

NOT FOR DISTRIBUTION IN OR INTO ANY JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS DOCUMENT (SEE "OFFER AND DISTRIBUTION RESTRICTIONS" BELOW).



Republic of Iceland launches cash tender offer

19 May 2025. The Republic of Iceland (the "**Offeror**") announces today an invitation (such invitation, the "**Offer**") to holders of its €500,000,000 0.625 per cent. Notes due 3 June 2026 (ISIN: XS2015295814) (of which €500,000,000 in aggregate nominal amount is outstanding as at the date hereof) (the "**Notes**") to tender their Notes for purchase by the Offeror for cash.

The Offer is being made on the terms and subject to the conditions contained in the tender offer memorandum dated 19 May 2025 (the "**Tender Offer Memorandum**") prepared by the Offeror in connection with the Offer, and is subject to the offer and distribution restrictions set out below and as more fully described in the Tender Offer Memorandum. Noteholders are advised to read carefully the Tender Offer Memorandum for full details of, and information on the procedures for participating in, the Offer.

Copies of the Tender Offer Memorandum are (subject to distribution restrictions) available from the Tender Agent as set out below. Capitalised terms used but not otherwise defined in this announcement shall have the meaning given to them in the Tender Offer Memorandum.

A summary of certain terms of the Offer appears below:

Description of the Notes	ISIN / Common Code	Outstanding nominal amount	Reference Rate	Fixed Spread Amount	Amount subject to the Offer
€500,000,000 0.625 per cent. Notes due 3 June 2026	XS2182399274/ 218239927	€500,000,000	1 Year Euro Mid-Swap Rate	-15 basis points	Any and all

Rationale for the Offer

The Offeror intends to issue the New Notes. Part of the proceeds from the New Notes will be used for purchasing the Notes. The rationale of the Offer is thus to proactively manage upcoming debt repayments and to extend the average debt maturity profile of the Offeror.

Purchase Price and Accrued Interest

The Offeror will pay for any Notes validly tendered and accepted for purchase by the Offeror pursuant to the Offer a purchase price to be determined in the manner described in the Tender Offer Memorandum by reference to a yield which is equal to the sum of the fixed spread of -15 basis points (the "**Fixed Spread Amount**") and the 1 Year Euro Mid-Swap Rate at or around the Pricing Time, expressed as a percentage and rounded to the third decimal place (with 0.0005 being rounded upwards) (the "**Purchase Price**"). Specifically, the Purchase Price will equal (a) the value of all remaining payment of principal and interest on the Notes, up to and including the scheduled maturity date of the Notes, discounted to the Tender Offer Settlement Date at a discount rate equal to the yield, minus (b) the Accrued Interest.

The Offeror will also pay, on the Tender Offer Settlement Date, Accrued Interest in respect of any Notes accepted for purchase pursuant to the Offer.

New Financing Condition

On 19 May 2025, the Offeror announced that it intends to issue euro-denominated fixed-rate notes (the "**New Notes**") under its U.S.\$5,000,000,000 Euro Medium Term Note Programme (the "**Programme**").

The Offeror is not under any obligation to accept for purchase any Notes tendered pursuant to the Offer. The acceptance for purchase by the Offeror of Notes tendered pursuant to the Offer is at the sole discretion of the Offeror and tenders may be rejected by the Offeror for any reason. The purchase of any Notes by the Offeror pursuant to the Offer is also subject, without limitation, to (i) the pricing of the issue of the New Notes, (ii) the signing by the Offeror and the relevant managers of a subscription agreement in respect of the subscription for the New Notes and (iii) such subscription agreement remaining in full force and effect as at the Tender Offer Settlement Date (the "**New Financing Condition**").

The Offeror reserves the right at any time to waive any or all of the conditions of the Offer (including the New Financing Condition) as set out in the Tender Offer Memorandum.

Priority in Allocation of New Notes

A Noteholder that wishes to subscribe for New Notes in addition to tendering Notes for purchase pursuant to the Offer will receive priority (the "**New Notes Priority**") in the allocation of the New Notes, subject to the completion of the Offer, the issue of the New Notes and such Noteholder making a separate application for the purchase of such New Notes to one of the Dealer Managers (in its capacity as a Joint Lead Manager (as defined herein) of the issue of the New Notes) in accordance with the standard new issue procedures of such Joint Lead Manager.

A key factor in the allocation of the New Notes will be whether Noteholders have indicated they have validly tendered or indicated their firm intention to the Offeror or the Dealer Managers to tender their Notes. When considering allocation of the New Notes, the Offeror intends to give preference to those Noteholders who, prior to such allocation, have validly tendered or indicated their firm intention to the Offeror or any of the Dealer Managers to tender the Notes and subscribe for New Notes. However, the Offeror is not obliged to allocate the New Notes to a Noteholder who has validly tendered or indicated a firm intention to tender the Notes pursuant to the Offer and any amount allocated may be more, equal to, or less than the aggregate principal amount of Notes validly tendered or in respect of which a firm intention to tender has been indicated by such Noteholder. Any allocation of the New Notes, while being considered by the Offeror as set out above, will be made in accordance with customary new issue allocation processes and procedures.

The aggregate principal amount of New Notes, if any, for which priority will be given to any Noteholder will be subject to the sole and absolute discretion of the Offeror and may be less than, equal to or greater than the aggregate principal amount of Notes validly tendered by such Noteholder in the Offer and accepted for purchase by the Offeror.

Noteholders should note that the pricing and allocation of the New Notes are expected to take place prior to the Expiration Deadline for the Offer and any Noteholder that wishes to subscribe for New Notes in addition to tendering existing Notes for purchase pursuant to the Offer should therefore provide, as soon as practicable, to any Dealer Manager any indications of a firm intention to tender Notes for purchase pursuant to the Offer and the quantum of Notes that it intends to tender in order for this to be taken into account as part of the New Notes allocation process.

If any Noteholder wishes to subscribe for New Notes in addition to its New Notes Priority it must make a separate application to subscribe for such additional New Notes to a Joint Lead Manager in accordance with the standard new issue procedures of such Joint Lead Manager.

To contact the Dealer Managers, Noteholders should use the contact details on the last page of the Tender Offer Memorandum.

Any investment decision to purchase any New Notes should be made solely on the basis of the information contained in the information memorandum (to be dated on or around the date hereof) prepared in connection with the Programme (the "**Programme Information Memorandum**") and the pricing supplement to be prepared in connection with the issue and the listing of the New Notes, and no reliance is to be placed on any representations other than those contained in the Programme Information Memorandum. Subject to compliance with all applicable securities laws and regulations, the Programme Information Memorandum is available from the Dealer Managers on request.

The New Notes are not being, and will not be, offered or sold in the United States. Nothing in the Tender Offer Memorandum constitutes an offer to sell or the solicitation of an offer to buy the New Notes in the United States or any other jurisdiction. Securities may not be offered, sold or delivered in the United States absent registration under, or an exemption from the registration requirements of the Securities Act. The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

The target market for the New Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**") and the New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded)

No action has been or will be taken in any jurisdiction in relation to the New Notes to permit a public offering of securities.

Acceptance and no scaling

If the Offeror decides to accept valid tenders of Notes pursuant to the Offer, the Offeror will (subject to satisfaction (or waiver) of the New Financing Condition on or prior to the Tender Offer Settlement Date) accept for purchase all of the Notes that are validly tendered in full, with no *pro rata* scaling.

Tender Instruction

In order to participate in the Offer, Noteholders must validly tender their Notes for purchase by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by 5.00 p.m. (CEST) on 23 May 2025 (the "**Expiration Deadline**").

Tender Instructions will be irrevocable except in the limited circumstances described in the Tender Offer Memorandum.

Tender Instructions must be submitted in respect of a minimum nominal amount of no less than €100,000, being the minimum denomination of the Notes, and may be submitted in integral multiples of €1,000 thereafter. In addition, the New Notes Priority requested must be for an amount which is at least €100,000 in aggregate nominal amount of the New Notes for the relevant Noteholder to be eligible to receive priority in the allocation of the New Notes.

Tender Instructions which relate to a nominal amount of Notes of less than €100,000 will be rejected.

Indicative Timetable for the Offer

Events	Times and Dates
<i>Commencement of the Offer</i>	Monday, 19 May 2025
<i>Expiration Deadline</i>	5.00 p.m. (CEST) on Friday, 23 May 2025

Determination of the 1 Year Euro Mid-Swap Rate

Expected to be on or around 11.00 a.m. (CEST) (the "**Pricing Time**") on Tuesday, 27 May 2025

Announcement of Results and Pricing

As soon as reasonably practicable following the Pricing Time on Tuesday, 27 May 2025

Tender Offer Settlement Date

Expected to be Wednesday, 28 May 2025

The Offeror may, in its sole discretion, extend, re-open, amend, waive any condition of or terminate the Offer at any time (subject to applicable law and as provided in the Tender Offer Memorandum) and the above times and dates are subject to the right of the Offeror to extend, re-open, amend, waive any condition of and/or terminate the Offer.

Noteholders are advised to check with any bank, broker or other intermediary through which they hold Notes by when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer by the deadlines set out above. The deadlines set by any such intermediary and each Clearing System for the submission and withdrawal of Tender Instructions will be earlier than the relevant deadlines above.

Unless stated otherwise, announcements in connection with the Offer will be made (i) by publication through RNS and (ii) by the delivery of notices to the Clearing Systems for communication to Direct Participants. Such announcements may also be made on the relevant Reuters Insider Screen and/or by the issue of a press release to a Notifying News Service. Copies of all such announcements, press releases and notices can also be obtained upon request from the Tender Agent, the contact details for which are set out below. Significant delays may be experienced where notices are delivered to the Clearing Systems and Noteholders are urged to contact the Tender Agent for the relevant announcements during the course of the Offer. In addition, Noteholders may contact the Dealer Managers for information using the contact details set out below.

Noteholders are advised to read carefully the Tender Offer Memorandum for full details of, and information on the procedures for, participating in the Offer.

Barclays Bank Ireland PLC, Citigroup Global Markets Europe AG and J.P. Morgan SE are acting as Dealer Managers for the Offer and Citibank, N.A., London Branch is acting as Tender Agent.

Questions and requests for assistance in connection with the Offer may be directed to the Dealer Managers.

THE DEALER MANAGERS

Barclays Bank Ireland PLC

One Molesworth Street
Dublin 2
D02 RF29
Ireland

Attention: Liability Management Group
Email: eu.lm@barclays.com

Citigroup Global Markets Europe AG

Börsenplatz 9
60313 Frankfurt am Main
Germany

Attention: Liability Management Group
Telephone: +44 20 7986 8969
Email: liabilitymanagement.europe@citi.com

J.P. Morgan SE

Taunustor 1 (TaunusTurm)
60310 Frankfurt am Main
Germany

Telephone: +44 20 7134 2468
Attention: EMEA Liability Management Group
Email: liability_management_emea@jpmorgan.com

Questions and requests for assistance in connection with the delivery of Tender Instructions may be directed to the Tender Agent.

THE TENDER AGENT

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Telephone: +44 20 7508 3867

Attention: Exchange Team

Email: citiexchanges@citi.com

DISCLAIMER

This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offer. If any Noteholder is in any doubt as to the action it should take, it is recommended to seek its own financial and legal advice, including as to any tax consequences, from its broker, bank manager, solicitor, accountant or other independent financial adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Notes for purchase pursuant to the Offer. Each of the Dealer Managers is acting exclusively for the Offeror and no one else in connection with the arrangements described in this announcement and the Tender Offer Memorandum and will not be responsible to anyone other than the Offeror for providing the protections afforded to customers of the Dealer Managers or for advising any other person in connection with the Offer. None of the Offeror, the Dealer Managers and the Tender Agent, nor any of their respective directors, employees or affiliates, makes any recommendation as to whether Noteholders should tender Notes for purchase pursuant to the Offer.

OFFER AND DISTRIBUTION RESTRICTIONS

Italy

None of the Offer, this announcement, the Tender Offer Memorandum or any other document or materials relating to the Offer have been submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* ("CONSOB") pursuant to Italian laws and regulations. The Offer is being carried out in Italy as exempted Offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Accordingly, Noteholders or beneficial owners of the Notes that are located in Italy can tender Notes for purchase pursuant to the Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Notes or the Offer.

United Kingdom

The communication of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials may be exempt from the restriction on financial promotion under section 21 of the FSMA pursuant to Article 34 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("**Financial Promotion Order**") or on the basis that any such communication is only directed at and may only be

communicated to persons to whom these documents and/or materials may lawfully be communicated in accordance with the Financial Promotion Order.

France

This announcement, the Tender Offer Memorandum and any other offering material relating to the Offer may be distributed in France only to qualified investors (investisseurs qualifiés) as defined in Article 2(e) of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Neither this announcement, the Tender Offer Memorandum, nor any other such offering material has not been and will not be submitted for clearance to, nor approved by the *Autorité des Marchés Financiers*.

General

Nothing in this announcement or the Tender Offer Memorandum or the electronic transmission thereof constitutes an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes for purchase pursuant to the Offer will not be accepted from any Noteholder) in any circumstances in which such offer or solicitation is unlawful. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer and either of the Dealer Managers or any of their respective affiliates is such a licensed broker or dealer in such jurisdiction, the Offer shall be deemed to be made by such Dealer Manager or affiliate, as the case may be, on behalf of the Offeror in such jurisdiction.

Each holder of Notes participating in the Offer will be deemed to give certain representations in respect of the jurisdictions referred to above and generally as set out in the Tender Offer Memorandum. Any tender of Notes for purchase pursuant to the Offer from a Noteholder that is unable to make these representations will not be accepted. Each of the Offeror, the Dealer Managers and the Tender Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Offer, whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Offeror determines (for any reason) that such representation is not correct, such tender may be rejected.