

## **Icelandair Group's acquisition of WOW air cancelled**

The acquisition of Icelandair Group of WOW air, based on a purchase agreement signed on November 5th, has been cancelled. Both parties agree on this outcome.

Icelandair Group hf. issued a stock exchange release last Monday, November 26th, stating that the company estimated that it would be unlikely that all of the conditions in the share purchase agreement would be fulfilled by the shareholders' meeting on November 30th. That situation remains unchanged. Therefore, it is unlikely that the Board of Directors of Icelandair Group can recommend to the shareholders that they agree to the purchase agreement. Furthermore, the Board does not intend to submit to the shareholders' meeting a proposal to postpone decision-making on the purchase agreement.

Due to this this situation, both parties agree to abandon the aforementioned purchase agreement.

Icelandair Group will hold its shareholders' meeting on Friday, November 30, as previously announced. An authorisation proposal for the Board to increase the share capital of Icelandair Group is on the agenda of the shareholders' meeting.

Bogi Nils Bogason, Interim President & CEO of Icelandair Group:

"The planned acquisition of Icelandair Group of WOW air will not go through. The Board of Directors and management of both companies have worked on this project in earnest. This conclusion is certainly disappointing. We want to thank WOW air's management for a good cooperation in the project during recent weeks . All our best wishes go out to the owners and staff of the WOW air. "

Skúli Mogensen, CEO and Founder of WOW air:

"It was clear at the outset that it was an ambitious task to complete all the conditions of the share purchase agreement in this short period. We thank the Icelandair Group's management team for this challenging project, and also wish the management and staff of Icelandair Group all the best."

**For more information, please visit WOW's website at <https://wowair.is/investors> or contact:**

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This information is information that WOW air hf. is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 09:00 GMT on November 29, 2018.