

ÍL FUND TERMS OF AUCTION FOR THE PURCHASE OF IBN 38 0101 AGAINST THE SALE OF RIKS 34 1016

Auction date 30 September 2025

1. At the request of ÍL Fund, the Government Debt Management Department of the Central Bank of Iceland (referred to hereinafter as the *arranger*) has decided to oversee a switch auction in which ÍL Fund will buy back bonds issued by the Fund against the delivery of government bonds. ÍL Fund offers to purchase IBN 38 0101 (IS0000001162) against the delivery of RIKS 34 1016 (IS0000037737).
2. Primary dealers in Treasury securities (referred to hereinafter as *participants*) will be invited to act as intermediaries for the transactions and submit bids to the arranger through the Bloomberg trading and auction system.
3. The auction will be held between 10:30 and 11:00 hrs. on Tuesday 30 September 2025. The auction results will be announced publicly at 12:00 on the auction date. The settlement date for the transactions is Tuesday 7 October 2025.
4. Bids for RIKS 34 1016 shall be submitted as nominal amounts. The auction will be structured such that all accepted bids will be offered to participants at the same fixed price.
 - The clean price of IBN 38 0101 is 42.7676 (the dirty price is 164.970973, with accrued interest and indexation). The clean price is equivalent to a yield of 3.45%.
 - The clean price of RIKS 34 1016 is 104.1411 (the dirty price is 111.744058, with accrued interest and indexation). The clean price is equivalent to a yield of 2.97%.

For clarification the exchange factor in the auction is 0.6773558764.

Example: A participant receives 1,000 m.kr. nominal value in RIKS 34 1016 in exchange for 677,355,876 nominal units in IBN 38 0101.

5. The minimum nominal amount of each bid shall be 1 m.kr. Bids shall be submitted in multiples of 1 m.kr. ÍL Fund reserves the right to accept bids in part or to reject all bids.
6. The arranger declares itself free of all liability for offers that do not reach the arranger due to system error or for any other reason. The arranger is authorised to cancel auctions in their entirety due to technical difficulties. Parties are authorised to confirm the receipt of bids by telephone call to the arranger at tel: +354 569 9994. Bids that reach the arranger and are registered to individual terminals in the Bloomberg Auction System are binding and are the responsibility of the person who is registered for that terminal. It is permissible to amend or withdraw bids by sending an appropriate message through the Bloomberg Auction System to the arranger before 11:00 hrs. on the auction date.
7. These terms of auction apply between ÍL Fund, the arranger, and the participant in connection with the auction. ÍL Fund and the arranger are not liable for participants' obligations to their customers.
8. In the event of a discrepancy between the English and Icelandic versions of these terms of auction, the Icelandic version shall apply.