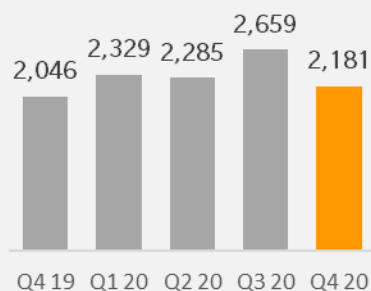




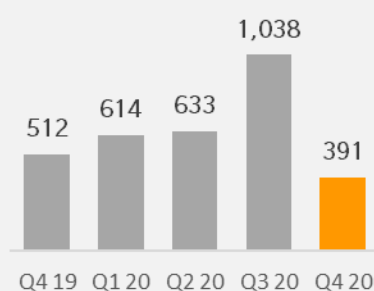
R E S U L T S 2 0 2 0

HIGHLIGHTS Q4 2020

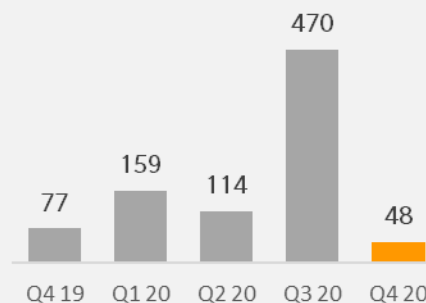
Gross Profit



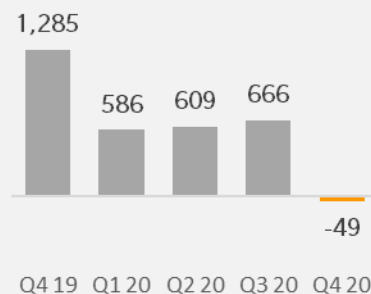
EBITDA



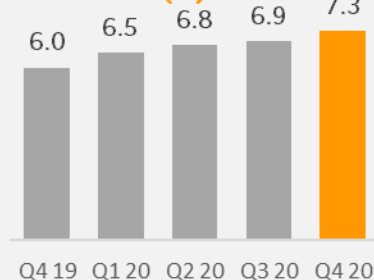
Profit



Cash from Operations



NIBD w/o Lease liab. (B)



NIBD/EBITDA*



Q4 2020

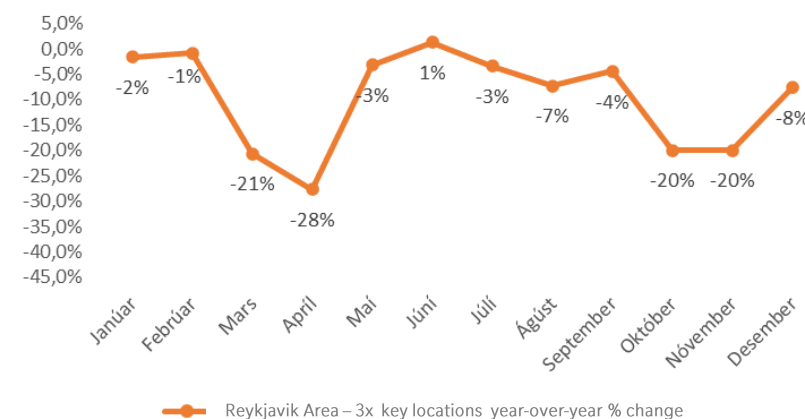
- ✓ Strong results in the Faroese Islands
- ✓ Challenging quarter in Iceland due to the third wave of Covid-19
- ✓ Decrease in tourism and related activities had a severe impact on operations in Iceland but limited in the Faroese Islands
- ✓ Government restrictions on gatherings in Iceland had a hard impact in Q4
- ✓ NIBD increased during Q4

*W/O IFRS 16 effect

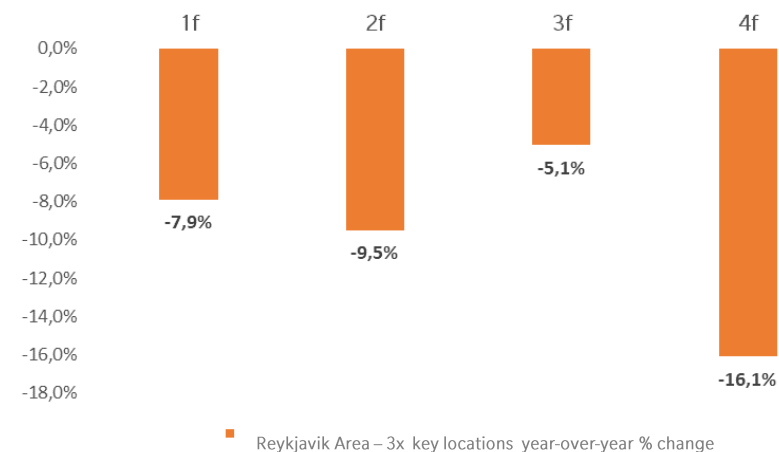
DRASTICALLY CHANGED BUSINESS ENVIRONMENT

- » COVID-19 has created an unprecedented business environment that we have not operated in before
- » Harder impact of COVID-19 in Iceland compared to the Faroese Islands
- » The third wave had a severe impact and the government restrictions on gatherings in Iceland resulted in a drastic decrease on traffic volume trends
- » The Reykjavik area traffic volume had its biggest decrease in Q4.
- » Sale of road fuel fell in line with lower traffic volume
- » Traffic in the Reykjavik area decreased 20% year-over-year in October and November and impacted the results in Q4

Reykjavik Area – 3x key locations – traffic volume trends
year-over-year % change 2020/2019



Reykjavik Area – 3x key locations – traffic volume trends
year-over-year % change 2020/2019

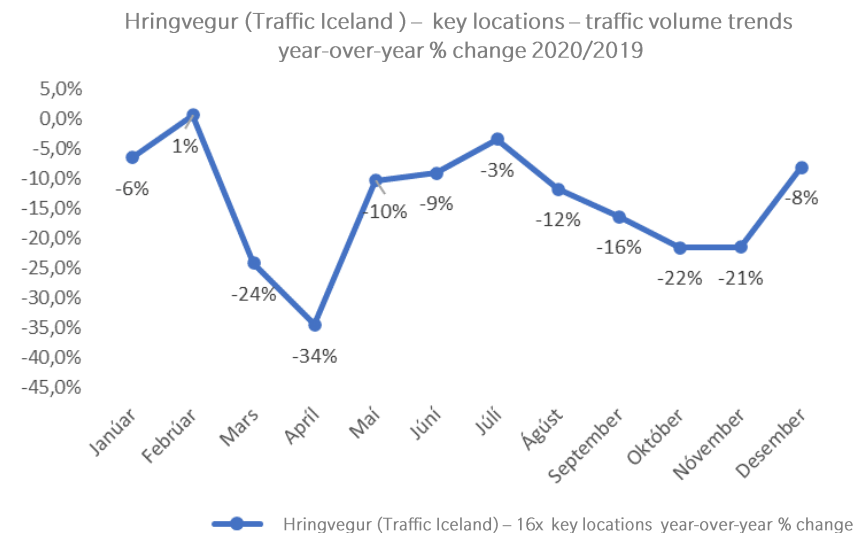


Source: Vegagerðin, tölfræði umferðar

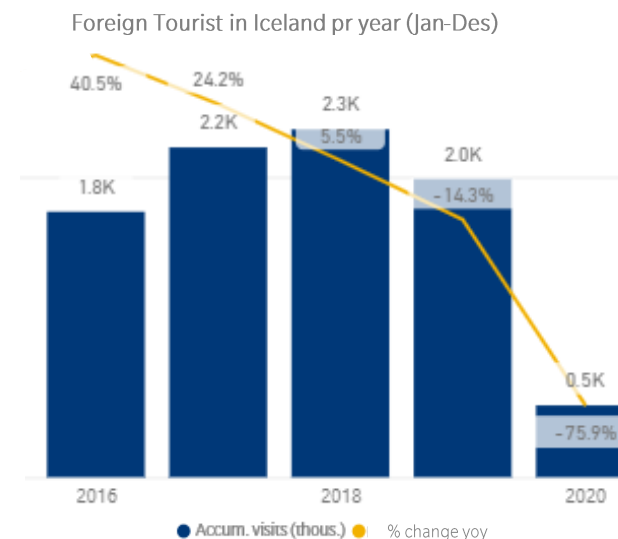


WIDESPREAD IMPACT

- » According to traffic volume data from Vegagerðin traffic in Iceland decreased by 13,6% year-over-year. During the same period sale of gasoline and diesel decreased by 13%
- » Historically 70% of Basko convenience stores customers have been tourists. The fall of tourism has resulted in dramatic decrease in sales and closing of locations.
- » Sales to transport companies and car rentals decreased by significantly
- » Sale of jet fuel fell by 56% year-over-year
- » Only 7 cruise ships visited Iceland in 2020. Before the pandemic 200 cruise ships had announced a scheduled visit.
- » Gross margin increased by 751 m. kr. year-over-year
- » EBITDA decreased by 21,8% year-over-year
- » Operating expenses decreased by roughly 200 m. kr. year-over-year adjusted for new entities
- » Government economic relief measures where not exercised during period by the Group



Source: Vegagerðin, tölfræði umferðar



Source: Mælaborð Ferðapjónustunnar

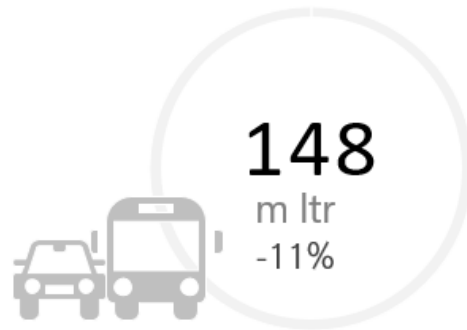


FUEL SALES – 2020

TOTAL SALES



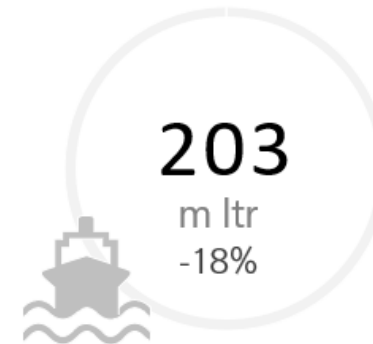
GASOLINE & DIESEL



JET



MARINE



HEATING



ICELAND

125 m ltr | -13%

28 m ltr | -56%

79 m ltr | -34%

-

FAROE ISLANDS

24 m ltr | -3%

-

124m ltr | -5%

33 m ltr | -8%



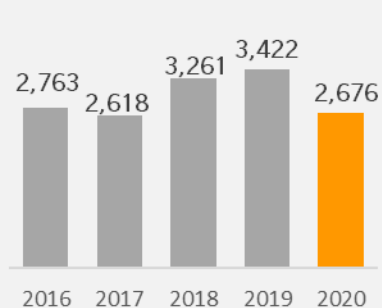
Skeljungur

HIGHLIGHTS 2020

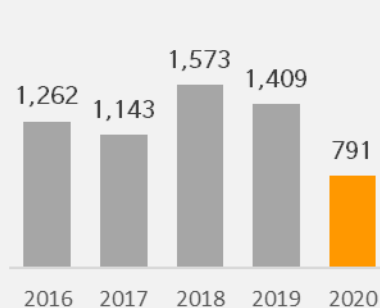
Gross Profit



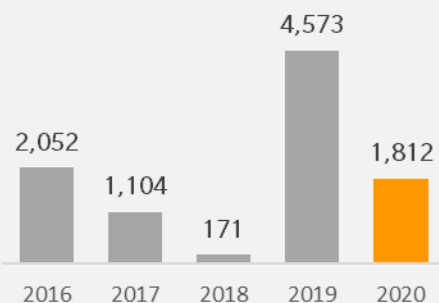
EBITDA**



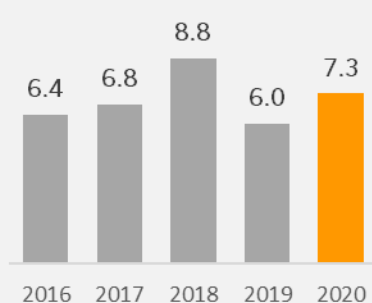
Profit



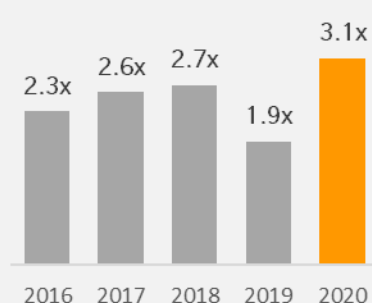
Cash from Operations



NIBD w/o Lease liab. (B)



NIBD/EBITDA*



*W/O IFRS 16 effect

** W/O IFRS 16 effect, 2016,2017,2018

2020

- ✓ Gross profit increased by 751m year over year
- ✓ New entities in the Group explain 1,077m increase in gross profit 2020
- ✓ Gross profit decreased 2020 766m excluding new entities and exchange rate differential
- ✓ No Government Covid-19 relief programs exercised
- ✓ Strong cash flow from a historical and operational environment perspective.
- ✓ Working capital roughly unchanged
- ✓ Basko is included in Group from 1.December 2019. Included in Group in full year 2020
- ✓ Dividend and share buybacks 984m



Skeljungur

INCOME STATEMENT Q4 2020

	2020 Q4	2019 Q4	Δ	Δ%
Gross Profit	2,181	2,046	134	6.6%
Other Income	112	82	30	
Salaries	-1,073	-861	-213	
Sales and Dist.	-636	-595	-41	
Other Opex	-192	-160	-32	
EBITDA	391	512	-121	-23.6%
EBIT	58	213	-155	-72.6%
Financial Items	-13	-80	67	
Associated Companies	1	-34	34	
Taxes	46	100	-54	
Profit	48	77	-29	-38.2%
Total Comprehensive Income	-57	103	-159	-155.1%
EBITDA ratio	18.0%	25.0%		
EBIT	2.7%	10.4%		
OPEX/Gross Profit	-82.0%	-75.0%		

Q4 2020

- ✓ Gross profit increases year over year (yoy). New entities impact +67m
- ✓ Excluding new entities and fx gross profit lower by 84m
- ✓ Operating expenses lower by 80m (5,0%) yoy excluding new entities and fx
- ✓ EBITDA lower by 121m between quarters yoy
- ✓ Profit was 48m



INCOME STATEMENT 2020

	2020 12M	2019 12M	Δ	Δ%
Gross Profit	9,454	8,703	751	8.6%
Other Income	323	243	80	
Salaries	-4,047	-2,788	-1,258	
Sales and Dist.	-2,407	-2,159	-248	
Other Opex	-647	-577	-70	
EBITDA	2,676	3,422	-745	-21.8%
EBIT	1,369	2,329	-960	-41.2%
Financial Items	-301	-430	129	
Associated Companies	-88	-132	44	
Taxes	-188	-358	169	
Profit	791	1,409	-618	-43.8%
Total Comprehensive Income	1,060	1,475	-415	-28.1%
EBITDA ratio	28.3%	39.3%		
EBIT	14.5%	26.8%		
OPEX/Gross Profit	-71.7%	-60.7%		
Return on Equity (yearly basis)	8.1%	15.0%		

2020

- ✓ Gross profit higher year over year. New entities impact +1,077m
- ✓ Without new entities and fx gross profit is lower by 766m
- ✓ Operating expenses decrease yoy by 227m (4,1%) excluding new entities and fx
- ✓ No Government Covid-19 relief programs exercised
- ✓ Share of loss of subsidiaries EBK & EAK 59m
- ✓ Interest cost lower, share gain in Icelandair included 97m
- ✓ EBITDA lower by 745m yoy
- ✓ Profit 791m, lower by 618m yoy
- ✓ Total comprehensive income 1,060m

GEOGRAPHICAL INFORMATION 2020

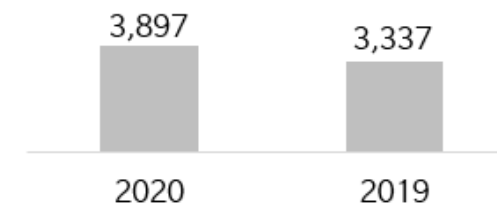
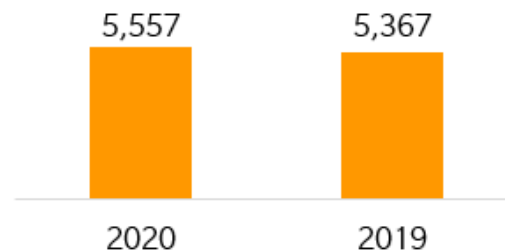
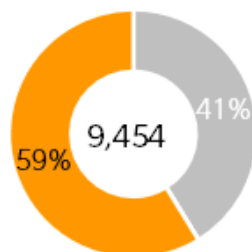
MILLION ISK

2020 12M

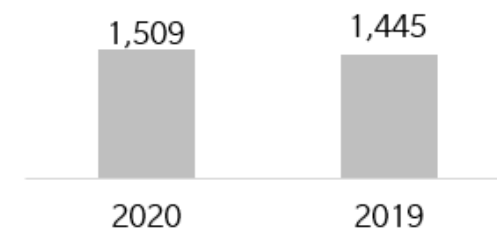
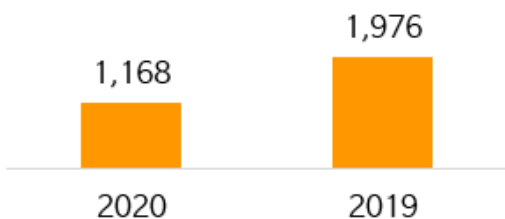
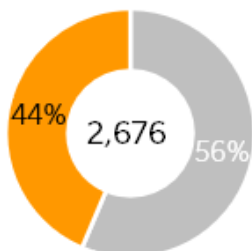
Iceland

FARO ISLANDS

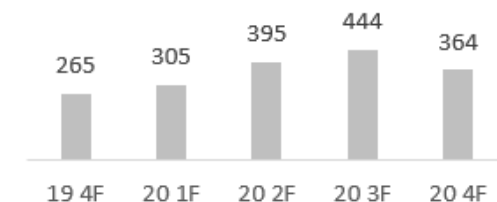
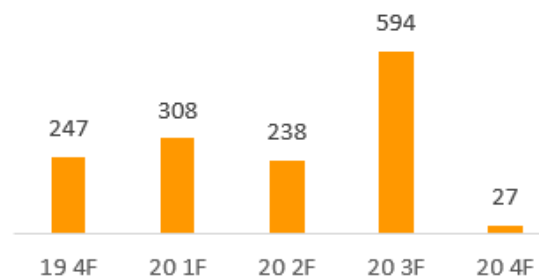
GROSS PROFIT



EBITDA



QUARTERLY EBITDA



Skeljungur

BALANCE SHEET 2020

M.kr.	31.12.2020	31.12.2019	Δ
Intangible assets	4,629	4,192	437
Operating assets	11,264	10,813	451
Leasing assets	1,682	1,486	196
Associated companies	551	409	142
Non-current assets	18,125	16,900	1,225
Inventory	2,705	3,313	-609
Receivables	3,373	3,741	-368
Trading investment	223	0	223
Cash and Cash equivalents	1,078	506	572
Current assets	7,378	7,561	-183
Total assets	25,503	24,461	1,043
Equity	9,921	9,823	98
Deferred tax liability	392	403	-11
Lease liabilities	1,820	1,600	220
Interest bearing debt	8,606	6,527	2,079
Payables	2,448	2,851	-403
Other current liabilities	2,105	2,914	-810
Other	212	342	-130
Total Liabilities	15,582	14,638	944
Total equity and liabilities	25,503	24,461	1,043

M.kr.	31.12.2020	31.12.2019	Δ
Working Capital	1,525	1,289	236
NIBD	7,305	6,021	1,284
Equity Ratio	38.9%	40.2%	
Current Ratio	0.94	1.03	

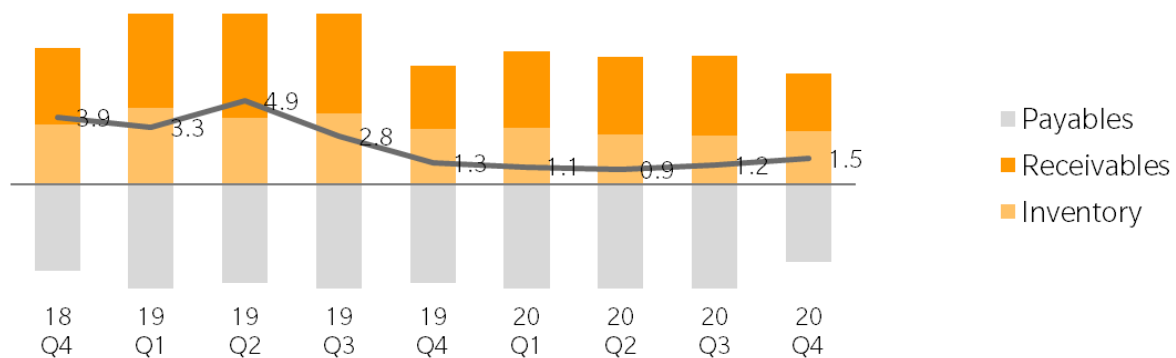
2020

- ✓ Net Interest bearing debt (NIBD) , included market securites, increase by 1.3 billion from year end 2019
- ✓ Exchange rate difference from debt is DKK 0.7 billion
- ✓ Dividends and share buybacks 1.0 billion from 2019
- ✓ Inventory and receivables decrease by 0.2 billion from 2019
- ✓ Working capital increase 0.2 billion from 2019
- ✓ Equity ratio is 38.9% at year end 2020
- ✓ Changes in DKK increased the consolidated balance sheet by 1.2 billion ISK from year end of 2019

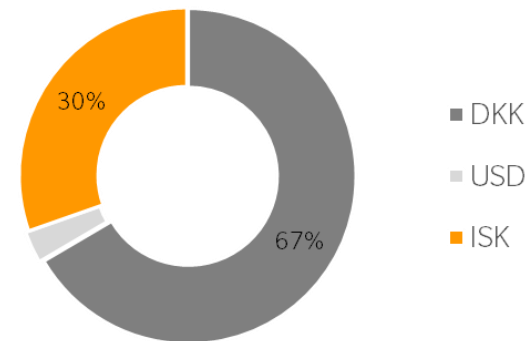


WORKING CAPITAL & INTEREST BEARING DEBT

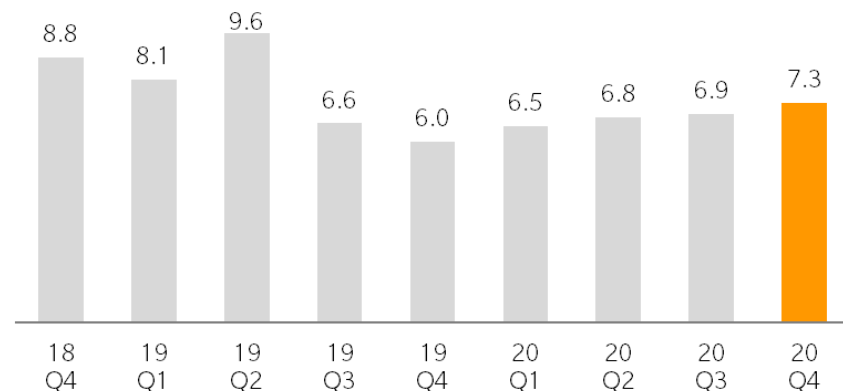
WORKING CAPITAL



CURRENCY MIX



NET INTEREST BEARING DEBT

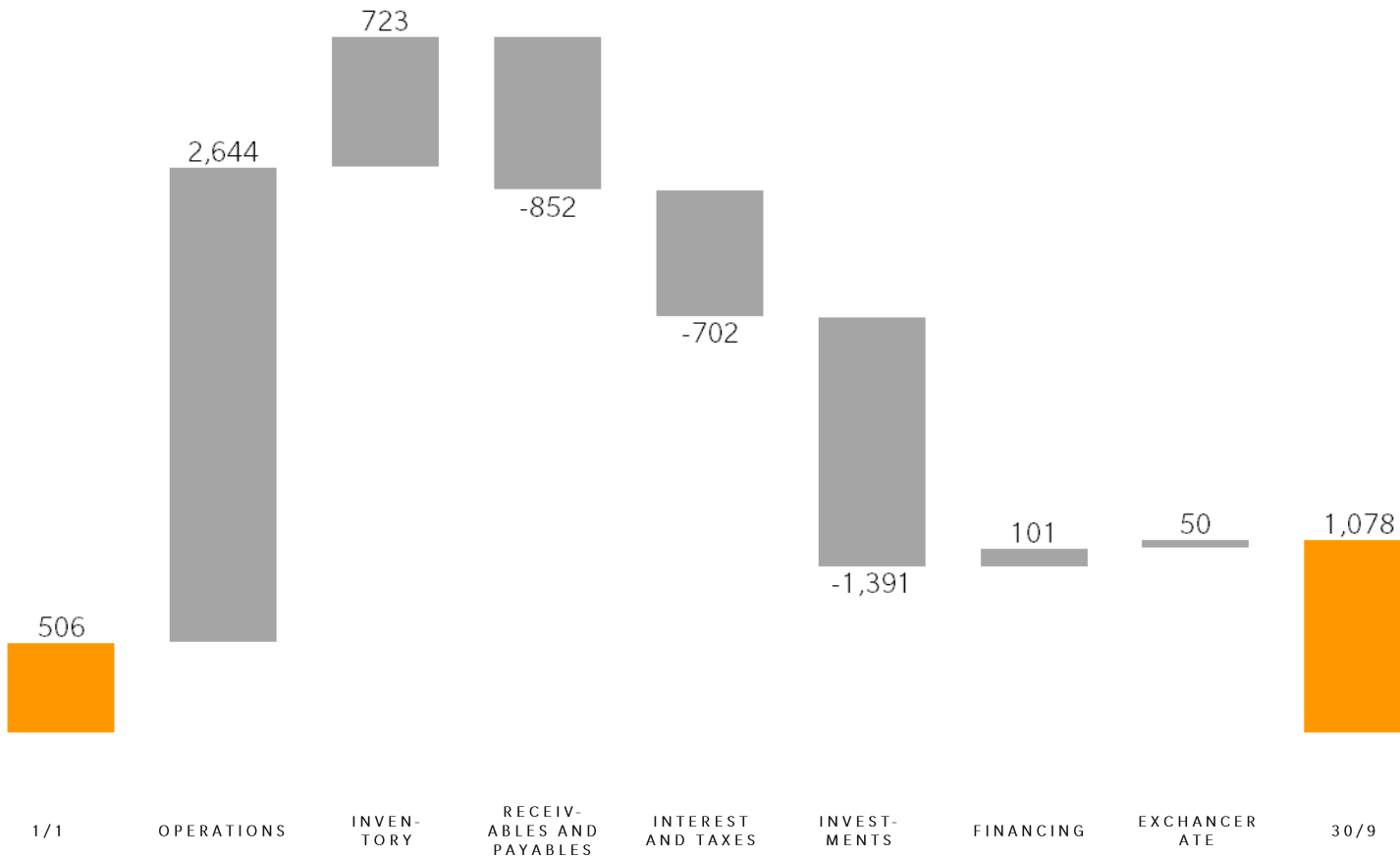


2020

- ✓ Group funding partially moved under Magn (75m DKK)
- ✓ Share of DKK in long term funding increased
- ✓ Unused credit lines were 3.8 billion ISK at year end
- ✓ Weighted average interest rate is around 2,74%

*numbers in billion ISK

CASH FLOW 2020



M.kr.	2020	2019	Δ
Cash from operations before interest and taxes	2,514	5,417	-2,903
Taxes and interests	-702	-844	142
Net Cash from operations	1,812	4,573	-2,760
Investing activities	-1,391	-716	-675
Financing activities	101	-4,178	4,279
Net change in cash and cash equivalents	522	-321	843
Cash at beginning of year	506	818	-311
Effect from exchange rates	50	10	40
Cash at end of period	1,078	506	572





YEAR 2021

COVID-19 ramifications are likely to continue to impact economic activities.

Our planning assumes COVID-19 will impact business in 2021, but we expect a slow rebound will start in Q3.

Key strategic initiatives in 2021:

- Improve operational performance
- Simplification of organizational structure
- Sell, close or lease out business units
- Take advantage of new opportunities
- Improve and strengthen service stations
- Partnership with proven brands



Skeljungur

SKELJUNGUR & VOTLENDISSJÓÐUR

(wetland & reclamation fund)

- Skeljungur is one of the founders of Votlendissjóður
- Research supports that wetland reclamation is one of the most effective way to decrease greenhouse emissions and promote the recovery of biosphere



7.000

Customers of Orkan carbon offset through
Votlendissjóður.



26 milljónir

Direct contribution to Votlendissjóður.



Skeljungur

Green Energy

Orkan offers traditional road fuels, electricity, methane and hydrogen

Increased co-operation with ON in EV charging

- Orkan offers EV-charging at 9 service stations under the ON brand. The goal is to expand the offering.
- ON operates 46 fast-charging stations around Iceland, and 250 smaller charging stations.

We have reopened our hydrogen service stations after improvements and upgrades.

Orkan remains the only hydrogen service provider to the consumer market at 2 locations, Vesturlandsvegur Reykjavik and Fitjar Reykjnesbær



New Opportunites

- Skeljungur announced in Q4 the acquisition of Port I owner and operator of Löður and Dælan
- Löður operates 15 carwash locations
- Dælan operates 5 selfservice gasstations
- The transaction is subject to the approval of the from the Competition Authority.



Land Acquisition

During 2020 Skeljungur acquired 3 plots of land for future development. We believe these plots have important strategic value.

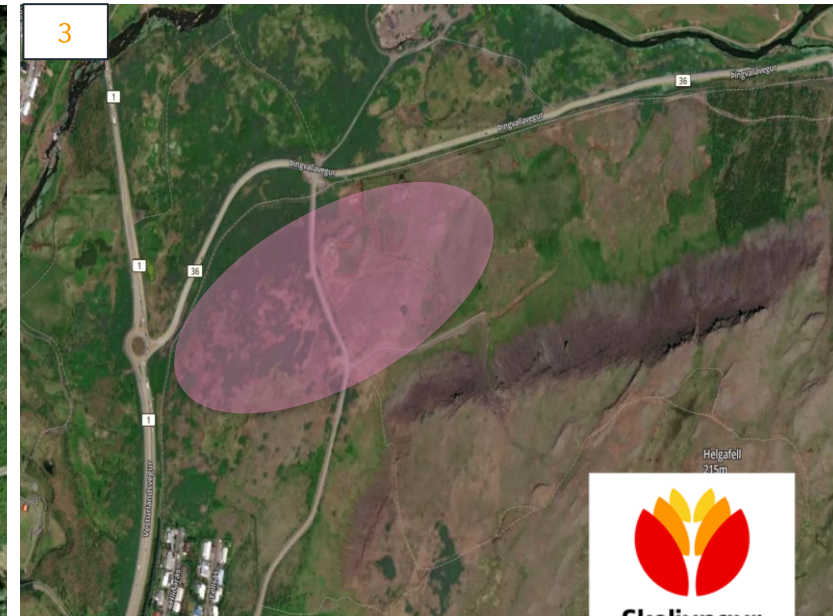
1. **Öxl Hveragerði:** Key location along the new highway, Suðurlandsvegur. Suðurlandsvegur is one of the busiest highways outside of Reykjavik.
2. **Baulan:** A proven location near Borgarnes along Highway 1. Opens new opportunities for Orkan to improve service and offerings to its customers.
3. **Helgafell:** Exciting opportunity at a key location in the outskirts of Reykjavik for future development.



1



2



3

WEDO PRIVATE PLACEMENT

- Wedo, parent company of Heimkaup, increased its capital by 1.300m.kr to pursue new opportunities and execute current strategy in the online retail space.
- Skeljungur participated in the offering.
- Post transaction Skeljungur and Norvik hold 25% share in the company.
- Wedo is one of the leading companies in online retail space in Iceland.



2020

Renewed partnership with Costco as the sole fuel service provider for the next 2 years.

Retail partnership Costco and Extra has been well received by our customers.



Skeljungur

Hey, Joe!



ORKAN-PARTNERS

Orkan has many partners and enjoys a strong working relationship.

Together we offer our customers a variety of products, services and solutions for transportation, body and home.



ORKAN – SERVICE STATIONS

Focus on refreshing the Orkan brand

Vesturlandsvegur refurbished and re-organized

Overhaule of Suðurfell is currently on going

We have leased out a few convenience locations:

- Hraunbær
- Miklubraut Suður
- Garðabær
- Reykjavíkurvegur



Í góðu jafnvægi
Ódýr & töff
Núll stressuð

Snjöll & umhverfisvæn
Samvinnufús
Hugsar með hjartanu



Skeljungur

SIMPLIFIED PRICING

Orkan has simplified its pricing strategy and message

Orkan keychain-RFID holders receive many additional benefits and specials along with great fuel pricing



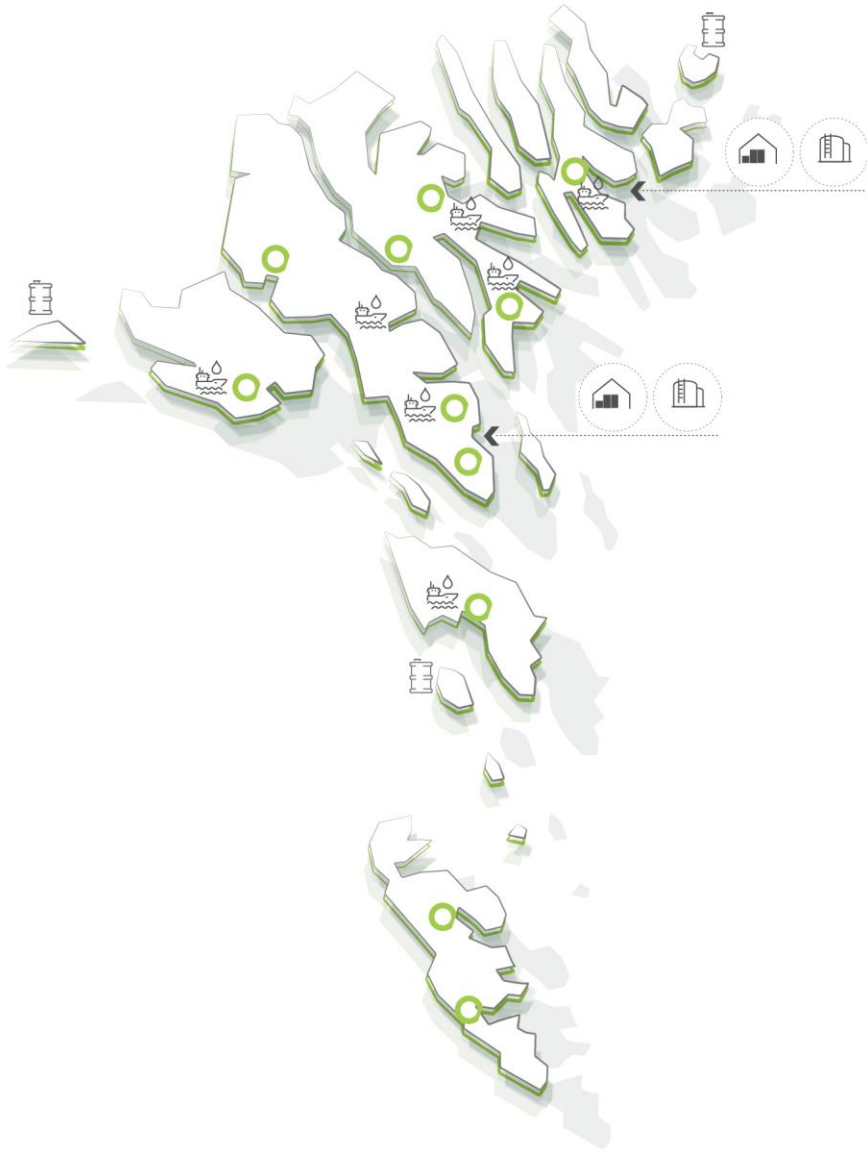
A promotional graphic for Orkan featuring a bright pink background. On the left, there are two black digital price displays showing '- 20 KR.' and '- 10 KR.'. To the right of the displays is a black Orkan keychain with a pink circular logo. The main text in white reads 'Fáðu orkuna á lægra verði'. Below this, a white button with pink text says 'Sækja um lykil →'.



A promotional graphic for Orkan featuring a black background with a pink border. The text 'Frítt kakó og kaffi!' is in white. To the right, the Orkan logo is shown with the text 'Kvikk ON THE GO'. Below the text, there are three coffee cups: one with white foam, one with black coffee, and one with latte art. The background is decorated with white icons of a snowman, a gift, and a bell.



Skeljungur

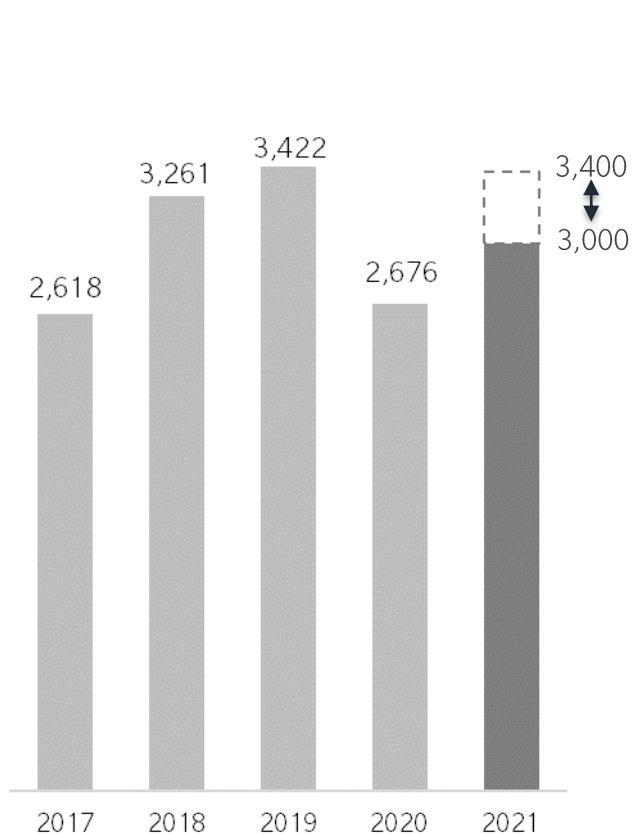


MAGN

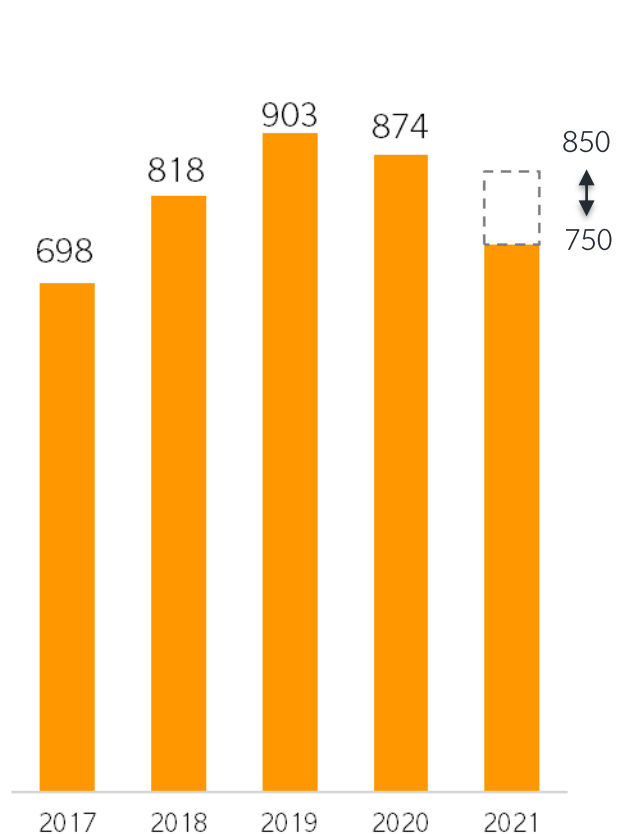
- In the course of the year Finn Jakobsen took over as the new CEO for Magn in the Faroe Islands.
- Magn is one of the largest companies in the Faroe Islands. The business has been stable and delivered solid performance.
- Magn operates 11 service stations, leader in the residential heating market and has strong position as a service provider to the fishing industry.
- Demich, a subsidiary of Magn, is the leading supplier of green-tech heating solutions to Faroese households and companies.
- Operational outlook for 2021 is favourable

GUIDANCE FOR 2021

EBITDA



CAPEX



2021

- ✓ Expect EBITDA for Faroe 2021 to be in line with 2020
- ✓ In Iceland we expect positive impact from cost reduction strategies and increased economic activity with rebound in tourism later in the year
- ✓ Expect a favorable ruling regarding the Port I (Löður & Dælan) transaction from the Competition Authority. Timing is uncertain.

MARKET INFORMATION



Shareholder	Nominal value of share in million	Share
Strengur hf.	969	50,06%
Gildi - lífeyrissjóður	200	10,34%
Frjálsi lífeyrissjóðurinn	163	8,44%
Birta lífeyrissjóður	134	6,93%
Festa - lífeyrissjóður	100	5,18%
Lífsværk lífeyrissjóður	73	3,75%
Stapi lífeyrissjóður	67	3,46%
Lífeyrissjóður Vestmannaeyja	25	1,29%
Eftirlaunasj atvinnuflugmanna	24	1,24%
Lífeyrissjóður bænda	8	0,43%
10 largest shareholders total	1.764	91,14%
Other shareholders	172	8,86%
Total outstanding shares	1.936	100%
Shares owned by Skeljungur	50	2,5%
Total shares as in articles of association	1.986	

As of 1.02.2021

Market information	
Total shares	1.986 MISK
Number of shareholders	587
Market value at listing	14,849 BISK
Market value at 31.12.19	17,754 BISK
Market value at 30.09.20	17,812 BISK

2020

- ✓ Own shares (7.7%) cancelled
- ✓ Dividends paid April 2nd, 2020 600m
- ✓ The AGM granted the Board authority to purchase own shares up to 10%
- ✓ Own shares of nominal value of 50m (2,5%) bought back during 2020

2021

- ✓ Proposal to AGM for 350m dividend
- ✓ Proposal to AGM for share buyback up to 10%
- ✓ Proposal to AGM to cancel own shares of nominal value of 50m (2,5%)



Skeljungur



Skeljungur



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