The Transparency report

PricewaterhouseCoopers ehf. (Iceland)

Year ended 30 June 2026

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Message from leadership

Message from leadership

Welcome to our 2026 Transparency report

We are pleased to present our Transparency Report for 2025/26, which shows how we maintain quality in our audit work. We have prepared this Transparency Report, in respect of the financial year ended 30 June 2026, in accordance with the requirements of Article 13 of the EU Regulation No. 537/2014. The report describes our policies, systems and processes for ensuring quality and the way we foster a culture of quality at every level of the firm. It details some of the companies we performed audits for and the total revenue from our audit and non-audit work.

The audit profession continues to face challenges as the expectations that society places on us change fast due to big trends like demographic shifts, technological advances, instant flow of information and many others. We understand the need to adapt to changes and set high quality standards for all client engagements and all types of services we deliver.

While PwC is a multidisciplinary firm, our 2026 Transparency report gives you information about our systems of quality control over audits and how the firm is governed. It also describes our policies and processes. This report is primarily focused on our audit practice and related services and included in the report is an update from Arna G. Tryggvadóttir, who leads our audit practice.

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 135 countries with more than 369,000 people who are committed to delivering quality in assurance, advisory and tax services. We are committed to driving a strong culture of quality and excellence that is core to our purpose.

Message from leadership

Trust in a changing environment

Business and society continue to be shaped by geopolitical uncertainty, cyber threats, economic volatility and rapid technological change. In this environment, reliable information and strong institutions are increasingly important.

Against this background, PwC Iceland has an important role in supporting confidence in financial reporting and the wider financial system, while contributing to efforts to prevent financial crime.

For us and for the audit profession, trust is fundamental. By acting with integrity, maintaining our independence and consistently delivering high-quality work, we fulfil our purpose to build trust in society and solve important problems.

Our strong commitment to quality

Trust requires sustained focus, and the quality of our work is fundamental to maintaining it. Our purpose and strategy therefore depend on our continued commitment to the highest standards of quality across our audit and assurance practice.

We continue to invest in new technology, innovation and the education and development of our people.

These investments help us respond to emerging challenges, continuously improve the quality of our work and maintain our commitment to the public interest.

Working with our clients, the PwC Network and other stakeholders, we will continue to strengthen confidence in financial reporting and contribute to trust in Icelandic business and society.

Transparency and quality remain fundamental to this work.

Jón Ingi Ingibergsson

Territory Senior Partner and CEO

A message from our Assurance Leader

At the core of our Assurance strategy are four priorities: our people, quality, growth and transformation. These priorities guide how we serve our clients, support our people and respond to a rapidly evolving business and regulatory environment. Above all, they reflect our continued focus on building and sustaining trust with our clients, stakeholders and one another.

The audit profession continues to be under public scrutiny and challenge; continuous training in new technologies ensures our workforce remains adept at leveraging the latest tools and methodologies, to rise to these challenges. This is why our key focus is on quality, to secure our clients and stakeholders and ensure the value of the work we provide.

Our people remain central to the delivery of high-quality outcomes. We are committed to attracting, developing and retaining talented individuals by fostering an environment where our people feel valued, supported and empowered to grow. We know that the diversity of our people, combined with a strong focus on development and wellbeing, is fundamental to our long-term success.

We continue to operate in a world shaped by disruption, complexity and accelerating change. In this environment, trust, quality and relevance have never been more important. PwC's approach to building trust is designed to meet rising expectations of transparency, accountability and stakeholder engagement. It combines expertise in audit, tax and compliance activities with a drive to expand specialist capabilities in areas such as cyber security, data privacy, ESG and AI. It also recognises the importance of quality – and that reporting and compliance represent just one link in a chain that includes organisational culture, executive mindset, aligned standards, certified professionals, stringent controls, tailored technologies and appropriate governance. It is part of our public interest commitment to consistently perform quality engagements and be transparent about our system of quality management.

Similar to building trust, delivering sustained outcomes requires us to work in an integrated way. Instead of taking a traditional technology-driven approach to transformation, PwC focuses on the outcomes that our efforts are seeking to achieve.

Arna G. Tryggvadóttir

Assurance Leader

To deliver the agreed outcomes, we mobilise our expertise in areas including – among many others – strategy, value creation, people and organisation, tax, sustainability reporting, deals, legal and compliance.

Our strategy builds on our ongoing commitment to quality. Trust lies at the heart of everything we do at PwC, and is fundamental to fulfilling our firm´s purpose. One of the ways we build trust is by being transparent. As auditors, we´re also acutely aware of another trust drive: the quality of our external audits and our System of Quality Management (SoQM), which supports the consistent delivery of quality audit engagements.

We continue to invest in and enhance our SoQM, including the policies, procedures and controls designed to address identified quality risks and provide reasonable assurance that our quality management objectives are achieved. This investment supports not only the quality of our work, but also the ongoing development of our partners and staff through regular training and access to the latest professional guidance and insights.

We are pleased to present our Transparency Report for 2026. In this report, we explain how we promote a culture of quality across our firm and how our policies, systems and processes support the delivery of high-quality audit work. We also provide insight into the results of key quality monitoring activities and reviews, demonstrating our continued commitment to quality, accountability and trust.

We hope that our Transparency Report will provide you with useful insight into a number of significant matters relating to PwC.

Year in review

Partner and staff survey

73%

of our staff and partners participated in our Global Pulse Survey.

88%

of the respondents are proud to work at PwC.

Our system of quality management

Number of hours spent on monitoring

3,420 hours

Audit quality reviews

Real time reviews

Number of audit engagements included in the real time review program

13 audit engagements

With over 320 hours spent by a dedicated team

Assurance Training FY26

Average hours achieved by partners and staff

27 online	53 classroom	80 total

Total hours completed

8,438

Assurance Training FY25

Average hours achieved by partners and staff

31 online	50 classroom	81 total

Total hours completed

7,546

Technical support

1 – 4

Ratio of partners serving in technical support roles to the total number of partners

Mandatory training attendance

100%

Of partners and staff have completed all mandatory training attendance in FY26

Experience of our equity partners

Equity partners' average years of experience at PwC

20,5 years

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Our approach to quality

Our approach to quality

International Standard on Quality Management 1 (ISQM 1)

The International Auditing and Assurance Standards Board (IAASB), approved and released three standards that strengthen and modernise a firm's approach to quality management, including ISQM 1.

ISQM 1 is an objectives-based approach that expects firms to have a system of quality management (SoQM) that operates in a continuous and iterative manner taking into consideration the conditions, events, circumstances, actions and inactions that impact a firm. It enhances the firm's responsibilities around monitoring and remediation, emphasising the need for more proactive, real time monitoring of the SoQM, a more effective, efficient, and timely root cause analysis process, and timely and effective remediation of deficiencies.

ISQM 1 states that the objective of the firm is to design, implement and operate an SoQM that provides the firm with reasonable assurance that:

- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

The standard goes on to say that the public interest is served by the consistent performance of quality engagements and that this is enabled by an effective system of quality management.

A specific focus on audit quality across the Network

The PwC Network's Assurance QMSE framework

Delivering high-quality work is at the heart of what we do at PwC; it is what our stakeholders rightly expect of us.

To deliver services in an effective and efficient manner that meets the expectations of our clients and other stakeholders, the PwC Network has established the Quality Management for Service Excellence (QMSE) framework which integrates quality management into how each firm runs its business and manages risk.

The QMSE framework is designed to align with the objectives and requirements of ISQM 1 and provides a model for quality management in PwC firms that integrates quality management into business processes and the firm-wide risk management process. Under QMSE, our overall quality objective is supported by a series of underlying quality management objectives and each firm's SoQM should be designed and operated so that the overall quality objective, which includes meeting the objectives and requirements of ISQM 1, is achieved with reasonable assurance.

Overall quality objective

To have the necessary capabilities in our organisation and to deploy our people to consistently use our methodologies, processes and technology to deliver services in an effective and efficient manner to fulfil the expectations of our clients and other stakeholders.

Our approach to quality

Integrated and aligned in the right way

Our SoQM includes quality objectives which are identified from the following components of ISQM 1 as well as any additional objectives the PwC Network has identified in the QMSE framework:

- Governance and leadership
- Relevant ethical requirements
- Acceptance and continuance of client relationships and specific engagements
- Engagement performance
- Resources
- Information and communication

To help us achieve these objectives, the PwC Network invests significant resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people, underlying tools and technology at both the network level and within our firm, and a programme of continuous innovation and investment in our technology. The PwC Network's Global Assurance Quality (GAQ) organisation aims to support PwC firms in promoting, enabling, and continuously improving Assurance quality through effective policies, tools, guidance and systems used to further promote and monitor quality and to build an appropriate level of consistency in what we do.

These elements have been integrated and aligned by our network to create a comprehensive, holistic and interconnected quality management framework that each firm tailors to reflect our individual circumstances. Each firm is responsible for utilising the resources provided by the network as part of our efforts to deliver quality to meet the expectations of our stakeholders.

The Quality Management Process

The achievement of these objectives is supported by a quality management process (QMP) established by our firm and Assurance leadership, business process owners, and partners and staff. This quality management process includes:

- identifying risks to achieving the quality objectives
- designing and implementing responses to the assessed quality risks
- monitoring the design and operating effectiveness of the policies and procedures through the use of process-integrated monitoring activities such as real-time assurance as well as appropriate Assurance quality indicators
- continuously improving the system of quality management when areas for improvement are identified by performing root cause analyses and implementing remedial actions and
- establishing a quality-related recognition and accountability framework to both set clear expectations of expected quality behaviours and outcomes and reinforce those expectations through consistent and transparent use in appraisals, remuneration, and career progression decisions

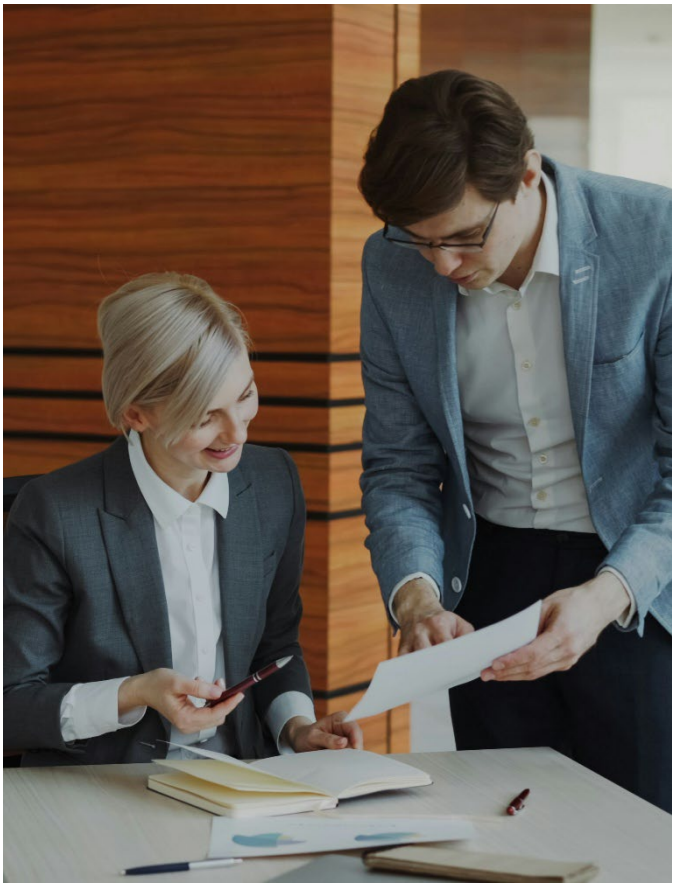
This involves the integrated use of Assurance Quality Indicators to aim to predict quality issues, Real Time Assurance to aim to prevent quality issues, Root Cause Analysis to learn from quality issues and a Recognition and Accountability Framework to reinforce quality behaviours, culture and actions.

Our firm’s system of quality management

Our firm’s system of quality management

Our system of quality management (SoQM) must be designed, implemented and operating on an ongoing basis to achieve the quality objectives. This ongoing process includes monitoring, assessing, evaluating, reporting, and being responsive to changes in quality risks, driven by the firm’s internal and external environment. This is our Quality Management Process (QMP).

Our focus on quality management is therefore not to apply prescribed rules but rather to design and implement risk responses which are fit for purpose to manage the risks we identify in our own risk assessment and achieve the quality objective taking into consideration the conditions, events, circumstances, actions and/or inactions that may impact our SoQM.



Our risk assessment process

The past several years have seen unprecedented challenges and our firm’s SoQM has helped us navigate and respond to the impact that identified factors had on our ability to achieve the overall assurance quality objective - to deliver quality audit engagements. Our SoQM includes the performance of a risk assessment over the quality objectives identified in the QMSE framework. We consider how and the degree to which a condition, event, circumstance, action or inaction may adversely affect the achievement of the quality objectives which may result in:

- New or changing quality risks to achieving one or more of the quality objectives
- Changes to the risk assessment of existing quality risks
- Changes to the design of the firm’s SoQM, including the risk responses

A quality risks is one that has a reasonable possibility of occurring and individually, or in combination with other quality risks, could adversely affect the achievement of one or more quality objectives.

Key factors that impacted our SoQM during the year:

- Resourcing and attractiveness of the profession. We are working in a highly competitive market with high demand for expert knowledge. Our people are subject to increased requirements brought about by changes in the profession, higher focus on quality, time pressure and continuous changes brought about by changes in the regulatory environment
- Preparation for sustainability reporting and assurance standards. The main focus has been on attracting the correct people, implementing relevant procedures and controls about the services provided.

Our firm's system of quality management

Aim to Predict: Assurance Quality Indicators

We have identified a set of Assurance Quality Indicators (AQIs) that support our Assurance leadership team in the early identification of potential risks to quality, using metrics to aim to predict quality issues. This quality risk analysis is an essential part of our QMSE, and the AQIs, in addition to other performance measures, also provide a key tool in the ongoing monitoring and continuous improvement of our SoQM.

Throughout this transparency report, we have provided insight into the policies and procedures we have designed, implemented and are operating to reduce the quality risks we have identified to an acceptable level and help us achieve reasonable assurance over the firm's SoQM.
As mentioned above, some of our policies and procedures are provided by the PwC Network which we have assessed to determine that these resources are appropriate for use as part of our SoQM and in the performance of engagements. The following sections of the report cover the following ISQM 1 quality objectives:

- Cultures and values – Governance and leadership, relevant ethical requirements, acceptance and continuance of client relationships and specific engagements
- Our people – Human resources
- Our approach – Intellectual and technological resources, engagement performance, information and communication

Our monitoring and remediation process

In the section, Monitoring, found on page 35, we have described the types of ongoing and periodic monitoring our firm has designed, implemented and are operating to provide relevant and reliable information about our firm's SoQM and to help us take appropriate actions over any identified deficiencies so we can remediate those deficiencies effectively and on a timely basis. To support the timely and effective remediation of identified deficiencies, our firm has designed, implemented and are operating a root cause analysis program that is described further on page 37.

The information gathered from our monitoring and remediation process along with other sources of information, such as external reviews, is used to help us evaluate our SoQM.

Statement on the firm's system of quality management

During the year, we completed our evaluation of the firm's system of quality management under ISQM 1. On behalf of PwC Iceland, Jón Ingi Ingibergsson, TSP and Arna G. Tryggvadóttir, TAL have evaluated whether our firm's SoQM provides us reasonable assurance that:

- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

Based on all the relevant information of the firm's SoQM, as at 31 December 2025, we believe our SoQM provides us with reasonable assurance that the quality objectives of ISQM 1 above are being achieved.

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Cultures and values

Our culture and values

Definition and culture

At PwC, we define quality service as consistently meeting the expectations of our stakeholders and complying with all applicable standards and policies. An important part of our ability to deliver against this quality definition is building a culture across a network of more than 369,000 people. This culture of quality emphasises that quality is the responsibility of everyone. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.

Measurement and transparency

For all our businesses, each PwC firm – as part of the agreement by which they are members of the PwC network – is required to have in place a comprehensive system of quality management (SoQM); to annually complete a SoQM performance assessment; and to communicate the results of these assessments to global leadership. These results are then discussed in detail with the leadership of each local firm and if they are not at the level expected, a remediation plan is agreed with local leadership taking personal responsibility for its successful implementation.

As the services that our network provides change and develop, and the needs and expectations of our stakeholders also change, the PwC network is continually reviewing and updating the scale, scope and operations of our PwC firms' systems of quality management and investing in programmes to enhance the quality of the services that the PwC network provides.

Our firm's commitment to quality

Leadership and tone at the top

Our purpose and values are the foundation of our success. Our purpose is to build trust in society and solve important problems, and our values help us deliver on that purpose. Our purpose reflects 'why' we do what we do, and our strategy provides us with the 'what' we do. 'How' we deliver our purpose and strategy is driven by our culture, values and behaviours. This forms the foundation of our system of quality management and permeates how we operate, including guiding our leadership actions, and how we deliver 'trust in what matters'.

Trust in what matters

Today companies are judged on far more than financial outcomes. A company's performance in areas like ESG, cybersecurity, can affect its reputation, staff retention, access to capital, and ultimately enterprise value.

That's why we're evolving our assurance offering to provide confidence not just in companies' financial statements but in their broader impact .

We call this 'trust in what matters.' We apply rigorous standards to analyse companies' performance on issues such as climate and diversity. This helps companies demonstrate their progress, enabling these firms to build trust, enhance their corporate reputations, and grow enterprise value.

We encourage our clients to understand what matters to their stakeholders, and we deliver assured information about the company's performance on these measures. We believe that if it needs to be trusted, it needs to be assured. High-quality assurance heightens accountability and trust while giving companies a robust basis for tracking and working to improve their performance.

When working with our clients and our colleagues to build trust in society and solve important problems, we:

- Act with integrity
- Make a difference
- Care
- Work together
- Reimagine the possible

This culture is supported by appropriate tone at the top through regular communication from leadership to all partners and staff about the firm's commitment to quality. Key messages are communicated to our firm by our Senior Partner and our leadership team and are reinforced by engagement partners. These communications focus on what we do well and actions we can take to make enhancements. Leadership and engagement partners take the lead on these actions as they role model the expected behaviours in interactions with clients and teams. We measure whether our people believe that our leaders' messaging conveys the importance of quality to the success of our firm. Based on this tracking, we are confident our people understand our quality objectives. Delivering service of the highest quality is core to our purpose and our Assurance strategy, the focus of which is to strengthen trust and transparency in our clients, in the capital markets and wider society.

Our culture and values

Reinforce: Recognition and Accountability Framework

Our Recognition and Accountability Framework (RAF) reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people and driving a high-quality culture. Our RAF has been designed to both set clear expectations of expected quality behaviours and outcomes and reinforce those expectations by holding Partners accountable for quality behaviours and quality outcomes. Our RAF considers and addresses the following key elements:

- Quality outcomes: We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards and the PwC network and our firm's standards and policies
- Behaviours: We have set expectations of the right behaviours that support the right attitude to quality, the right tone from the top and a strong engagement with the quality objective
- Interventions/recognition: We have put in place interventions and recognition that promotes and reinforces positive behaviours and drives a culture of quality
- Consequences/reward: We have implemented financial and non-financial consequences and rewards that are commensurate to outcome and behaviour and sufficient to incentivise the right behaviours to achieve the quality objectives

Risk Management Partner, Quality Review Partner and Partner Responsible for Independence provide input to leadership regarding application of accountability for engagement leaders. For partners, deductions can be made from yearly remuneration. For non-partners, deductions can be made from their annual bonus, where applicable.

Ethics, independence and objectivity

Ethics

At PwC, we adhere to the fundamental principles of ethics set out in the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (the Code), which are:

i. **Integrity** – to be straightforward and honest in all professional and business relationships.

ii. **Objectivity** – to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.

iii. **Professional Competence and Due Care** – to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.

iv. **Confidentiality** – to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties.

v. **Professional Behaviour** – to comply with relevant laws and regulations and avoid any action that discredits the profession.

Our network standards applicable to all network firms cover a variety of areas including ethics and business conduct, independence, anti-money laundering, anti-trust/fair-competition, anti-corruption, information protection, firm's and partner's taxes, sanctions laws, internal audit and insider trading. We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements. All partners and staff undertake annual mandatory training, as well as submitting annual compliance confirmations, as part of the system to support appropriate understanding of the ethical requirements under which we operate. Partners and staff comply with the standards developed by the PwC Network and leadership in PwC Iceland monitors compliance with these obligations.

In addition to the PwC Values (Act with Integrity, Make a difference, Care, Work together, Reimagine the possible) and PwC Purpose, PwC Iceland has adopted PwC's Global Code of Conduct, Network Standards and related policies that clearly describe the behaviours expected of our partners and other professionals-behaviours that will enable us to build public trust. Because of the wide variety of situations that our professionals may face, our standards provide guidance under a broad range of circumstances, but all with a common goal-to do the right thing.

Upon hiring or admittance, PwC Iceland provides an overview of the PwC Global Code of Conduct and the expected behaviours for all partners and staff, who should follow these expectations throughout their professional careers at our firm. As part of the values and expectations in the Code, they also have a responsibility to report and express concerns, and to do so fairly, honestly, and professionally when dealing with a difficult situation or when observing conduct inconsistent with the Code. In addition, every partner and staff are required to complete new hire training, which covers the ethics and compliance network standards, including ethics and the Code of Conduct.

Ethics, independence and objectivity

Ethics

PwC has implemented a network-wide confidential ethics helpline for the reporting of questions or concerns related to behaviours that are inconsistent with the Code of Conduct and related policies. Every PwC firm has a separate and secure tier of the ethics helpline for their confidential matters and investigations. The ethics helpline is also available for third parties, including clients. The ethics helpline allows our partners, staff and third parties to feel safe raising a question or concern without fear of retaliation.

The PwC Code of Conduct and the ethics helpline are available on-line for all internal and external stakeholders at **https://www.pwc.com/ethics**.

PwC Iceland has adopted an accountability framework to facilitate remediation of behaviours that are inconsistent with the Code of Conduct.

Finally, the Organisation for Economic Co-operation and Development (OECD) provides guidance, including the OECD Guidelines for Multinational Enterprises (the OECD Guidelines), by way of non-binding principles and standards for responsible business conduct when operating globally. The OECD Guidelines provide a valuable framework for setting applicable compliance requirements and standards. Although the PwC network consists of firms that are separate legal entities which do not form a multinational corporation or enterprise, PwC's network standards and policies are informed by and meet the goals and objectives of the OECD Guidelines.

As auditors of financial statements and providers of other types of professional services, PwC firms and their partners and staff are expected to comply with the fundamental principles of objectivity, integrity and professional behaviour. In relation to assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our clients.

The PwC Global Independence Policy, which is based on the Code, including International Independence Standards, contains minimum standards with which PwC firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary.

The independence requirements of the United States Securities and Exchange Commission (SEC) are, in certain instances, more restrictive than the Global Independence Policy. Given the reach of these requirements and their impact on PwC firms in the network, the Policy identifies key areas where an SEC requirement is more restrictive. Provisions that are specifically identified as applicable to SEC restricted entities must be followed in addition to, or instead of, the Policy in the associated paragraph. PwC Iceland has a designated partner (known as the 'Partner Responsible for Independence' or 'PRI') with appropriate seniority and standing, who is responsible for implementation of the PwC Global Independence Policy including managing the related independence processes and providing support to the business. The partner is supported by a team of independence specialists. The PRI reports directly to the Territory Senior Partner.

Independence policies and practices

The PwC Global Independence Policy covers, among others, the following areas:

- Personal and firm independence, including policies and guidance on the holding of financial interests and other financial arrangements, e.g., bank accounts and loans by partners, staff, the firm and its pension schemes;
- Non-audit services and fee arrangements. The policy is supported by Statements of Permitted Services (SOPS), which provide practical guidance on the application of the policy in respect of non-audit services to audit clients and related entities;
- Business relationships, including policies and guidance on joint business relationships (such as joint ventures and joint marketing) and on purchasing of goods and services acquired in the normal course of business; and
- Acceptance of new audit and assurance clients, and the subsequent acceptance of any non-assurance services to be provided to those clients.

In addition, there is a Network Risk Management Policy governing the independence requirements related to the rotation of key audit partners.

These policies and processes are designed to help PwC firms comply with relevant professional and regulatory standards of independence that apply to the provision of assurance services. Policies and supporting guidance are reviewed and revised when changes arise such as updates to laws and regulations, including any changes to the Code or in response to operational matters.

PwC Iceland supplements the PwC Global Independence Policy as required by local laws and regulations such as the Icelandic Act on Auditors and Auditing no.94/2019, where they are more restrictive than the network's policy.

Independence-related systems and tools

As a member of the PwC network, PwC Iceland has access to a number of systems and tools which support PwC firms and their personnel in executing and complying with their independence policies and procedures.
These include:

- The Central Entity Service (CES), which contains information about corporate entities including all PwC audit clients and their related entities (including all public interest audit clients and SEC restricted entities) as well as their related securities. CES assists in determining the independence restriction status of clients of the PwC firm and those of other PwC firms before entering into a new non-audit service or business relationship. This system also feeds Independence Checkpoint and the Authorisation for Services system;
- 'Independence Checkpoint' which facilitates the pre-clearance of publicly traded securities by all partners and managerial practice staff before acquisition and is used to record their subsequent purchases and disposals. Where a PwC firm wins a new audit client or there is a change in the restriction status of a security, this system automatically informs those holding relevant securities of the requirement to sell the security where required;
- Authorisation for Services (AFS) which is a global system that facilitates communication between a non-audit services engagement leader and the audit engagement leader, regarding a proposed non-audit service, documenting the analysis of any potential independence threats created by the service and proposed safeguards, where deemed necessary, and acts as a record of the audit partner's conclusion on the permissibility of the service;
- Joint Business Relationships (JBR) which is a global system used to clear joint (close) business relationships from an independence perspective. JBR is used to facilitate PwC firms' compliance with JBR requirements for new and existing joint business relationships. It assists independence specialists in gathering information to assess, from an independence perspective, the permissibility of proposed joint business relationships and in monitoring the continued permissibility of previously approved existing joint business relationships;
- My Compliance Dashboard (MCD) which is a global compliance system that facilitates annual compliance confirmations, engagement independence confirmations and reporting; and
- Global Breaches Reporting System which is designed to be used to report any breaches of external auditor independence regulations (e.g., those set by regulation or professional requirements) where the breach has cross-border implications (e.g., where a breach occurs in one territory which affects an audit relationship in another territory). All breaches reported are evaluated and addressed in line with the Code or relevant independence regulations.

PwC Iceland also has a rotation tracking process which monitors compliance with independence audit rotation policies for PwC Iceland engagement leaders and other key audit partners involved in an audit.

Independence training and confirmations

PwC Iceland provides all partners and staff with annual or on-going training in independence matters. Training typically focuses on milestone training relevant to a change in position or role, changes in policy or external regulation and, as relevant, provision of services. Partners and staff receive computer-based training on PwC Iceland independence policy and related topics. Additionally, face-to-face training is delivered to members of the practise on an as-needed basis by PwC Iceland's independence specialists and risk and quality teams.

All partners and practice staff are required to complete an annual compliance confirmation, whereby they confirm their compliance with relevant aspects of the PwC firm's independence policy, including their own personal independence. In addition, all partners confirm that all non-audit services and business relationships for which they are responsible comply with policy and that the required processes have been followed in accepting these engagements and relationships. These annual confirmations are supplemented by periodic and ad-hoc engagement level confirmations for PIE-clients.

Independence monitoring and disciplinary policy

PwC Iceland is responsible for monitoring the effectiveness of its system of quality management in managing compliance with independence requirements. In addition to the confirmations described above, as part of this monitoring, we perform:

- Compliance testing of independence controls and processes;
- Personal independence compliance testing of a random selection of, at a minimum, partners and practice managers as a means of monitoring compliance with independence policies; and
- An annual assessment of our firm's adherence with the PwC network's standard relating to independence.

The results of PwC Iceland´s monitoring and testing are reported to the firm's management on a regular basis with a summary reported to them on an annual basis.

PwC Iceland has an Accountability Framework and supporting disciplinary policies and mechanisms in place that promote compliance with independence policies and processes, and that require any breaches of independence requirements to be reported and addressed.

This would include discussion with the client's audit committee regarding the nature of a breach, an evaluation of the impact of the breach on the independence of the PwC firm and the engagement team and the need for actions or safeguards to maintain objectivity. Although most breaches are minor and attributable to an oversight, all breaches are taken seriously and investigated as appropriate. The investigations of any identified breaches of independence policies also serve to identify the need for improvements in PwC Iceland´s systems and processes and for additional guidance and training.

Considerations in undertaking the audit

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to delivering quality, which we believe goes hand-in-hand with our purpose to build trust in society. We have established policies and procedures for the acceptance of client relationships and audit engagements that consider whether we are competent to perform the engagement and have the necessary capabilities including time and resources, can comply with relevant ethical requirements, including independence, and have appropriately considered the integrity of the client. We reassess these considerations in determining whether we should continue with the client engagement and have in place policies and procedures related to withdrawing from an engagement or a client relationship when necessary. The policies and processes we have in place emphasise risk and quality considerations such that financial and operational priorities do not lead to inappropriate judgements about whether to accept or continue a client relationship.

Client and Engagement Acceptance and Continuance

PwC Iceland has a process in place to identify acceptable clients based on the PwC network's proprietary decision support systems for audit client acceptance and retention (called Acceptance and Continuance (Acceptance)). Acceptance facilitates a determination by the engagement team, business management and risk management specialists of whether the risks related to an existing client or a potential client are manageable, and whether or not PwC should be associated with the particular client and its management. More specifically, this system enables:

Engagement teams:

- To document their consideration of matters required by professional standards related to acceptance and continuance;
- To identify and document issues or risk factors and their resolution, for example through consultation, by adjusting the resource plan or audit approach or putting in place other safeguards to mitigate identified risks or by declining to perform the engagement; and
- To facilitate the evaluation of the risks associated with accepting or continuing with a client and engagement.

PwC firms (including PwC firm leadership and risk management):

- To facilitate the evaluation of the risks associated with accepting or continuing with clients and engagements; To provide an overview of the risks associated with accepting or continuing with clients and engagements across the client portfolio; and
- To understand the methodology, basis and minimum considerations all other PwC firms in the network have applied in assessing audit acceptance and continuance.

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People strategy

We are focused on being the world's leading developer of talent and enabling our people with greater agility and confidence in a rapidly changing world. Specific focus areas include creating a resilient foundation for times of change through supporting the well-being of our people and enabling effective delivery; developing inclusive leaders for a shifting world; and enabling our workforce for today's realities and tomorrow's possibilities.

Our goal is to hire candidates who have diverse backgrounds and appropriate skills; have a questioning mindset and intellectual curiosity; and demonstrate courage and integrity.

Core to our national strategy is our people, together with our clients and the wider society. Our employees are key to our success. We are committed to upholding our values whilst we continuously seek to improve our role as an employer, and creating Iceland´s best arena for professional development.

The Evolved PwC Professional

The Evolved PwC Professional is the set of behaviours we expect of all our people, at all levels, to demonstrate with each other and with our clients and other stakeholders. When we focus on the behaviours that guide our interactions, we create opportunities to build trust and empower our teams to deliver distinctive outcomes. This is how we build trust in society and solve important problems.

Inclusion and diversity	At PwC, we're an organisation that fosters a culture of belonging and equity where our diverse workforce can thrive and feel like they belong. We do this by delivering on our Inclusion First strategy, which is centred on action, accountability and advocacy, in each of our member firms, across the PwC network. We embrace and encourage differences and help our people actively develop the skills to work and lead inclusively with our focus on gender equity, disability inclusion, LGBT+ inclusion and social inclusion. Underpinning this is ensuring our systems and behaviours are inclusive.
Recruitment	PwC Iceland aims to recruit, train, develop and retain the best and the brightest staff who share in the firm's strong sense of responsibility for delivering high-quality services. Our hiring standards include a structured interview process with behaviour-based questions built from The PwC Professional framework, assessment of academic records, and background checks. Across the firm in FY26, we recruited over 14 new people, including 11 university graduates.
Team selection, experience and supervision	Our audit engagements are staffed based on expertise, capabilities and years of experience. Engagement leaders determine the extent of direction, supervision and review of junior staff.
Feedback and continuous development	Our team members obtain feedback on their overall performance, including factors related to audit quality, such as technical knowledge, auditing skills and professional scepticism. Audit quality is an important factor in performance evaluation and career progression decisions for both our partners and staff. Feedback on performance and progression is collected via our internal tool Feedback Exchange, a simple technology inspired by the Evolved PwC Professional framework. Ongoing feedback conversations help our people grow and learn faster, adapt to new and complex environments, and bring the best to our clients and firm
Career progression	PwC Iceland uses The Evolved PwC Professional, our global career progression framework, which sets out clear expectations at all staff levels across key dimensions. The framework underpins all elements of career development and helps our people develop into well-rounded professionals and leaders with the capabilities and confidence to produce high-quality work, deliver an efficient and effective experience for our clients, execute our strategy, and support our brand. Our annual performance cycle is supported by continuous feedback conversations and regular check-ins with the individual's Team Leader to discuss their development, progression and performance.
Retention	Turnover in the public accounting profession is often high because as accounting standards and regulations change, accountants are in demand and the development experience we provide makes our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent.
Global People Survey	Each PwC firm participates in an annual Global People Survey, administered across the network to all of our partners and staff. PwC Iceland is responsible for analysing and communicating results locally, along with clearly defined actions to address feedback.

Learning and education

Professional Development

We are committed to putting the right people in the right place at the right time. Throughout our people's careers, they are presented with career development opportunities, classroom and on-demand learning, and on-the-job real time coaching/development. Our flexible training portfolio facilitates personalised learning with access to a variety of educational materials, including webcasts, podcasts, articles, videos, and courses.

Achieving a professional credential supports our firm's commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with a more individualised path to promotion and support them in prioritising and managing their time more effectively when preparing for professional exams. Providing our people with the ability to meet their professional and personal commitments is a critical component of our people experience and retention strategy.

Continuing education

We, and other PwC firms, are committed to delivering quality assurance services around the world. To maximise consistency in the network, the formal curricula, developed at the Network level, provide access to training materials covering the PwC audit approach and tools, as well as areas of audit risk and areas of focus for quality improvement.

This formal learning is delivered using a blend of delivery approaches, which include remote access, classroom learning, virtual classroom, and on-the-job support. The curricula supports our primary training objective of quality, while providing practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement while applying a sceptical mindset.

The design of the curricula allows us to select, based on local needs, when we will deliver the training. Our Learning & Education leader then considers what additional training is appropriate – formal and/or informal – to address any additional specific local needs.

Technical training includes audit, digital skills, ESG, IFRS, laws & regulations, ethics and independence.

There is also a training plan for the firm as a whole, including mandatory training for new hires and annual R&Q and independence update training.

Our training investment in people

Assurance Training FY26
Average hours achieved by partners and staff

27 online	53 classroom	80 total

FY26 Total hours completed – **8,438**

Assurance Training FY25
Average hours achieved by partners and staff

31 online	50 classroom	81 total

FY25 Total hours completed – **7,546**

Mandatory training attendance

100% Of partners and staff have completed all mandatory training attendance in FY26

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The quality and effectiveness of audit is critical to all of our stakeholders. We therefore invest heavily in the effectiveness of our audits, in the skills of our people, in our underlying methodology, the technology we use, and in making the right amount of time and resources available.

We pay close attention to the internal indicators and processes that routinely monitor the effectiveness of our risk and quality processes, and provide timely information about the quality of our audit work and any areas for improvement. Details of these indicators and processes can be found in the Monitoring of Assurance quality section. Additionally, we consider what our various stakeholders require from us, what they tell us we need to improve and the findings of regulatory inspections on the quality of our work.

As a member of the PwC network, PwC Iceland has access to and uses PwC Audit, a common audit methodology and process. This methodology is based on the International Standards on Auditing (ISAs), with additional PwC policy and guidance provided where appropriate. PwC Audit policies and procedures are designed to facilitate audits conducted in compliance with all ISA requirements that are relevant to each individual audit engagement. Our common audit methodology provides the framework to enable PwC firms to consistently comply in all respects with applicable professional standards, regulations and legal requirements.

Tools and technologies to support our audit

Our technology

Aura, our global audit documentation platform, is used across the PwC network. Aura helps drive how we build and execute our audit plans by supporting teams in applying our methodology effectively, by creating transparent linkage between risks, required procedures, controls and the work performed to address those risks, as well as providing comprehensive guidance and project management capabilities. Targeted audit plans specify risk levels, controls reliance and substantive testing. Real time dashboards show teams audit progress and the impact of scoping decisions more quickly.

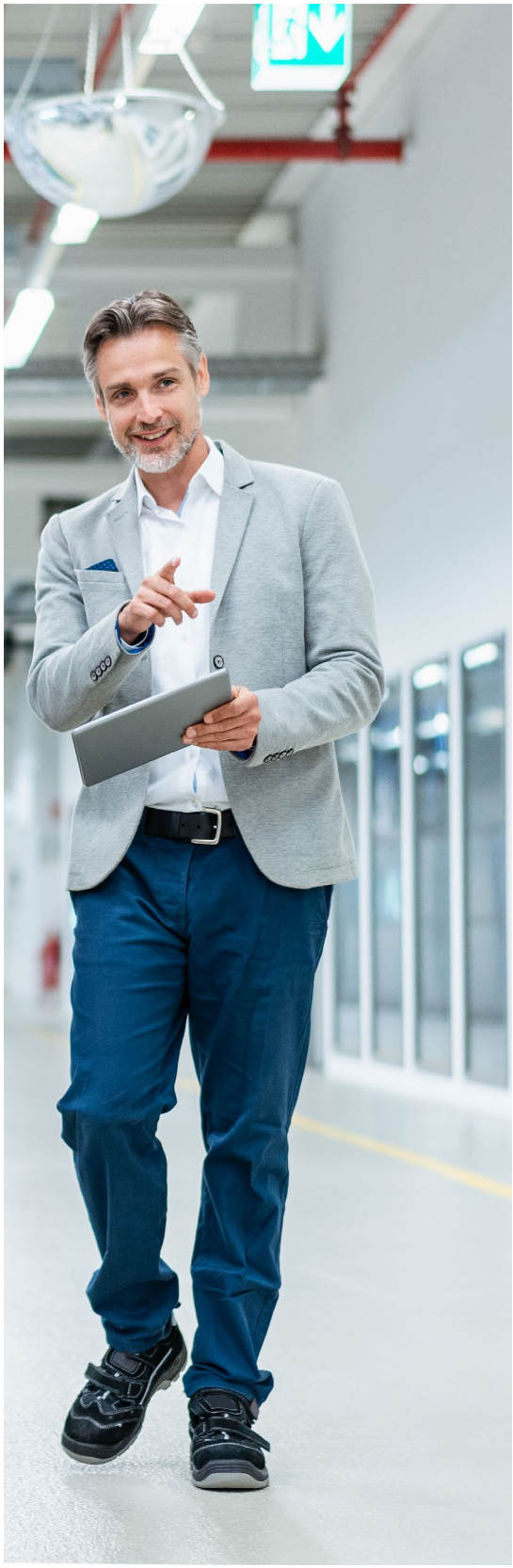
Connect is our collaborative platform that allows clients to quickly and securely share audit documents and deliverables. Connect also eases the burden of tracking the status of deliverables and resolving issues by automatically flagging and tracking outstanding items and issues identified through the audit for more immediate attention and resolution. Clients are also able to see audit adjustments, control deficiencies, and statutory audit progress for all locations- in real time.

Connect Audit Manager streamlines, standardises and automates group and component teams coordination for group and statutory/regulatory audits. It provides a single digital platform to see all outbound and inbound work and digitises the entire coordination process which facilitates greater transparency, compliance and quality for complex multi-location audits.

Halo, our data auditing tools, address large volumes of data, analysing whole populations to improve risk assessment, analysis and testing. For example, Halo for Journals enables the identification of relevant journals based on defined criteria making it easier for engagement teams to explore and visualise the data to identify client journal entries to analyse and start the testing process.

Count, which facilitates the end-to-end process for observing inventory counts, allows our engagement teams to create and manage count procedures, counters to record results directly onto their mobile device or tablet and engagement teams to export final results into Aura.

Halo Platform enables our engagement teams to manage all data extractions, executions and storage for all applications through one central location, allowing our engagement teams to monitor the status of data uploads and use the acquired entity data for multiple applications during the audit.



Tools and technologies to support our audit

Our next generation audit

As part of our commitment to building trust and delivering sustained outcomes, the PwC network is investing in a multi-year effort to deliver a new global audit platform to power our next generation audit, ultimately replacing our legacy technologies such as Aura and Connect. By exploring and investing in new technologies and redefining underlying audit processes, PwC will further standardise, simplify, centralise, and automate our audit work. PwC's investment will accelerate ongoing innovation and enable us to respond to changing stakeholders' needs while taking advantage of emerging technologies, including generative AI, providing a transformed audit experience focusing on continuous quality enhancement. PwC's vision for NGA is to provide efficient, robust and independent assurance and audit insights across financial and non-financial information, helping to build trust in what matters to our stakeholders. As PwC gains momentum around the next generation audit programme, we will continue to release new capabilities on an ongoing basis to enhance quality and the overall audit experience.

There have been significant investments across the PwC network into Generative AI as we seek to reimagine how we further enable our people by leveraging the power of AI. We are focused on promoting a culture of responsible usage of AI while supporting ongoing interest and quickly evolving potential use cases for AI including Generative AI.

Reliability and auditability of audit technologies

Our firm has designed and implemented processes and controls to underpin the reliability of these audit technologies. This includes clarification of the roles and responsibilities of audit technology owners and users. In addition, we have guidance focused on the sufficiency of audit documentation included in the workpapers related to the use of these audit technologies, including consideration of the reliability of the solution, and the documentation needed to assist the reviewer in meeting their direction, supervision and review responsibilities as part of the normal course of the audit.

Tools and technologies to support our audit

Confidentiality and Information Security

Confidentiality and information security are key elements of our professional responsibilities. Misuse or loss of confidential client information or personal data may expose the firm to legal proceedings, and it may also adversely impact our reputation. We take the protection of confidential and personal data very seriously.

Our focus on our clients requires a holistic and collaborative approach to reducing security, privacy and confidentiality risks with significant investment in appropriate controls and monitoring to embed an effective three lines of defence model. This model has enabled us to strengthen our information security organisation, align to industry good practice and improve our internal control frameworks.

Data Privacy

The firm maintains a robust and consistent approach to the management of all personal data, with everyone in our organisation having a role to play in safeguarding personal data. We have continued to build on our extensive GDPR programme, and are committed to embedding good data management practices across our business.

Information Security

Information Security is a high priority for the PwC Network. Our firm is accountable to our people, clients, suppliers, and other stakeholders to protect information that is entrusted to us. Failure to protect information could potentially harm the individuals whose information our firm holds, lead our firm to suffer regulatory sanctions or other financial losses, and impact the PwC reputation and brand. As such, our firm complies with the Information Security Policy which outlines the minimum security requirements for all PwC Firms.

Supporting engagement performance

Information Security

Evolving delivery model

We continue to evolve the way we deliver our services so our people give our clients an even better experience, further enhance the quality of what we do and create economic capacity to invest in the future. We use delivery centers to streamline, standardise, automate, and centralise portions of the audit.

Direction, coaching and supervision

Engagement leaders and senior engagement team members are responsible and accountable for providing quality coaching throughout the audit and supervising the work completed by junior members of the team, coach the team and maintain audit quality. Engagement teams utilise Aura which has capabilities to effectively monitor the progress of the engagement to determine that all work has been completed and reviewed by appropriate individuals, including the engagement leader.

Consultation culture

Consultation is key to maintaining high audit quality. We have formal protocols about mandatory consultation, in the pursuit of quality. For example, our engagement teams consult with appropriate groups in areas such as taxation, risk, valuation, actuarial and other specialities as well as individuals within our National Technical function.

National Technical function

Our National Office comprises technical accounting, auditing, and financial reporting groups as well as risk and quality. These specialists play a vital role in keeping our policies and guidance in these areas current by tracking new developments in accounting and auditing and providing those updates to professional staff.

Quality Review Partners (QRP)

Specific audit engagements are assigned a QRP as part of the member firm's system of quality management as required by professional standards. These partners, who have the necessary experience and technical knowledge, are involved in the most critical aspects of the audit. For example, they may advise on matters of firm independence, significant risks and a team's responses to those risks, and specific accounting, auditing, and financial reporting and disclosure issues.

Differences of opinion

Protocols exist to resolve the situations where a difference of opinion arises between the engagement leader and either the QRP, another Assurance partner or central functions such as the National Technical function. These include the use of technical panels consisting of partners independent of the engagement.

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Monitoring of Assurance quality

We recognise that quality in the Assurance services we deliver to clients is key to maintaining the confidence of investors and other stakeholders in the integrity of our work. It is a key element to our Assurance strategy.

Responsibility for appropriate quality management lies with the leadership of PwC Iceland. This includes the design and operation of an effective System of Quality Management (SoQM) that is responsive to our specific risks to delivering quality audit engagements, using the network's QMSE framework.

The overall quality objective under the QMSE framework is to have the necessary capabilities in our firm and to deploy our people to consistently use our methodologies, processes and technology in the delivery of Assurance services in an effective and efficient manner to fulfil the valid expectations of our clients and other stakeholders.

Our firm's monitoring includes an ongoing assessment aimed at evaluating whether the policies and procedures which constitute our SoQM are designed appropriately and operating effectively to provide reasonable assurance that our audit, non-audit assurance and related services engagements are performed in compliance with laws, regulations and professional standards (also referred to as our ongoing monitoring). This includes the use of Real-Time Assurance.

Audit Quality Measures

- Total number of ECRs
- Number of ECRs rated as Compliant, Compliant with Improvement Required, Non-Compliant
- ECRs rated as Compliant, Compliant with Improvement Required, Non-Compliant related to total number of ECRs (%)
- Financial statement restatements involving PIE audits due to material errors
- Frequency and impact of accounting errors (that may not result in restatements)

Aim to Prevent: Real Time Assurance

We have developed a Real-Time Quality Assurance (RTA) programme designed to provide preventative monitoring that helps coach and support engagement teams get the 'right work' completed in real-time, during the audit.

Our key elements of the RTA program are:

- Reviews of on-going audit engagements (hot reviews) by experienced practice professionals, including additional coaching to engagement teams and identification of shareable practices where relevant.
  - Larger clients/PIE clients are selected based on a number of risk factors, with use of a comprehensive checklist similar to the Engagement Compliance Review (ECR) checklist (refer to the monitoring section).
  - For the smaller client segment hot reviews are targeted based on quality initiatives and the firm focus areas using an ECR checklist.
- Use of RTA Dashboard, which is based on automated analysis of our large population of audit engagement databases to target specific focus areas or engagements for support.

In addition to the ongoing monitoring noted above, our monitoring also encompasses periodic assessment of our SoQM which includes the review of completed engagements (Engagement Compliance Reviews - ECR), as well as periodic monitoring of our SoQM by an objective team within our firm. The results of these procedures, together with our ongoing monitoring, form the basis for the continuous improvement of our SoQM. ECRs are performed under a network-wide inspection programme based on professional standards and PwC audit methodology

ECRs are risk-focused reviews of completed engagements covering, on a periodic basis, individuals in our firm who are authorised to sign audit, non-audit assurance or related services reports. The review assesses whether an engagement was performed in compliance with PwC Audit guidance, applicable professional standards and other applicable engagement-related policies and procedures. Each signer is reviewed at least once every three years, unless a more frequent review is required based on the profile of that signer's client engagements or due to local regulatory requirements.

Reviews are led by experienced Assurance partners, supported by objective teams of partners, directors, senior managers and other specialists. ECR reviewers may be sourced from other PwC firms if needed to provide appropriate expertise or objectivity. Review teams receive training to support them in fulfilling their responsibilities and utilise a range of checklists and tools developed at the network level when conducting their inspection procedures. The network inspection team supports review teams by monitoring the consistent application of guidance on classification of engagement findings and engagement assessments across the network.

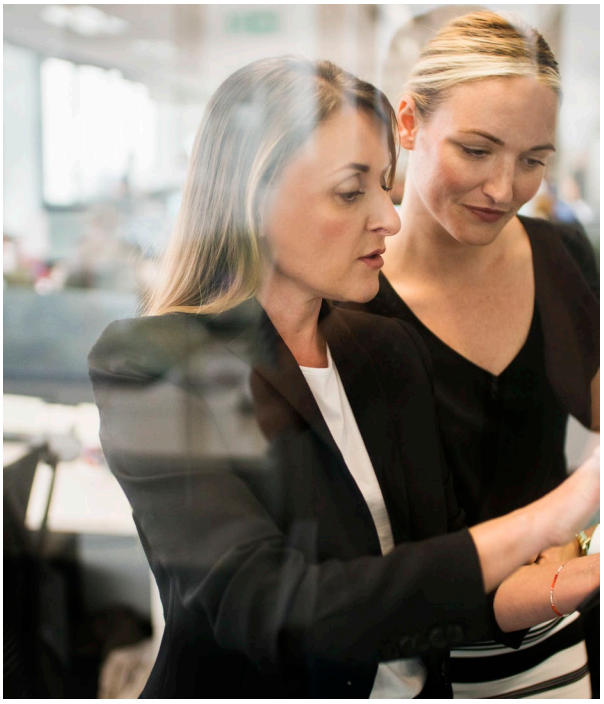
In addition to PwC Iceland's monitoring of audit quality, the firm is subject to regulatory quality inspections performed by the Iceland Certified Public Accountants and Auditing Oversight Board (Endurskoðendaráð) at least every three years. The latest inspection covering the quality system was finalized in April 2026. There were no material findings.

The latest inspection covering audit engagements was finalized in April 2026. No material findings regarding audit quality were noted but a few observations were made. These matters have been reviewed and considered as deemed applicable to strengthen our audit quality.

Additionally, the PwC network undertakes periodic reviews to evaluate certain elements of PwC firms' systems of quality management. The network also looks at the PwC firm leadership's own assessment of the effectiveness of their system of quality management and their determination of whether the overall quality objective has been achieved.

The inspection results are reported to our firm's leadership who are responsible for analysing the results of the inspections along with quality findings identified from all sources of information, for performing timely root cause analysis, and for implementing remedial actions as necessary. In situations where adverse quality matters on engagements are identified, based on the nature and circumstances of the issues, the responsible engagement leader or our firm's Assurance leadership personnel may be subject to additional mentoring, training or further sanctions in accordance with our firm's Recognition and Accountability Framework.

Assurance engagement leaders of our firm receive information on the results of the network inspection program, designed for their use in assessing the scope of audit work they determine needs to be performed and their reliance on work performed by PwC firms in connection with their audit of a client's consolidated financial statements.



Learn: Root cause analysis

We perform analyses to identify potential factors contributing to our firm's audit quality so that we can take actions to continuously improve. Our primary objectives when conducting such analyses are to understand what our findings tell us about our SoQM and to identify how our firm can provide an effective environment for our engagement teams to deliver a quality audit.

We look at quality findings from varios sources including our own ongoing monitoring of our SoQM as well as Network inspection of our SoQM, audits both with and without deficiencies—whether identified through our own internal inspections process or through external inspections and other inputs such as our Global People Survey and financial statement restatements and accounting errors—to help identify possible distinctions and learning opportunities.

For individual audits, an objective team of root cause specialists identifies potential factors contributing to the overall quality of the audit. We consider factors relevant to technical knowledge, supervision and review, professional scepticism, engagement resources, and training, amongst others. Potential causal factors are identified by evaluating engagement information, performing interviews, and reviewing selected audit working papers to understand the factors that may have contributed to audit quality.

In addition, the data compiled for audits both with and without engagement-level findings is compared and contrasted to identify whether certain factors appear to correlate to audit quality.

Our goal is to understand how quality audits may differ from those with engagement-level findings, and to evaluate how these learnings may be used to continuously improve all of our audits. We evaluate the results of these analyses to identify enhancements that may be useful to implement across the practice. We believe these analyses contribute significantly to the continuing effectiveness of our quality management.

The enhancements that may be useful to implement across the practice are considered in various ways and the key measures are noted in our "Quality improvement plan".
Key measures include communication, training, clarifications to guidance, impact on rewards and recognition, changes in organisation etc.

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PricewaterhouseCoopers International Limited

PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC network. 'PwC' is often used to refer either to individual firms within the PwC network or to several or all of them collectively.

In many parts of the world, accounting firms are required by law to be locally owned and independent. Although regulatory attitudes on this issue are changing, PwC member firms do not and cannot currently operate as a corporate multinational. The PwC network is not a global partnership, a single firm, or a multinational corporation.

For these reasons, the PwC network consists of firms which are separate legal entities. The firms that make up the network are committed to working together to provide quality service offerings for clients throughout the world. Firms in the PwC network are members in, or have other connections to PricewaterhouseCoopers International Limited (PwCIL), an English private company limited by guarantee. PwCIL does not practise accountancy or provide services to clients. Rather its purpose is to facilitate coordination between member firms in the PwC network. Focusing on key areas such as strategy, brand, and risk and quality, the Network Leadership Team and Board of PwCIL coordinates the development and implementation of policies and initiatives to achieve a common and coordinated approach amongst individual PwC firms where appropriate. Member firms of PwCIL can use the PwC name and the resources and methodologies of the PwC network. In addition, member firms may request the resources of other member firms and/or secure the provision of professional services by other member firms and/or other entities. In return, member firms are bound to abide by certain common policies and to maintain the standards of the PwC network as put forward by PwCIL.

The PwC network is not one international partnership and PwC member firms are not otherwise legal partners with each other. Many of the member firms have legally registered names which contain "PricewaterhouseCoopers", however there is no ownership by PwCIL. A member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not those of PwCIL or any other PwC firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions.

PwC network

The governance bodies of PwCIL are:

- **Global Board,** which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. The Board is comprised of elected partners from PwC firms around the world and one or more external independent directors. Please refer to the following **page on the PwC Global website** for a list of the current members of the Global Board.
- **Network Leadership Team,** which is responsible for setting the overall strategy for the PwC network and the standards to which the PwC firms agree to adhere.
- **Strategy Council,** which is made up of the leaders of the largest PwC firms and regions of the network, agrees on the strategic direction of the network and facilitates alignment for the execution of strategy.
- **Global Leadership Team**, which is appointed by and reports to the Network Leadership Team and the Chairman of the PwC network. Its members are responsible for leading teams drawn from PwC firms to coordinate activities across a
ll areas of our business.

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Legal structure and ownership of PwC Iceland

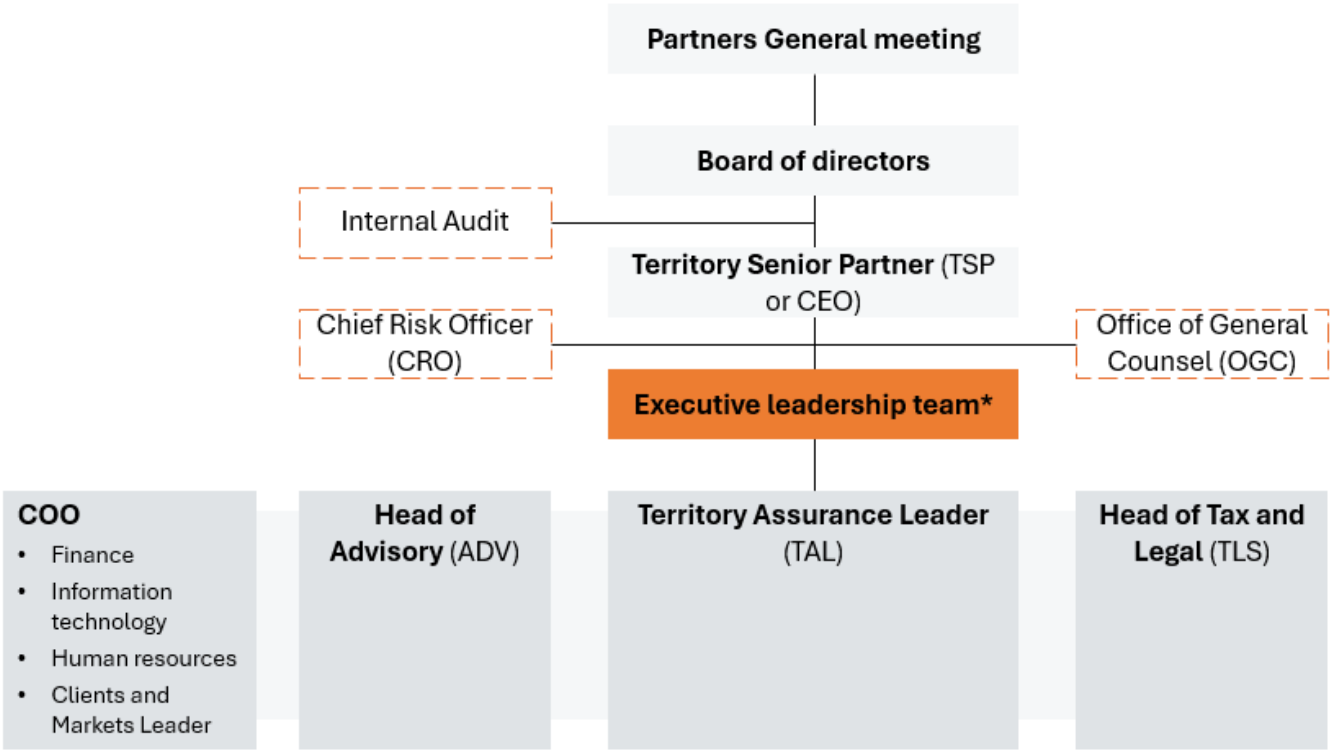
PwC Iceland, is a private limited liability company, 100% owned by a partnership, Eignarhaldsfélagið PwC sf., whose ultimate owners are the Icelandic equity partners.

Governance structure of PwC Iceland

The strategic direction of PwC Iceland is decided by the TSP together with the Board of Directors. Execution of the strategy and business plans is the responsibility of the individual equity partners, who pursue their respective management responsibilities for servicing clients and managing staff. All equity partners thus undertake the day-to-day management in relation to clients and engagements in their individual portfolio.

Areas of focus for the Board

The Board is responsible for the governance of PwC Iceland; the oversight of the Leadership Team. The areas of focus are financing matters, risk and quality matters, legal matters, marketing matters and other matters stated in the Board´s rules of procedures which are revisited yearly. The TSP join all board meetings together with the internal lawyer (OGC) which is the secretary in the board meetings.



Executive leadership team* – appointed by the TSP, TAL, Head of Advisory, Head of TLS, COO, Human Capital Leader, Chief Risk officer (CRO), General Counsel (OGC)

PwC Iceland Board of Directors

Ljósbra Baldursdóttir

Chairman and Partner

Valgerður Kristjánsdóttir

Partner

Magnús Mar Vignisson

Partner

Ólafur Gestsson

Partner
Reserve Board member

Annual general meeting

Our partners exercise their influence by participating in and voting at shareholders' meetings of PwC Iceland in accordance with the partners' agreement entered into by the partners. The partners' agreement regulates the mutual relationship between the partners

Board of Directors

PwC's Board of Directors comprises three members elected by the shareholders. The Board of Directors monitors the work of the TSP and the Management board and is responsible for overall governance of PwC Iceland. One of the responsibilities of the Board of Directors is to determine PwC's overall objectives, strategies, budgets, etc.

The Board of Directors ensures that the management board establishes efficient risk management systems and plans and appoints in that respect the Risk and Quality Leader. The board must also consider whether PwC Iceland´s capital resources are adequate for the purpose of its operations.

The Board of Directors is responsible for monitoring that PwC operates in accordance with existing legislation and the commitments arising out of PwC's international agreements. Rules of procedure have been prepared for the Board of Directors; reviewed annually to ensure that they match PwC's development and needs.

Members of the Board of Directors are evaluated on an annual basis"

Jón Ingi Ingibergsson, Territory Senior Partner and CEO at PwC Iceland

Territory Senior Partner

In accordance with the standards of the PwC network, the partners of PwC Iceland elect a Territory Senior Partner (TSP). The TSP is the direct reference point of the PwC Global Network Leadership and is overall accountable for PwC Iceland's implementation of the PwC network policies and standards. According to PwC Iceland's articles of association, the TSP serves for a term of three years and is appointed CEO – in continuation of the appointment as TSP. The TSP is eligible for re-election. The TSP decides on the composition and appoints the members of the Management board subject to approval by the Board of Directors.

PwC Management board

The management board is responsible for the overall management of PwC Iceland. It consists of a TSP, the Chief Operating Officer, the Human Capital Leader, the Risk and Quality Leader, the General Counsel and the leaders of the principal Lines of Service; Assurance, Tax and Advisory.

Other leaders

In addition to the TSP and the Management board the main responsibility of day-today activities lie with the Information Technology Leader and the heads of offices in the Northern and Southern part of Iceland.

Jón Ingi Ingibergsson

Territory Senior Partner
and CEO at PwC Iceland

Basis of partners' remuneration

PwC has a remuneration policy for the partners designed to promote long-term behaviour and ensure a balanced relationship between performance and remuneration at a competitive level. The remuneration policy is presented and adopted, annually, by the Board of Directors, after consultation at a partners meeting.

At PwC Iceland, the partner remuneration system has three core elements. The partners are remunerated based on:

- The role they carry in the partnership;
- How well they perform in the role;
- How well PwC Iceland as a whole performs.

PwC's partner remuneration is based on a wish to motivate, recognise and reward our partners for their contribution to the development of our business, both as members of integrated teams and as individuals.

Each year, a comprehensive appraisal process is carried out using PwC's values and strategic priorities as the outset. While a certain element of discretion is exercised when evaluating a partner's performance, PwC's appraisal process also involves an assessment of a partner's target achievement. The process is closely monitored by our leadership to ensure that the individual partners are remunerated fairly and reasonably on a uniform basis; furthermore, the total partner remuneration is subject to approval by the Board of Directors.

"PwC has a remuneration policy for the partners designed to promote long-term behaviour and ensure a balanced relationship between performance and remuneration at a competitive level"

Jón Ingi Ingibergsson, Territory Senior Partner and CEO at PwC Iceland

PwC Iceland's revenues 2025/26

Revenues for the financial year ended 30 June 2026

(ISK Million)		FY 2025/26
I	Revenues from the statutory audit of PIE* and PIE related clients	682
II	Revenues from the statutory audit of other (than above) clients	682
III	Revenues from permitted non-audit services to audit clients	421
IV	Revenues from non-audit services to non-audit clients	1.002
Total revenues		**2,787**

* Public-Interest Entities (PIE) means entities whose transferable securities are admitted to trading on a regulated market of any member state; credit institutions and insurance undertakings and entities designated by Member States as public-interest entities,.

I-IV According to EU Audit Regulation Article 13(2)(k).

Signatures of the Board

Ljósbra Baldursdóttir

Chairman and Partner

Valgerður Kristjánsdóttir

Partner

Magnús Mar Vignisson

Partner

List of Public-interest clients

Alcoa-Fjarðaál sf.
Eimskipafélag Íslands hf.
Eimskip Íslands ehf.
Festa Lífeyrissjóður
Flugfélagið Atlanta ehf.
Greiðslumiðlunin Hringur ehf.
Hafnarfjarðarbær
Hagar hf.
Hampiðjan hf.
Íslensk endurtrygging hf.
Kaldalón hf
Landsbankinn hf.
Landsbréf BÚS I
Lífsverk lífeyrissjóður
Míla hf.
Míla Holding hf. (formerly Sunstone IV hf.)
Nova hf.
Nova klúbburinn hf.
Síldarvinnslan hf.
Sveitarfélagið Árborg
TM líftryggingar hf.
TM tryggingar hf.
Vísir ehf.
Bera hf. (formerly Ölgerðin Egill Skallagríms hf.)
Embla Medical hf. (formerly Össur hf.)

List of Partners

Register of active partners

Arna G. Tryggvadóttir
Ágúst Kristinsson
Berglind Hákonardóttir
Bryndís Björk Guðjónsdóttir
Daníel Jón Guðjónsson
Friðgeir Sigurðsson
Jón Ingi Ingibergsson
Kristinn Freyr Kristinsson
Ljósbrá Baldursdóttir
Magnús Mar Vignisson
Ólafur Gestsson
Rúnar Bjarnason
Sara Henný H. Arnbjörnsdóttir
Sigurður Ingvi Rögnvaldsson
Valgerður Kristjánsdóttir
Vignir Rafn Gíslason
Örn Valdimarsson

List of EU/EEA audit firms within the PwC Network

Austria	PwC Österreich GmbH Wirtschaftsprüfungsgesellschaft, Wien PwC Wirtschaftsprüfungs- und Steuerberatungsgesellschaft GmbH, Linz PwC Tax & Audit Services Wirtschaftsprüfung und Steuerberatung GmbH, Graz PwC Österreich GmbH, Wien PwC Assurance GmbH Wirtschaftsprüfung, Wien
Belgium	PwC Bedrijfsrevisoren bv/Reviseurs d'enterprises srl
Bulgaria	PricewaterhouseCoopers Audit OOD
Croatia	PricewaterhouseCoopers d.o.o PricewaterhouseCoopers Savjetovanje d.o.o
Cyprus	PricewaterhouseCoopers Limited
Czech Republic	PricewaterhouseCoopers Audit, s.r.o.
Denmark	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Estonia	AS PricewaterhouseCoopers
Finland	PricewaterhouseCoopers Oy
France	PricewaterhouseCoopers Audit PricewaterhouseCoopers France
Germany	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft Wibera Wirtschaftsberatung Aktiengesellschaft Wirtschaftsprüfungsgesellschaft
Greece	PricewaterhouseCoopers Auditing Company SA
Hungary	PricewaterhouseCoopers Könyvvizsgáló Kft.

Iceland	PricewaterhouseCoopers ehf.
Ireland	PricewaterhouseCoopers PricewaterhouseCoopers (Northern Ireland) LLP
Italy	PricewaterhouseCoopers SpA
Latvia	PricewaterhouseCoopers SIA
Liechtenstein	PricewaterhouseCoopers GmbH, Ruggell
Lithuania	PricewaterhouseCoopers UAB
Luxembourg	PricewaterhouseCoopers, Société coopérative
Malta	PricewaterhouseCoopers
Netherlands	PricewaterhouseCoopers Accountants N.V.
Norway	PricewaterhouseCoopers AS
Poland	PricewaterhouseCoopers Polska sp. z. o.o. PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.
Portugal	PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda
Romania	PricewaterhouseCoopers Audit S.R.L.
Slovakia (Slovak Republic)	PricewaterhouseCoopers Slovensko, s.r.o.
Slovenia	PricewaterhouseCoopers d.o.o.
Spain	PricewaterhouseCoopers Auditores, S.L.
Sweden	PricewaterhouseCoopers AB Öhrlings PricewaterhouseCoopers AB

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Undirritunarsíða

Ljósbrá Baldursdóttir

Undirritað af:
Ljósbrá Baldursdóttir
2406715659
Dags: 22.10.2026
Tími: 20:21:05
Ástæða: Samþykkt
Signet ID: 02ca4800-763a-445f-ae8a-6e6aeeb4a75e

Valgerður Kristjánsdóttir

Undirritað af:
Valgerður Kristjánsdóttir
0301795449
Dags: 23.10.2026
Tími: 08:01:22
Ástæða: Samþykkt
Signet ID: 02ca4800-763a-445f-ae8a-6e6aeeb4a75e

Magnús Mar Vignisson

Undirritað af:
Magnús Mar Vignisson
0909892009
Dags: 22.10.2026
Tími: 20:29:16
Ástæða: Samþykkt
Signet ID: 02ca4800-763a-445f-ae8a-6e6aeeb4a75e