

PRESS RELEASE

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ICELANDAIR SIGNS LEASE AGREEMENTS FOR SIX AIRBUS A320NEO AIRCRAFT

Icelandair has signed lease agreements with aircraft lessor Aircastle for six Airbus A320neo aircraft, which will enter service before summer 2028. This is in addition to the recently announced four aircraft of the same type from lessor AviLease, which will enter the fleet in spring 2027. The ten Pratt & Whitney powered aircraft are manufactured between 2018-2020.

The Company currently operates seven Airbus aircraft. In addition, three new Airbus A321LR's are scheduled for delivery later this year. Once these ten A320neo aircraft have been added, Icelandair's Airbus fleet will consist of 20 aircraft.

The introduction of these aircraft is part of Icelandair's extensive fleet renewal program. Over the past decade, the Company has invested in a new generation of more fuel-efficient Boeing 737 MAX and Airbus A320 family aircraft. At the same time, Icelandair has accelerated the retirement of its Boeing 757 and 767 fleet and plans to cease operating these aircraft in passenger service from January 2027.

Bogi Nils Bogason, President and CEO of Icelandair:

"We continue to invest in our extensive fleet renewal and are pleased to begin this new partnership with Aircastle and AviLease. Next year, we will reach the important milestone of operating our entire passenger network with new-generation aircraft that consume up to 30% less fuel per seat. Our fleet renewal also supports our ambitions to strengthen our route network, simplify the fleet, and continue to provide customers with outstanding service and great travel experience."

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