

ANNOUNCEMENT OF MEETING - KVIKA BANKI HF.

Shareholders' Meeting on 30 March 2021

A shareholders' meeting of Kvika banki hf., Reg. No. 540502-2930, will be held on Tuesday, 30 March 2021, at 4:00 pm at Hilton Reykjavík Nordica, Suðurlandsbraut 2, 108 Reykjavík.

The Agenda for the meeting is as follows:

1. Motion of the Board of Directors for the merger of Kvika banki hf., TM hf. and Lykill fjármögnun hf.
2. Motion of the Board of Directors to amend the company's Articles of Association in connection with the merger, i.e. concerning an increase in share capital.
3. Discussion and other business legally presented.

Motion of the Board of Directors to amend the company's Articles of Association

On 28 September 2020, formal merger negotiations commenced between Kvika banki hf. and TM hf. to merge the companies. The intention was to merge Lykill fjármögnun hf. with these companies at a later stage but, upon closer examination, it was decided to undertake a trilateral merger of the three companies. The Boards of Directors of Kvika banki hf., TM hf. and Lykill fjármögnun hf. signed a merger agreement on 25 November 2020 in which they agreed that a merger schedule and other merger documents would be signed subject to certain conditions being satisfied.

A merger schedule was signed by the companies' Boards of Directors on 23 February 2021. That same day, statements by the companies' Boards of Directors, statements from expert assessors and the companies' merger balance sheet were signed. According to the merger schedule, the companies will be merged with effect from 1 January 2021 and the shareholders of TM hf. will receive 2,509,934,076 newly issued shares in Kvika banki hf. as consideration for their shares in TM hf. The newly issued shares convey the same rights as other shares in Kvika banki hf. from their delivery date. The Board of Directors therefore moves to increase the share capital by 2,509,934,076, with the newly issued shares to be handed over to the shareholders of TM hf. in exchange for their holdings in TM hf. and Lykill fjármögnun hf.

The proposed merger was notified to the Financial Supervisory Authority of the Central Bank of Iceland and the Competition Authority in December 2020. The approval of the Competition Authority was provided in its decision of 26 February 2021. That same day, the Financial Supervisory Authority granted authorisation to Kvika banki hf. to exercise a qualifying holding in TM tryggingar hf., TM líftryggingar hf. and Íslensk endurtrygging hf. The Financial Supervisory Authority's approval for the merger is awaited but is expected prior to the shareholders' meeting, subject to the merger process being completed in accordance with provisions of the Act on Public Limited Companies.

Other information

The meeting will be held in Icelandic. Meeting documents are available on the company's website in both Icelandic and English, with the exception of the company's annual financial statements, which are only available in English. Meeting documents are available on the website <https://www.kvika.is/en/investor-relations/shareholders-meeting>¹ and at the company's office at Katrínartún 2, 105 Reykjavík.

Shareholders will be offered to participate fully in the meeting electronically, without being physically present at the meeting locale, through Lumi AGM. The meeting will be live streamed and in addition shareholders can vote electronically and submit written questions through the Lumi smart app or the Lumi AGM URL. Electronic participation is equivalent to attending the meeting and conveys the right to participate in it in other respects.

Voting at the meeting will take place entirely through Lumi AGM. All shareholders, whether attending the meeting at Hilton Reykjavik Nordica or participating electronically, are encouraged to download the Lumi AGM smart app to their own smart device. They can also vote using the URL for Lumi AGM.

The merger schedule and other merger documents, including statements of the Boards and expert assessors' and the merger balance sheet, were made available on the company's website on 24 February this year. The annual financial statements of the three companies for the last three operating years have also been accessible on the companies' websites since 18 February this year.²

Every shareholder is entitled to have specific matters discussed at the meeting if he/she sends a written or electronic request to the Board at the company's address or the e-mail address hluthafar@kvika.is. Shareholders who wish to raise a particular matter at the shareholders' meeting must send a request to this effect no later than ten days prior to the scheduled date of the meeting, or at the latest by 4:00 pm on Saturday, 20 March 2021. The request must be accompanied by grounds for the same or a draft resolution for the Board of Directors.

Shareholders can also submit questions to the shareholders' meeting by sending their questions to the above e-mail address or presenting them at the meeting itself.

Parties who are listed as shareholders in the company's shareholder registry when the shareholders' meeting takes place can exercise their rights at the shareholders' meeting. Shareholders may appoint proxies to attend the meeting on their behalf. The proxy must present a written and dated power of attorney; a form for a power of attorney is available on the company's website. The power of attorney may be presented at the meeting or sent to the above e-mail address prior to the meeting.

¹ See also in Icelandic here: <https://www.kvika.is/fjarfestaupplysingar/hluthafafundur/>

² <https://www.kvika.is/fjarfestaupplysingar>

<https://www.tm.is/fjarfestar/samruni>

<https://www.lykill.is/starfsemi/fjarfestatengsl>

Shareholders or their proxies who intend to attend the meeting, either electronically or on location, are asked to register on the website www.smartagm.com no later than 4:00 pm on March 29, the day before the meeting date. The registration must be accompanied by a photo of valid identification and power of attorney, if applicable.

The shareholders' meeting shall be legally constituted if lawfully convened, regardless of attendance. The provisions of Art. 93 of Act No. 2/1995 apply to a decision on a merger.

This announcement of the meeting, information on the total number of shares and votes on the date of the meeting, the meeting agenda, the Board's motions for the shareholders' meeting, as well as forms for proxies are now available on the company's website. Other documents for the shareholders' meeting will be made available no later than Tuesday, 23 March this year on the company's website. Should there be any discrepancy between the meeting documents in Icelandic and English, only the Icelandic version is authentic.

Board of Directors of Kvika banki hf.