RAFRÆNT UNDIRRITAÐ
Jón Finnbogason
Kt. 0408733769
Dags. 26.8.2026 09:26:04
Ástæða: Undirritun

RAFRÆNT UNDIRRITAÐ
Jón Óttar Birgisson
Kt. 0904744059
Dags. 26.8.2026 09:35:35
Ástæða: Undirritun

RAFRÆNT UNDIRRITAÐ
Kristín María Dýrfjörð
Kt. 1408827209
Dags. 26.8.2026 09:42:34
Ástæða: Undirritun

RAFRÆNT UNDIRRITAÐ
Hrefna Ösp Sigfinnsdóttir
Kt. 2309695239
Dags. 26.8.2026 09:51:29
Ástæða: Undirritun

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Dags. 26.8.2026 09:52:12
Ástæða: Undirritun

STEFNIR

Asset Management Company

Interim Financial Statements

1 January - 30 June 2026

Stefnir hf.
Borgartun 19
105 Reykjavík

Reg. no. 700996-2479

Contents

In the case of any discrepancy between the English and the Icelandic texts, the Icelandic versions shall prevail and questions of interpretation will be addressed solely in the Icelandic language.

Report and endorsement of the board of directors and the managing director

Stefnir hf. is an independently operating financial institution according to the Financial Undertakings Act No. 161/2002. The company operates on the basis of operating licenses from the Financial Supervisory Authority of the Central Bank of Iceland as a management company for UCITS funds according to the UCITS Act No. 116/2021, and as an alternative investment fund manager (AIFM) according to the Alternative Investment Fund Managers Act No. 45/2020. The company’s operating license also covers asset management, investment advice, and the custody and administration of units or shares in collective investment undertakings.

The purpose of Stefnir hf. is to operate UCITS and alternative investment funds. Stefnir is a well-established Icelandic fund management company, founded in 1996, with over ISK 385 billion under active management. Stefnir is a subsidiary of Arion Bank hf., and Part A of the annual financial statements forms part of the consolidated financial statements of the Bank and its subsidiaries.

The company’s interim financial statements are divided into two parts: Part A, which contains the interim financial statements of Stefnir hf., and Part B, which contains the interim financial statements of UCITS and alternative funds marketed to the public. The interim financial statements are prepared in accordance with the UCITS Act No. 116/2021, the AIFM Act No 45/2020, the Annual Accounts Act No, 3/2006, the Financial Undertakings Act NO 161/2002, and rules NO 1240/2020 issued by the Financial Supervisory Authority of the Central Bank of Iceland regarding the financial statements of UCITS management companies and AIFMs.

Operations during the first of half of 2026

The company's operations generated a profit of ISK 338 million for the period according to the income statement. The company's equity in the end of the period amounted to ISK 2.26 billion according to the balance sheet. The capital ratio calculated according to the Financial Undertakings Act was 51.2%, while the minimum permitted ratio under the Act is 8.0%.

The company's share capital was ISK 43.5 million at both the beginning and end of the year and was entirely owned by Arion Bank hf. and related parties.

Highlights of the first half of 2026

The Annual General Meeting of Stefnir was held on 25 March 2026, at which it was decided to pay a dividend to shareholders of ISK 850 million, and this payment was made in April 2026. The Board elected at the meeting consists of Jón Óttar Birgisson (Chairman), Hrefna Ösp Sigfinnsdóttir (Vice Chairman), and Kristín María Dýrfjörð, board member. The Managing Director of the company is Jón Finnbogason. The company operates an Audit and Risk Committee and a Remuneration Committee.

Product development has always been one of the key drivers supporting Stefnir’s growth and competitiveness. During the period, Stefnir assumed management of the Katla Fund – Government Bonds Icelandic, a Luxembourg-domiciled UCITS fund designed primarily to provide international investors with access to Icelandic government bonds within a recognised European fund framework. The fund commenced operations at the end of June and has assets of more than EUR 50 million. Like other funds managed by Stefnir, it is available to retail investors through Arion Bank’s online banking platform and mobile app. Its prospectus and key investor information document are available on Stefnir’s website.

During the first half of the year, SÍA V slhf., a private equity fund managed by Stefnir, acquired a 95% stake in Icelandic Lava Show ehf. Lava Show’s success has been remarkable. In less than eight years, the company has grown from a small regional start-up into one of Iceland’s most distinctive tourist attractions, showcasing one of the country’s defining natural characteristics: its volcanic activity. More than 200,000 guests visited the attraction last year, and it has received numerous awards recognizing its innovation and quality. The fund also acquired the entire share capital of Sómi ehf., one of Iceland’s oldest and best-known producers of sandwiches and ready-made meals. The transaction also includes its subsidiary, Þykkvabær ehf. The Icelandic Competition Authority has approved the fund’s acquisitions of these companies.

Report and endorsement of the Board of Directors and the Managing Director, cont.

Stefnir's real estate co-ownership funds continued to expand during the first half of the year. These funds form part of Stefnir's continued product development in the area of long-term investment in residential real estate; in 2025, the company launched a fund that owns Ívera ehf., the largest participant in the domestic residential market for rental housing to individuals. At the end of June 2026, assets under management in these projects amounted to approximately ISK 800 million, with purchase agreements in place for more than 50 residential units and a number of additional offers currently being processed. Growth in the funds has been reasonable but steady, and it is still too early to draw firm conclusions regarding their long-term scale and potential. The effects of a restrictive monetary policy are becoming increasingly evident, particularly in the housing market, where a growing supply of unsold properties, longer selling periods and declining real prices point to weaker demand. High financing costs have also had a significant impact on market activity. Detailed information on the real estate co-ownership funds can be found on Stefnir's website.

When investing in Stefnir funds marketed to the general public, no sales fee is charged, and there is no minimum investment requirement, whether for a one-time purchase or a regular savings plan. The Arion app continues to play a key role in providing access to Stefnir's funds and is available to everyone, regardless of where they do their banking.

During the first half of the year, the company's client base grew by 3% to more than 14,100 clients, the highest number in the company's history, compared with 13,700 at year-end 2025 and 12,900 at year-end 2024. This represents growth of approximately 9% since the end of 2024 and is primarily attributable to Arion Group's rewards programme and increased enrolment in regular savings plans. The number of individuals contributing through recurring investment plans continued to rise steadily, increasing by 16% during the first half of the year. It is particularly encouraging to see people of all ages investing monthly in Stefnir's funds. Regular investing is a convenient way to build long-term savings, and the company believes that by lowering costs and simplifying access it is contributing to greater opportunities for everyone to participate in regular investing in the securities markets.

This year marks an important milestone for Stefnir, as the company celebrates the 30th anniversary of its founding. Several of its funds are also reaching significant milestones in their operating history, including Stefnir – Balanced Fund, which celebrates its 30th anniversary, and Stefnir – Government Bonds Medium Term, which marks 40 years of continuous operation. Looking back over Stefnir's operating history, one can identify the importance of long-term thinking, a broad product offering, and the continuous development of services in line with investors' needs. During the year, the company launched a new website featuring comprehensive information on fund performance, peer comparisons, portfolio composition, costs, and risk. Detailed disclosure and transparency have long been guiding principles in Stefnir's communication and marketing of its funds.

Performance of assets under management

Assets under active management increased by 1.6% during the year, from just over ISK 379.2 billion at year-end 2025 to ISK 385.1 billion at the end of June 2026.

Underlying this modest overall increase is a noticeable shift in clients' investment preferences. Assets in equity funds decreased by 19.1% during the period, while assets in fixed funds increased by 11.1% and assets in mixed and other funds grew by 9.6%. This reallocation towards asset classes that generally carry lower fee levels may affect the company's revenue mix and profitability in the second half of the year, as equity-related investment products typically generate higher management fees than fixed income products. This trend also reflects, to some extent, the market environment that characterised the period, with high interest rates, persistent inflation, and increased investor caution driving greater interest in fixed income and mixed funds.

The principal factors affecting the performance of Stefnir's funds during the first half of the year were challenging conditions in the domestic securities market, where the OMX Iceland 15 Index dropped approximately 8% from the beginning of the year to the end of June. The decline in the domestic equity market is partly attributable to significant price volatility in a small number of listed companies, underscoring the importance of diversification and the active monitoring of concentration and liquidity risk.

International equity markets performed better despite the conflict in the Middle East and ongoing talk of a potential artificial intelligence bubble. The MSCI World Index rose by almost 10% in US dollar terms during the first six months of the year. US equities also delivered strong returns, with the S&P 500 Index gaining 10.2% over the same period.

Report and endorsement of the Board of Directors and the Managing Director, cont.

During the first half of the year, Stefnir’s fixed income funds and mixed funds, which invest to a significant extent in fixed income securities, delivered the strongest returns to unitholders among the company’s funds. The domestic bond index, NOMXIBB, rose by 2.8% during the period. Inflation-linked bonds were the main driver, increasing by 4.3%, while nominal bonds posted a more modest gain of 1.6%. As in recent years, short-term bond funds remained popular investment options and generated some of the highest returns in the domestic market, primarily due to the Central Bank of Iceland’s elevated interest rate environment during the period, with the policy rate now standing at 8.0% following repeated interest rate increases by the Central Bank of Iceland in recent quarters.

Risk management and monitoring

Risk management and effective internal controls are fundamental pillars of responsible fund management. The Board of Directors of Stefnir has identified and mapped the risks inherent in the company’s operating environment. The analysis and measurement of the risks that the company may face are conducted in a structured manner, and the Board is regularly informed through reporting from the risk management and internal control functions. Measures aimed at managing and mitigating potential risks are essential to the company’s operational resilience and security. The Board has approved a risk management policy covering the management of risks associated with the assets and portfolios of UCITS and AIFs marketed to the public. The company’s risk appetite has been defined, and the Board monitors key operational risk indicators on a regular basis. Sustainability-related risks have also been assessed, and consideration of sustainability factors forms an integral part of the risk management framework for both the company and the funds under its management. During the first half of the year, Stefnir completed a review of its corporate governance practices. The company continues to demonstrate exemplary standards of corporate governance, as it has done since 2012, when the Icelandic Centre for Corporate Governance first issued its assessment of Stefnir’s governance practices.

Outlook, risk factors, and events after the reporting period

The Board of Directors of Stefnir closely monitors economic developments and their impact on both the funds under management and the company’s business model. Key priorities for the second half of 2026 include the continued implementation of a new portfolio management system, ongoing product development with a focus on client needs and long-term savings solutions, advancing projects related to artificial intelligence and automation, and maintaining a strong focus on corporate governance, risk management, and regulatory compliance.

The outlook is considered satisfactory. However, it should be borne in mind that various uncertainties related to market volatility, interest rates, and inflation are always present in both the short and long term. In addition, changes in clients’ asset allocation preferences may place pressure on the company’s revenue mix, particularly as investment flows continue to shift between asset classes.

Endorsement by the Board of Directors and the Managing Director

These interim financial statements are prepared in accordance with the UCITS Act No. 116/2021, the AIFM Act No. 45/2020, the Annual Accounts Act No. 3/2006, the Financial Undertakings Act No. 161/2002, the Alternative Investment Fund Managers Act, and the rules on financial statements for UCITS management companies, AIFMs, UCITS funds, and investment funds No. 1240/2020. To the best knowledge of the Board and the Managing Director, the financial statements provide a true and fair view of the company’s performance for the first half of 2026, its assets, liabilities, and financial position as of 30 June 2026, and changes in cash flows during the year. The Board of Directors and the Managing Director have reviewed the financial statements for the first half of 2026 and confirm them with their electronic signatures.

Reykjavik, 26. August 2026.

The Board of Directors:

Jón Óttar Birgisson, chairman of the board
Hrefna Ösp Sigfinnsdóttir, vice chairman of the board
Kristín María Dýrfjörð, board member

Managing Director:

Jón Finnbogason

Review Report on Interim Financial Statements

To the Board of Directors and Shareholder of Stefnir hf.
We have reviewed the accompanying Interim Financial Statement of Stefnir for the period of 1 January to 30 June 2026, which comprise the endorsement and signatures of the board of directors and the managing director, income statement, balance sheet, statement of cash flows, and a summary of significant accounting policies and other explanatory notes.

Management's and the Board of directors Responsibility for the Financial Statements
Management and the board is responsible for the preparation and fair presentation of this interim financial information in accordance with Icelandic Financial Statements Act, Act on Financial Undertakings and the rules of the Financial Supervisory Authority on the annual accounts of UCITS management companies, alternative investment fund managers, UCITS, investment funds and other funds under their management.

Auditor's Responsibility
Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements, ISRE 2410. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at 30 June 2026 and of its financial performance and its cash flows in the period, in accordance with Icelandic Financial Statements Act, Act on Financial Undertakings and Rules on the Financial Statements of management companies of UCITS.

Reykjavik, 26. August 2026

Deloitte ehf.

Gunnar Þorvarðarson
State Authorized Public Accountant

The Interim Financial Statements of Stefnir hf. is electronically signed by the auditor.

Statement of Income

for the period 1 January to 30 June 2026

	Note	1.1. - 30.06. 2026	1.1. - 30.06. 2025
Operating income			
Management and performance based fees	5	1,185,222	1,266,449
Financial income	11	38,754	53,958
Operating income		1,223,976	1,320,407
Financial expense	10	(18,770)	(19,571)
Net operating income		1,205,206	1,300,836
Operating expense			
Salaries and related expense	12	430,166	403,321
Service commissions to Arion bank hf.		250,332	239,257
Other expense		98,284	84,895
Operating expense		778,782	727,473
Earnings before tax		426,424	573,363
Income tax	14	(88,371)	(109,595)
Net earnings	18	338,053	463,768

Stefnir hf. Interim Financial Statements 30. June 2026 7 Amounts are in ISK thousands

Statement of Financial Position
as at 30 June 2026

	Note	30.06.2026	31.12.2025
Assets			
Securities with variable income		424,068	736,133
Total Securities	6, 16	424,068	736,133
Accounts receivables	8	2,129,672	2,156,617
Receivable from ralated parties		181,439	192,336
Total Receivables		2,311,111	2,348,953
Cash and cash equivalents	9	254,070	531,256
Other assets		9,616	12,235
Total Other Assets		263,686	543,491
Total Assets		2,998,865	3,628,577
Equity			
Share capital		43,500	43,500
Statutory reserve		10,875	10,875
Other reserves		58,176	124,254
Retained earnings		2,144,953	2,588,613
Total Equity	18	2,257,504	2,767,242
Liabilities			
Deferred tax liabilities		22,239	22,117
Accounts payable		35,705	12,553
Accounts payable to related entities		58,930	57,588
Accounts payable to other related parties		4,970	8,155
Tax liabilities	19	167,940	235,828
Other liabilities		451,577	525,094
Total liabilities		741,361	861,335
Total Equity and Liabilities		2,998,865	3,628,577

Stefnir hf. Interim Financial Statements 30. June 2026 8 Amounts are in ISK thousands

Statement of Cash Flows
for the period 1 January to 30 June 2026

	Note	1.1. - 30.06. 2026	1.1. - 30.06. 2025
Cash flows from operating activities			
Net earnings	18	338,053	463,768
Non-cash items included in net earnings:			
Valuation changes of securities		17,494	1,446
Income tax recognised in profit or loss		88,371	109,595
		443,918	574,809
Changes in operating assets and liabilities		(9,539)	(191,076)
Income tax paid	19	(156,137)	(146,719)
Net cash from operating activities		278,242	237,014
Investing activities			
Purchase of securities with variable income		(60,530)	(67,724)
Sale of securities with variable income		355,102	315,294
Purchase of securities with fixed income		0	(19,177)
Sale of securities with fixed income		0	44,576
Instalment of securities with fixed income		0	1,625
Investing activities		294,572	274,594
Finance activities			
Dividend paid	18	(850,000)	(1,100,000)
Finance activities		(850,000)	(1,100,000)
Net change in cash and cash equivalents		(277,186)	(588,392)
Cash and cash equivalents at the beginning of the year		531,256	642,952
Cash and cash equivalents at the end of the period	9	254,070	54,560

Stefnir hf. Interim Financial Statements 30. June 2026 9 Amounts are in ISK thousands

Notes to the Interim Financial Statements

Accounting policies

1. General information

Stefnir hf. is a limited liabilty entity and operates in accordance with Act. 2/1995 on Limited Liabilty Companies and Act. 161/2002 on Financial Undertakings. The address of Stefnir's registered office is at Borgartún 19, Reykjavík and its ID no. is 700996-2479.

Stefnir is a subsidiary of Arion Bank hf., ID no. 581008-0150, Borgartún 19, Reykjavík.

2. Financial risk management at the company

Risk management and active internal control are mainstays of the responsible operation of a fund management company. Potential risks are analyzed thoroughly and we work methodically to strengthen the entire structure of the management company.

The operation of Part B funds involves various risks, such as the impact of changes in the price of financial instruments, foreign currencies, the liquidity of debtors and interest rate changes. The risk management of the funds focuses on actions designed to manage these risks. Fund managers seek to manage risk by actively managing financial instruments where applicable. Further information on financial risk factors can be found in the prospectuses on the company’s website.

3. Basis of preparation

The Interim Financial Statements of Stefnir hf. are prepared in accordance with law on Financial Statements, law on Financial Undertakings, law on Mutual Funds and the rules of the Financial Supervisory Authority on the annual accounts of UCITS management companies, alternative investment fund managers, UCITS and investment funds. The Interim Financial Statements are prepared on the historical cost basis except for Securities that are valued at fair value. The Interim Financial Statements are presented in Icelandic króna (ISK), rounded to the nearest thousand unless otherwise stated.

The Interim Financial Statements of Stefnir hf. are part of the Consolidated Financial Statements for the parent company with information on operations and financial position of the Consolidated company.

4. Use of estimates and judgements

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses in the Financial Statements presented. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the Financial Statements.

5. Management and performance based fees

The company earns asset management fees for the operations of Stefnir's securities funds, alternative investment funds marketed towards the public and other alternative investment funds. The fee is a fixed percentage of the net assets, total assets or subscriptions of each fund and includes the following operating expenses of the funds; salaries of the employees of the operating company, marketing and management. Additionally the company earns fees for the asset management of foreign funds that are in custody of foreign entities. Performance fees are earned if certain conditions are met.

6. Securities

a. Securities with variable income

Securities owned by the company are trading assets. Fund units and shares in special purpose entities are measured at cost at the end of the period. Listed fund units are measured at market value at the end of the period.

b. Securities with fixed income

Bonds that are listed on regulated securities market which is active and price generating are measured at market price at each time. The expression “active and price generating” means that the closing price of a bond is not based on old trades, trading with an insignificant portion of the total issuance or does not reflect the fair value of the bond as valued by specialists. If the issuer of a bond is expected to default, the bond is valued at the expected recoverable amount taking into account priority order of claims.

A bond where the issuer is deemed viable but is not listed on an active and price generating securities market is measured at present value of future cash flow. The choice of yield curve used for each bond is based on general risk and the circumstances on the market at the end of the period.

6. Securities, cont.

b. Securities with fixed income, cont.

For a bond where the issuer is not deemed viable the methods described above are deviated from and the bond is measured at expected recovery value and no interest income is realised. The estimate of expected recovery value takes into account the experience of the recovery from similar issuers, the financial statements of the issuer and statements issued by it. If the issuer is in administration, has defaulted or stated that payments of the bond will not be made the expected recovery is measured 0-1% and the bond entered into a collection process. If new information is received from issuers that have previously been fully provisioned for, the bond is re-valued, which might change the valuation of the bond to higher value. Due to significant uncertainty about the valuation of bonds the final recovery might vary considerably from the valuation at the end of the period.

7. Foreign currency transactions

Transactions in foreign currencies are translated to Icelandic króna at exchange rates at the dates of transactions, according to Reuter. Assets and liabilities denominated in foreign currency are translated at exchange rate at the end of the period.

Net foreign assets at 30 June 2026 amount to ISK 156 millions and are specified as follows:

	EUR	USD	GBP	Other
Assets	156,687	5,087	158	0
Liabilities	0	(5,554)	0	0
Net balance 30.06.2026	156,687	(467)	158	0
Net balance 31.12.2025	480,929	11,956	44	0
Exchange rate of ISK 30.06.2026	143.81	125.98	166.96	
Exchange rate of ISK 31.12.2025	147.28	125.44	168.81	

8. Receivables

Recivables are measured at nominal value deducted by impairment.

9. Cash

Cash consists of cash and deposits whth credit institutions.

10. Tax assets / liabilities

The calculation of derferred tax asset / liability is based on the difference between Statement of Financial Position items as presented in the tax return on the one hand, and in the Financial Statements on the other. This difference is due to the fact that tax assessments are based on premises that differ from those governing the Financial Statements, mostly because of time difference in impairment of securites and foreign exchange gain and loss are distributed over three years in the tax return.

11. Financial income / (expense)	**1.1. - 30.06. 2026**	**1.1. - 30.06. 2025**
Financial income is specified as follows:		
Interest income	38,754	53,958
Financial income	38,754	53,958
Financial expense s is specified as follows:		
Valuation loss in securities assets	(13,082)	0
Foreign exchange loss	(5,659)	(9,863)
Interest expense	(29)	(33)
Financial expense	(18,770)	(9,896)

Stefnir hf. Interim Financial Statements 30. June 2026 11 Amounts are in ISK thousands

Notes to the Interim Financial Statements, cont.

	1.1. - 30.06. 2026	1.1. - 30.06. 2025
12. Salaries and related expenses and personnel		
Salaries	331,865	312,999
Share-based payment expenses	2,208	1,830
Contribution to pension funds	44,454	51,582
Other salary related expenses	51,639	36,910
Salaries and related expenses	430,166	403,321
Number of employees at the end of the period.	21	24
Average number of employees during the period.	20	21

At the annual general meeting of Arion Bank on 16 March 2022, the board of directors of the Bank was authorized to make changes to the Bank's share option scheme and it was expanded to include employees of Stefnir. Costs relating to the share option scheme amount to ISK 2.2 million for the first half of 2026. (ISK 1.8 million for the first half of 2025). Please refer to the annual and/or interim financial statements of Arion Bank for further information on the share option scheme.

13. Leases

An agreement is in place between Stefnir hf. and Arion Bank hf. on the leasing of commercial property. The agreement was signed in December 2012. The leased office space is located on the third floor of Borgartún 19. According to the agreement the lease period is indefinite and there is no period of notice.

The lease pursuant to the agreement amounted to ISK 15.7 million in the first half of 2026. The lease is expensed under other operating expenses in the company's income statement. The corresponding payment in the first half of 2025 amounted to ISK 15.1 million.

	1.1. - 30.06. 2026	1.1. - 30.06. 2025
14. Income tax expense		
Current tax expense	88,249	110,801
Prior year correction	0	(1,734)
Deferred tax expense	122	528
Total Income tax expense	88,371	109,595

	30.06.2026	31.12.2025
15. Securities		
Securities with fixed income are listed on regulated market:		
Issued by public entities	0	0
	0	0
Securities with variable income are unlisted and specified as follows:		
Shares in companies	5,606	5,185
Shares in investment companies	210,628	191,920
Fund units	207,834	539,028
	424,068	736,133
Securities total	424,068	736,133

Stefnir hf. Interim Financial Statements 30. June 2026 12 Amounts are in ISK thousands

Notes to the Interim Financial Statements, cont.

16. Related parties

Stefnir hf. has a related party relationship with the parent company, Arion Bank hf. and its subsidiaries and associates, funds under management, The Board of Directors and key management personnel at Stefnir.

No unusual transaction took place with related parties during the year. Transaction with related parties have been conducted on an arm's length basis.

Stefnir pays Arion Bank for custody services, in addition Stefnir has outsourced activities to Arion Bank, with the approval of the Financial Supervisory Authority. The main outsourced tasks are outsourcing of internal auditing, compliance, IT services, accounting and settlement services, specific tasks to the Commercial Banking division and other activities.

Transactions with related parties 1.1. - 30.06.2026	Revenue	Expense	Receivables/ Assets	Liabilities
Arion bank consolidated	15,908	311,149	254,070	58,930
Funds in operation	963,035	0	181,439	4,970
	978,943	311,149	435,509	63,900

Transactions with related parties 1.1. - 30.06.2025	Revenue	Expense	Receivables/ Assets	Liabilities
Arion bank consolidated	30,983	296,270	54,560	49,512
Funds in operation	939,748	0	183,997	10,285
	970,731	296,270	238,557	59,797

17. Assets under Management

Assets under Management in funds in operation by Stefnir at the end of the period amount to ISK 385 billions compared to ISK 379 billions at year end 2025.

18. Equity

a. Share capital amounts to ISK 43.5 million at the end of the period, unchanged from year end 2025, with par value of ISK 1 per share.

b. Changes in eqity are specified as follows:

	Share capital	Statutory reserve	Fair value equity reserve	Retained earnings	Total
Equity 1.1.2025	43,500	10,875	174,327	2,710,285	2,938,987
Dividend distributed	0	0	0	(1,100,000)	(1,100,000)
Net earnings	0	0	0	925,300	925,300
Fair value equity reserve	0	0	(46,398)	46,398	0
Share-based salary reserve	0	0	(3,675)	6,630	2,955
Equity 31.12.2025	43,500	10,875	124,254	2,588,613	2,767,242
Equity 1.1.2026	43,500	10,875	124,254	2,588,613	2,767,242
Dividend distributed	0	0	0	(850,000)	(850,000)
Net earnings	0	0	0	338,053	338,053
Fair value equity reserve	0	0	(61,193)	61,193	0
Share-based salary reserve	0	0	(4,885)	7,094	2,209
Equity 30.06.2026	43,500	10,875	58,176	2,144,953	2,257,504

According to the Financial Statements Act No. 3/2006 fair value changes of financial assets from the initial reporting, shall be transferred from retained earnings to a fair value equity reserve, net of tax. The fair value equity reserve is not subject to dividend payments. The fair value equity reserve shall be released in accordance with fair value changes recognized when financial asset is sold or redeemed or the assumptions for the fair value change is no longer in force.

Stefnir hf. Interim Financial Statements 30. June 2026 13 Amounts are in ISK thousands

Notes to the Interim Financial Statements, cont.

18. Equity, cont.

c. Return on assets, presented as the ratio between net earnings and the average balance of assets according to the Balance Sheet, was 20.4% during the first half of 2026. Return on assets for the same period in 2025 was 26.4%.

d. Equity at end of the year is ISK 2,258 million or 75.3% of total assets.
The Capital adequacy ratio of the company which is calculated according to law nr. 161/2002 on Financial Undertakings is 51.2%, exceeding the minimum legal requirement of 8%.

The ratio is calculated as follows:

	30.06.2026	31.12.2025
Total equity	2,257,504	2,767,242
Total own funds for solvency purposes	2,257,504	2,767,242
Total risk exposure amount and capital requirements are specified as follows:		
Credit risk	2,902,776	3,301,204
Market risk	156,845	349,473
Total risk exposure amount	3,059,621	3,650,677
Risk exposure amount based on fixed operating costs	1,411,272	1,411,272
Capital requirement due to risk exposure amount	244,770	244,770
Capital Requirement due to fixed overheads	352,818	352,818
Capital ratio (based on the minimum capital requirement)	51.2%	62.7%

19. Tax liabilities

Changes in tax assets and liabilities are specified as follows:

	30.06.2026	31.12.2025
Tax liability at the beginning of the year	(257,945)	(326,882)
Reassessment of taxes for the previous year	0	1,734
Income tax recognised in Statement of Income	(87,986)	(230,679)
Additional 6% tax recognised in Statement of Income	(385)	(8,268)
Income tax paid	156,137	306,150
Net tax liabilities at the end of the period	(190,179)	(257,945)
Specified as follows:		
Current tax	(167,555)	(227,560)
Additional 6% tax on financial institution	(385)	(8,268)
Deferred tax liabilities	(22,239)	(22,117)
Net tax liabilities at the end of the period	(190,179)	(257,945)
Deferred tax liabilities are attributable to the following:		
Deferred foreign exchange gain and loss	736	1,199
Provision of claims	(22,975)	(23,316)
Deferred tax liabilities at the end of the period	(22,239)	(22,117)
Tax liabilities are attributable to the following:		
Income tax using the Icelandic corporation tax rate	167,940	227,560
Additional 6% tax on financial institutions	0	8,268
Tax liabilities at the end of the period	167,940	235,828

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Notes to the Interim Financial Statements, cont.

		30.06.2026	31.12.2025
20.	**Shareholders of Stefnir hf.**		
	Shareholders of Stefnir hf. with shareholding exceeding 1% of issued share capital:		
	Arion banki hf.	99.93%	99.93%
	Shareholders of Arion banki hf.:		
	Pension Fund of Commerce	9.78%	9.56%
	Gildi Pension fund	9.41%	9.55%
	LSR - The Pension Fund for Icelandic State Employees	9.08%	9.24%
	Brú Pension fund	5.30%	5.22%
	Stoðir hf.	5.00%	5.07%
	Vanguard	4.07%	3.97%
	Frjálsi Pension fund	4.03%	4.07%
	Almenni - Lífsverk Pension fund	3.62%	3.87%
	Birta Pension fund	2.86%	2.97%
	Festa Pension fund	2.70%	2.61%
	Hvalur hf.	2.66%	2.59%
	Stapi Pension fund	2.59%	2.92%
	Arion banki hf.	1.88%	2.59%
	Íslandsbanki hf.	1.19%	1.44%
	Stefnir funds	1.16%	1.73%
	Kjálkanes ehf.	1.00%	0.97%
	Landsbankinn hf.	0.82%	0.42%
	Eaton Vance funds	0.81%	0.83%
	Landsbréf hf.	0.73%	1.05%
	Sjóvá tryggingar	0.62%	0.64%
	Íslandssjóðir hf.	0.60%	0.91%
	Kvika banki hf.	0.27%	0.53%
	Other	29.82%	27.25%
		100.00%	100.00%

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