

SKEL fjárfestingafélag hf.

2022 Financial Statements

Profit after tax 17.5 billion ISK in 2022

Equity at year-end 2022 amounted to 33.4 billion and the equity ratio was 86.2%

First year as SKEL fjárfestingafélag hf. completed.

Rationalisation of the Company is completed and has proven to be successful:

- All assets that were formerly a part of Skeljungur improved their performance.
- Number of income sources has grown and a minority of SKEL's investment portfolio is now related to sales of fossil fuel.

Skeljungur's acquisition of Klettur – sala og þjónusta ehf. provides a strong foundation for a universal service company for the Icelandic economy

Purchase Agreement signed for the sale of all SKEL shares in Sp/f Orkufelagið

KEY INDICATORS AND RESULTS IN Q4 2022

- Investment income amounted to 12,640 million ISK, with fair value changes of financial assets accounting for 12,358 million ISK.
- Operating expenses amounted to 149 million ISK
- Profit after tax amounted to 12,389 million ISK

KEY INDICATORS AND RESULTS OF 2022

- Profit after tax amounted to 17,517 million ISK, as compared to 6,942 million ISK in 2021
- Return on equity year-on-year 110.6%, as compared to 47.3% in 2021
- Earnings per share 9.05 as compared to 3.15 in 2021
- Net cashflow from operating activities amounted to (4,954) million ISK, as compared to 4,133 million in 2021
- Total assets at the end of the period amounted to 38,505 million ISK, of which unlisted assets were 61.9%, listed assets 12.8% and cash and treasury bonds 17.8%
- Equity at year-end was ISK 33,430 million and the equity ratio was 86.2%

- Cash at the end of the period amounted to 4,731 million ISK, and holdings in treasury bonds amounted to 2,116 million ISK

The purpose of the Company was changed to investment company at a shareholders' meeting held on 7 October 2021. As a result of the change the assets of the Company will reflect fair value at any time. This adjustment has been completed and is now fully reflected in the company's Financial Statements.

PROSPECTS FOR 2023

The Company engages in investment activities and will therefore not publish estimates of annual performance. The budgets of companies owned by SKEL in part or in full are accessible along with the valuations of the companies in SKEL's investor presentation.

ÁSGEIR HELGI REYKJÖRÐ GYLFASON, SKEL CEO:

“The year 2022 was eventful. SKEL had targeted to complete the process that began in the fall of 2021, when the decision was made to split up the old Skeljungur hf. It was a complex project that required intense efforts from the Company's staff and Directors. I believe it shows the strength of the employees of Orkan, Skeljungur and Gallon that they embraced the task of splitting up an operating company with a history of 96 years and transform it into four new companies that are now all in a growth phase.

In the strategy phase for Orkan, Skeljungur and Gallon the focus was on creating companies more capable of competing in their respective markets, working independently and implementing procedures for good governance. This work has shown excellent progress, as reflected in the positive performance of the companies notwithstanding a challenging operating environment. The three companies now operate independently. They feature strong management teams and employees possessing extensive knowledge of the markets in which the companies operate. We aim to make the consolidations of Orkan and Skeljungur ready for listing within three years.

We have done well in this regard. Orkan has acquired a share in the electricity supplier Straumlind, and the number of Straumlind's customers grew more than sixfold in 2022. The collaboration between the two companies will significantly speed up the increase in the Group's product offerings of electricity to households and businesses. Also, we recently announced investments by Qair Iceland, which is owned by Qair, in Íslenska vetnisfélagið ehf. Qair is an international green energy company. We have great expectations regarding this collaboration and we are exploring the opportunities for Íslenska vetnisfélagið throughout the value chain, from production to sales and distribution of green hydrogen.

The acquisition by Skeljungur ehf. of Klettur – sala og þjónusta was finalised on 10 February 2023. Like Skeljungur, Klettur is a deep-rooted company developed around international brands. The acquisition represents a strategic transaction that forms a part of building up a strong universal service company for the Icelandic economy.

Earlier today an agreement was signed for the sale of all SKEL shares in Orkufelagid. The share purchase price is DKK 146,054,899. Orkufelagid is the holding company for P/F Magn, which is an energy, trade and oil distribution company in the Faroe Islands. The sale is a part of the SKEL strategy of reducing the weight of fossil fuel in the Company's investment portfolio. In 2019 fossil fuel related

assets accounted for 96% of the portfolio. Today that number stands at 49%. The sale of Orkufelagid will further reduce the importance of fossil fuels for SKEL's portfolio.

Kaldalón published goals last year of target-driven growth until its listing on the Nasdaq Iceland main market. Its share capital was subsequently increased by ISK 4 billion in market value. SKEL welcomes the involvement of a diverse group of investors in the company. The company grew significantly over the year and it must be seen as probable that the Company will achieve the set targets this year. SKEL will continue to support the company on its journey.

VÍS announced a new chapter in the company's history, where the strategy of the company's board of directors is to develop VÍS into an even more attractive investment option with its vision of growth, development and financial structure. A part of this transformation consists in rendering the company more sales-driven and setting it up as an active participant in the development of financial market operations. VÍS took a big step in this direction today, announcing merger negotiations with Fossar fjárfestingabanki. SKEL welcomes this new strategy, and in our opinion it is clear that opportunities will present themselves in the coming months to transform the company's vision into reality

PRESENTATION MEETING

An open presentation of the Company's annual financial statement will be held on 16 February at Héðinn Kitchen & Bar on 2 Seljavegur, 101 Reykjavík. The meeting will begin at 16:30, with refreshments served from 16:15. At the meeting, Ásgeir Helgi Reyk fjörð Gylfason, CEO, and Magnús Ingi Einarsson, CFO, will present the results and highlights of the Company's operations.

The presentation material from the meeting will be made accessible on SKEL's website, <https://skel.is/fjarfestar>.

ANNUAL FINANCIAL STATEMENT 2022

The principal points of this report derive from the Company's annual financial statement, which was approved by the Board of Directors at a meeting of the Board on 15 February 2023.

The annual financial statement is drawn up in compliance with International Financial Reporting Standards (IFRS).

The annual financial statement was audited by KPMG hf. and the audit report is unqualified.

Further details are included in the annual financial statement, which is attached to this notice and accessible on www.skel.is.

THE FINANCIAL CALENDAR OF SKEL FJÁRFESTINGAFÉLAG HF. FOR 2023 IS AS FOLLOWS:

Financial statement for Q4 2022 and Annual Financial Statement for 2022: 15 February 2023

Annual General Meeting 2023: 9 March 2023

Financial statement for first half of 2023: 16 August 2023

Financial statement for second half of 2023 and Annual Financial Statement for 2023: 8 February 2024

Annual General Meeting 2024: 7 March 2024

For further information please contact Ásgeir Helgi Reyk fjörð Gylfason, fjarfestar@skel.is