

# Corporate Governance Statement

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Controlant hf. ("Controlant" or the "Company") is a public limited Company (non-listed) incorporated in Iceland, with its head office in Kópavogur, Iceland. The Company acknowledges that strong governance is essential for generating long-term value for all stakeholders, including shareholders, employees, customers, and the broader community. The following statement is provided in accordance with Article 66 (c) of the Icelandic Financial Statements Act no. 3/2006 and outlines the Company's approach to corporate governance.

The Company adheres to all relevant laws and regulations in Iceland, including Act no. 2/1995 on Public Limited Companies. The Company's operations are guided by its Articles of Association alongside internal policies and procedures. The Company's Board of Directors has adopted Rules of Procedures, aligning with the guidelines on corporate governance, 6th edition, published by the Iceland Chamber of Commerce, S.A. - Confederation of Icelandic Enterprise and Nasdaq Iceland in 2021. The guidelines are available on the Iceland Chamber of Commerce website. The Company ensures compliance with these guidelines in all key areas, except for the Board's current decision not to establish any sub-committees. Furthermore, a nomination committee has not been established.

The current remuneration policy for Controlant was approved at the Annual General Meeting held on 3 May 2024. The policy governs the remuneration of the members of the Board of Directors, the Co-CEOs and the executive team of the Company.

The Company's rules of procedure for the Board of Directors, Articles of Association, and the Company's remuneration policy are available on the Company's website at <https://www.controlant.com/corporate-governance>.

## Board of Directors

The Board of Directors holds ultimate authority over Company matters between shareholder meetings, operating in accordance with Icelandic laws and regulations, the Company's Articles of Association and the Rules of Procedure adopted by the Board. The Board is elected by shareholders at each Annual General Meeting and consists of five Board members. Furthermore, two alternative members are elected. The Board is generally elected for the term of one year but, according to the Company's Articles of Association, a shareholder meeting may decide, at the meeting where board election takes place, that the term of office of the Board or of individual Board members will be different or split, given that a proposal is brought before the meeting, in relation to the election of the Board of Directors.

According to Icelandic law, the Board of Directors allocates responsibilities between its members. The Board of Directors elects a Chairman and Vice-Chairman and is responsible for the Company's organization, for setting the long-term objectives and strategy, and for ensuring the proper conduct of its operations. The Board of Directors has the authority to make decisions on all significant matters in accordance with the statutory division of responsibilities among the Board of Directors, the Co-CEOs, and the Executive Team. To achieve these objectives, the Board of Directors sets strategic goals and targets, and evaluates the performance of the Co-CEOs and the Executive Team.

The Board of Directors visits Company locations in Iceland and abroad on regular basis and meets with customers and investors to the extent required. Decisions of the Board of Directors are decided by a majority of votes. In the event of a tied vote, the Chairman has the casting vote, and in his or her absence the Vice-Chairman.

The Board of Directors was elected at the Company's Annual General Meeting on 3 May 2024 and consists of Søren Skou, Ásthildur Otharsdóttir, Kristín Friðgeirsdóttir, Trausti Þórmundsson and Steve Van Kuiken, all of whom were elected for a full term. Alternative members of the Board of Directors are Svanhvít Gunnarsdóttir, since 2021 and Magnús Magnússon, since 2019.

The Board of Directors comprises three men and two women, thereby ensuring the Company's compliance with the gender ratio provisions outlined in Article 63 of the Act no. 2/1995 on Public Limited Companies. The Company's Board members possess diverse educational background and extensive business experience. At year end 2024, four of the five Board members are considered independent of the Company and all members are considered independent of its major shareholders.

## Corporate Governance Statement, contd.:

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### Søren Skou (60), Chairman of the Board

Søren holds an MBA with honors from IMD, Lausanne Switzerland and a graduate diploma in marketing from Copenhagen Business School. He is the chairman of VTG GmbH, Skyborn Renewables GmbH, HES International BV, Danish Crown AmbA, The Lundbeck Foundation, Bygma Gruppen A/S, C W Obel A/S and vice-chairman of Nokia OY. He is furthermore the chairman of The Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping. Previously he was the CEO of A. P. Møller Mærsk, where he had a career in shipping and logistics spanning almost 40 years. Søren is a globally recognized leader in Shipping and Logistics. As of 31 December 2024, Søren holds 4,999,999 shares in the Company through his holding company, Mithel Invest ApS.

### Ásthildur Otharsdóttir (57), Vice- Chairman of the Board of Directors

Ásthildur holds an MBA degree from Rotterdam School of Management in the Netherlands as well as a Bachelor of Business Administration degree from the University of Iceland. Ásthildur is a partner at Frumtak Ventures. She is the Chairman of the board of 50skills, Alda, Ankeri, Plaio and Treble Technologies, as well as board member of Kaptio and Business Iceland. Frumtak Ventures is the manager of Frumtak 2 slhf. venture fund which, as of 31 December 2024, holds 57,697,334 shares in the Company.

Ásthildur has been a member of the Board of Directors of the Company since 2021, is a former Chairman and current Vice-Chairman. Ásthildur is considered independent of both the Company and its major shareholders. Ásthildur has no ties with the Company's main customers or competitors.

### Trausti Þórmundsson (53), member of the Board of Directors

Trausti holds a M.Sc. degree in Electrical Engineering from Stanford University and a B.Sc. degree in Electrical Engineering from the University of Iceland. Trausti is a technology leader with 20+ years' of progressive experience in driving advanced research teams and business outcomes in the semiconductor industry in various executive positions. Before joining the Company as Co-CEO in November 2024 he was a Director of Hardware Engineering at Google. Trausti holds 9,228,300 shares in the Company through direct ownership.

Trausti is a co-founder of the Company and has been a member of the Board of Directors since 2007. He is considered independent of the Company and its major shareholders and has no ties with the Company's main customers or competitors. However, his independence status applied only during majority of the year, reflecting changes in his relationship with the Company during the reporting period.

### Kristín Friðgeirsdóttir (53), member of the Board of Directors

Kristín holds a B.Sc. degree in Mechanical and Industrial Engineering from the University of Iceland, M.Sc degree in Financial Engineering and PhD in Management Science and Engineering from Stanford University. Kristín is the former CFO of Sýn hf. and was previously an Adjunct Professor at London Business School as well as an independent management consultant. Kristín is the former chairman of Hagar hf., former vice-chairman TM hf. and Kvika banki hf., as well as being a former board member of Distica hf. and Eik hf. Kristín owns 50% shares in Bolmagn ehf. which holds 416,600 shares in the Company.

Kristín has been a member of the Board of Directors since 2020 and is considered independent of the Company and its major shareholders. Kristín has no ties with the Company's main customers or competitors.

### Steve Van Kuiken (62), member of the Board of Directors

Steve has a B.A. in Economics and History from Hope College. Steve is a Senior Partner Emeritus of McKinsey & Company. Over his long career at McKinsey, Steve founded and led the firm's healthcare technology practice and later founded and built their technology transformation practice, McKinsey Technology, a fast-growing \$2B global business. He was also a long-time leader in the Life Sciences practice, serving large, global pharmaceutical and medical product organizations. Prior to McKinsey, Steve was Vice-President of IT at Baxter Healthcare and Senior Manager at Andersen Consulting. Steve is a board member in CitiusTech, Qualifyze and Exos Bioscience. Steve owns directly and is a beneficiary of 6,125,002 shares in the Company.

Steve has been a member of the Board of Directors of the Company since 2023 and is considered independent of the Company and its major shareholders. Steve has no ties with the Company's main customers or competitors.

## Corporate Governance Statement, contd.:

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The Board of Directors held total of 24 meetings during the financial year, with average attendance rate of 96% amongst its members.

### **Executive Team of the Company**

The senior management structure of the Company consists of the Board of Directors and the Executive Team, led by the Co-CEOs, each with distinctive roles and responsibilities to ensure effective oversight and management. The Executive Team is responsible for the daily management and operational execution of the Company's strategy, driving the business performance of the Company.

While the two governance levels remain separate, there was an overlap during the year, following appointment of board member, Trausti Þórmundsson as Co-CEO of the Company in November 2024. It has been communicated publicly that Trausti will step down from the Board of Directors no later than on the annual general meeting of the Company in 2025.

#### **Gísli Herjólfsson (45), Co-CEO**

Gísli has been the CEO since he co-founded the Company in 2007 and Co-CEO since November 2024. He has a master's degree in electrical engineering from the University of Iceland. Gísli is a member of the board of directors of several subsidiaries of the Company but does not hold any external directorships. As of 31 December 2022, Gísli holds 24,360,900 shares in the Company through his holding Company HB6 ehf. and an option to purchase up to 2,500,000 A-shares.

#### **Trausti Þórmundsson (53), member of the Board of Directors**

Trausti has been Co-CEO of the Company since November 2024. Full information on Trausti can be found in the section relating to the members of the Board of Directors above. Trausti has an option to purchase up to 5,000,000 A-shares.

The Co-CEOs are responsible for overseeing the daily operations of the Company, ensuring alignment with the policies and directives set by the Board of Directors. Together, they are accountable for the overall performance of the Executive Team. To fulfill these responsibilities, the Co-CEOs conduct regular evaluations and discussions with each member of the Executive Team, with formal performance evaluation taking place at least once a year. Furthermore, the Co-CEOs are accountable for ensuring that the Company's financial accounts comply with all applicable laws and regulations, while also safeguarding the Company's assets through secure and responsible management practices.

### **Executive Team**

At year end 2024, the Executive Team of the Company consisted of the following seven members, each with clear task allocation and accountability:

- Gísli Herjólfsson, Co-Founder, Chief Executive Officer (Co-CEO)
- Trausti Þórmundsson, Co-Founder, Chief Executive Officer (Co-CEO)
- Erlingur Brynjúlfsson, Co-Founder, Chief Technology Officer (CTO)
- Guðmundur Árnason, Chief Financial Officer (CFO)
- Anna Karlsdóttir, Chief Quality Officer (CQO) & Head of HR
- Carsten Lutzhöft, Chief Product Officer (CPO)
- Áslaug S Hafsteinsdóttir, Chief Operational Officer (COO)

Further information on the Companies Executive Team is available on the Company's website <https://www.controlant.com/leadership-team>.

## Corporate Governance Statement, contd.:

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### Internal controls and risk management

The Company's objective is to ensure that internal controls and risk management processes are effective and efficient. Internal control and risk management are essential in protecting the Company's assets, ensuring accurate financial reporting and achieving our strategic goals. The Company's Board of Directors maintains a dialogue with the Company's Chief Executive Officers (the Co-CEOs) to identify, describe, and manage the financial business risks to which the Company might be exposed. Significant financial risks are outlined in the notes of the 2024 consolidated financial statements.

To ensure that the Company's accounting is applied in accordance with international accounting standards the Company emphasizes well defined responsibilities, normal job segregation along with monthly reporting and transparent operations. Standard operating procedures and work instructions are in place to ensure monitoring of correct revenue reconciliation and operating cost. Risk management is reviewed and assessed on an annual basis with the Company's Quality team and CFO with the purpose of minimizing risks and creating a reaction. All employees of the Company are obligated to complete training regarding their operating procedures and general work rules for the Company.

Monthly reporting is submitted to the Board of Directors for their review.

### Internal controls and financial risk management

The Chief Financial Officer (CFO) is responsible for ensuring that the Company's financial processes are followed and that reporting is transparent, accurate, and compliant with applicable accounting standards, laws and regulations. The CFO reports to the CEOs.

### External audit

An independent auditing firm is appointed annually at the Annual General Meeting (AGM). The external auditor examines the consolidated financial statements in accordance with generally recognized auditing standards (IFRS: International Financial Reporting Standards) and inspects accounting records and other materials relating to the Company's operation and financial position and expresses an opinion on the financial statements. The external auditor reports any significant findings on accounting matters and internal control deficiencies to the Board of Directors.

KPMG ehf. was elected as auditor of the Company at the AGM of the Company held on 3 May 2024. KPMG has audited and endorsed the Company's 2024 consolidated financial statements.

### Diversity

The Company has established policies and principles related to equality, diversity, and inclusion, including equal opportunity and equal pay. The Company's policy ensures equal opportunities, fair advancement, remuneration and gender equality, emphasizing the importance of treating all with dignity and respect regardless of gender, race, ancestry, ethnic origin, color, religion, marital status, sexual orientation, age, physical or mental disability, pregnancy or childbirth. All harassment, violence, and bullying are strictly prohibited. The policy is prepared in accordance with Icelandic Act No. 150/2020 on the Equal Position and Equal Rights of Women and Men. Controlant is certified as equal-pay employer in Iceland.

The Board of the Company follows the provisions on gender equality set out in the Icelandic Companies Act No. 2/1995 and gender diversity within the Board of Directors remains stable at 40%.

<b>Gender diversity (female/male ratio)</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Board of Directors	40/60	40/60	40/60
Executive Team	23/77	38/62	43/57
Overall Organization	41/59	42/58	41/59

## Corporate Governance Statement, contd.:

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### **Communication between shareholders and the Board of Directors**

Shareholder meetings, as governed by the Company's Articles of Association and statutory law, serve as the highest authority within the Company and form the primary means of communication between shareholders and the Board of Directors. The annual AGM shall, in accordance with the Articles of Association, be held before the end of August each year, and other shareholder meetings are convened as deemed necessary.

Shareholder meetings, including the AGM, shall, in accordance with the Articles of Association, be called by electronic means with notice to the shareholders. The AGM is called no less than 14 days in advance and extraordinary meetings no less than 7 days in advance. The Chairman is the authorized spokesperson of the Board of Directors.

### **Compliance with laws and regulations**

The Company has not been found in breach of any laws or regulations and has no ongoing legal disputes.

The Board of Directors annually reviews and approves the Corporate Governance Statement. This Corporate Governance Statement was examined and approved at a meeting of the Board of Directors on the 14 April 2025.