

**ICELANDAIR GROUP HF. USD SENIOR UNSECURED CALLABLE BONDS 2016/2021 –
NOTICE OF CLARIFICATION**

To: The Bondholders under the Terms and Conditions (as defined below)

Date: 15 May 2019

We refer to the up to USD 300,000,000 senior secured floating rate Bonds 2016/2021 with ISIN NO0010776982 (the "**Bonds**") issued by Icelandair Group HF. (the "**Issuer**") and to the terms and conditions of the Bonds (the "**Terms and Conditions**").

We also refer to the notice of partial redemption dated 8 May 2019 which stated that the Issuer will redeem USD 50,666,667 of its outstanding Bonds on 27 May 2019 at a redemption price of 102.00 per cent. of the Outstanding Nominal Amount (as defined in the Terms and Conditions), together with accrued but unpaid interest.

Given that 27 May 2019 is a public holiday in the United Kingdom, the "Business Day" definition in the Terms and Conditions entails that the actual redemption date will fall one (1) Business Day later, i.e. on 28 May 2019. Accrued interest on the redeemed amount will also apply to 28 May 2019.

The record date on which any holder must hold any Bond to be entitled to the redemption price will remain unchanged at 23 May 2019.

For questions, please contact the Agent at sweden@nordictrustee.com / +46 8 783 79 00.

Yours faithfully,

NORDIC TRUSTEE & AGENCY AB (publ)