

ICELANDAIR: CHANGES IN MARKET MAKING ARRANGEMENT

Icelandair Group hf. ("Icelandair") has entered into an updated market making agreement with Arion Bank hf. regarding shares issued by the Company and listed on the regulated market of Nasdaq Iceland. The agreement will take effect on 19 June. Concurrently, Icelandair's existing market making agreement with Íslandsbanki will be terminated.

Under the agreement, Arion Bank shall on a daily basis place bid and ask quotes for Icelandair shares in the trading system of Nasdaq Iceland. The quotes shall be structured in two tiers, such that the bid-ask spread for 8,000,000 shares ("Part A") shall be determined with reference to Nasdaq Iceland's tick size table as applicable from time to time, with the aim that the spread is as close as possible to 2.0%, but no lower than 1.95%. The bid-ask spread for 2,000,000 shares ("Part B") shall likewise be determined with reference to the applicable tick size table, such that the spread does not exceed 1.50%. Arion Bank is, however, authorized to place bid and ask quotes in both Part A and Part B with a narrower spread than stated above, for example where circumstances arising from the tick size table so warrant.

If, during a single trading day, Arion Bank executes trades in the issuer's shares through its trading book (market making operations) amounting in aggregate to 40,000,000 shares at nominal value or more, the above obligations regarding maximum bid-ask spreads shall no longer apply for the remainder of that day. If the share price of the issuer fluctuates by more than 5% during a trading day, Arion Bank is permitted to double the above spreads, and if the price change exceeds 10%, Arion Bank is permitted to triple them.

In all other respects, the agreement is based on Commission Delegated Regulation (EU) 2017/578 of 13 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on market making agreements and schemes pursuant to Article 48(12) of that Directive, which has legal effect in Iceland under Act No. 115/2021 on Markets in Financial Instruments.

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