

# Shareholder Meeting of Festi hf.

## 23. August 2023

The Board of Directors of Festi hf. hereby announces that a shareholder meeting will be held on Wednesday 23 August 2023 at 10:00 a.m. at the Company's headquarters at Dalvegur 10-14, Kópavogur.

### The draft agenda for the meeting is as follows:

#### 1. Proposal for a reduction in share capital by cancelling own shares and a corresponding amendment to the Articles of Association of the Company.

*"The shareholders' meeting of Festi hf., held on 23 August 2023, agrees to reduce the share capital of the Company from ISK 312,500,000 in nominal value to ISK 304,500,000 in nominal value, solely to reduce its own shares in accordance with Act No. 2/1995 on Public Limited Companies. The company's share capital thereby decreases by ISK 8,000,000 in nominal value. The reduction applies only to own shares acquired by the Company through the purchase of its own shares in accordance with a buyback program approved at the Company's Annual General Meeting on 22 March 2022 in accordance with Article 55 of Act No. 2/1995 on Public Limited Companies."*

*If the proposal receives the approval of the shareholders' meeting, the amount of share capital in Article 4 of the Articles of Association will be amended accordingly with the reduction.*

#### 2. Presentation regarding a purchase agreement for all share capital in Lyfja hf.

#### 3. Proposal for the Board of Directors authorization to increase the company's share capital in connection with the acquisition of all share capital in Lyfja hf. and a corresponding amendment to the Articles of Association of the Company.

*"The shareholders' meeting of Festi hf., held on 23 August 2023, agrees to authorise the Company's Board of Directors to issue new shares in the Company at a nominal value of up to ISK 10,000,000. The Board's authorisation shall only be used to fulfil the Company's obligations regarding the payment of a portion of the purchase price according to an agreement between Festi hf. and SID ehf., dated 13 July 2023, regarding the acquisition by Festi hf. of all shares in Lyfja hf. Shareholders' pre-emptive rights according to the first paragraph of Article 5 of the Company's Articles of Association do not apply to the new share capital, and shareholders therefore waive their subscription rights to the share capital increase in accordance with the provisions of the third paragraph of Article 34 of Act No. 2/1995 on Limited Companies. The newly issued shares will be in the same class and carry the same rights as other shares in the Company, subject to the restrictions resulting from the imposition of a sales ban according to the purchase agreement. The newly issued shares shall grant rights from the date of registration of the share capital increase. The authorisation is granted to 15 May 2024. The Company's Board of Directors shall be authorised to make the necessary amendments to the Company's Articles of Association in connection with the utilization of the authorisation. This authorisation shall be removed from the Articles of Association when it has been utilized."*

*If the proposal is approved by the shareholders' meeting, it shall be incorporated into the Company's Articles of Association as a new provision which shall become the fifth paragraph of Article 5.*

#### 4. Other proposals from the Board of Directors regarding amendments to the Articles of Association.

*Proposals to this effect are published parallel with the invitation to a meeting on Nasdaq Iceland and on the Company's website <https://www.festi.is/en/cc/egm-2023>.*

#### 5. Other matters legally raised.

### Other information:

At the shareholders' meeting, one vote is attached to each krona of the nominal value of the share capital, while the share capital of Festi hf. has a nominal value of ISK 312,500,000. The company's own shares shall not have voting rights. At shareholders' meetings, the power of votes determines the outcome of all ordinary matters, unless otherwise stipulated in the Company's Articles of Association or law.

All shareholders are entitled to attend the shareholders' meeting, to address the meeting and exercise their voting rights. Registered shareholders at the time of the shareholders' meeting may exercise their rights at the meeting. The share register refers to settlement of transactions in Nasdaq Iceland on August 22, 2023. Shareholders may have a proxy to attend the shareholders' meeting and exercise the voting rights on their behalf. Written letter of proxy shall be submitted upon registration at the meeting. A form for a letter of proxy is available

on the Company's website, <https://www.festi.is/en/cc/egm-2023>. Shareholders may also attend a meeting with a consultant, but as such the consultant has no right to make proposals or vote at the meeting. A shareholder may, however, let the consultant speak on his behalf.

Shareholders who wish to have a particular matter dealt with at the shareholders' meeting shall send a request to the email address [fjarfestatengsl@festi.is](mailto:fjarfestatengsl@festi.is) not later than ten days before the meeting, i.e. at the latest by 10:00 a.m. on Sunday 13 August 2023. If a shareholder has asked for an item to be included on the agenda or submitted proposal before the appointed time, the final agenda and proposals will be updated on the Company's website and a notice will be published on Nasdaq Iceland no later than one week before the meeting. Shareholders may also submit questions regarding advertised agenda items at the shareholders' meeting itself. Matters which have not been identified in the agenda of the shareholders' meeting cannot be addressed as a final resolution at the meeting without the consent of all the shareholders of the company, but a resolution may be drawn up as a guide to the Board of Directors.

Shareholders may request to vote postally on items that are on the agenda of the meeting. A request for such form of voting shall have been received at the office of the Company or at the email address [fjarfestatengsl@festi.is](mailto:fjarfestatengsl@festi.is) before 10:00 am on Friday, August 18, 2023.

The meeting agenda, the Board of Directors' proposals to the shareholders' meeting, the 2022 annual financial statements and the interim results for the 1st and 2nd quarters of 2023, the Board's report and statement, an expert report, a certified auditor's report and statement and other documents that will be submitted to the shareholders' meeting can be found on the Company's website at <https://www.festi.is/en/cc/egm-2023> and are also available to shareholders for inspection at the Company's headquarters at Dalvegur 10-14, Kópavogur. The Board's proposals for amendments to the Company's Articles of Association under item 4 are essentially the following:

- It is proposed that the wording of the object clause in Article 3 of the Company's Articles of Association should be amended in order to harmonize it with the Company's consolidated operations.
- Amendments are proposed to the wording of the eighth and ninth paragraphs of Article 11 of the Company's Articles of Association concerning the authority of the Board of Directors to decide that shareholders' meetings should be held in whole or in part remotely and that shareholders must notify their participation no later than two days before the shareholders' meeting instead of 10 days.
- An amendment to the first paragraph of Article 13 of the Company's Articles of Association is proposed, stating that shareholders' meetings must be convened electronically to ensure swift access to the information on an equal basis. The proposal also provides that shareholders' meetings should be convened at least three weeks before the meeting and annual general meetings at least three weeks before the meeting and at most six weeks before the meeting.
- It is proposed that it should be stipulated in the second paragraph of Article 13 of the Company's Articles of Association that the Board can decide that a shareholder must notify the Company of his participation in a shareholders' meeting within a certain period, which must not be longer than two days, and that the right to vote at a meeting will depend on the number of shares held at the time when the registration period ends. Moreover, the provisions currently found in the second paragraph of Article 13 of the Company's Articles of Association will henceforth be found in the third paragraph of the same Article.
- Amendments are proposed to the wording of the second paragraph of Article 17 of the Company's Articles of Association, which essentially mean that references to the Company's alternate board will be removed.
- It is proposed that the fifth paragraph of Article 18 of the Company's Articles of Association should be deleted.

Shareholders and proxies can register for the shareholders' meeting at the meeting place from 09:00 on the day of the meeting. Furthermore, pre-registration of shareholders/proxies is accepted at the email address [fjarfestatengsl@festi.is](mailto:fjarfestatengsl@festi.is) until 08:00 on the day of the meeting. In the case of pre-registration, it is requested that the name and ID no. of the shareholders be explicitly stated and that a completed proxy form, if applicable, be attached to the registration.

A shareholders' meeting is lawful regardless of attendance at the meeting if duly convened. The shareholders' meeting and meeting documents will be in Icelandic. Should there be discrepancy between the English and Icelandic version of this Notice, the latter prevails.

**Kópavogur, August 1, 2023.**  
**The Board of Directors of Festi hf.**