



Press Release

28 February 2021 16:00:00 GMT

## Arion Bank: Issuance of warrants

**Reference is made to an announcement published by Arion Bank on 17 March 2020 regarding the results of the 2020 Annual General Meeting and correction of voting results. The announcement inter alia discloses that the shareholders' meeting resolved to authorise the Board of Directors to issue warrants for up to 54,000,000 new shares in the company. This resolution was adopted into the Articles of Association as Article 4.9.**

The purpose of the authorization to issue warrants is inter alia to support active price formation with Arion's shares in Nasdaq Iceland and provide employees and other investors with the option of a long-term financing to purchase shares in the company with a predictable level of risk.

A private placement for the sale of warrants took place on 25-26 February 2021, managed by Íslensk verðbréf hf. Total consideration in the private placement is under EUR 8 million and the offering was thus exempted from issuing a prospectus, as per Article 3 of Act no. 14/2020. A notification of the offering was sent to the Icelandic Financial Supervisory Authority, with two weeks' notice, as required by law.

Based on offers from investors in the private placement, the Board of Directors has resolved to issue 54,000,000 warrants and set the final price per warrant at ISK 15.6 for the total sales proceeds of ISK 842,400,000. The warrant issuing represents approximately 3% of the Bank's total share capital. Investors offered to participate in the private placement were professional investors who are active in the stock market, all employees of the Bank and Stefnir hf. and key employees of other group companies. Approximately 48.5% of the total issuing was sold to around 150 employees of the bank and the group companies and 51.5% to professional investors.

The warrants may be exercised four times, in 30-day periods following the publications of Arion bank's 3rd quarter results in 2023, annual results for 2023, 1st and 2nd quarter results in 2024. The warrant's subscription price is the average of the closing price on 25 and 26 of February ISK  $120 \times (1 + 8,0/100)^t$ , with t meaning time from the date of issuing of a warrant and until exercise (calculated by dividing number of days, assuming 30 days months, with 360 days per year). The subscription price and/or number of shares each warrant holder can subscribe for are subject to re-calculation in the event of changes to the share capital, payment of dividends etc.



**For any further information please contact:**

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**Attachments**

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