised. SKEL took delivery of shares in Kaldalón on 3 May and has now requested a shareholders' meeting of that company with a view to electing SKEL's representative, Ásgeir Reyk fjörð, to the board of directors. We have much confidence in Kaldalón and its strong growth as Iceland's fourth listed investment company.

SKEL's investment in the VÍS Insurance Company was announced in April. The acquisition of these shares represents an exciting investment option for the long term.

The property sales to Kaldalón and the investment in VÍS were yet another large step in the process of transforming the Company. SKEL has become a strong investment company with a diverse asset portfolio and significant investment power.

The appointment of Ásgeir Helgi Reyk fjörð Gylfason as CEO and Magnús Ingi Einarsson as COO of the Company was announced in the course of the quarter. We have high hopes that these experienced leaders will take the Company forward at pace.”

## **PRESENTATION MEETING**

An open presentation of the Company's business activities will be held next 6 May at SKEL's offices at Borgartún 26 in Reykjavík. The meeting will begin at 08:30 a.m., with refreshments served from 08:15 a.m. At the meeting Jón Ásgeir Jóhannesson, Chairman of the Board of Directors will present the Company's results and the highlights of its business operation, as the new CEO will not take up his post until July.

Presentation material from the meeting will be made available on SKEL's website,

<https://skel.is/fjarfestar>.

## **INTERIM STATEMENT FOR Q1 2022**

The information in this notice and the attached presentation for investors is based on management data that have not been reviewed or audited by the Company's auditors.

For further information reference is made to the Presentation for Investors attached to this notice.

*For further information please contact Jón Ásgeir Jóhannesson, Chairman of the Board of Directors of SKEL Investment hf. [fjarfestar@skel.is](mailto:fjarfestar@skel.is).*