Dividend Policy



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Introduction

In the general ownership policy of the Icelandic government for state-owned companies, it is stated, among other things, that companies in which the state holds shares shall deliver a satisfactory return to shareholders, taking into account market conditions, risk, and investment needs. Furthermore, it is emphasized that profitability targets should be based on long-term perspectives rather than short-term gains. The parent company of Isavia also states in its policy that Isavia shall be a profitable company built on strong infrastructure, continuously improving resource utilization with profitability and long-term interests as giding principles.

The company has set a long-term target of a 12.0% return on average equity.

The Board of Isavia submits a proposal with reasoning to the Annual General Meeting regarding dividend payments in accordance with the Isavia´s dividend policy.

Purpose and objectives

The aim is to ensure stable and predictable dividend payments, with flexibility to respond to changing circumstances, while also supporting the long-term value of the company.

Policy

The objective is to distribute, on average, 25-50% of the previous years´s post-tax profit as dividends to the owner. During periods of significant investment, uncertainty, or unfavourable market conditions, the Board may decide to reduce or temporarily suspend dividend payments.

In determining the amount of dividend payments, the Board shall take into account the need for the company to amaintain its financial strength and ensure sufficient capacity to fund necessary operations and investments in the coming years. In addition, it should be taken into account that the equity ratio shall generally be in the range of 35-45%.

To maintain financial strength, the following key financial ratios shall serve as reference points:

Net debt/EBITDA shall not exceed 5,0

Equity ratio shall not fall below 35%

Disclosure

The Dividend Policy shall be accessable on the company's website.

Revision

The Board of Isavia shall review the Dividend Policy at least every two years

Approved at a Board Meeting on December 11, 2025

Board of Isavia ohf.