

ICELANDAIR GROUP HF. – MINUTES FROM A SHAREHOLDERS’ MEETING

Date Friday 23 July 2021 at 4:00 PM

Location Electronic Meeting

Agenda

1. A proposal to increase the Company’s share capital in relation to a subscription agreement made with Blue Issuer Designated Activity Company
2. A proposal to issue Warrants in relation to a subscription agreement made with Blue Issuer Designated Activity Company
3. Election of a Board Member subject to approval of items 1-2.

The following took place

The Chairman of the Board of Directors, Mr. Úlfar Steindórsson, announced the Shareholders’ Meeting open and proposed that Mr. Ólafur Arinbjörn Sigurðsson would be elected to Chair the Meeting. The proposal was agreed to unanimously.

The Chair proposed that Mr. Ari Guðjónsson would be elected the Secretary of the Meeting. The proposal was agreed to unanimously.

The Chair announced that the Meeting had been in accordance with the Company’s Articles of Association and the Icelandic Company Act no. 2/1995, and declared the meeting lawfully convened.

Shareholders who registered at the meeting hold 9,872,161,069 shares of 28,437,660,653 outstanding shares in the Company, which equals to 35% of the Company’s voting share.

The Chair suggested that voting on the three proposals would take place simultaneously since they are all connected to each other.

Mr. Bogi Nils Bogason, President & CEO, introduced the proposals and the rationale for the share capital increase as well as its effects on the Company.

Mr. Matthew Evans, representative from Bain Capital, introduced his candidacy to the Board of Directors of the Company.

The following proposals were approved at the meeting:

1. The shareholders’ meeting of Icelandair Group hf. held on 23 July 2021, resolves to increase the Company’s share capital of ISK 5,659,094,470, from ISK 28,437,660,653 to ISK 34,096,755,123, nominal value, by issuing new

shares. According to an agreement to subscribe for shares dated 23 June 2021 Blue Issuer Designated Activity Company has subject to the provisions of the agreement, which include passing of the proposals submitted at this shareholders' meeting, agreed and accepted to subscribe for 5,659,094,470 shares in the Company at the price ISK 1.43 per share, which corresponds in total to ISK 8,092,505,092. The new shares will be of the same share class as other outstanding shares in the Company. The Shareholders waive their pre-emptive rights to the new shares. The new shares shall provide the associated right to the Company from the date of registration.

2. The Company's Board of Directors is authorized to issue warrants to Blue Issuer Designated Activity Company corresponding to up to ISK 1,414,773,617 in nominal terms. Subscription rights under the warrants may be exercised all at once following publishing of the Company's Q2 2022 interim financial accounts for a period of ten (10) days. Each warrant allow for subscription of one new share in the Company at the price 1.43 per share plus 15% annual interest calculated according to 30/360-day convention from the issuance date of the warrant until the date falling ten (10) days after the publishing of the Company's Q2 2022 interim financial accounts. The board of directors is furthermore authorized until 30 September 2022 to increase the Company's share capital in relation to exercise of the warrants. The shareholders waive their pre-emptive rights to the warrants and shares issued in relation to their exercise.
3. The Board proposes that Mr. Matthew Evans will replace Mr. Úlfar Steindórsson as a member of the Board of Directors effective immediately for the remainder of the board's term.

The Chair informed that no other matters had been rightfully proposed to the Company's Board of Directors before the meeting but invited attendants to speak about the Company's matters.

These minutes were read out loud at the end of the meeting and no comments were made.

The meeting was closed at 4.21 pm.



Ólafur Arinbjörn Sigurðsson
Chair



Ari Guðjónsson
Secretary