

# Interim Financial Statements H1 2025

**Loss after tax amounted to ISK 559 million.**

**The company's assets totaled ISK 56,663 million.**

**Equity amounted to ISK 37,202 million**

**Equity and unpaid dividend per share is ISK 21.4**

**Return on listed assets was negative by ISK 1,664 million.**

**Return on unlisted assets was positive by ISK 1,133 million.**

**1H 2025 Investor Presentation: August 15 at Parliament Hotel, Þorvaldsstræti 2-6, 101 Reykjavík, 8:30 a.m. (entrance via the old Nasa building)**

## **Key developments in SKEL's Portfolio 1H 2025**

### **Listed Securities**

Return on listed securities was negative by ISK 1,664 million. Total holdings in listed securities amounted to ISK 9,583 million at the beginning of the year and ISK 8,448 million as of June 30. SKEL's most valuable listed holdings at the end of the period were a 15.8% stake in Kaldalón hf., with a market value of ISK 3,729 million, and an 8.2% stake in Skagi hf., with a market value of ISK 2,880 million at the end of the period. Other listed shares in SKEL's portfolio had a market value of ISK 1,838 million end. Listed assets therefore accounted for 15% of SKEL's total assets, while the long-term goal is for around 50% of the company's assets to be public. The company is working towards listing its two most valuable assets on the stock exchange in 2027.

### **Consumer Market**

#### *Drangar*

In July, Orkan IS ehf. purchased share capital in Samkaup hf. Shareholders of Samkaup received 28.7% of the share capital in Drangar hf. in exchange for 98.6% of Samkaup shares. Other Samkaup shareholders have the option to sell their shares on the same terms in exchange for Drangar shares. After this process, Drangar will carry out a redemption and acquire 100% of Samkaup's share capital. Drangar now forms a group together with Samkaup, Orkan, and Lyfjaval ehf. Drangar has begun operations as the parent company of the group.

The board of Drangar consists of Jón Ásgeir Jóhannesson, Magnús Ingi Einarsson, Liv Bergþórsdóttir, Garðar Newman, and Margrét Guðnadóttir. Jón Ásgeir is chairman of the board. The CEO of Drangar is Auður Daniëlsdóttir, who has served as CEO of Orkan since 2022 and will continue in that role alongside her duties for Drangar. Drangar's largest shareholders are: SKEL 68.3%, Kaupfélag Suðurnesja svf. 15.0%, Birta Pension Fund 5.3%, Festa Pension Fund 2.9%, Kaupfélag Borgfirðinga svf. 2.8%, Norvik hf. 2.5%, and Eignarhaldfélagið Bjarmi ehf. 1.8%, which is owned by SKEL.

The turnover of the companies now comprising Drangar was about ISK 75 billion in 2024. In the transaction, the equity value of Drangar was set at ISK 19.3 billion and the enterprise value (excluding lease liabilities) at ISK 27.3 billion.

Operations of Drangar's subsidiaries varied during the period. Operations of Orkan and Löður performed well, with EBITDAaL 9.6% above budget for the first six months (excluding one-off merger-related items). Gross profit and other income in 1H 2025 amounted to ISK 2.893 million. Transactions increased by 10% year-on-year and liters sold by 2.3%. Lyfjaval's is going well, with gross profit and other income of ISK 653 million in the first six months, nearly a 13% increase from last year. New managing director, Rakel Þórhallsdóttir, started at Lyfjaval this summer.

Operations at Samkaup and Atlağa faced challenges, with neither company achieving results in line with targets. Revenue for the first six months totaled ISK 23.9 billion, a 6.9% increase from the same period last year. Gross profit in 1H 2025 was ISK 5.8 billion, corresponding to a gross margin of 24.7%. Since the Competition Authority approved the Samkaup–Atlağa merger in June, efforts have been made to improve and strengthen Samkaup's operations. Significant opportunities exist for cost reduction, and efficiency measures have already delivered results. Staff reductions, organizational simplification, harmonization of service agreements, and shared use of infrastructure and technology will help reduce costs over the coming months and until the end of 2026. These measures are expected to improve performance by ISK 2.5–3 billion over the next two years.

This autumn, Drangar's share capital will be increased. The group has engaged Íslandsbanki hf. as project manager and Fossar Investment Bank hf.'s as sales advisor. Investor presentations are expected to start in early September. Íslandsbanki has underwritten ISK 2 billion of the share offering, which will close before year-end.

Drangar's shareholders aim to list the company on a regulated market before the end of 2027.

#### *STORK // INNO*

In early July last year, SKEL acquired 50% of INNO through Stork ehf. INNO is one of Belgium's largest and most well-known department store chains, with 16 large stores in prime shopping locations in all major cities in Belgium. INNO offers popular brands in fashion, cosmetics, toys, household goods, homewares, furniture, and other categories. The company also operates an online store and wholesale business, employing 1,360 people. Strategic changes in operations have already yielded results. The owners' new approach has led to positive cultural changes, enabling faster decision-making and more targeted execution. Since the acquisition, there has been increased emphasis on In-House brands, which deliver higher margins and broaden the product range. The company's 2024/2025 budget projects EBITDA growth of approximately 44% and will be in the range of EUR 14 million.

Previously, Stork had engaged Arion Bank to explore a share capital increase in the coming months, seeking new investors for specific projects. There is a strong pipeline of attractive investment opportunities under constant review. The focus remains on European consumer market investments.

Stork's value in SKEL's accounts including shareholder loans was ISK 2,393 million as of June 30, 2025, up ISK 140 million since year-end.

## **Companies and Infrastructure**

### *Styrkás*

SKEL announced sale of shares in Styrkás to investors in February. The goal was to bring cornerstone investors into Styrkás's shareholder group ahead of its planned listing, with SKEL not retaining a majority stake long-term, and instead having a more diversified shareholder base before listing.

On June 6, SKEL sold just over 15.4% of Styrkás's issued share capital to institutional investors for ISK 3,150 million, equivalent to ISK 20.47 per share.

Buyers of the Styrkás shares included Íslandssjóðir, VÍS tryggingar hf., Birta Pension Fund, Icelandic Pension Fund, and the Pension Fund for State Employees. At the same time, Horn IV slhf., a professional investor fund managed by Landsbréf, transferred its Styrkás holdings between funds into SÁ Horn slhf. After the transaction, Styrkás had 19 shareholders. The largest are SKEL fjárfestingafélag hf. with 47.9%, SÁ Horn with 39.2%, Máttarstólpi ehf. (the holding company of Ásgeir Þorláksson) with 8.7%, and others with 4.2%.

Styrkás's operations were ISK 32 million below budget for the first six months, EBIT for the period was ISK 1,144 million. The book value of SKEL's shareholding in Styrkás after the transaction was ISK 9,819 million.

### *Infrastructure*

Gallon is 100% owned by SKEL. Operations are in accordance to budget, with a profit of ISK 51 million. The book value of Gallon was ISK 3,418 million at the end of the period.

## **Venture Investments**

Baridi Iceland completed a USD 7.0 million share capital increase in June. Investors included both Icelandic and foreign private investors, with existing shareholders contributing USD 3.0 million. SKEL's stake after the offering is 31.8%. The transaction valued Baridi Iceland's equity at USD 53 million. The proceeds will finance preparations for the planned copper processing facility. Management aims to commence copper production next year.

Baridi Iceland's value in SKEL's accounts was ISK 2,181 million, up ISK 1,650 million since year-end, based on the transaction valuation.

## **Real Estate**

In SKEL's 2024 year-end investor presentation, it was announced that apartment sales in Stefnisvogur would begin during the year as leases expire. At the start of the year, SKEL owned 105 apartments. At the end of the period, the real estate portfolio comprised 92 properties with a book value of ISK 9.2 billion. Liabilities related to the Stefnisvog properties amount to ISK 6.7 billion.

## **Dividends**

At SKEL's Annual General Meeting on March 6, 2025, the board's proposal to pay ISK 6 billion in dividends for the 2024 financial year was approved, payable in two installments. The first installment of ISK 3 billion (ISK 1.60 per share) was paid on March 20, 2025.

The second installment of ISK 3 billion (ISK 1.60 per share) will be paid on October 20, 2025 (payment date). Shareholder entitlement will be based on the shareholder register at the close of trading on October 14, 2025 (record date). The ex-dividend date will be October 13, 2025.

The number of shareholders was 881 at the start of the year and 984 on June 30, 2025.

## **Ásgeir Helgi Reykfjörð Gylfason, CEO of SKEL:**

*"We are very pleased to have completed important milestones with two key projects in line with our strategic plan. Firstly, the establishment of Drangar, which we believe will deliver strong returns for shareholders in the coming years. Turning Samkaup's losses into profitability will take time and effort, but that work is already underway with a clear roadmap. Secondly, the sale of a large stake in Styrkás to institutional investors. For Styrkás to achieve its goal of providing broad-based services to companies and institutions, it needs a broad and strong investor base. This sale marks a milestone on that path and expands the shareholder base in an already well-run company ahead of listing.*

*Other positive developments in the first half include seeing our strategic focus with our INNO partners bearing fruit, and Baridi moving closer to industrial production with its share capital increase. The loss for the period was due to the company's listed assets, but their valuation has improved in Q3."*

## **Financial Calendar**

*1H 2025 Results Presentation: August 15 at Parliament Hotel, Þorvaldsstræti 2-6, 101 Reykjavík, 8:30 a.m. (entrance via the old Nasa building)*

*2H 2025 and FY 2025 Results: February 5, 2026*

*Annual General Meeting 2026: March 5, 2026*

## **Disclaimer**

This press release refers to forward-looking statements subject to uncertainties, meaning actual results may differ from those projected here. SKEL has no obligation to, and will not, update these forward-looking statements to reflect events and circumstances occurring after publication. Investors should not rely on these forward-looking statements at a later date, as they apply only at the time of issuance.

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