

AMAROQ'S TRANSFER TO NASDAQ MAIN MARKET IN ICELAND

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Amaroq Minerals

www.amaroqminerals.com | TSXV:AMRQ

Amaroq Minerals Ltd is a Greenland-focused mining company engaged in the identification, acquisition, exploration, and development of gold properties and other strategic mineral assets in Greenland

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AMAROQ'S UPLISTING



AMAROQ'S TRANSFER TO THE MAIN MARKET

Transferring to the Main Market puts Amaroq in a favourable position vis-à-vis structural inflows



1

Pension funds

Collectively, Icelandic pension funds own ~50% of the Main Market. Strong precedents exist for companies' **pension fund ownership increasing** following transfer from First North to the Main Market

2

Index inclusion

Two Icelandic indices applicable to Amaroq can drive passive inflows from Icelandic funds. **OMX Iceland all-share** inclusion will occur immediately upon uplisting and **OMX Iceland 10** inclusion possible with greater liquidity after **July 2024**

3

FTSE indices

In 2022, Iceland was upgraded by FTSE to Secondary Emerging Market status. With increased liquidity, it will be possible for Amaroq to qualify for FTSE indices, including the Global Micro Cap, Small Cap and Total Cap Indices **from June 2024**

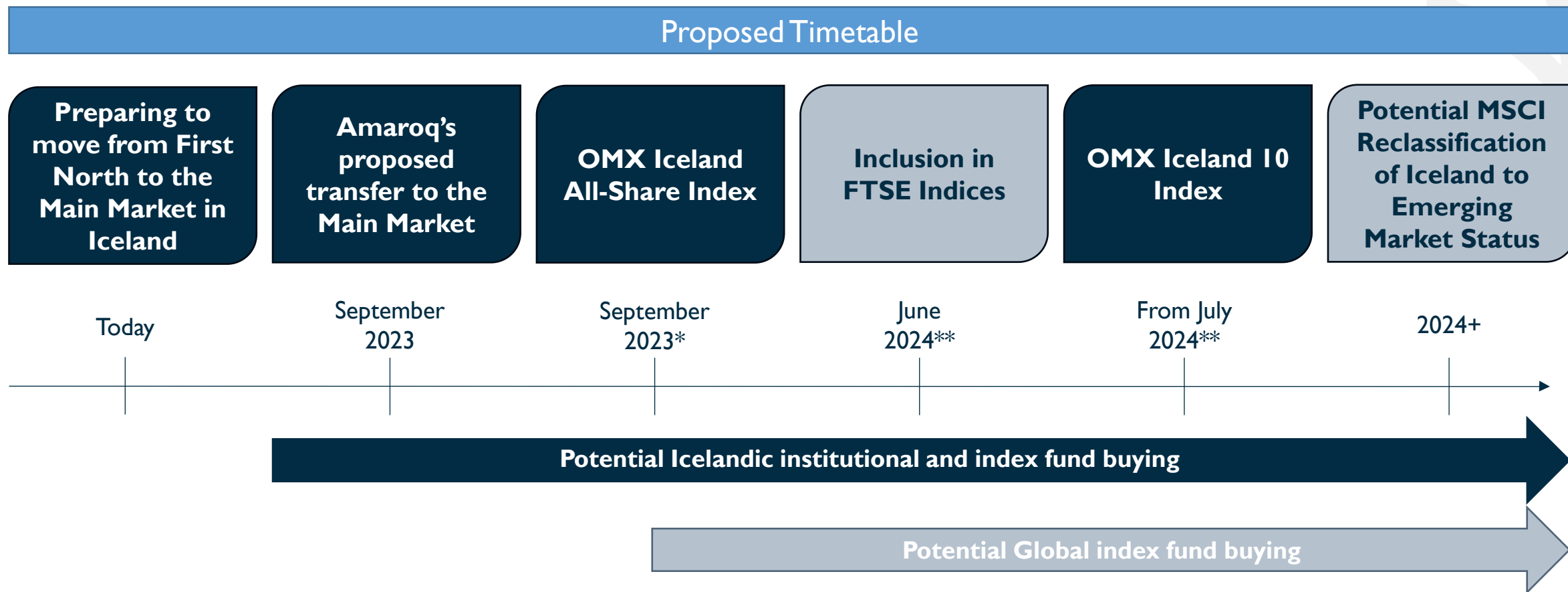
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MSCI classification

A potential upgrade of Iceland by MSCI from Frontier Market to Emerging Market status in the near future could have a **sizeable effect on the influx of capital to the Icelandic market** with significant capital tied to MSCI's indices

SUMMARY: TRANSFER TO THE NASDAQ MAIN MARKET

Listing on the Main Market makes Amaroq a contender in upcoming index fund reviews



*Immediate upon listing

**Subject to Amaroq meeting the inclusion criteria

NASDAQ ICELAND

23 companies are currently listed on the Main Market

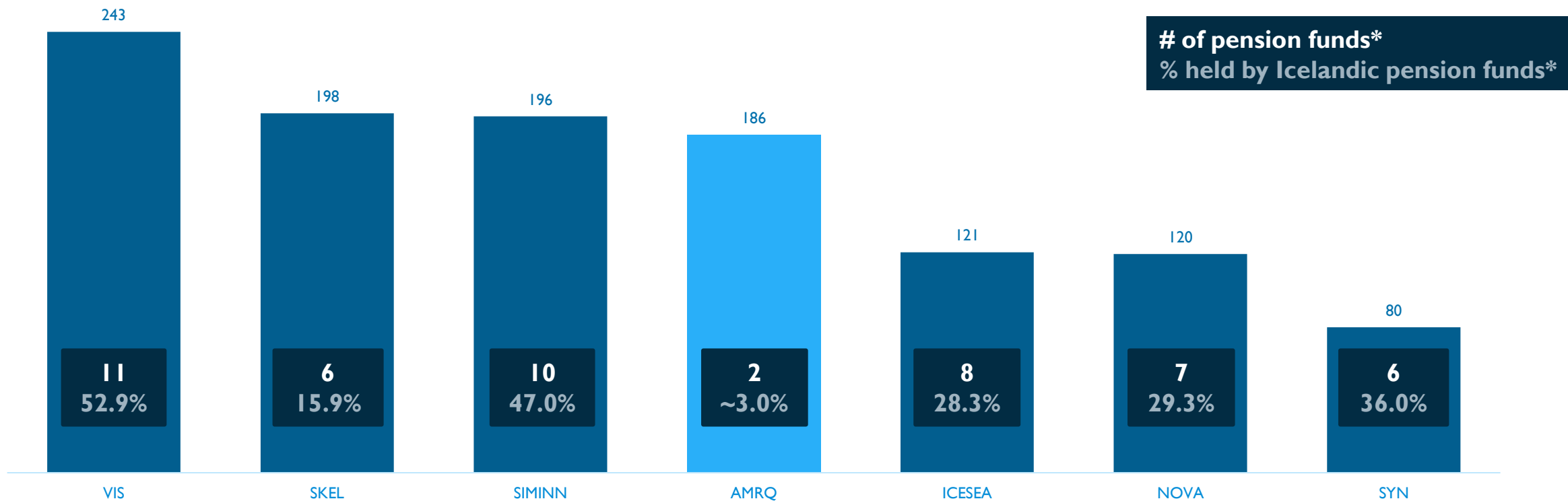


*As of September 1st, 2023

ICELANDIC PENSION FUND HOLDINGS

Pension fund shareholdings in Main Market companies of Amaroq's size

Market capitalisation (USDm)*



*Number of pension funds among the top 20 shareholders and their collective shareholding as of September 1st, 2023

ICELANDIC FUND LANDSCAPE



OMX ICELAND ALL-SHARE INDEX

A common benchmark

- A common benchmark for Icelandic funds is the OMX Iceland All-Share Index, which includes all equities listed on the Main Market in Iceland subject to certain eligibility criteria
- Equities on the Main Market are therefore more likely to have at least a basic weighting (market weight) in the portfolios of Icelandic funds to prevent under-performance against this benchmark
- Amaroq will be added to the index **immediately after transferring to the Main Market**

OMXI	
Description	<ul style="list-style-type: none">• Measures the performance of selections of equity securities listed on the Nasdaq Iceland hf.
Eligibility	<ul style="list-style-type: none">• Ordinary equity shares and depositary receipts• A security must not be classified as “Closed End Investments” or “Open End and Miscellaneous Investment Vehicles” at the Sector level by Industry Classification Benchmark (ICB), a product of FTSE International Limited that is used under license• A single shareholder may not control 90% or more of a security’s outstanding shares
Reconstitution	<ul style="list-style-type: none">• Index reconstitution is conducted each trading day using data as of the previous trading day and effective at market open on each trading day
Rebalance	<ul style="list-style-type: none">• Index is rebalanced each trading day determined by the Total Shares Outstanding (“TSO”) and closing prices as of reconstitution reference dates• Rebalances become effective in conjunction with the index reconstitution at market open
Selection process	<ul style="list-style-type: none">• Securities that meet the eligibility criteria are included in the index
Weighting	<ul style="list-style-type: none">• Market capitalization weighted index

OMX ICELAND 10 INDEX

Two Icelandic funds follow the OMXI10CAP

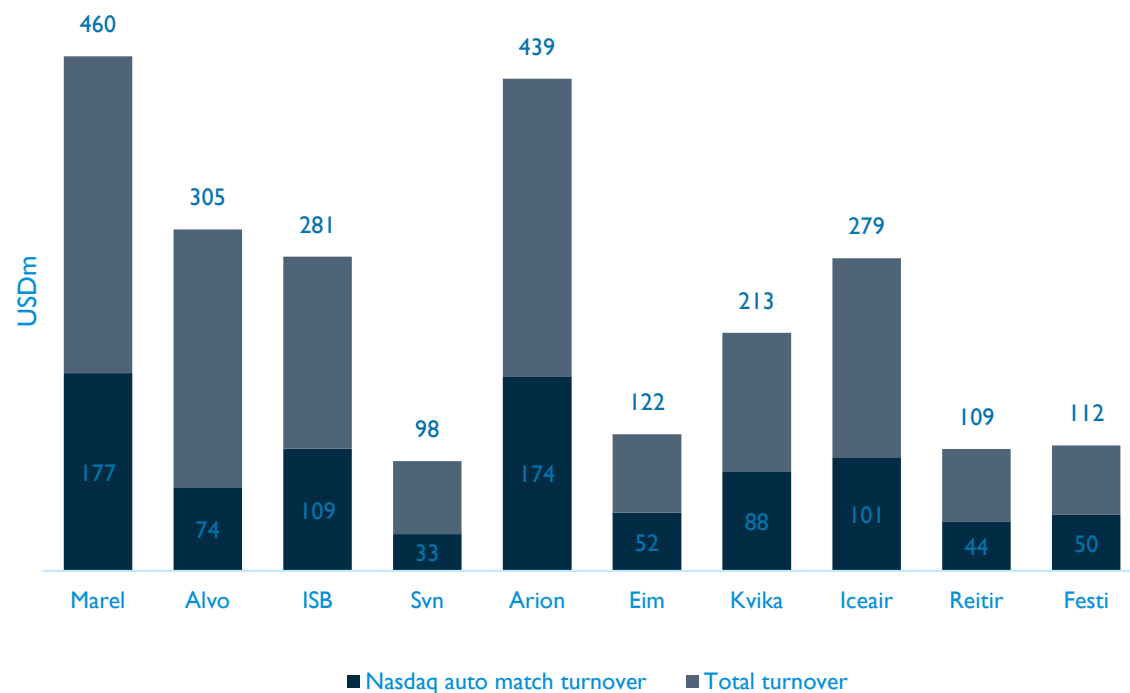
- OMX Iceland 10 Index consists of the 10 companies on the Main Market with the most liquidity (turnover and bid-ask requirements)
- Two Icelandic funds follow the index with weighting constraints, OMX Iceland 10 Cap
- Alvotech was included in the index for the first time on July 3rd this year, having transferred from First North to the Main Market in December 2022
- Subject to the selection criteria, Amaroq could be added to the index in **July 2024** at the earliest

	OMXI10	OMXI10CAP
Description	<ul style="list-style-type: none"> Measures the performance of a selection of the most traded securities listed on Nasdaq Iceland hf. 	<ul style="list-style-type: none"> Version of OMX Iceland 10 Index subject to weighting constraints
Eligibility	<ul style="list-style-type: none"> Included in the OMX Iceland All-Share Index 	<ul style="list-style-type: none"> Included in the OMX Iceland 10
Reconstitution	<ul style="list-style-type: none"> Semi-annual in January and July January uses data as of November-end and free float data as of October-end July uses data as of May-end and free float data as of April-end Effective on the first trading day in January and July 	<ul style="list-style-type: none"> Same as parent index
Rebalance	<ul style="list-style-type: none"> Rebalances in conjunction with the index reconstitution Weights are determined using the free float shares used in reconstitution and closing prices as of the day prior to the effective day 	<ul style="list-style-type: none"> Semi-annual adjustments made in conjunction with reconstitution in January and July Rebalanced daily as needed if weight constraints are violated
Selection process	<ul style="list-style-type: none"> Top 8 selected based on Nasdaq official auto match turnover during 6 calendar months prior to reconstitution Securities ranked 9-12 based on turnover are evaluated based on spread requirements: avg. daily bid-ask spread <1,5% and bid ask orders present at the end of >95% of trading days Top 2 based on spread requirements are included in the index 	<ul style="list-style-type: none"> Same as parent index
Weighting	<ul style="list-style-type: none"> Free-float market capitalization weighted index 	<ul style="list-style-type: none"> Modified free float market capitalization weighted index

OMX110 JULY 2023 RECONSTITUTION

Two new constituents saw ~4m USD each in passive inflow following OMX110 inclusion





OMX110 constituents' liquidity prior to July 2023 reconstitution



OMX110CAP July 2023 Reconstitution			
Ticker	July 2023 Index Weight	New Constituent	Passive Inflow (USDm)
MAREL	23.81%	No	NA
ALVO	9.44%	Yes	4
ISB	12.82%	No	NA
SVN	8.77%	Yes	4
ARION	15.30%	No	NA
EIM	5.53%	No	NA
KVIKA	6.86%	No	NA
ICEAIR	6.75%	No	NA
REITIR	5.70%	No	NA
FESTI	5.29%	No	NA

ICELANDIC INDEX FUND LANDSCAPE

Four Icelandic index funds with potential for passive inflows following transfer to the Main Market

Fund manager	Fund name	Investment strategy	Fund size	Milestone before eligibility
 ÍV SJÓÐIR	ÍV-aðallisti	Equal weighting of all equities listed on the Main Market	1.3bn ISK (10 USDm)	Transfer to Main Market and subsequent inclusion in OMXI
 Íslandssjóðir <small>Síðan 1994</small>	IS Úrvalsvísitölusjóður	Follows OMXI10CAP	2.5bn ISK (19 USDm)	Inclusion in OMXI10CAP
 LANDSBRÉF	Landsbréf-LEQ UCITS ETF	Follows OMXI10CAP	3.4bn ISK (26 USDm)	Inclusion in OMXI10CAP
 KVIKA	Kvika-hlutabréfavísitala	Follows KVIKAeqcap – a market weighted index by Kvika bank for equities on the Main Market	0.5bn ISK (4 USDm)	Transfer to Main Market and subsequent inclusion in OMXI

ICELANDIC PENSION FUND LANDSCAPE

By far the largest players in listed equities

- Iceland has 21 pension funds with ~\$53bn USD in total assets of which domestic equities account for ~\$8bn USD
- Icelandic pension funds have a relatively wide mandate besides a requirement of a 3.5% real return a year
- They collectively hold approx. 50% ownership on the Nasdaq Iceland Main Market, varying between stocks from <20% up to 70%
- In the cases of Alvotech, Iceland Seafood International and Kvika bank, moving from First North to the Main Market has been seen to both improve the stocks' liquidity but also facilitate pension fund participation

Alvotech	
Ticker	ALVO
Market cap (USDm)	2.895
Date of transfer	December 2022
Trade volume increase*	~6x
Increase in pension fund ownership**	+8 funds

Iceland Seafood International	
Ticker	ICESEA
Market cap (USDm)	121
Date of transfer	October 2019
Trade volume increase*	~2x
Increase in pension fund ownership**	+23% stake

Kvika Bank	
Ticker	KVIKA
Market cap (USDm)	615
Date of transfer	March 2019
Trade volume increase*	~4x
Increase in pension fund ownership**	+22% stake

*Based on data as of May 2023

**Comparison of the number of pension funds / shareholding among the top 10 shareholders at year-end prior to transfer and May 2023. Alvotech is estimated from news sources and represents total number of pension fund shareholders

INDICES INCLUSION

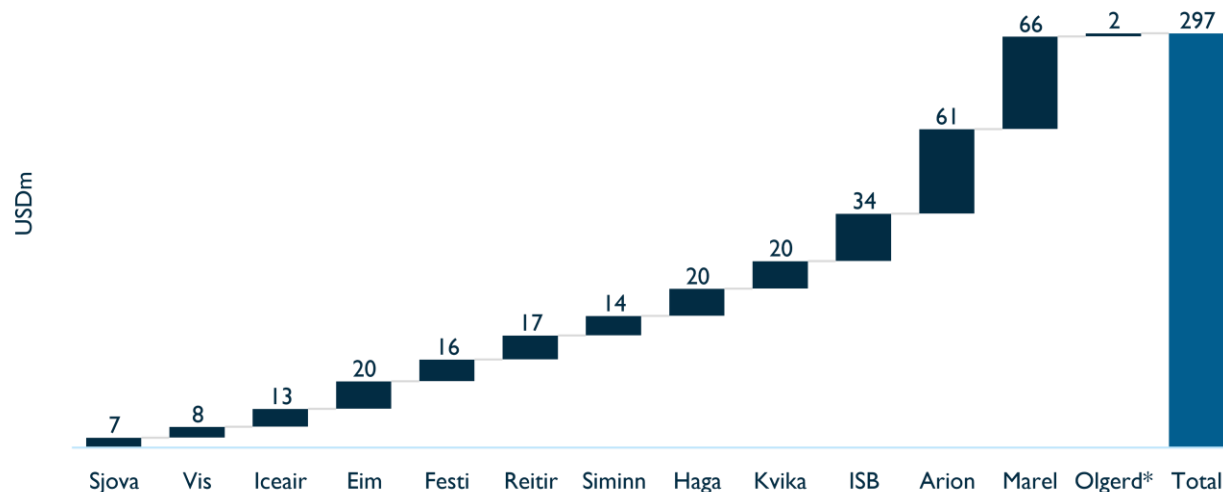


EFFECT OF ICELAND'S FTSE RECLASSIFICATION

Major milestone for foreign participation

- It is estimated that the 2022 FTSE upgrade of Iceland from Frontier Market status to Secondary Emerging Market status brought around \$300m USD in direct inflows from index funds tied to the FTSE indices
- The largest single contributor was the Vanguard FTSE Emerging Markets Index Fund ETF which has approx. 107bn USD in total net assets

Estimated passive FTSE inflow per constituent**



Sources: FTSE Russel, Nasdaq Iceland

*Only one tranche is included in the calculations since Olgerdin qualified for the FTSE with the third tranche in March 2023 (not a part of the original 3 tranche schedule)

**Excludes Micro-Cap constituents. The passive inflow is calculated based on inflow on the 3 reconstitution dates and 12m daily median turnover is deducted to estimate FTSE inflow

- Iceland's weight in the indices is between 0.01% and 0.02% except for the Emerging All Cap Index that includes fewer countries

May 2023	No. of Constituents	Net Mcap (USDm)	Wgt %
Global Total Cap	16	8,821	0.01
Global All Cap	13	7,493	0.01
Emerging All Cap	13	NA	0.11
All-Worlds Index	9	6,556	0.01
Global Small Cap Index	4	693	0.01
Global Micro-Cap	3	261	0.02

- Provided securities have traded on an exchange for three months or more, and meet all other eligibility requirements, they will usually be up for review in the following index review, which takes place **every six months**
- Amaroq will likely be up for review in **March 2024**, and if all necessary criteria are met, Amaroq could be included in FTSE indices in **June 2024** at the earliest

AMAROQ'S POSITION IN FTSE INDICES

Nationality, market cap and liquidity are decisive factors in Amaroq's potential inclusion

- **Assigned nationality**

- If a company has a listing in a country of incorporation and listings in other countries, FTSE will normally assign the company to the country of incorporation
- If the company fails the liquidity test in that country FTSE will allocate the company to the country with the greatest liquidity
- Given that the only main market listing will be in Iceland (with the greatest liquidity), Amaroq is expected to be allocated to Iceland

- **Rank**

- Based on the market cap of Amaroq, the company would most likely qualify for the FTSE Global Micro-Cap and Global Total Cap indices
- Depending on the market cap after listing on the Main Market, Amaroq might become eligible for the Global Small Cap Index
- With increased liquidity, Amaroq could become eligible for the Global All Cap and Emerging All Cap Indices
- With a Small Cap classification, the estimated passive inflow into the Amaroq stock, when and if it qualifies for the FTSE indices, could be in the range of 5–7m USD

- **Liquidity test**

- To pass the liquidity test to qualify for FTSE indices, the median liquidity requirement must be at least:
 - 0.050% for Global All Cap Index
 - 0.025% for Global Micro-Cap
- This requirement must be met for 10 out of the last 12 months (or a corresponding proportion for a <12-month period)
- Based on preliminary calculations using data since the listing of Amaroq on First North, Amaroq would not pass the liquidity test for the Micro-Cap or the Global All Cap
- Two companies on Nasdaq Iceland did not qualify for the FTSE indices due to liquidity in March 2023

MSCI

Potential MSCI upgrade of Iceland from Frontier to Emerging Market status presents opportunities

- Iceland was reclassified by MSCI from Standalone to Frontier Market status in May 2021, two years behind FTSE
- 18 Icelandic securities are included in the index as of May 2023, 7 as standard and 11 as small cap
- Although the MSCI Frontier Market classification of Iceland results in some inflows due to tracking, the capital invested in the Frontier Market space has decreased over the past few years
- Iceland's reclassification to Emerging Market status would therefore be a significant step towards more sizeable inflows, with a greater estimated effect than the FTSE inflows already seen

In an interview, the **CEO of Nasdaq Iceland** has made the following comment:

“Considering that MSCI was two years behind FTSE in classifying Iceland as a Frontier Market we could expect being upgraded at a similar rate to an Emerging Market in 2024. The conditions are not dissimilar, and I view our position strong – and much more capital is tied to MSCI's indices.” (December 28th, 2021)



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