

PRESS RELEASE

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Pareto advises Icelandair Group hf. on its USD 150 million debut on international capital markets

Pareto Securities has advised and acted as Sole Bookrunner to Icelandair Group hf. on its successful placement of five-year senior unsecured bonds in the amount of USD 150 million. The proceeds from the bond issue will be used to partially finance pre-delivery payments for new aircraft, to strengthen the Group's liquidity, and for general corporate purposes.

The bonds, maturing in 2021, bear interest at a rate of 3 month LIBOR + 3.50 per cent, with no LIBOR floor, and will be listed on NASDAQ Stockholm within 60 days of the issue date.

The issue marks the Group's debut on international capital markets and makes it the first Icelandic corporate to access the Nordic high yield market since the financial crisis. The margin at which the loan was placed positions the Group as the Nordic airline with the lowest unsecured funding rate, and at the low end of the funding cost spectrum even when compared to international airline peers.

The transaction was well received by the market, with participation from in particular Sweden, Norway and Continental Europe. Altogether, more than 50 investors participated in the bond issue.

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