



Investor Presentation

2H 2023

Our mission is to develop opportunities, and target long-term value creation

2023

Focus on transformation

Styrkás launches its operations

Increased weight of real estate and listed assets

Kaldalón listed on Main Market

Orkan takes the lead

Restructuring of Heimkaup

VÍS grows stronger and advances

Orkufelagið and Klettagarðar sold

Exploratory negotiations with Samkaup



Net profit

5,410 million ISK

50 billion ISK

Total assets

38 billion ISK

Equity

16%

Return on equity

63%

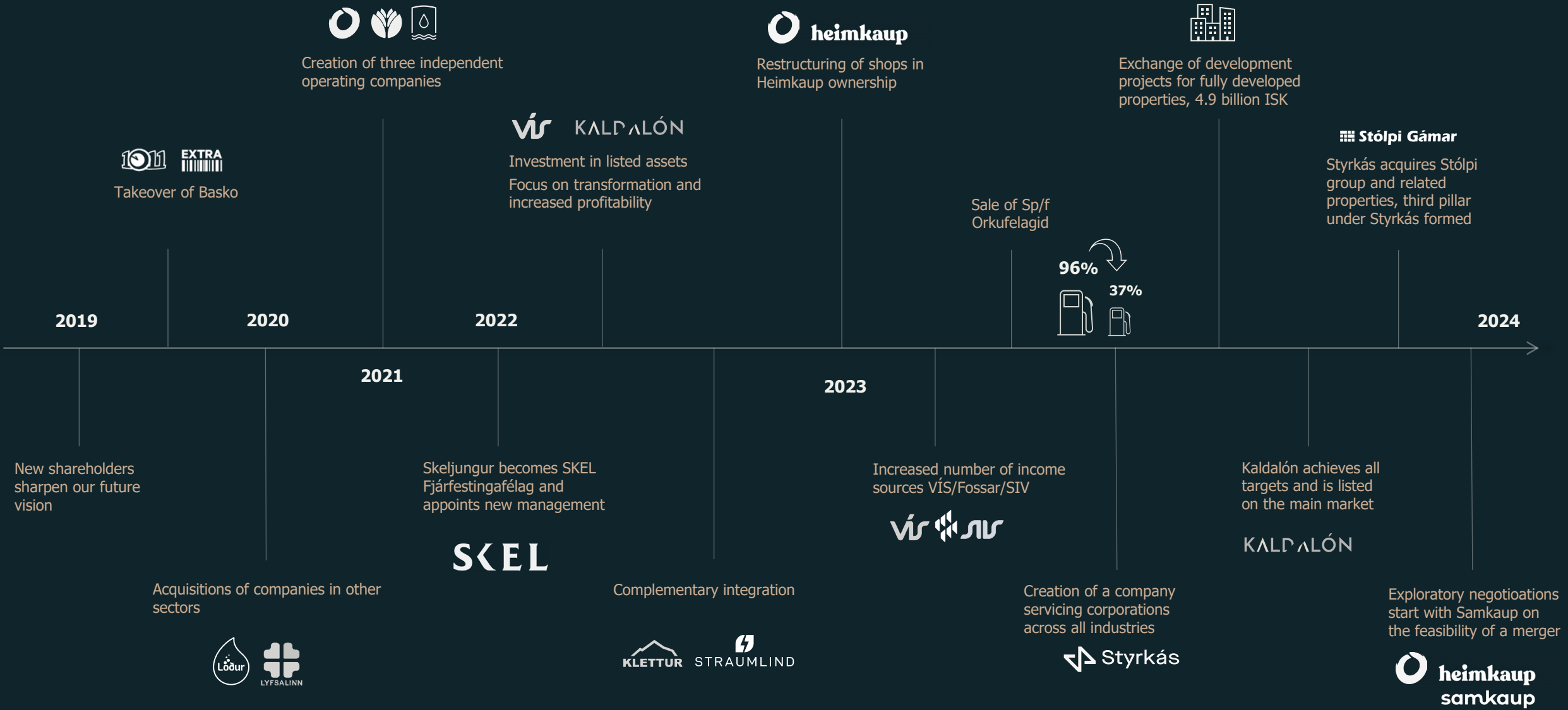
Recent trades or listed prices

5.7 billion ISK

Cash and treasury bonds

1.4 billion ISK

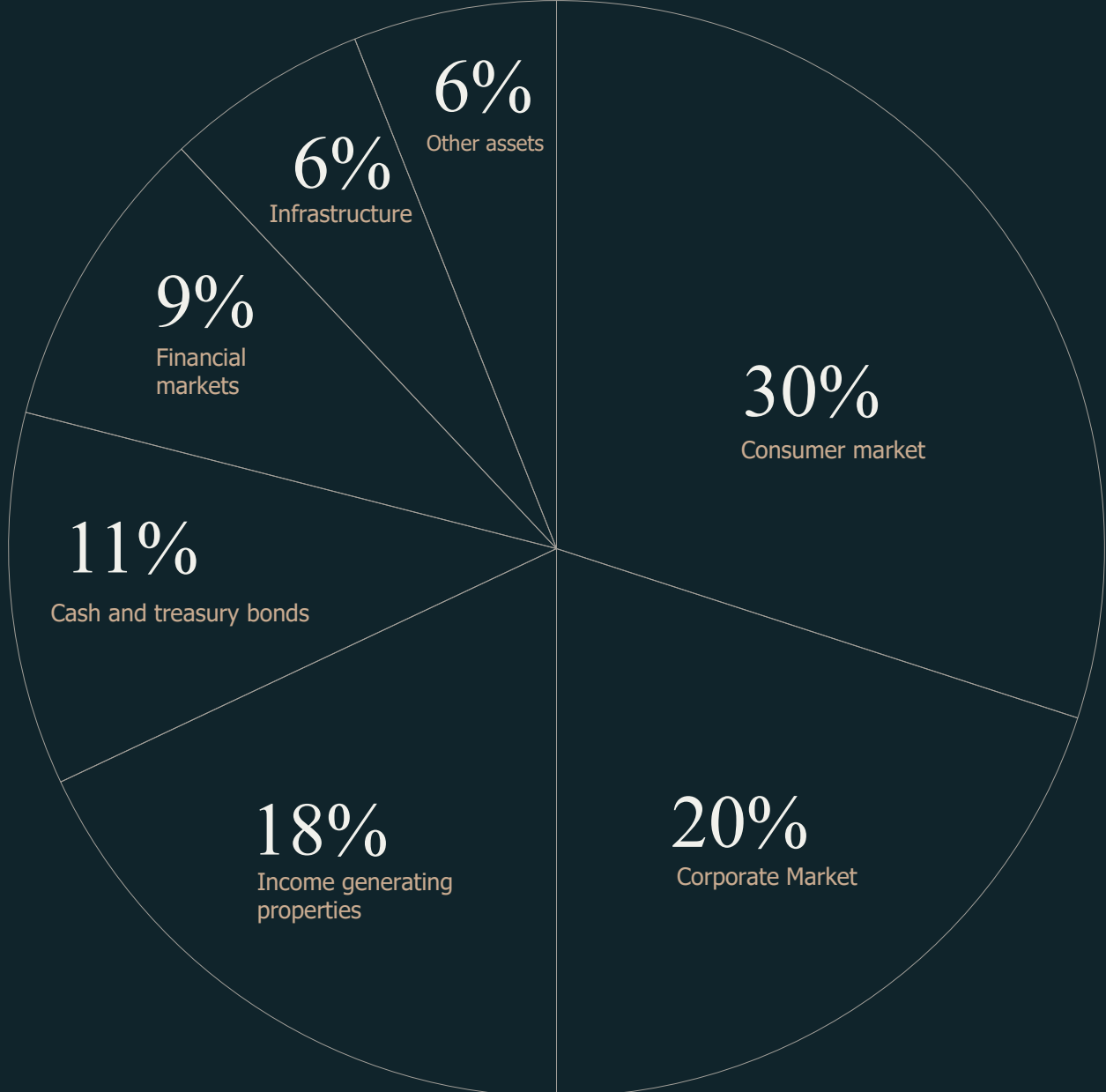
Payments to shareholders



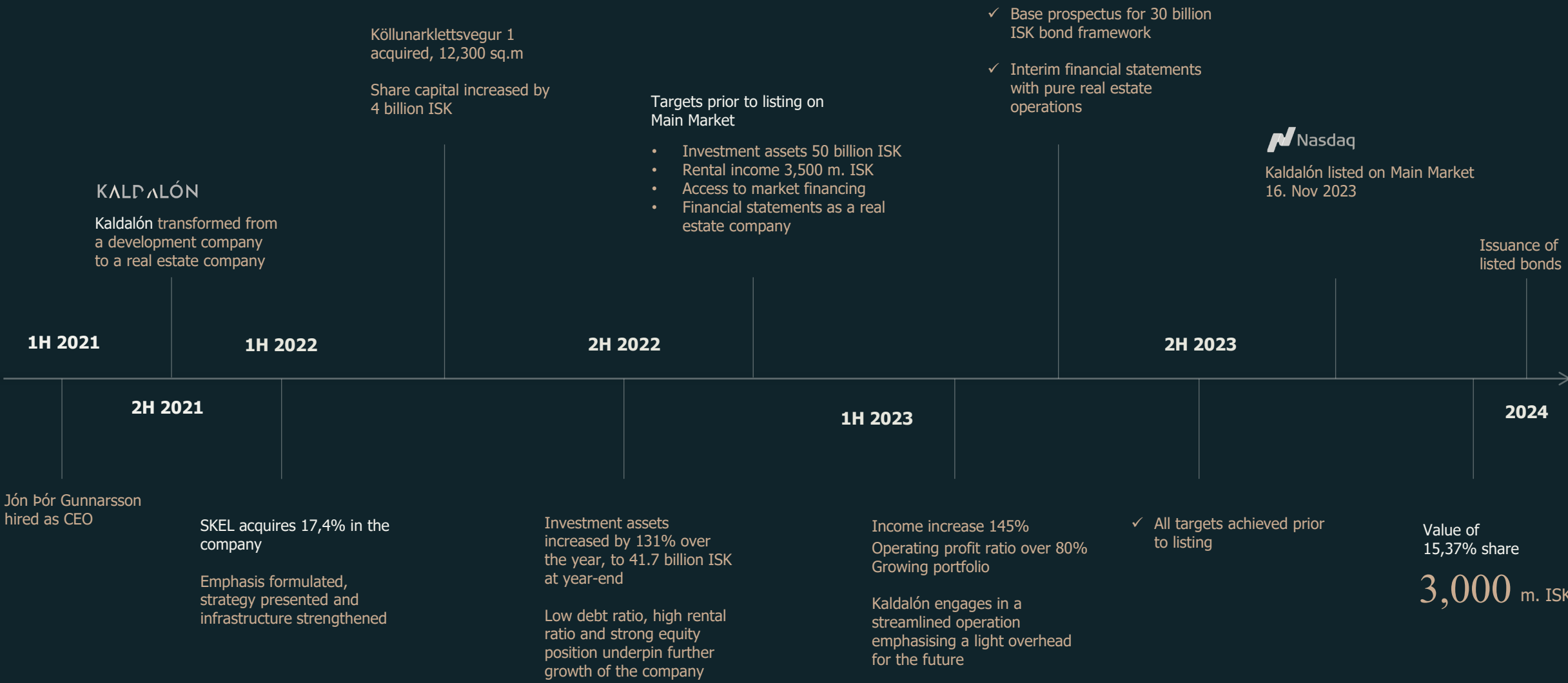
Portfolio

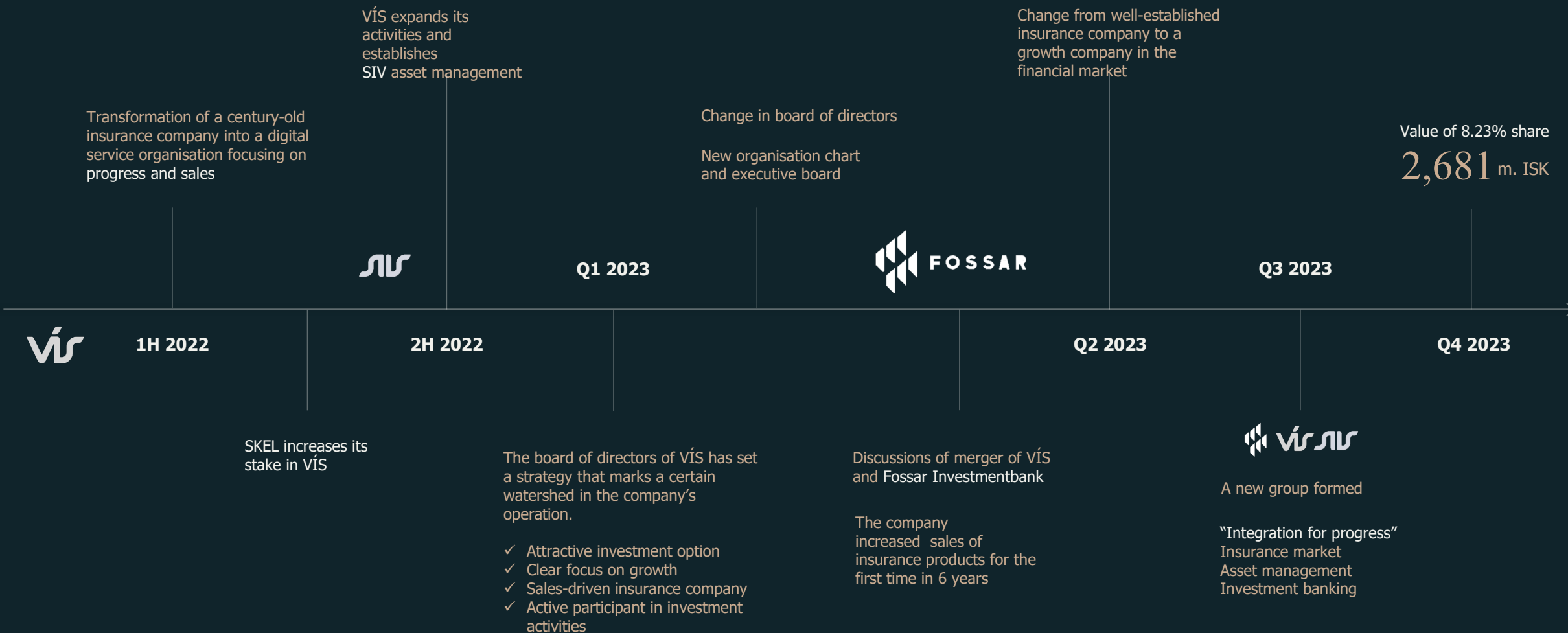
Total assets

49.745 m.kr.

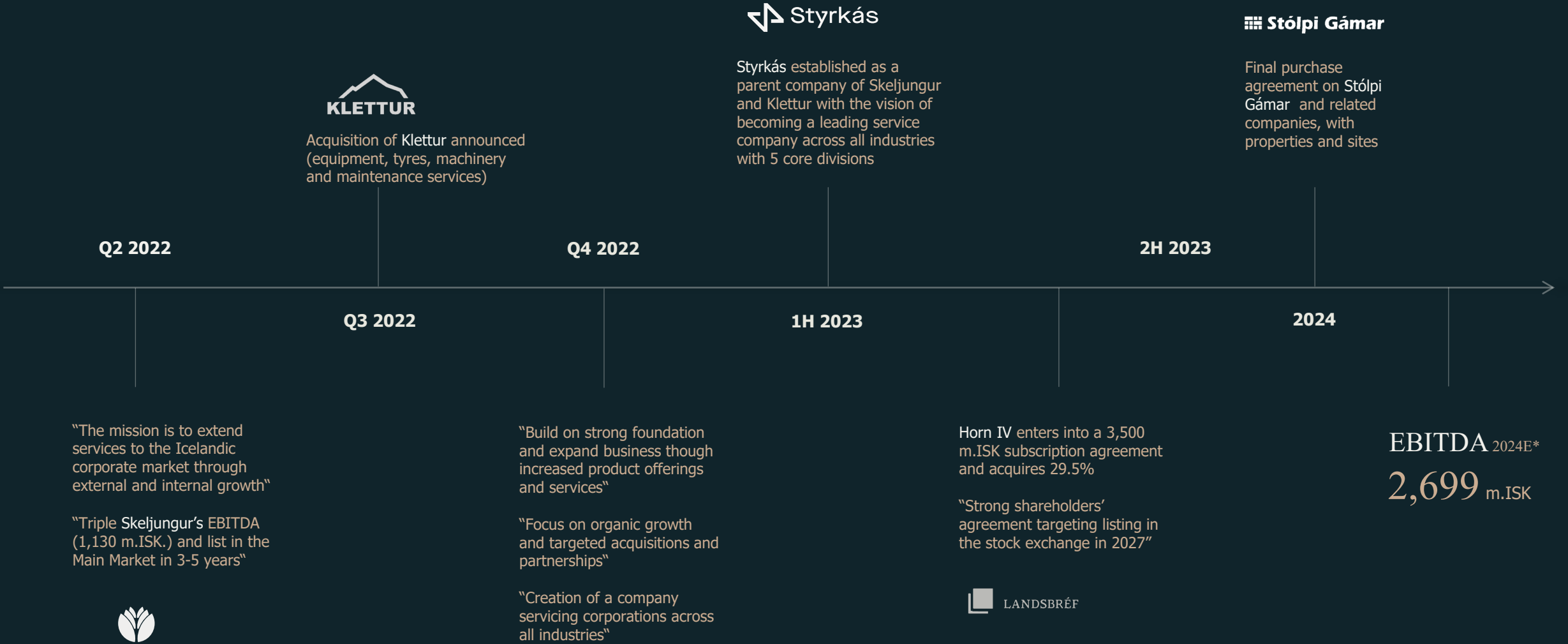


Focus on transformation
and increased profitability
of listed assets



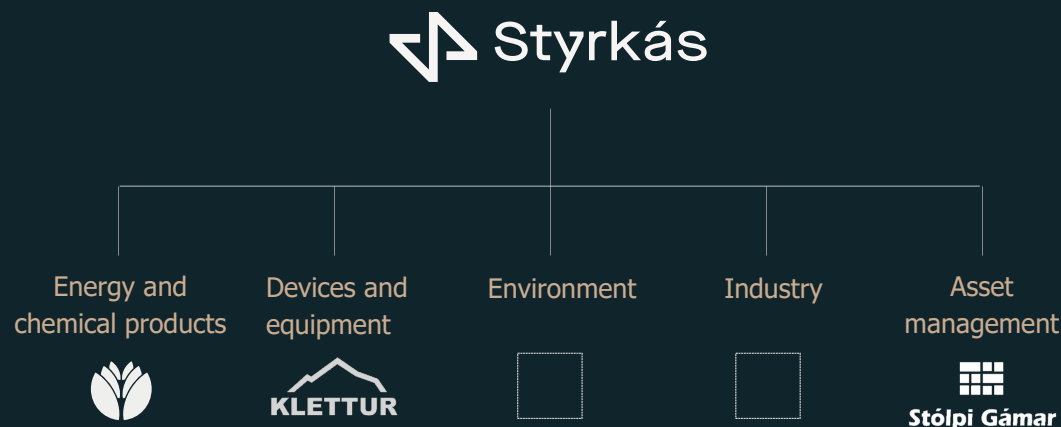


Creation of a company
servicing corporations
across all industries



*Styrkár consolidation with Stólpi Gámar

“Creation of a company servicing corporations across all industries“



Ásmundur Tryggvason, CEO – board appointed – operations started

Group
2024

Gross profit
9,435 m.ISK

EBITDA
2,699 m.ISK

Equity value (69.4%)
9,697 m.ISK

Goals

- Build on strong foundation and expand business through increased product offerings and services (complementary integration)
- Focus on organic growth and targeted acquisitions and partnerships
- Development of leading service company for the corporate market with 5 core divisions

Stólpi - Gámar

- Styrkás signs a purchase agreement on the acquisition of Stólpi Gámar ehf. and related companies
- The total price is 3,549 m. ISK, paid with cash and shares in Styrkás
- Máttarstólpi (the seller) acquires 8.7% of Styrkás
- The acquisition results in a strong company forming a new core in property management and rental activities

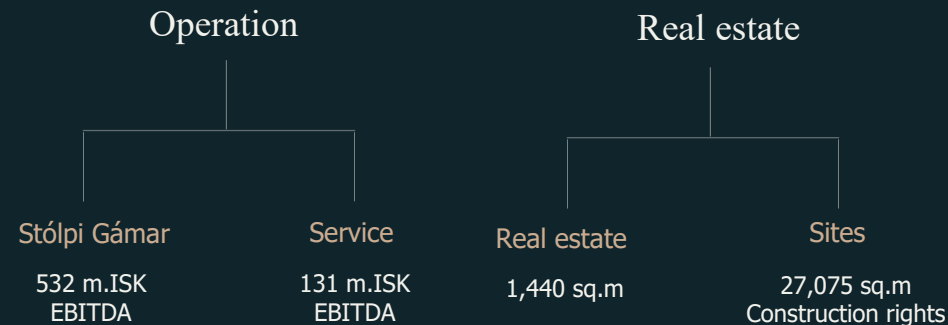
Future Vision

- Complete core activities – Environment and Industry
- Achieve operational synergy through parent company
- Leverage the group’s core capabilities for advances in the corporate market
- Present the company to customers and investors
- Shareholders’ agreement targeting listing in the stock exchange in 2027

Acquisition of Stólpi

„Leading company in container services including storage and housing“

Stólpi Gámar



Stólpi Gámar
2023

Revenue
2,427 m. ISK

EBITDA
663 m. ISK

EBIT
588 m. ISK

Operating companies

- Revenue from container rent and services and housing units total ca. 700 m. ISK 2023
- Klettaskjól rents out a 902 sqm. housing unit for a pre-school – Leasing contract with the City of Reykjavík to 2032
- The operating companies service shipping companies, insurance companies, contractors and others needing repairs or storage

Real estate

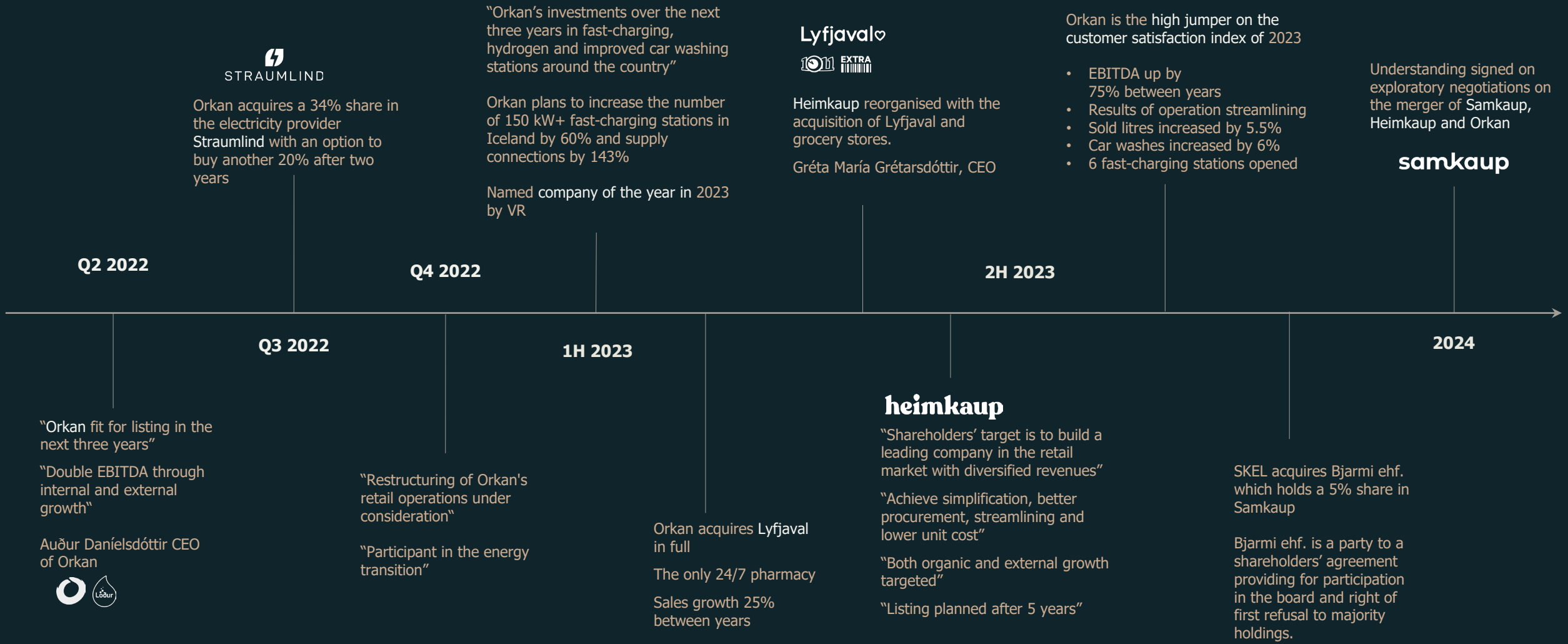
- Development of new premises for Stólpi at Gullhella in Hafnarfjörður
- About half of the sites are used for Stólpi's activities
- Paid road construction fees amount to 544 m. ISK for 15,500 sq.m construction rights

Financing (m. ISK)

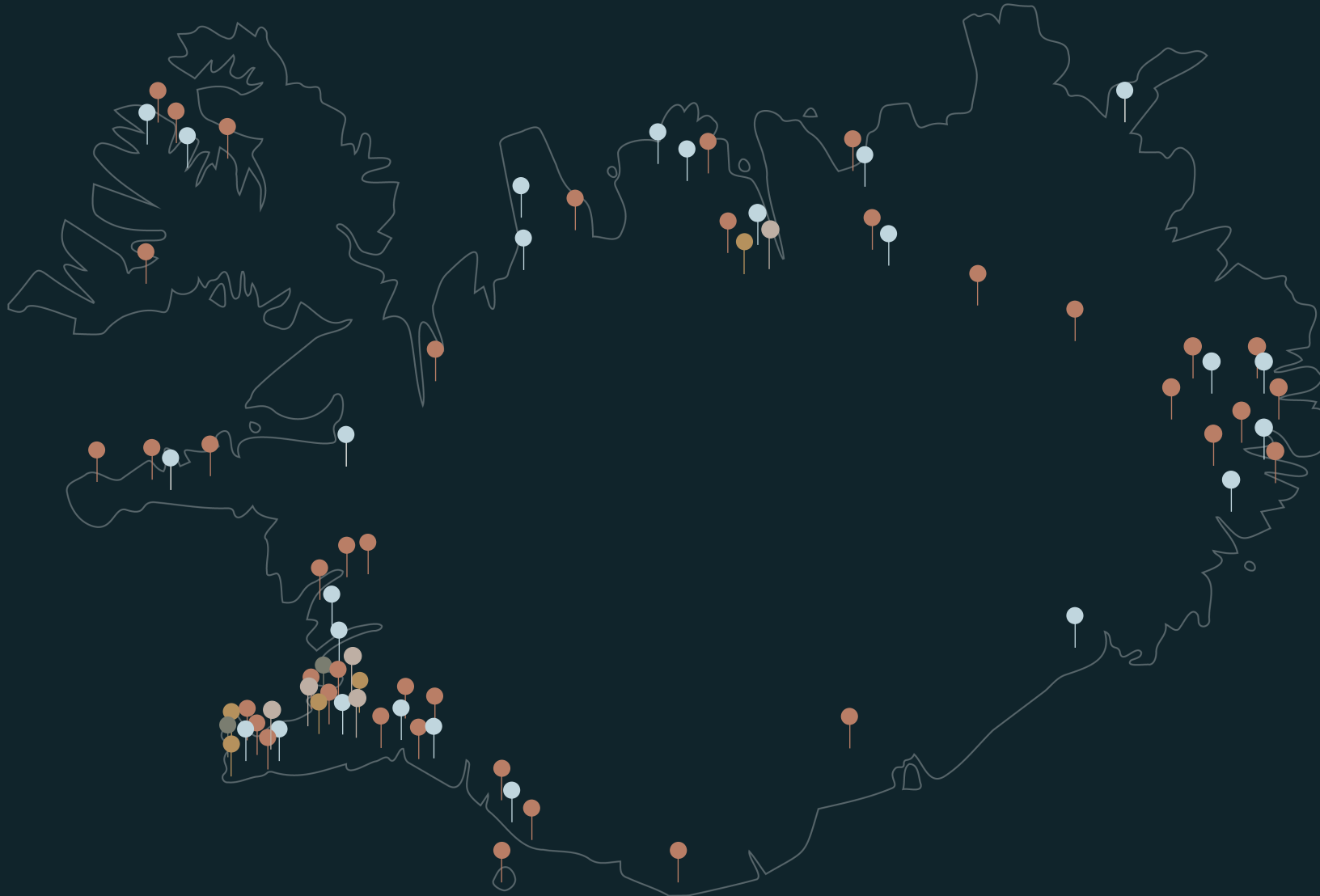
Total value	3,549
Acquired loans of operating companies	273
Real estate loans	1,300
New shares in Styrkás	1,330
Cash	646

Exploratory negotiations with Samkaup

Transformation of retail assets










Dense network of retail outlets for necessities



- 64 Samkaup's grocery stores
- 7 Lyfjaval
- 9 Heimkaup's grocery stores
- 73 Energy stations
- 14 Car washing stations

A merged company would be one of the strongest companies in the food, pharmaceuticals and fuel markets, focusing on services around the country

Strong competitor

	Merged company (pro forma)	Festi	Hagar
Income 2022	72 billion ISK	121 billion ISK	162 billion ISK
EBITDA Estimate 23*	6.2 billion ISK	11 billion ISK	12.9 - 13.4 billion ISK
Assets 2022	37 billion ISK	93 billion ISK	72 billion ISK
Product offerings (Main brands)	   	  	  
Full-time equivalent positions	848	1,269	1,454

Samkaup

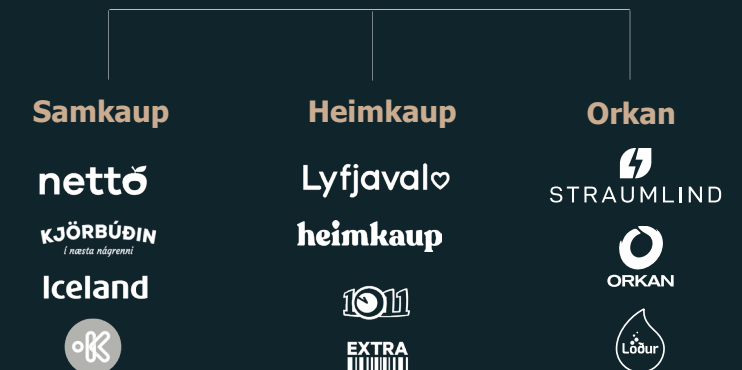
64 grocery stores around the country under four brands, ranging from discount stores to convenience stores.

Orkan

73 energy stations, 14 Löður car washing stations, 6 fast-charging stations, 2 hydrogen stations and 1 methane station. Also, the company owns 32 real estates and sites around the country, in addition to other assets, such as Straumlind, an electricity supplier.

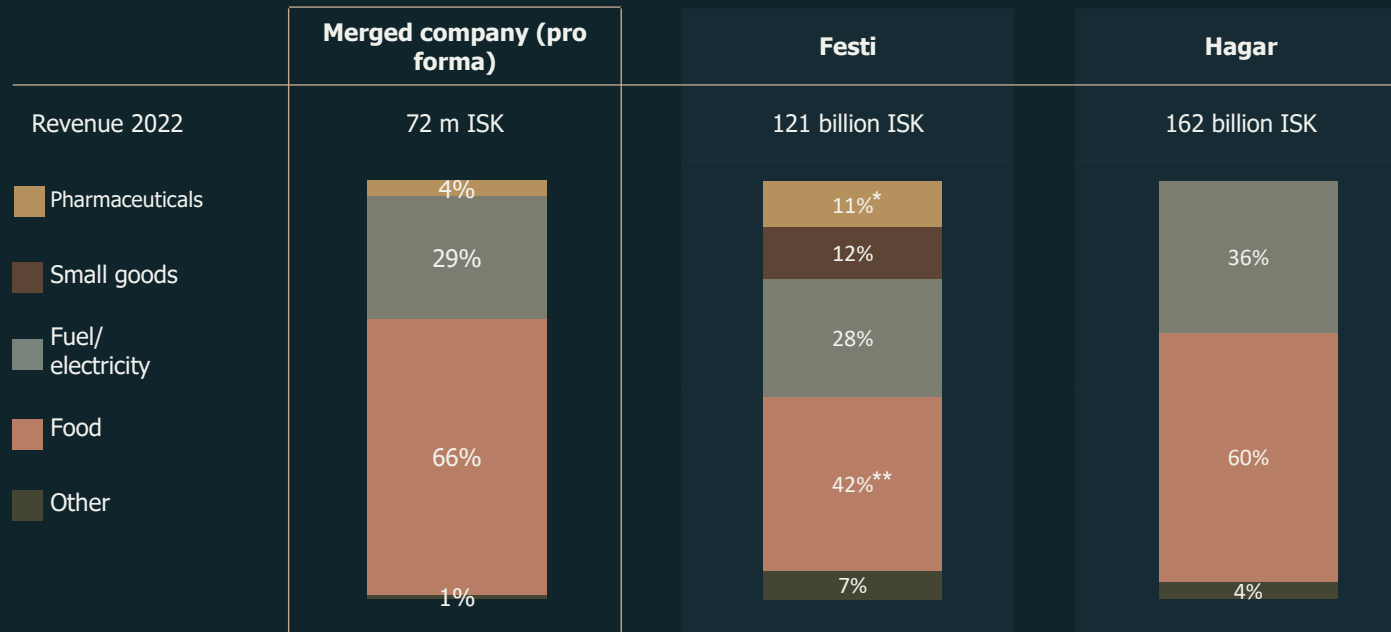
Heimkaup / Lyfjaval

7 pharmacies under the Lyfjaval brand and 9 convenience stores under the 10-11, Extra and Orkan brands and other assets.



*Estimated EBITDA with IFRS16, based on SKEL's assessment, calculated incl. inflation and average revenue growth of competitors.

Strong distribution of income



Retail (food)

Samkaup has an extensive network and strong position in many areas of the country.

SKEL estimates that Samkaup’s turnover could increase significantly with the Heimkaup retail units and that there are excellent opportunities for synergy with the merger of these units.

A merged company would be well placed to invest and to strengthen its market position.

Fuel, charging and car washing

Orkan holds a strong market share in the fuel market and is targeting leadership in the energy transition. Also, Löður commands a dominant market share in car washing.

Pharmaceuticals

Ambitious plans for growth and specialisation for Lyfjaval have been revealed.

The company is the only pharmaceutical outlet that offers drive-through service. There is a significant and growing demand for this service, which the company intends to meet.

*Pharmaceuticals for Festi are estimated based on Lyfja’s 2022 annual financial report.

**Festi’s income from fuel and electricity in 2022 amounted to 39 billion ISK, so N1’s figures could to some extent give a false picture.

Substitution of development
projects with income-
generating properties

Real estate trades – Stefnisvogur

Purchase agreement – 55 apartments delivered at year-end 2023

Cash	400	55 apartments
Stake in REIR Þróun	1,100	5,905 sq. m.
Borrowings and other expenses	3,468	840 thou. ISK price per sq. m.
Stamp duties paid in cash		Rental income per year 240 m.ISK
	4,968	NOI 205 m. ISK (4.1%)
	m.ISK	

Option agreement – 35 apartments delivered at year-end 2024

Cash	334	35 apartments
Stake in of REIR Þróun	640	3.816 sq. m.
Borrowings	2,270	850 thou. ISK price per sq. m.
	3,244	
	m.ISK	

Summary

- We wanted to simplify the portfolio and we see that the demand for residences is not currently being met
- SKEL acquired 55 apartments that were delivered at year-end 2023. All acquired apartments have been rented out, returning a rental income of 240 m. ISK per year
- In all, SKEL’s deferred gains on sales amount to c. 9.5 billion ISK, resulting from sold properties in 2021-2022
- As a result, SKEL has a deferred income tax liability amounting to 1,834 m. ISK at year-end 2023
- The deferred tax liability will become payable if the amount is not re-invested in comparable properties in 2023 and 2024
- The re-investment requirement for 2023 is met with the purchase of these 55 apartments
- Considering the tax incentive, the return on equity from the investment is estimated at about 18% at a fixed price level
- Concurrently, SKEL entered into an agreement on an option to buy an additional 35 apartments in 2024. If SKEL exercises the option, then the company will have sold its entire interest in Reir Þróun in exchange for the apartments



Financials

Balance Sheet

SKEL

Balance sheet 31.12.2023

ISK million	31.12.2023	31.12.2022
Cash	3,139	4,731
Government bonds	2,524	2,116
Listed securities	9,396	4,921
Other assets at fair value	27,138	23,137
Investment properties at fair value	6,107	690
Other assets	1,442	2,910
Total assets	49,745	38,505
Equity	37,610	33,430
Debts on real properties	3,674	0
Other debts to credit institutions	4,768	2,473
Deferred income tax liability	1,892	2,014
Other liabilities	1,949	589
Total liabilities	12,135	5,075
Total equity and liabilities	49,745	38,505

Assets in m. ISK

Price to book

20,0 kr.

	6,316	5,663	
	Income generating real estates	Cash and Government bonds	
9,697			
Styrkás			
	3,931	3,000	2,839
	Heimkaup, Lyfjaval	Kaldalón	Gallon
		2,707	
		Loans, receivables and other assets	
9,173	3,738		2,681
Orkan, Löður, Real estates	Other listed assets		VÍS

Overview of assets

Cash and listed assets

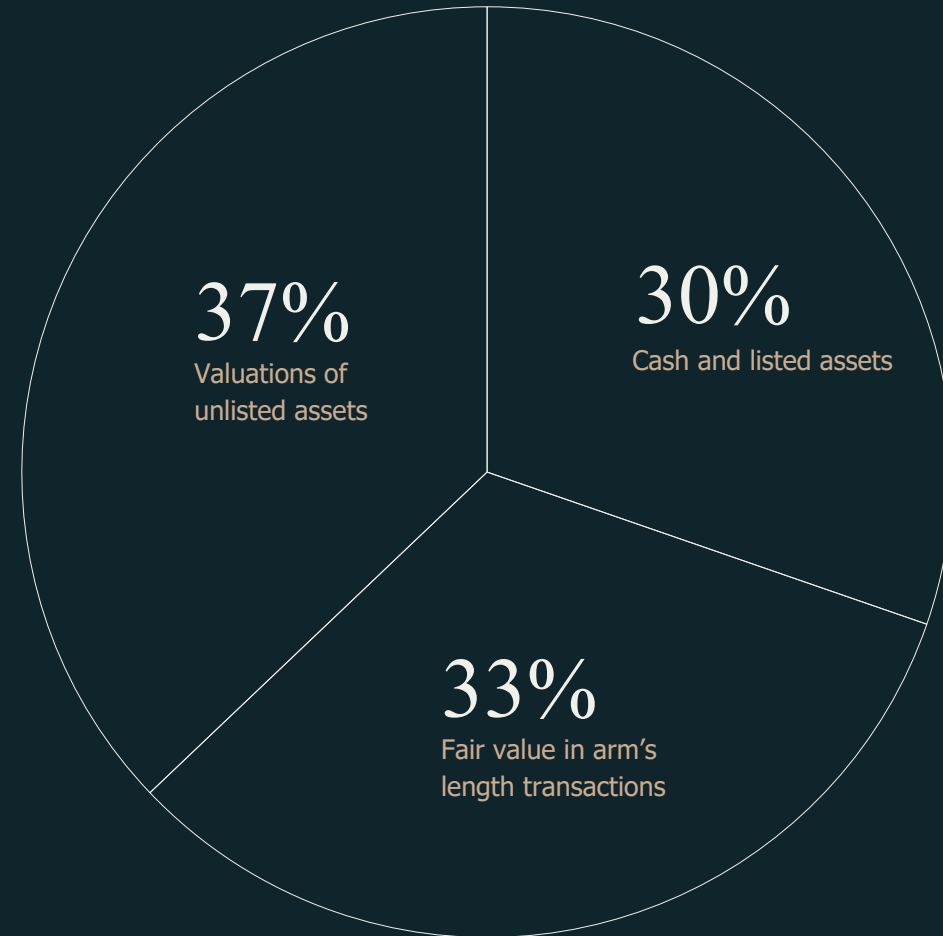
Cash and treasury bonds	5,663
Kaldalón	3,000
VÍS	2,681
Other listed assets	2,857
	14,767 m. ISK

Based on recent arm's length transactions

Styrkás	9,697
Income generating real estates	5,418
Other assets	1,134
	16,249 m. ISK

Based on valuation

Orkan, Löður	9,173
Heimkaup, Lyfjaval	3,931
Gallon	2,839
Loans, receivables and other assets	1,888
Income generating real estates	898
	18,729 m. ISK



Operation 2H 2023

SKEL

Profit and Loss Account 11.7. - 31.12.23

ISK million	2H 2023	1H 2023
Fair value change of financial assets	3,874	2,065
Financial income (-expenses)	(191)	287
Other income	89	73
Investment income	3,772	2,424
Salaries and payroll expenses	(330)	(266)
Other operating expenses	(172)	(141)
Operating expenses	(502)	(407)
Profit before taxes	3,270	2,017
Income tax	79	43
Net profit	3,349	2,060

Profit 2H 2023

3,349 m.ISK

2,543 m.ISK

Fair value change of
unlisted assets

896 m.ISK

Fair value change
of listed assets

Operation in 2023

Profit and Loss Account 1.1. - 31.12.23

ISK million	2023	2022
Fair value change of financial assets	5,939	18,850
Financial income (-expenses)	96	539
Other income	162	736
Investment income	6,198	20,125
Salaries and payroll expenses	(596)	(823)
Other operating expenses	(313)	(431)
Operating expenses	(910)	(1,253)
Profit before taxes	5,288	18,871
Income tax	122	(1,354)
Profit over the period	5,410	17,517

Net profit for the year

5,410 m.ISK

1.9% of equity

Operating expenses

Includes options and incentives

5,168 m.ISK

Fair value change of unlisted assets

772 m.ISK

Fair value change of listed assets

Changes in fair value

Overview of fair value changes	1H	2H	2023
Orkan – Lööður	2,527	1,711	4,238
Styrkás – Skeljungur – Klettur	(725)	1,393	668
Gallon	(47)	(34)	(81)
Heimkaup - Lyfjaval	331	(292)	39
Other unlisted assets	102	(235)	(133)
Total unlisted	2,188	2,633	4,731
Kaldalón	(302)	537	235
VÍS	111	(66)	45
Other listed	67	425	492
Total listed	(124)	806	772
Klettagarðar 8-10	0	436	436
Total sold	0	436	436
Total	2,065	3,874	5,939

5,939 m. ISK
Total fair value changes

Assumptions regarding fair value changes

Orkan - Lööður

The increase from the earlier valuation of Orkan results from a significant improvement in operations. EBITDA 2023 was 56% better than forecasted and 2024 forecast is in line with 2023 results. Management anticipates less investment needs than before as investments in fast charging stations was largely finished in 2023. Increased interest-bearing debt and required rate of return has a reduction effect.

The valuation of Lööður increases by over 10% year over year. Investment in new stations was considerable in 2023 and a subscription model is currently being tested.

Styrkás

Styrkás's companies are showing success, with EBITDA exceeding anticipations over the year. Further moderate growth is anticipated. At year-end, the parent company held 3,107 m. ISK in cash. The book value is based on the price of Styrkás in the deal with Stólpi, which is about 3% below the valuations results.

Gallon

Operating budgets comparable to those used in earlier valuations.

A higher required rate of return has a reduction effect, but a change in non-trading assets (EBK) has the effect of an increase.

Heimkaup - Lyfjaval

Lyfjaval's revenue growth was good for 2023 as the performance of new pharmacies that have been opened in previous years is materializing.

On the other hand, losses of the online store in 2023 has a reduction effect and for that reason the valuation was reduced by 600 m. ISK. Better control has been gained over the online store.

The value of 100% share in Heimkaup is 4,8 billion ISK, of which Lyfjaval is 2,9 billion, tax losses is 3 billion and share in Brauð & Co and Sbarro is valued at 500 m. ISK.

The retail operation, online store and 9 convenience stores that had revenues of about 6,4 billion ISK in 2023 are therefore valued at 1 billion ISK.

Strategy

	Strategy	2023
Assets	Up to 50% listed	23%
	At least 50% unlisted	74%
	Up to 30% foreign	3%
Liabilities	25% on average	9% Bank debts
	Normal for real estate	7% Real estate liabilities
		4% Income tax liability
Operation	Less than 2% of equity (considering options and acquired entitlements)	1.9%
Payments to shareholders	1.5% of the company's total assets, net of the amount used to purchase own shares.	Paid dividends 600 m. ISK. Repurchase 742 m. ISK.Total 1,342 m. ISK (2,7%).



Sustainability

Environmental factors	Social factors	Governance
Implement policies: <ul style="list-style-type: none"> Environmental policy Sustainability policy 	Implement policies: <ul style="list-style-type: none"> Human resource policy Equal Rights Plan Bullying policy Human rights policy Policy on diversity 	Implement policies: <ul style="list-style-type: none"> Actions against corruption and bribery Remuneration policy Policy on suppliers and supplier assessment Safety policy Code of Conduct
Reduce weight of fossil fuel in product offerings Increase renewable energy sources in product offerings Increase environment sound product offerings	Unexplained gender-based wage differential +/- 4% Establish targets for employee gender ratios Job satisfaction measured	Implement good governance in line with Guidelines of the Iceland Chamber of Commerce

SKEL has established a sustainability framework for its investment assets. SKEL is focused on seeing results between years and will monitor them using the following benchmarks in the table.

Double materiality assessment conducted with stakeholders

- ✓ Well-run companies
- ✓ Know our impact on society
- ✓ Reduce climatic impact
- ✓ Exercise influence through boards and good governance

ESG grade table						2023
Enterprises	SKEL portfolio	Orkan	Skeljungur	VÍS	Kaldalón	Klettur
ESG total grade	58	54	62	80	54	37
Environmental factors	44	39	48	87	32	15
Social factors	74	75	73	90	78	52
Governance	59	52	66	75	55	46

SKEL

Valuation

Methodology of valuation

Kvika Banki was appointed to conduct a valuation of unlisted assets with a turnover above 1 billion ISK or valued at over 1 billion ISK. Where a recent acquisition price was available, this was used, as in the case of Styrkás.

SKEL's auditors, KPMG, categorise the valuation of unlisted assets as a key factor in auditing the Company's accounts. In addition to the auditors, valuation experts of the consultation division of KPMG conducted a detailed review of the valuations and assessed their underlying methods, assumptions and calculations.

Methodology

Estimates of the fair value of companies owned by SKEL were based on Discounted Cash Flow (DCF), using both Free Cash Flow to Firm (FCFF) and Dividend Discount Model DDM).

The valuation is largely based on management operating budgets and discussions between management and valuers.

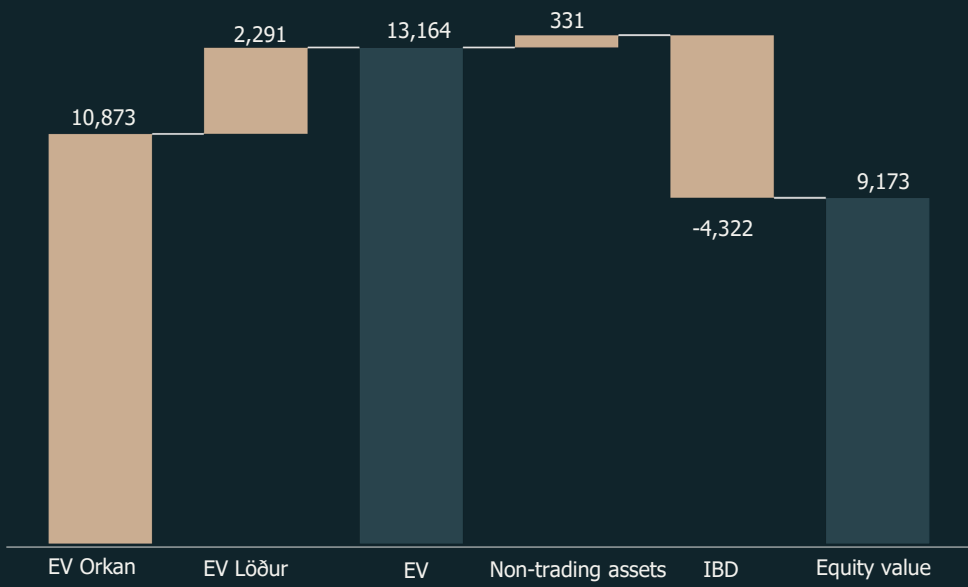
Many of the estimates are based on actual changes in underlying figures and subsequently the inherent inflation premium of riskless interest is used for the estimate of future inflation of cash flow.

All operating figures are independent of IFRS 16 in this presentation

The impact of this is that all lease contracts are expensed among operating expenses through profit and loss, thereby reducing EBITDA instead of the right of use being expensed under depreciation, and interest being expensed under financial items, as required by IFRS 16.

Orkan consolidation - valuation

Orkan - Löður



Equity value of Orkan's consolidation

9,173 m.ISK

75%

Increase in EBITDA
between years

7,186 m.ISK

Orkan equity value

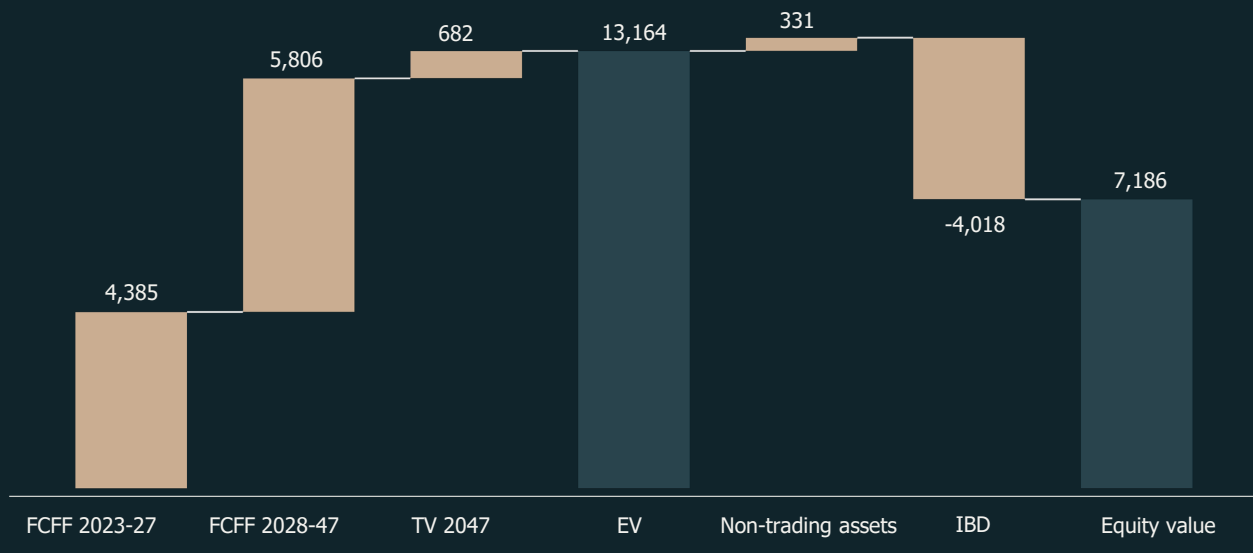
1,987 m.ISK

Löður equity value

Orkan- valuation

Orkan excluding Lössur

Equity value 7.2 billion ISK



Impact on value

- + Operational improvement
- + Capex need
- + Increased market share
- Interest bearing debt
- Yield to maturity

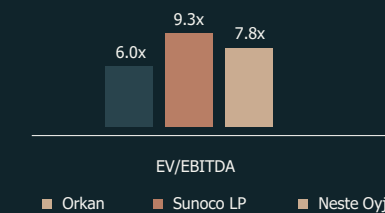
Performance and prediction

	2023*	2024E
Gross profit	3,962	4,061
EBITDA	1,927	1,813
EBIT	1,377	1,440
Depreciation	550	373
Investments	2,078	292
Change to NWC	(90)	(78)
EBITDA/Margin	48.6%	44.6%
Inv./Margin	34.8%	7.2%
ROIC	19.6%	16.5%

Yields nominal value

WACC	13.6%
Target leverage	35.0%

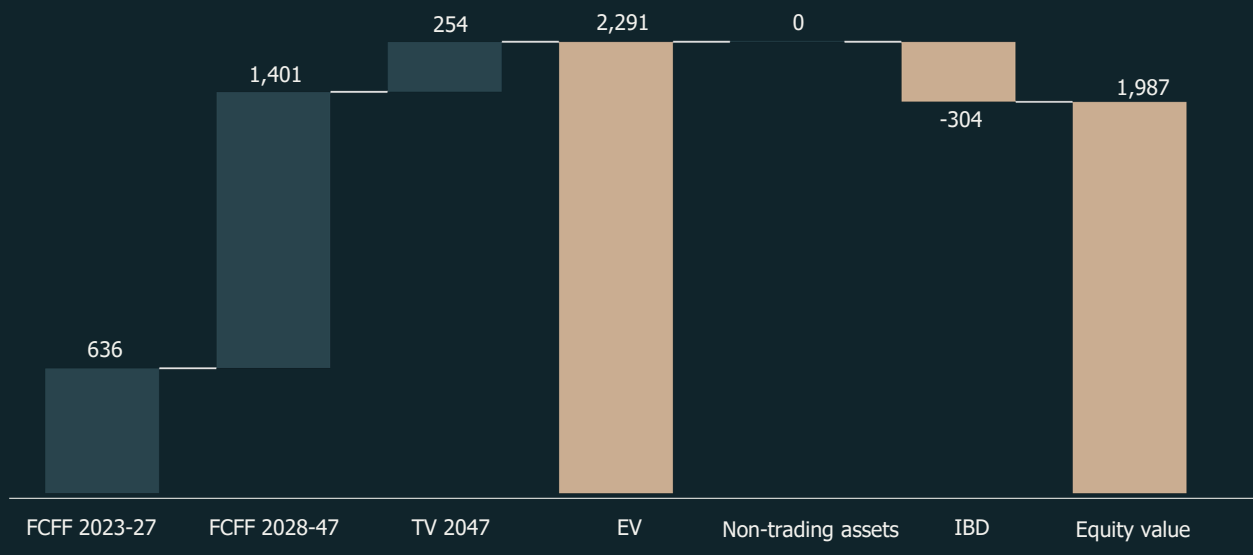
Comparables 2024E



*Based on draft financial statements

Löður- valuation

Equity value 2.0 billion ISK



Impact on value

- + Growth opportunity
- + New revenue model
- + Strong market share
- Recession in the economy
- Investments in new facilities

*Based on draft financial statements

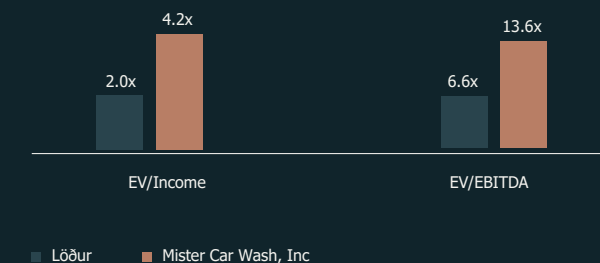
Performance and prediction

	2023*	2024E
Income	730	5,189
EBITDA	2,051	2,161
EBIT	1,468	1,710
Depreciation	517	451
Investments	1,409	733
Change to NWC	(90)	(67)
EBITDA/Margin	43.7%	41.7%
Inv./Margin	30.0%	14.1%
ROIC	30.3%	22.7%

Yields nominal value

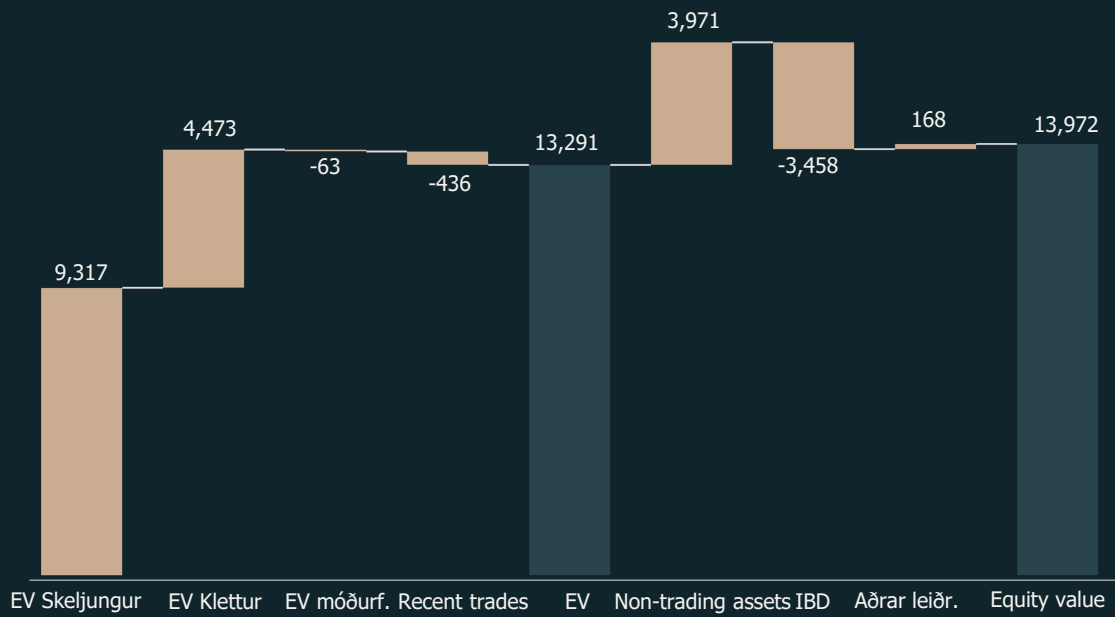
WACC	14.3%
Target leverage	30.0%

Comparables 2024E



Styrkás consolidation - valuation

Styrkás - Skeljungur - Klettur



Value of SKEL's holding in the Styrkás consolidation (69.4%)

9,697 m.ISK

3,107 m.ISK

Parent company's cash

5,613 m.ISK

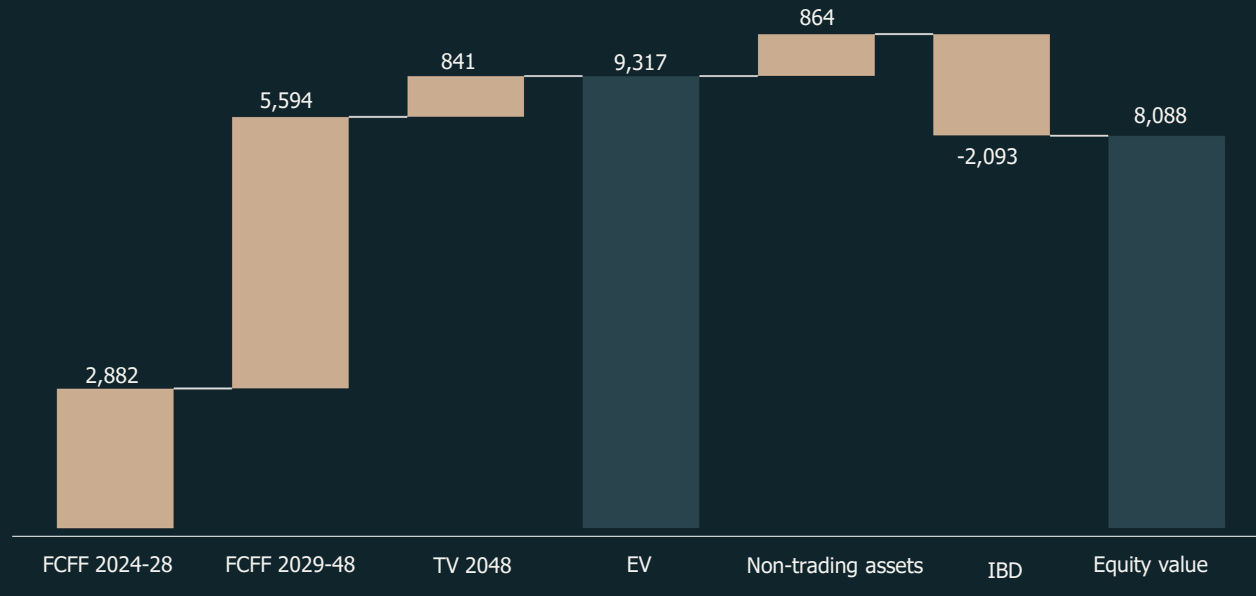
Skeljungur equity value

2,921 m.ISK

Klettur equity value

Skeljungur- valuation

Equity value 8.1 billion ISK



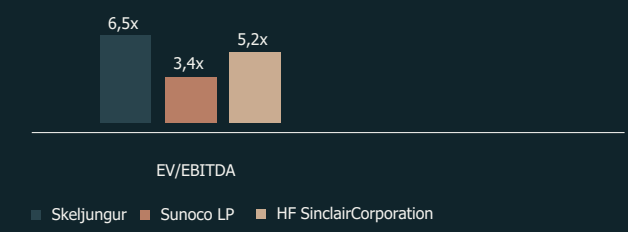
Performance and prediction

	2023*	2024E
Gross profit	3,556	3,686
EBITDA	1,382	1,439
EBIT	1,227	1,285
Depreciation	155	154
Investments	152	126
Change to NWC	(69)	(4)
EBITDA/Margin	38.9%	39.1%
Inv./Margin	4.3%	3.4%
ROIC	20.5%	22.3%

Yields nominal value

WACC	13.2 %
Target leverage	(25.0%)

Comparables 2024E



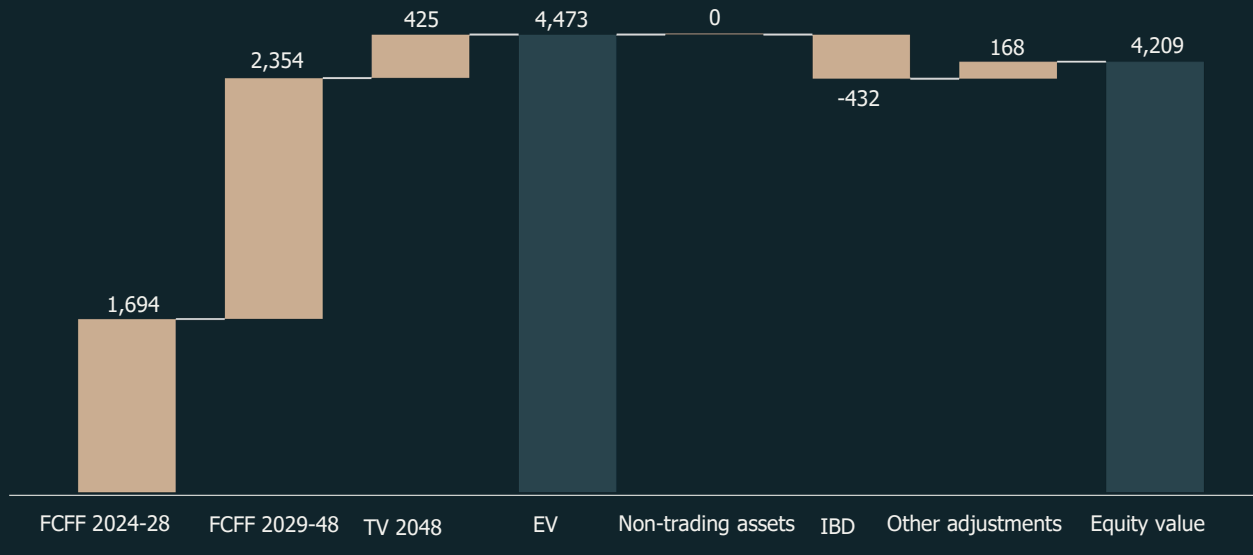
Impact on value

- + Good performance
- Interest bearing debt
- + Synergy with a group
- Real margin growth estimated at 0% for the future

*Based on draft financial statements

Klettur - valuation

Equity value 4.2 billion ISK



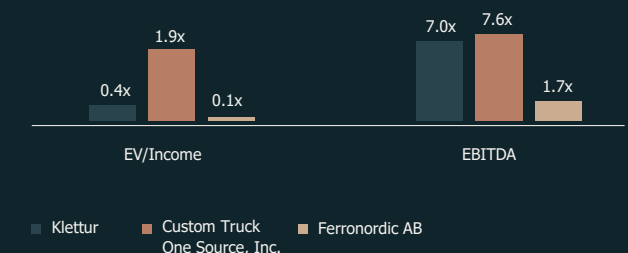
Performance and prediction

	2023*	2024E
Income	11,094	12,112
EBITDA	566	636
EBIT	500	559
Depreciation	66	77
Investments	137	90
Change to NWC	291	(200)
EBITDA/Margin	5.1%	5.3%
Inv./Margin	1.2%	0.7%
ROIC	27.9%	22.9%

Yields nominal value

WACC	14.2%
Target leverage	30.0%

Comparables 2024E



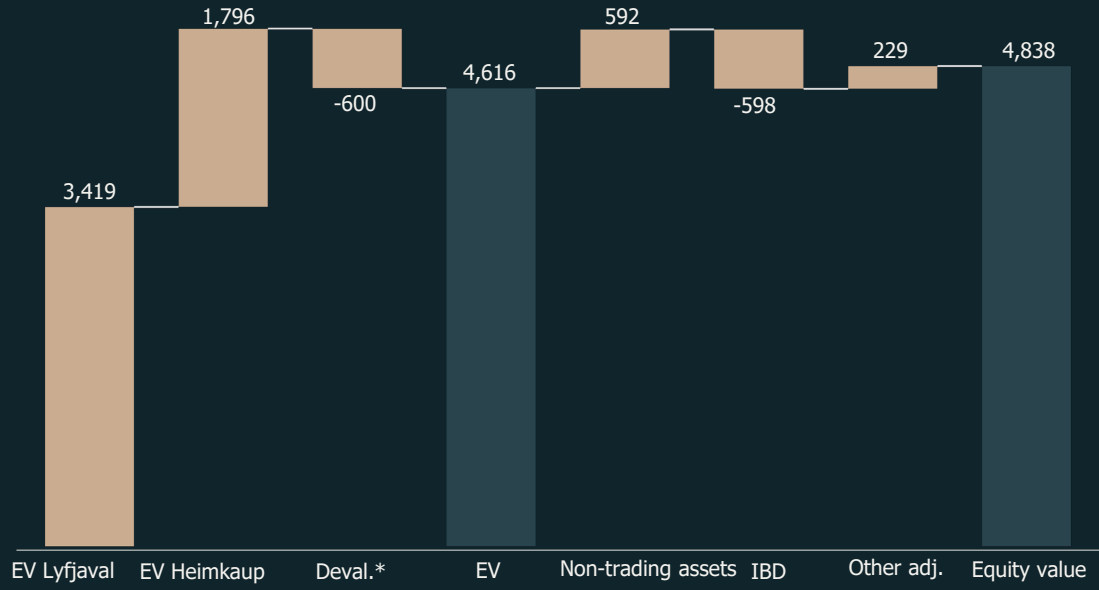
Impact on value

- + Good progress since the purchase of the company
- + A new workshop in Hafnarfjörður creates an opportunity for growth
- WACC quite high for stable operation

*Based on draft financial statements

Heimkaup consolidation - valuation

Lyfjaval - Heimkaup



Value of SKEL's holding in the Heimkaup consolidation (81%)

3,905 m.ISK

25% m.ISK

Increase in income of Lyfjaval since 2022

2,352 m.ISK

Lyfjaval equity value

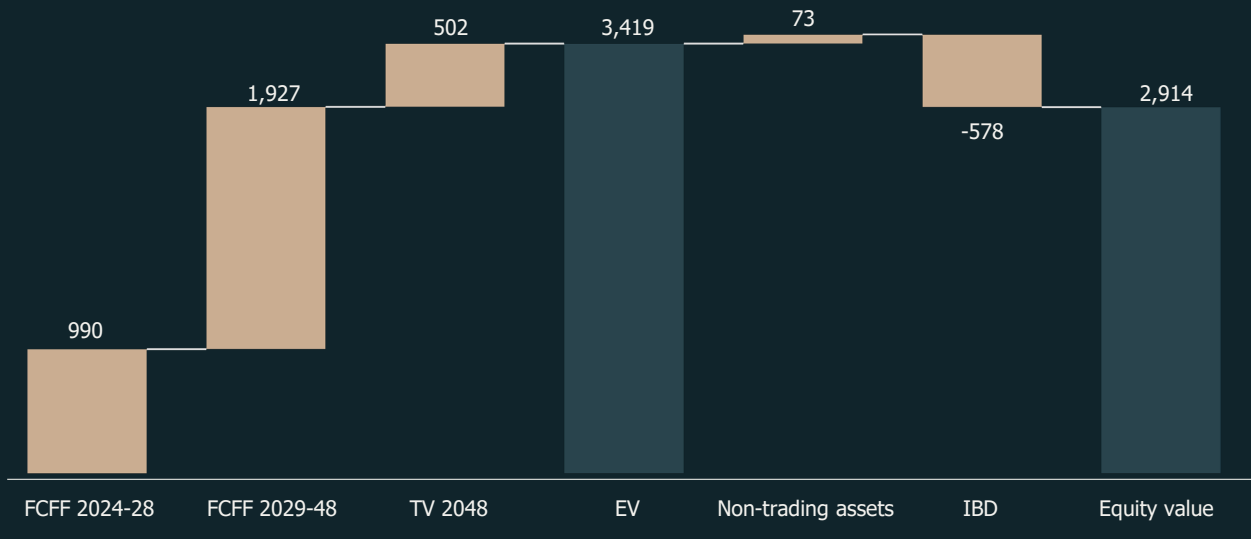
2,037 m.ISK

Heimkaup equity value

*Management's decision to devalue EV due to loss on operation of Heimkaup's online store,

Lyfjaval- valuation

Equity value 2.9 billion ISK ISK



Performance and prediction

	2023*	2024E
Income	3,393	3,971
EBITDA	163	363
EBIT	120	330
Depreciation	(43)	(33)
Investments	624	(139)
Change to NWC	7	(103)
EBITDA/Margin	4.8%	9.2%
Inv./Margin	-18.4%	3.5%
ROIC	6.7%	28.7%

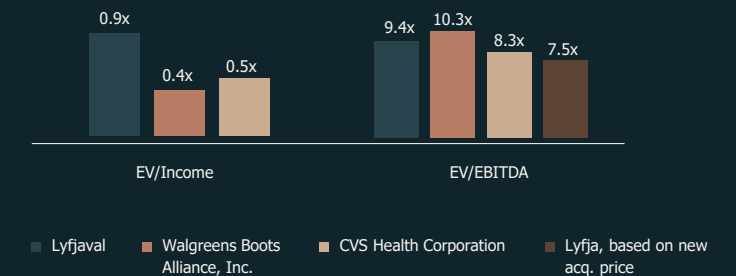
Yields nominal value

WACC	13.9%
Target leverage	20.0%

Impact on value

- + Good revenue growth
- + Growing market
- + Increased market share
- Continued investments in new pharmacies

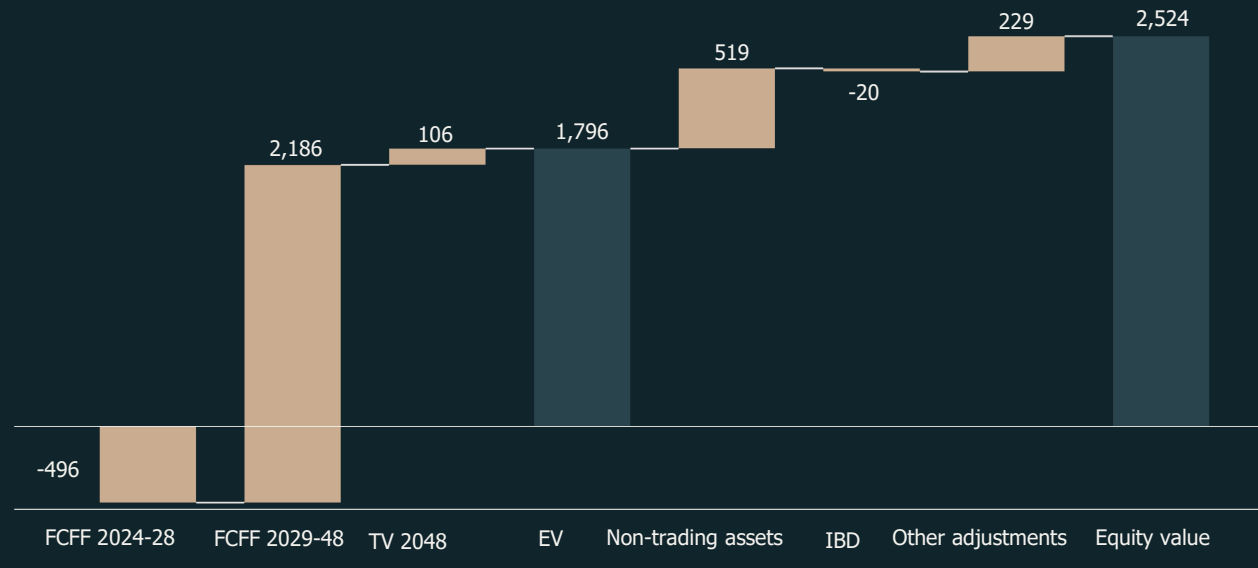
Comparables 2024E



*Based on draft financial statements

Heimkaup - valuation

Equity value 2.5 billion ISK



Impact on value

- + High growth expected
- + Opportunities in the retail market
- Substantial investments
- WACC high to reflect ambitious plans

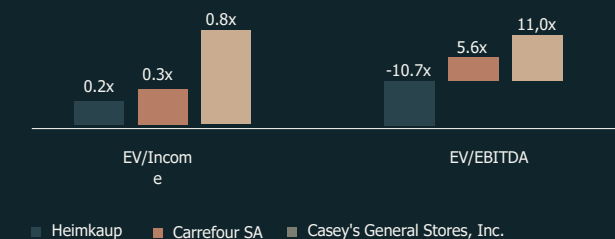
Performance and prediction

	2023*	2024E
Income	6,400	8,995
EBITDA	152	(168)
EBIT	(102)	(299)
Depreciation	(254)	(131)
Investments	(990)	(1,193)
Change to NWC	(154)	(108)
EBITDA/Margin	2.4%	-1.9%
Inv./Margin	15.5%	13.3%
ROIC		-7.6%

Yields nominal value

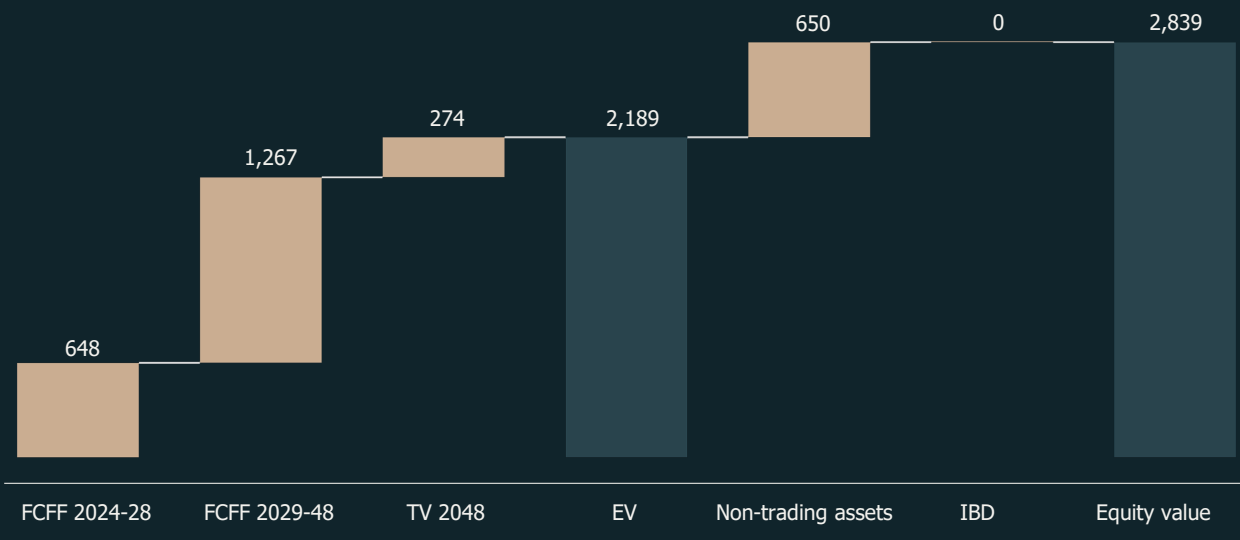
WACC	21.9%
Market leverage	20.0%

Comparables 2024E



Gallon- valuation

Equity value 2.8 billion ISK



Impact on value

- + Increase in non-operating assets
- + The 2023 projections realised
- + Safety supplies
- Higher yield to maturity
- An underutilized investment

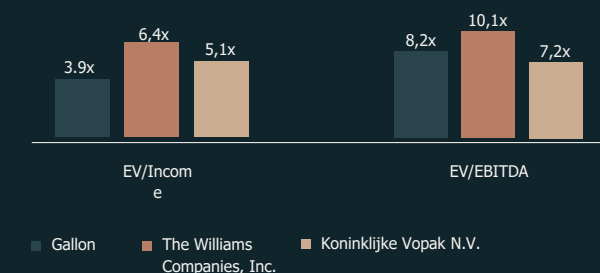
Performance and forecast

	2023*	2024E
Income	580	598
EBITDA	285	289
EBIT	155	159
Depreciation	(130)	130
Investments	(74)	200
Change to NWC	19	(1)
EBITDA/Margin	49.1%	48.4%
Inv./Margin	12.8%	33.4%
ROIC	9.5%	10.8%

Yields nominal value

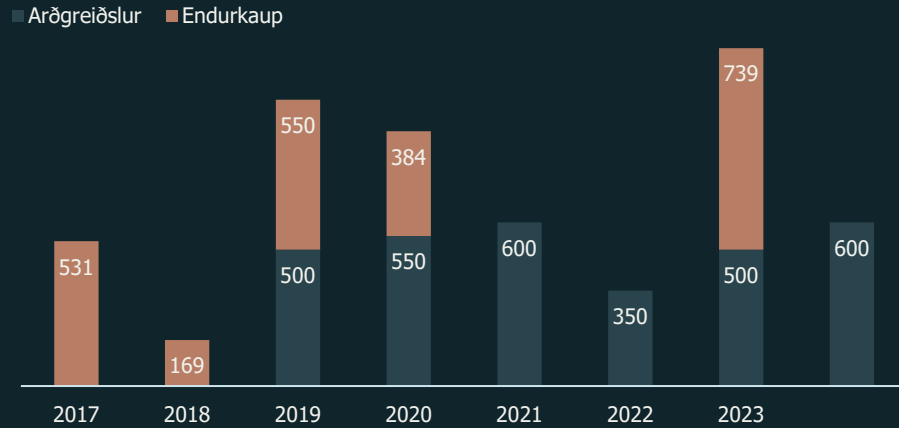
WACC	11.8%
Target leverage	50.0%

Comparables 2024E

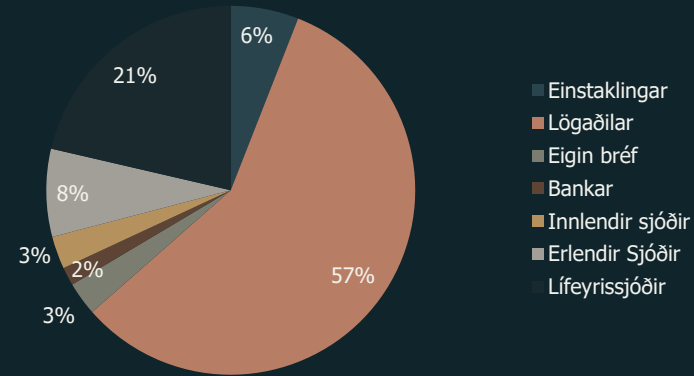


*Based on draft financial statements

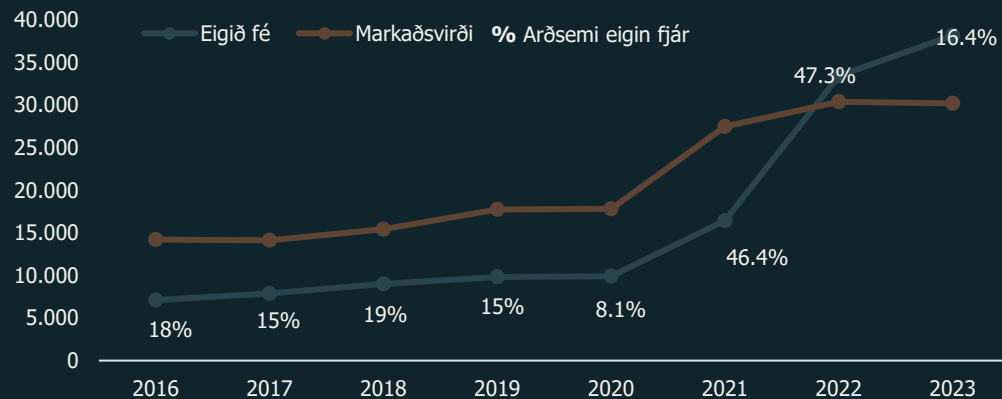
Payments to shareholders in ISK million



Shareholders 31.12.23



Equity and market value since listing m.kr.



10 largest shareholders 31.12.23

Strengur hf.	50.06%
Birta Pension Fund	8.93%
Frjálsi Pension Fund	8.62%
TCA ECDF III Holding S.á.r.l.	5.00%
NO.9 Investments Limited	2.65%
RES 9 ehf.	2.01%
FÍA Retirement Fund	1.24%
Hofgarðar ehf.	0.84%
Gildi – Pension Fund	0.63%
Fossar Investment Bank hf.	0.53%

SKEL

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