

**ICELANDAIR: GUIDANCE FOR THE FULL YEAR 2024 NO LONGER VALID DUE TO INCREASED UNCERTAINTY IN THE EXTERNAL ENVIRONMENT**

At the beginning of April, Icelandair issued its financial guidance for 2024, which assumed an EBIT ratio in the range of 2-4%. This guidance is no longer valid.

Uncertainty remains regarding how the markets will develop, not the least due to repeated volcanic eruptions on the Reykjanes Peninsula and thus no guidance will be provided. As the demand for travel to Iceland has weakened, Icelandair has used the flexibility of its route network to increase focus on the via market but yields have somewhat weakened on that market.

As previously announced, the Company is taking various actions to further strengthen its operational excellence and efficiency. One of these actions is reducing the number of employees in various departments of the Company today.

Following a period of extensive growth in recent years after Covid, the Company's main focus is now on increasing efficiency in its operations and strengthening its competitiveness for the future. The Company has already achieved a reduction in unit costs, as reported with the Q1 2024 results, and will continue on that path. The Company's Leasing operation is performing well and there has been a turnaround in the results of the Cargo operations after a difficult year last year. Icelandair's financial position is strong and the Company is well-positioned to meet fluctuations associated with flight operations.