

Skagi hf.

Financial results

Q1 2025



Skagi's Q1 at a glance



- Strong revenue growth continues in Q1 '25
- Insurance service result improves YOY and is in line with budget
- Cost ratio continues its downward trend
- Claims are high in Q1 due to seasonality
- Preparation for Íslandsbanki partnership is well under way



- Challenging quarter for investment return
- Weak equity markets, following international turbulence, negatively impact returns
- Portfolio composition increasingly shifted to bonds, prior to Q1 closing
- Continued emphasis on long-term investment performance



- Continued revenue growth in Q1 '25
- Profitability impacted by one-off expenses related to ÍV merger
- Fossar's balance sheet growth continues and recurring revenues increase
- Refreshed brand introduced with an increased focus on retail investors



- Period of implementation now completed, including merger of ÍV with Fossar and SIV, transfer of VÍS insurance to a subsidiary
- Corporate structure in place and the group is looking ahead at a period of growth, implementing multiple groupwide growth and synergy initiatives

Disclosure of financial results moving forward

- Updated financial reporting to shareholders and market participants moving forward
- More emphasis on a timely publication of financial information
- Interim financial statements to be more concise
- Quarterly investor presentations will continue to provide breakdown on a business unit level
- Annual financial statements to remain unchanged
- The aim is to optimize financial reporting to shareholders and further streamline internal processes



29.04.2025	1st quarter results (Consolidated statements)
17.07.2025	2nd quarter results (Consolidated statements)
28.10.2025	3rd quarter results (Consolidated statements)
17.02.2026	Full-year results 2025
17.03.2026	AGM 2026

Key financial results in Q1 2025



Core revenue
8,311m



12%
YoY

Group PBT
-1,371m

Group profit
-1,353m

Insurance



Ongoing revenue growth well above inflation

- Insurance revenues grow 10.9% in Q1 2025
- Combined ratio of 100.7% (Q1 2024: 103.6%)
- Cost ratio improves at 19.2% (Q1 2024: 20.9%)
- Results in line with targets

-51m insurance service result
100.7% Combined ratio
10.9% YoY revenue growth

Investments



Negative investment returns in difficult market conditions

- Return of -1.1% from investment assets, compared to -1.6% in benchmark
- Investment income of -497 million
- Negative return of listed equities drives soft quarter results
- Investment portfolio stands at 46.3bn at quarter end

-1.088m net financial income
-497 million investment income
-1.1% return

Financial services



YoY revenue growth but results impacted by ÍV merger finalization

- Increased diversification of financial services income
- Net financial services income grow 25% YoY
- AuM at 225bn at the end of the quarter
- Strong performance in debt and corporate finance within investment banking services

34m operating loss before tax¹
225 AuM²
780 million revenue³

Income statement Q1 2025

Results impacted by negative investment returns



Income statement	Q1 2025	Q1 2024	Diff.	Diff. %
Insurance service result	-51	-243	192	-79%
Net interest income	108	51	58	114%
Net fee and commission income	588	541	46	9%
Net financial income	-1,098	499	-1,597	-320%
Other income	50	25	26	104%
Net Operating Income	-402	873	-1,275	-146%
Operating expenses	-919	-628	-291	46%
Amortization of intangible assets	-47	-36	-11	32%
Net impairments	-3	-7	4	-56%
Profit before taxes	-1,371	202	-1,574	-778%
Income tax	19	-67	85	128%
Profit	-1,353	136	-1,488	-1098%
Group KPIs				
Core Revenues	8,311	7,415	896	12.1%
ROE - annualised	-25.1%	2.6%	-27.7p.p	
Profit per share	-0.71	0.07	-0.78	
Business Unit KPIs				
Insurance revenue	7,532	6,789	743	10.9%
Combined ratio	100.7%	103.6%	2.9p.p	
Financial services income	780	626	153	24.5%
Investment income	-497	946	-1,442	-153%
Investment income return %	-1.1%	2.2%	-3.3p.p	

All amounts are in ISKm
unless stated otherwise

Reference is made to annual account for Income statement in accordance with IFRS accounting standards. 1. Financial services income excl. intra group adjustments. 4. Investment income is gross income from VIS investment portfolio. 2. Core Revenue includes premium revenue of Insurance and net financial income. Core Revenue for 2023 is on Pro Forma basis with Fossar.

Balance sheet

Strong and robust balance sheet



Balance sheet, ISKm	31.3.2025	31.12.2024	Δ%	31.3.2024	Δ%
Assets					
Cash	3,091	2,322	33%	2,389	29%
Insurance investments assets	46,021	44,927	2%	44,148	4%
Fixed income securities	6,768	5,996	13%	6,817	-1%
Shares and other variable income securities	387	469	-17%	305	27%
Securities used for hedging	4,951	6,103	-19%	3,962	25%
Loans to customers	8,643	7,880	10%	2,280	279%
Goodwill and intangible assets	5,373	5,547	-3%	4,141	30%
Other assets	7,259	5,939	22%	6,899	5%
Total Assets	82,493	79,183	4%	70,940	16%
Liabilities and Equity					
Insurance liabilities	30,819	28,834	7%	27,934	10%
Money market deposits	9,412	10,663	-12%	7,904	19%
Bills and marketable instruments	4,764	4,387	9%	1,851	157%
Other liabilities	12,820	9,263	38%	8,839	45%
Subordinated liabilities	3,752	3,764	0%	3,598	4%
Total Liabilities	61,567	56,912	8%	50,126	23%
Equity	20,927	22,271	-6%	20,814	1%
Total Liabilities and Equity	82,493	79,183	4%	70,940	16%

All amounts are in ISKm unless
stated otherwise

Business unit financials

- Insurance
 - Financial services
 - Investments
-

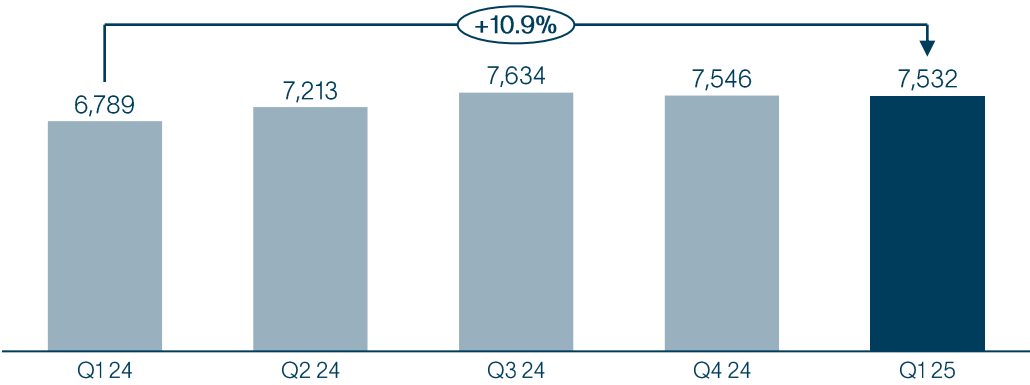


Insurance

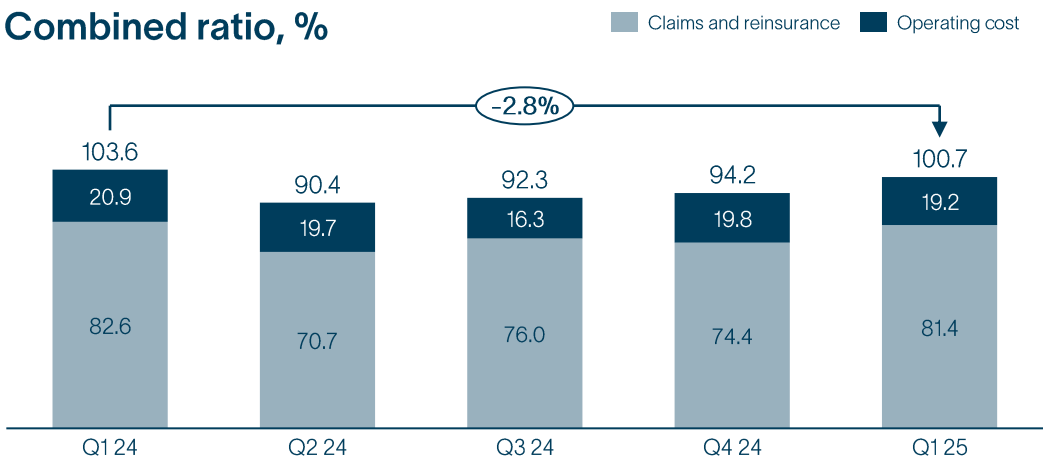


Ongoing journey towards growth and improved profitability

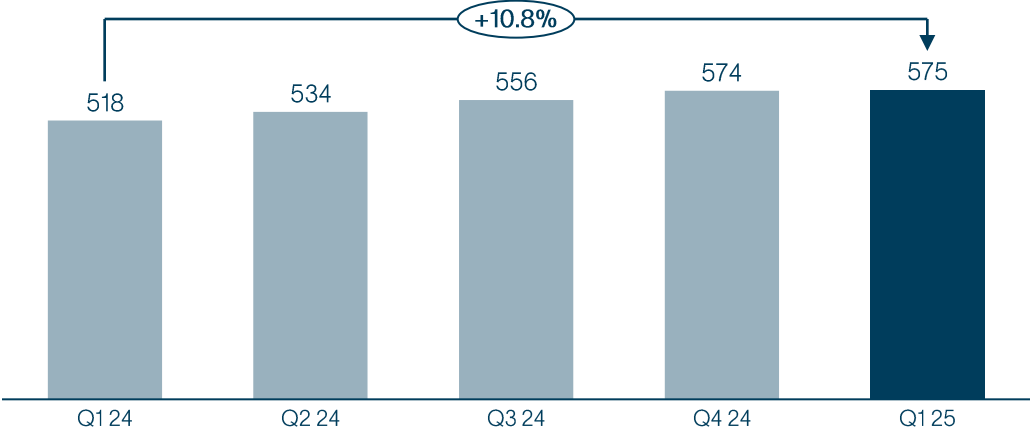
Insurance revenue



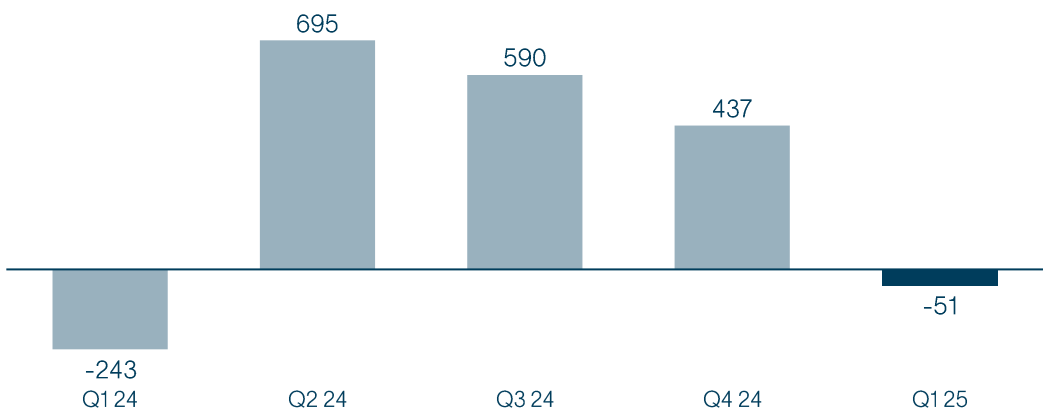
Combined ratio, %



Life insurance revenue



Insurance contract results



All amounts are in ISKm unless stated otherwise

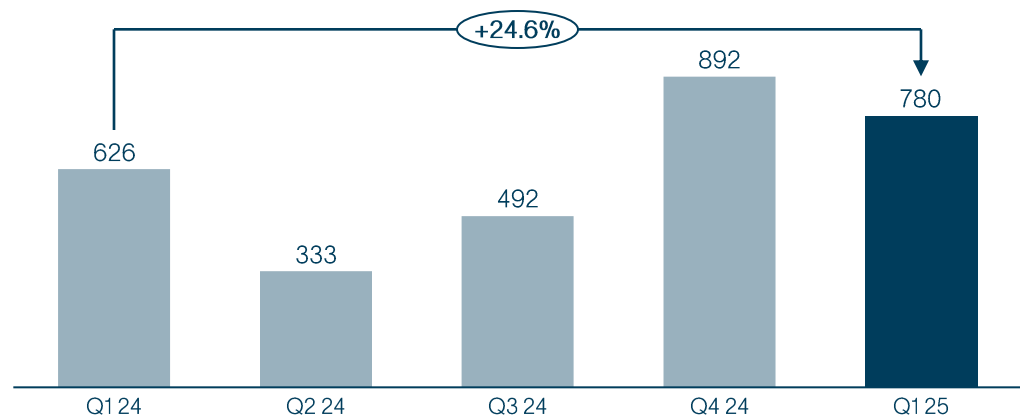
Financial services

YoY growth and greater contribution of banking revenues



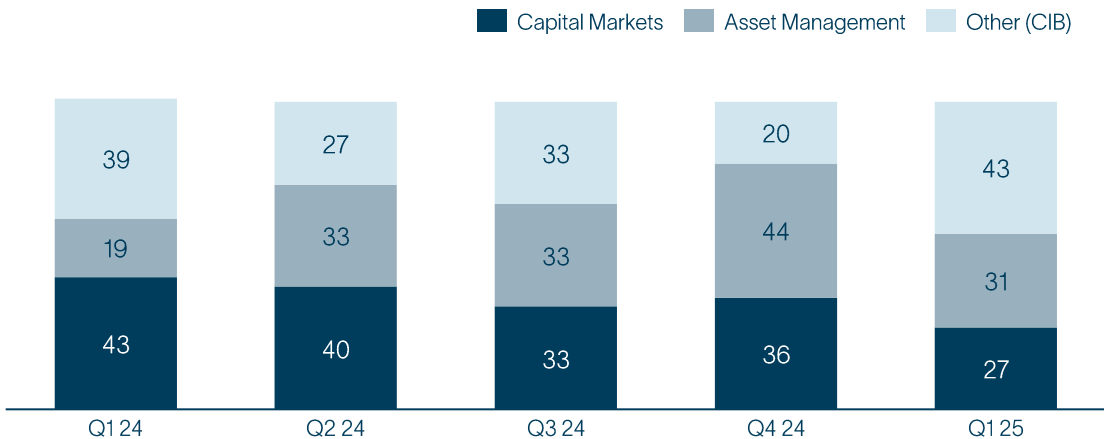
Net financial services income

Excluding intra-group adj.



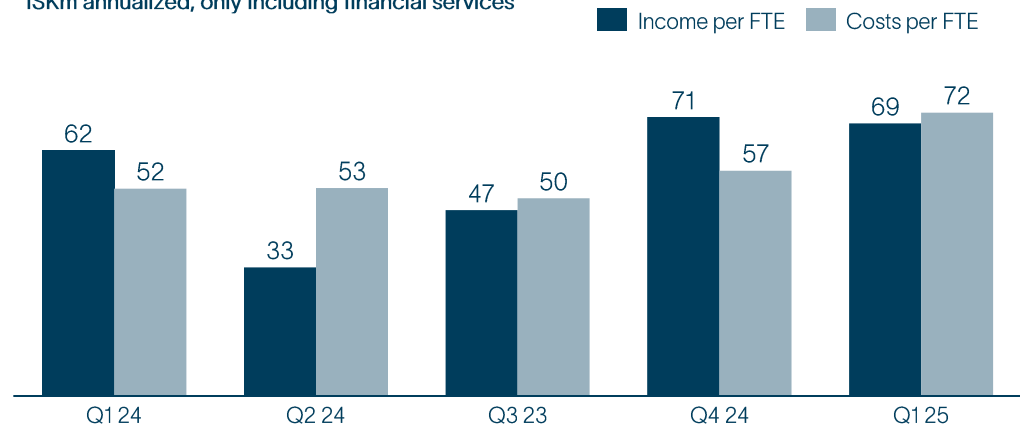
Composition of financial services income, %

Pro Forma excluding financial income

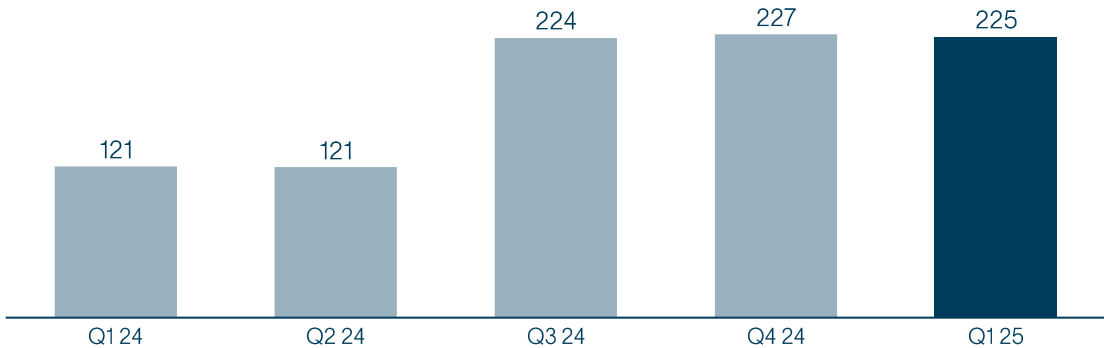


Income and costs per FTE

ISKm annualized, only including financial services



Assets under management², billions ISK



All amounts are in ISK unless stated otherwise

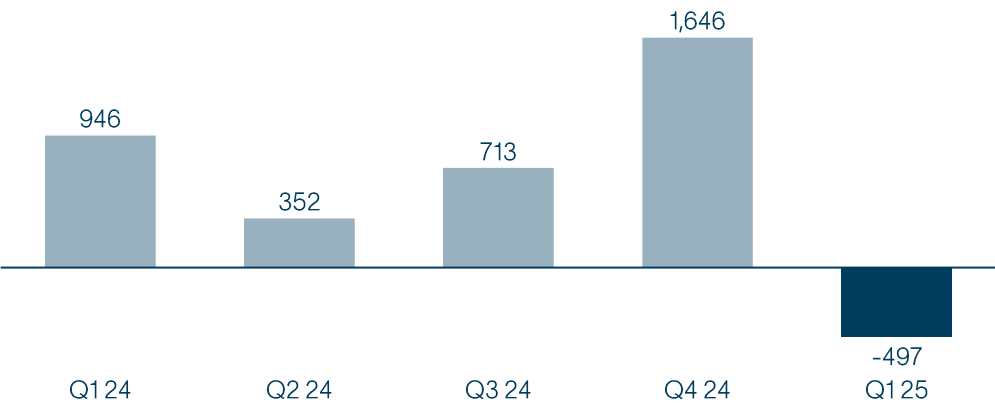
1. Net financial services income excludes intra group adjustments. 2. AuM and placement by clients into foreign funds which Fossar are distributors for. 4. Financial services income and costs per FTE excludes amortizations and impairments on the cost side. AuM in Q32024 is pro forma including IV.

Investments

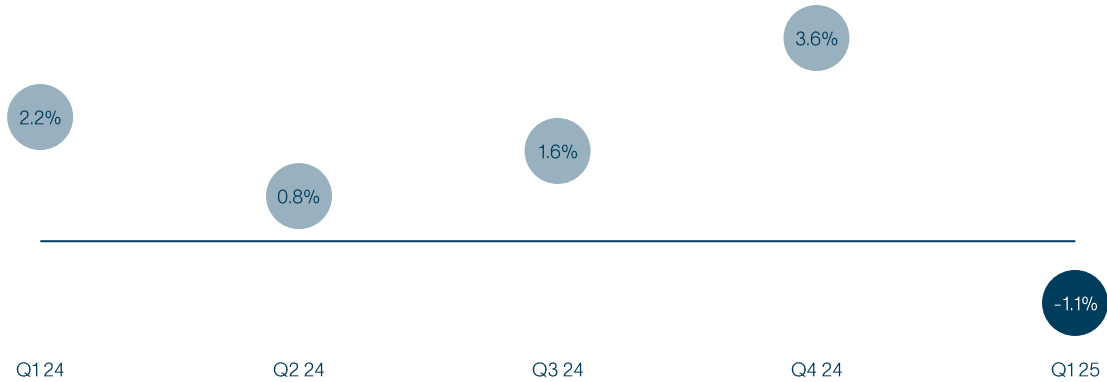


Weak equity markets impact investment results

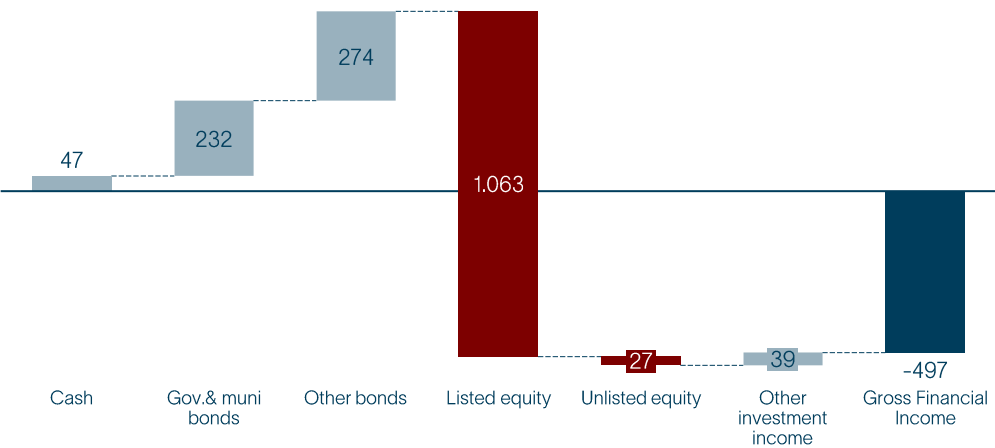
Investment income



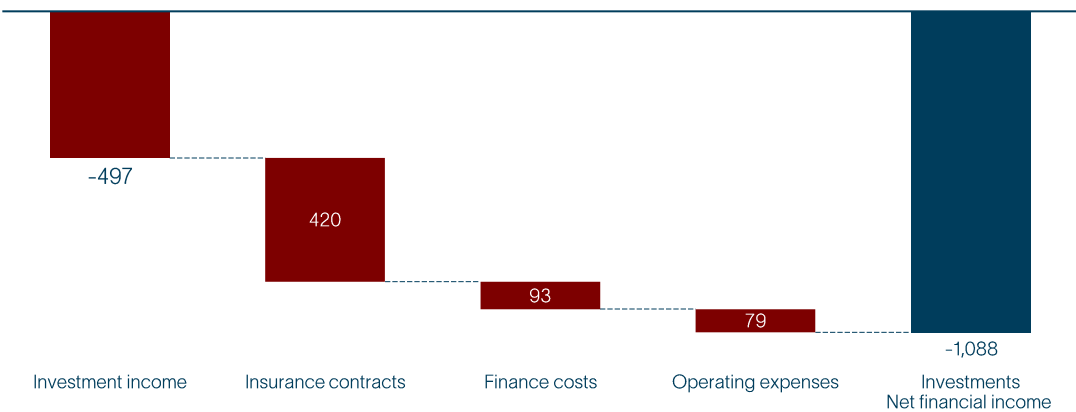
Return on investment assets



Investment income from assets in Q1 2025



Net investment income breakdown in Q1 2025



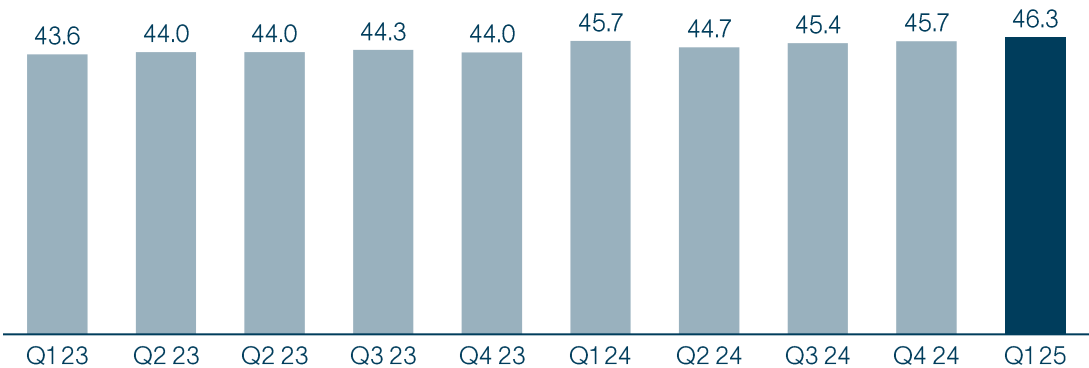
All amounts are in ISKm unless stated otherwise

Investment portfolio

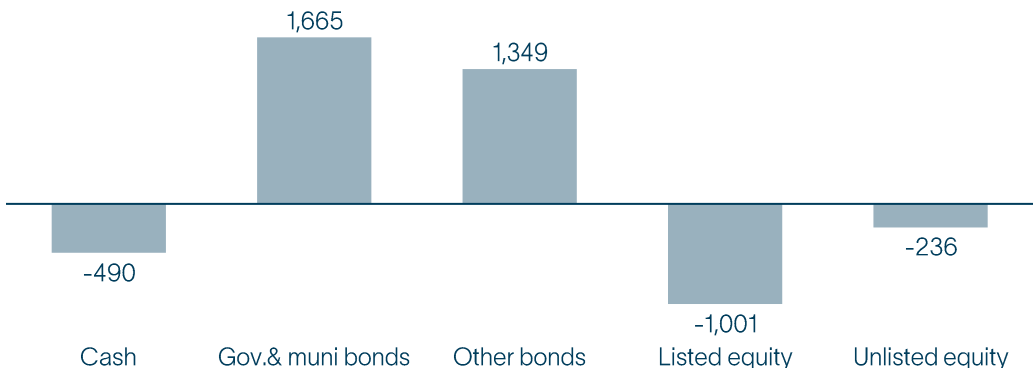


Investment portfolio shifted toward bonds

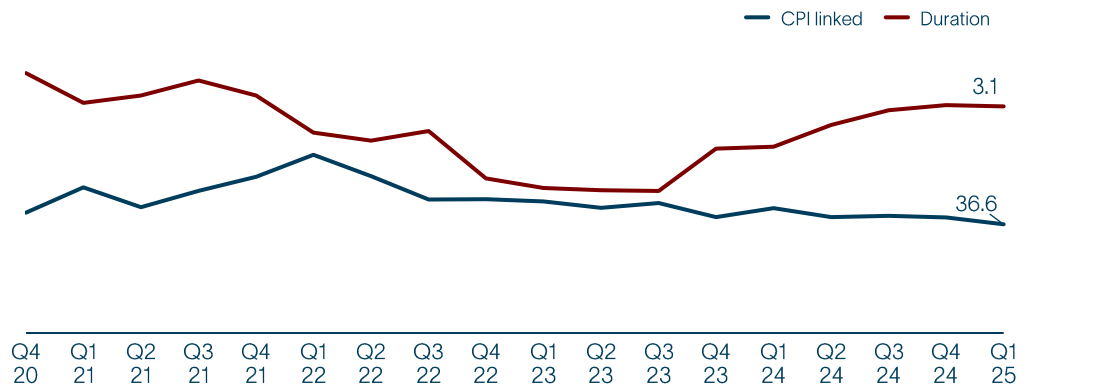
Investment assets¹, ISK billions



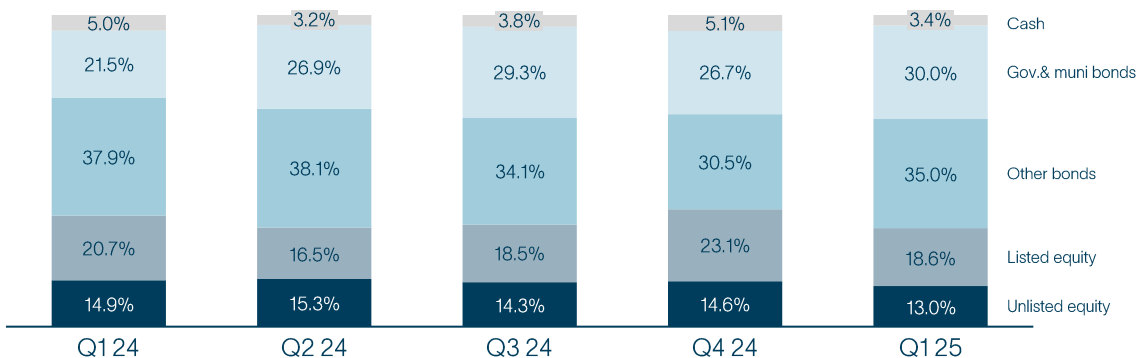
Asset allocation shift in Q1 25



Bonds - duration and CPI-linked ratio



Asset allocation



Operating costs and solvency

- Operating costs
 - Solvency and bank capitalisation
-

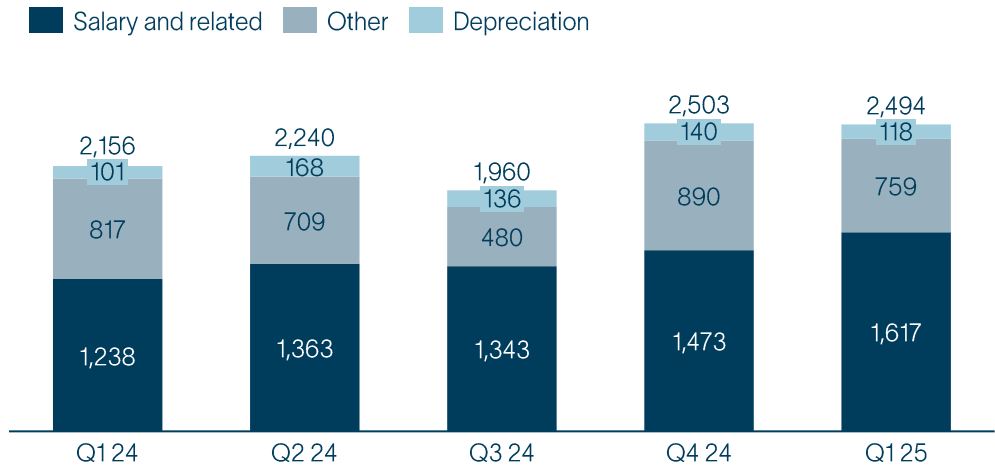


Operating costs



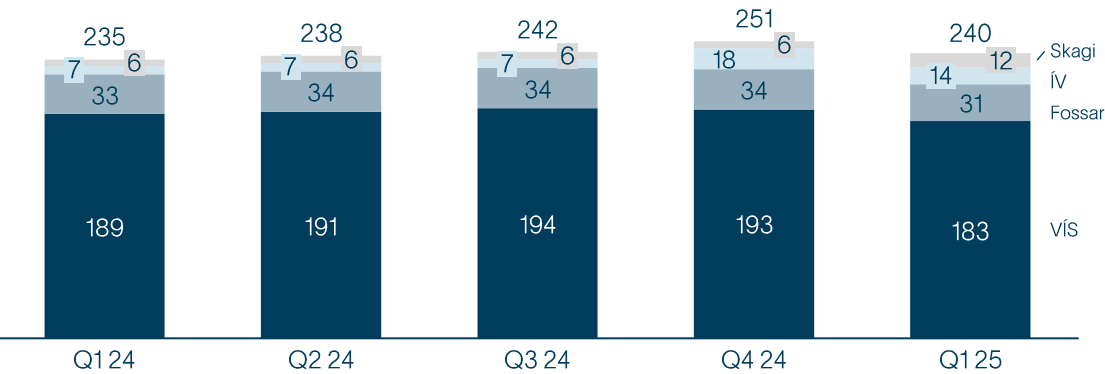
Operating costs impacted by costs related to ÍV merger

Operating costs



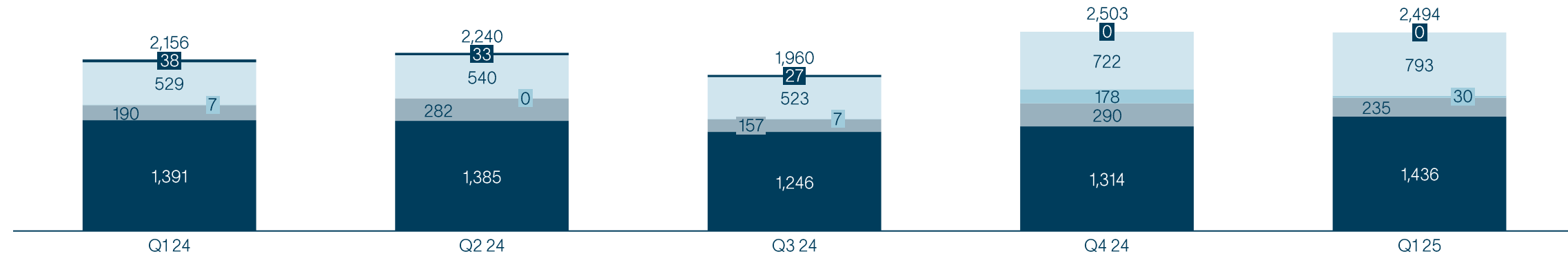
Employees (FTEs)

Average over period



Breakdown of operating costs

Business units



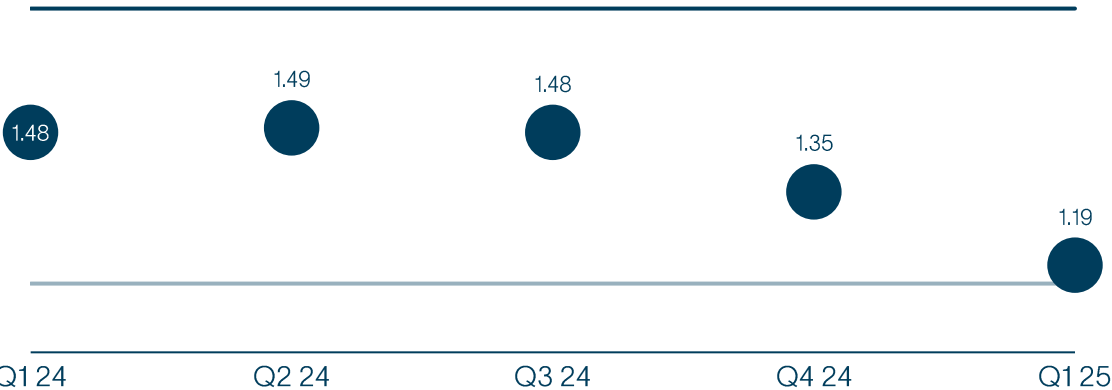
All amounts are in ISKmn unless stated otherwise

Solvency ratio and investment bank capital

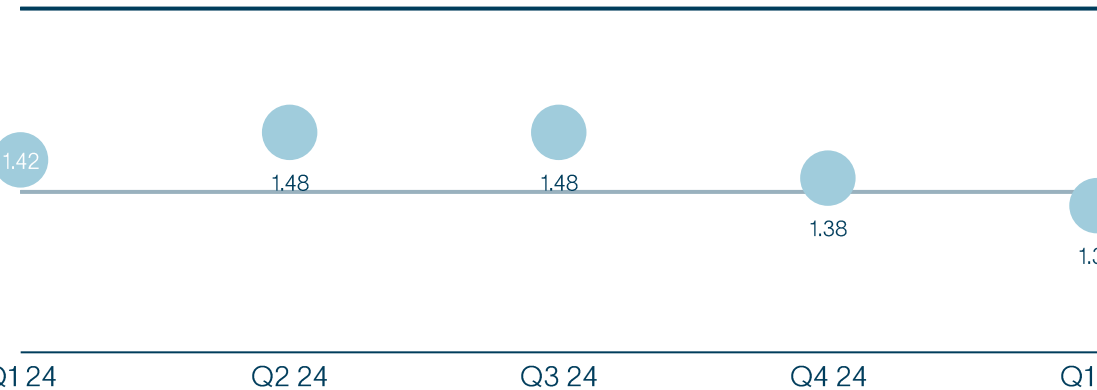


Market conditions and dividend result in solvency temporarily below target

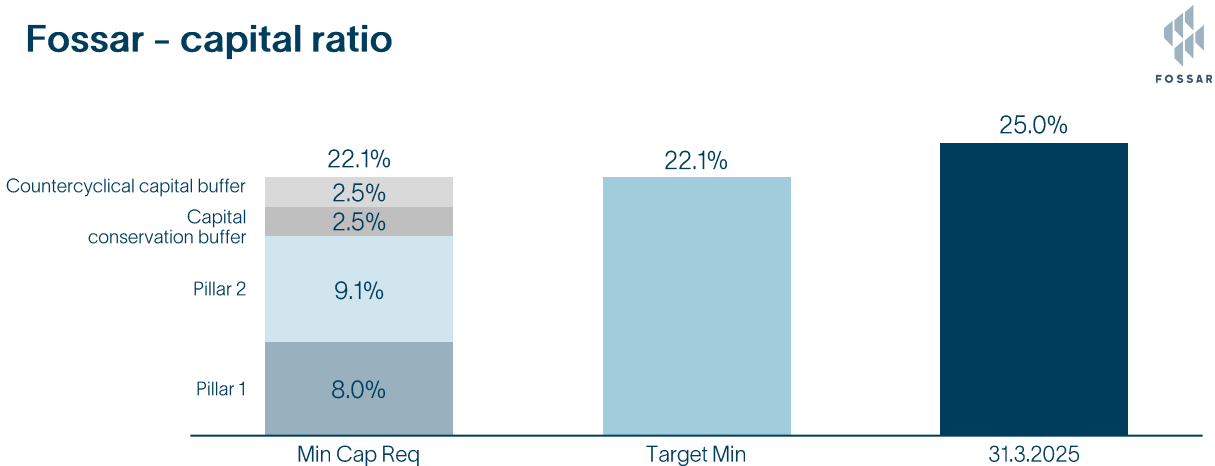
Group solvency ratio



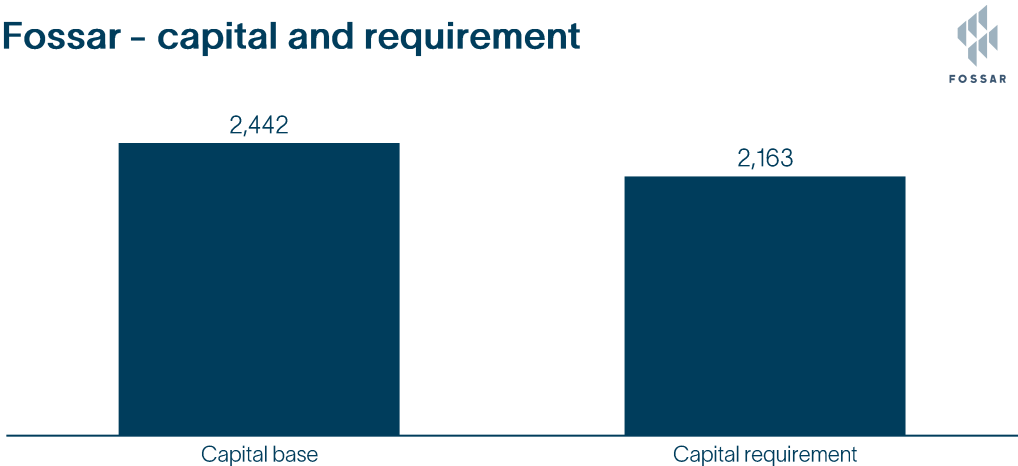
Insurance solvency ratio



Fossar – capital ratio



Fossar – capital and requirement



All amounts are in ISKmn unless stated otherwise

1. Target before SREP requirements (Pillar II). 2. Adjusted for current buy-back program of 500 million and proposed dividend of 1,000 million

Key takeaways



Insurance and Financial services on track but market volatility impacts overall results

- **Insurance:** Ongoing journey towards growth and improved profitability
- **Financial Services:** Revenue growth but results impacted by expenses due to ÍV merger
- **Investments:** Weak equity markets impact results heavily

Ongoing positive momentum in insurance revenue

10.9% insurance revenue growth in Q1

Combined ratio **100.7%** in Q1, in line with targets and below Q1 2024

Financial services continue to **grow** – with a YoY income growth of **25%**

Quarter impacted **heavily** by weak performance in Icelandic and international equity markets

Appendix:

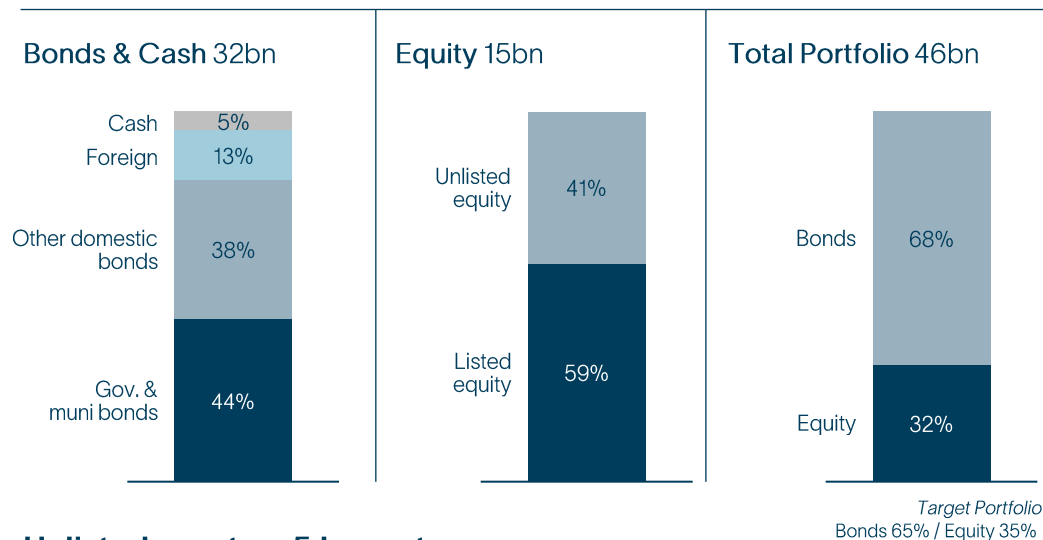
Further information

Investment portfolio – additional information

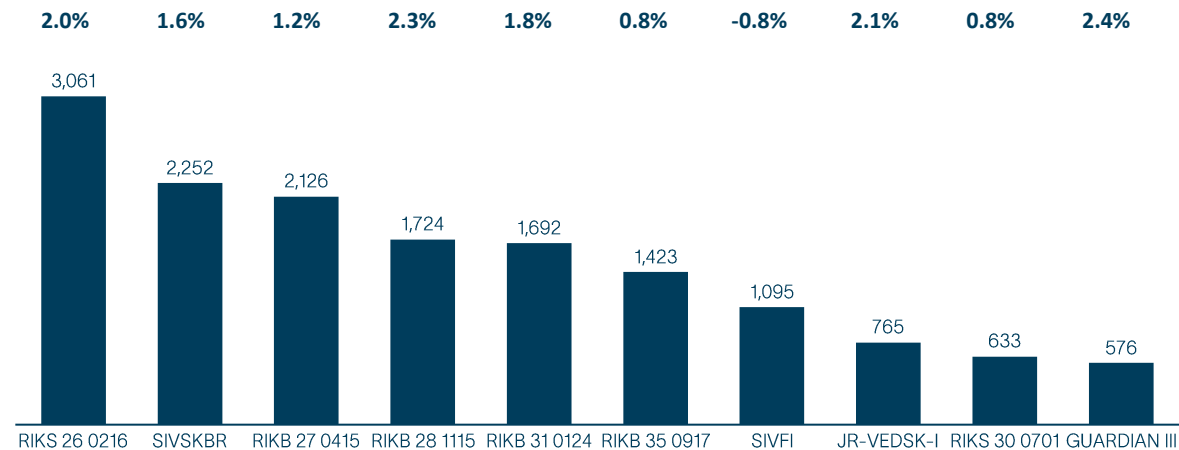


Breakdown of asset allocation and major positions in the portfolio

Allocation of bonds and equity



Bonds – 10 largest and return in quarter

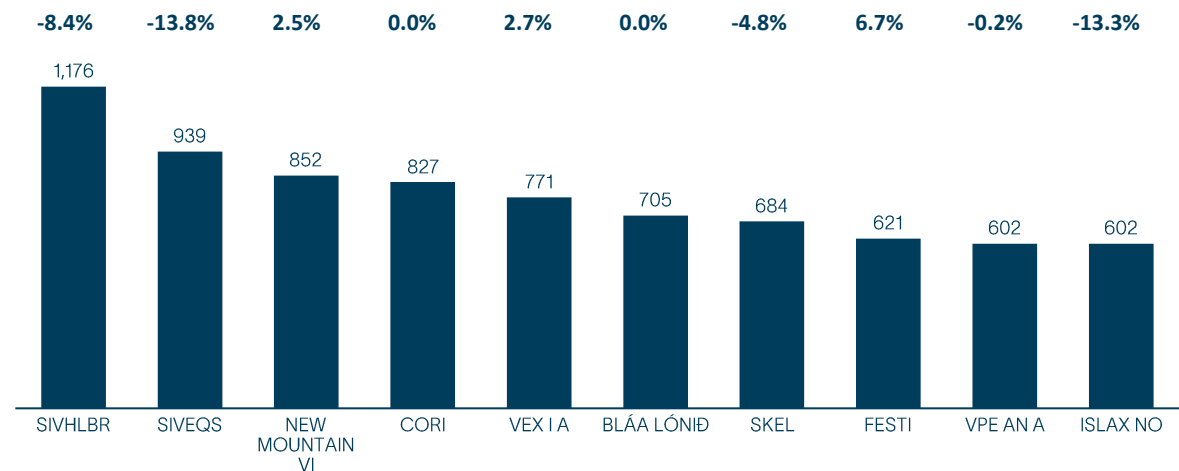


Unlisted assets – 5 largest

	Value 31.03.2025	Value 31.12.2024	Difference	Share price 31.03.2025
CORIPHARMA	827	827	0	13.7
BLUE LAGOON	705	705	0	80
annata Powering possibilities	602	603	-1	132.9*
nox HEALTH	330	335	-5	83.5**
Controlant	250	250	0	30

* 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



Balance sheet	31.3.2025	31.12.2024	Δ%
Assets			
Fixed income securities	6,484	5,666	14%
Shares and other variable income securities	387	469	-17%
Securities used for hedging	4,951	6,103	-19%
Cash	909	135	575%
Loans to customers	8,643	7,880	10%
Claims and other assets	1,282	1,633	-22%
Total assets	22,656	21,886	4%
Liabilities and Equity			
Borrowings	4,400	2,700	63%
Money market deposits	9,412	10,663	-12%
Bills and marketable instruments	4,764	4,387	9%
Other liabilities	1,255	1,451	-14%
Total liabilities	19,831	19,202	3%
Total equity	2,826	2,684	5%
Total Liabilities and Equity	22,656	21,886	4%

LCR ratio and net stable funding ratio

Liquidity coverage ratio (LCR)	31.03.2025	31.12.2024
High quality liquid assets	4,719	3,740
Net outflow	1,161	1,309
Liquidity coverage ratio (LCR)	406%	286%
<i>Minimum regulatory requirement</i>	<i>100%</i>	<i>100%</i>
Net stable funding ratio (NSFR)	31.03.2025	31.12.2024
Available stable funding	7,666	9,479
Required stable funding	5,519	3,487
Net stable funding ratio (NSFR)	139%	272%
<i>Minimum regulatory requirement</i>	<i>100%</i>	<i>100%</i>

Disclaimer

The information in this presentation is based on sources that Skagi hf. ("Skagi" or "the Company") deems reliable at a given time but it is not possible to guarantee that they are infallible. Skagi is not responsible for the quality, accuracy, or reliability of information in this presentation and Skagi shall not be liable for damages that can be attributed to the fact that the information turns out to be inaccurate, unreliable, or insufficient.

All information in this presentation is property of Skagi. Neither the presentation nor the information it contains can be copied, altered, or distributed in any way, either in part or full.

This presentation is intended for information purposes only and is not in any way intended as part of or basis for decision making of its recipients. Recipients should not in any way interpret the content of this presentation as a guarantee, instructions or investment advice.

Skagi is not obligated in any way to provide recipients of this presentation with further information about the company or update or amend the presentation if the underlying information changes.

The future outlook of Skagi is subject to various risk- and uncertainty factors, which can mean that actual future results could differ considerably from the statements in this presentation. External factors, such as supply of capital, laws and regulations coming into effect, impact of regulatory authorities can all have substantial effect. Skagi reiterates that the recipients of this presentation should not rely on statements in this presentation at a later date as they are only applicable on the date of publication. Any forward-looking statements are fully valid with respect to this disclaimer.

By receiving this presentation, its recipients confirm that they are bound by the above disclaimers and limitations.





SKAGI