



**norwegian**

# Norwegian Air Shuttle ASA

## Investor presentation

6 May 2021

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In connection with the Capital Raise, the Managers are not acting for anyone other than the Company and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the Capital Raise.

Investing in the Shares, including the Offer Shares, involves a particularly high degree of risk (in particular due to the current distress situation the Company is in). Prospective investors should read the Prospectus and, in particular, consider the sections "Risk factors" in the Registration Document and the Securities Note when considering an investment in the Company. The Company has been severely impacted by the current outbreak of COVID-19. In a very short time period, the Company has lost most of its revenues, is in adverse financial distress and risks bankruptcy. This has adversely and materially affected the Group's contracts, rights and obligations, including financing arrangements, and the Group is not capable of complying with its ongoing obligations and is currently subject to event of default. On 18 November 2020, the Issuer and certain of its subsidiaries applied for examinership in Ireland (and were accepted into examinership on 7 December 2020), and on 8 December 2020 the Issuer applied for and was accepted into reconstruction in Norway. These processes were sanctioned by the Irish and Norwegian courts on 26 March 2021 and 12 April 2021 respectively, however remain subject to potential appeals and certain other conditions precedent, including but not limited to the successful completion of a capital raise in the amount of at least NOK 4,500,000,000 (including the Rights Issue, the Private Placement and the issuance of certain convertible hybrid instruments as described further in the Prospectus). The aim is to substantially reduce the debt level, reduce the size of operations and re-capitalize the Group with debt and equity. If the Company does not exit the examinership and the reconstruction processes in a successful way, it is highly likely that the Company will enter into liquidation and/or bankruptcy proceedings during the second or third quarter of 2021. Certain risk factors relating to the Company and the Capital Raise, which the Company deems most significant as at the date of this Presentation, are included under the caption "Summary of Key Risk Factors" in this Presentation which should be read carefully. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results and future development of the Company may vary materially from those described in this Presentation.

# Disclaimer (cont'd)

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# Summary of risk factors

The Group is exposed to numerous risk factors. A summary of a selection of material risk factors associated with an investment in the Offer Shares is outlined below. All potential investors should read the presented risk factors in its entirety before making a decision on whether to invest in the Shares. An investment in the Shares is suitable only for investors who understand the risk factors associated with this type of investments and who can afford a loss of all or part of their investment. Investors should read the Prospectus, dated 6 May 2021, which provides extensive information about the Issuer, including specific risk factors in section 1 of the Prospectus, both of the Registration Document and the Securities Note.

## Summary of risk factors relating to the Group's business and financial situation, including risk of bankruptcy

<p><b>COVID-19 Outbreak and risk related to return to normalized operations</b></p>	<p>The Company has in particular been severely impacted by the current outbreak of COVID-19 and in a very short time period, the Company has lost most of its revenues. This has adversely and materially affected the Group's contracts, rights and obligations, including financing arrangements, and the Group is not capable of complying with its ongoing obligations and is currently subject to event of default. The Group is currently in breach of its commitments and agreements, has triggered events of default and is in adverse financial distress. The Company has been strongly affected by the pandemic and has reported a net loss of NOK 23 billion for 2020. In addition, the Company has experienced 81 percent passenger decline compared to last year. The Group's business, operations and financial performance are expected to continue to be materially adversely impacted by the outbreak of COVID-19, including the extraordinary health measures and restrictions on a local and global basis imposed, and are expected to continue to be imposed, by authorities across the world as a result thereof. In addition to the loss of most of its revenues, the Group has in a very short time period cancelled most of its flights and temporarily laid-off most of its employees. No assurance can be given regarding if, when and to what extent the travel restrictions will be lifted and demand for air travel will increase, or if, when and to what extent the Group may return to normalized operations. It is currently not possible to predict all the consequences of the COVID-19 pandemic for the Group, its business partners, Norway and the other countries in which the Group operates, the aviation industry or global business and markets – other than the expectations of material adverse negative effects that may be long-term. Potential investors should note that the COVID-19 situation is continuously changing and that and new laws and regulations that affect the Group's operations may enter into force.</p>
<p><b>The Restructuring Proposal and Bankruptcy risk</b></p>	<p>The board of directors of the Company has resolved to seek to downsize its aircraft platform through a court-supervised process in Ireland termed "Examinership". Furthermore, the Company filed for and was accepted into a supplementary Norwegian court-supervised Reconstruction process. These processes were sanctioned by the Irish and Norwegian courts, however remain subject to potential appeals in Norway (until 12 May 2021) and certain other conditions precedent, including but not limited to the successful completion of a capital raise in the amount of at least NOK 4,500,000,000 (by way of the Rights Issue, the Private Placement and issuance of certain convertible hybrid instruments. If the conditions precedent are for any reason not met as expected, including by way of any appeals being submitted under the Reconstruction in Norway, the effectiveness of the Reconstruction Proposal may be delayed or not completed at all. The Restructuring Proposal is also subject to a long stop date of 30 June 2021, and there is consequently a risk that the Reconstruction Proposal is not completed as contemplated or at all, following which is highly likely that the Company will enter into liquidation and/or bankruptcy proceedings during the second or third quarter of 2021. The shareholders in the Company have granted wide authorization to the board of directors to issue Shares (increasing share capital by up to NOK 198,666,435) and financial instruments convertible into Shares (increasing share capital by up to NOK 198,666,435). Furthermore, the shareholders of the Company have at the EGM approved a rights issue of up to 800 million Shares to be implemented at the discretion of the board of directors, resulting in a share capital increase of up to NOK 8 million. The Restructuring Proposal will, if implemented, materially dilute existing shareholders in the Company and significantly reduce the Group's debt level. If the Company does not exit the Examinership and Reconstruction processes in a successful way, it is highly likely that the Company will enter into liquidation and/or bankruptcy proceedings during the second or third quarter of 2021. Even if the Company should be able to implement the Restructuring Proposal, there is a significant risk that the Company becomes insolvent and enters into bankruptcy if, inter alia, the Company is not able to regain normalized operations. It cannot be ruled out that some creditors will assert that neither the Examinership nor the Reconstruction is recognised in the jurisdiction governing their claim. This could inter alia disturb the Company's operations (if enforcement measures are introduced) and entail an increase in the Company's debt if a court rules that the cram-down implemented in the Examinership and Reconstruction does not apply to the relevant creditor's claim. The Company however believes that the recognition processes available in other jurisdictions are sufficiently strong. Neither the Examinership nor the Reconstruction introduces cram-down of claims that are based on events finding place after 18 November 2020. Recently, some governmental authorities have indicated that the Company could be fined due to events taking place before 18 November 2020. It is uncertain whether fines imposed after 18 November 2020, despite being based on events finding place before 18 November 2020, are bound by the cram-down introduced in the Examinership and Reconstruction. If not bound by the cram-down, such fines could disturb the Company's operations (if enforcement measures are introduced) and entail a significant increase in the Company's debt as the cram-down implemented in the Examinership and Reconstruction would not apply to the relevant fines.</p>
<p><b>Risk related to Boeing litigation</b></p>	<p>In June 2020, the Company issued a termination notice to the Boeing Company of its purchase agreements for the remaining 5 Boeing 787 aircraft, 92 Boeing 737 Max aircraft and the GoldCare service agreements. In addition, the Company filed a legal claim for compensation related to the grounding of the Boeing 737 Max aircraft and engine issues on the Boeing 787 aircraft. Boeing has contested the Company's position and asserted claims against the Group. The outcome is uncertain and may materially affect the Company's business and financial position.</p>
<p><b>Risk related to future operations</b></p>	<p>The Company's aim in implementing the Restructuring Proposal is to reduce its fleet of aircraft and right-size its balance sheet and operations, and the Group's scope and nature of operations are expected to materially change following the Restructuring Proposal. The Group's ability in the future to return to normal operations is furthermore dependent upon, amongst other factors, the lifting of travel restrictions and an increase in demand for air travel, and the extent to which the Company is able to implement the Restructuring Proposal. The Restructuring Proposal may not be sufficient to bring the Group into positive cash generating business. The Group may also in the future risk further insolvency proceedings and bankruptcy if, inter alia, the Group's business does not return to normalized levels, reach agreements with its creditors, the Company is not able to raise capital/finance working capital and/or the Group is not able to reduce, restructure or refinance a substantial portion of its existing debt. Consequently, it is a material risk that the Group's business and operations – both with respect to size and nature – will be adversely changed even if the Group is able to conclude the ongoing insolvency proceedings and restructuring process. If the Group is unable to conclude on the current restructuring, it is a material risk that the Group may enter into bankruptcy. Such bankruptcy risk also applies even if the Group should be able to conclude the current restructuring.</p>
<p><b>Risks related to debt level, the feasibility of the Restructuring Proposal and ability to satisfy payment obligations</b></p>	<p>The Group has a substantial debt level. The Group needs to restructure a material part of its debt. The Restructuring Proposal seeks to address these issues, however the Examinership and Reconstruction remain subject to potential appeals in Norway and certain other conditions precedent, and to some extent their implementation is beyond the control of the Company. There are risks relating to completion of the Restructuring Proposal. Failure to implement the Restructuring Proposal could have a material adverse impact on the Company's ability to satisfy its payment obligations and with a major risk of a potential bankruptcy (full liquidation) as the ultimate consequence thereof. Even if the Group is able to restructure its current debt in whole or in part, the Group's ability to service its debt and other commitments going forward is subject to a number of risk factors, including but not limited to the future effects of the COVID-19 outbreak, the Group's ability to generate sufficient cash flow and operate in the ordinary course of business with positive cash flow and the need for future capital injections and refinancing – and therefore remains highly uncertain. Each of these factors is, to a large extent, subject to completing the ongoing restructuring, the COVID 19-pandemic, economic, financial, competitive, regulatory, operational and other factors, many of which are beyond the Group's control. There can be no assurance that the Group will be able to generate sufficient cash from its operations and/or obtain new capital to pay its debts or other payment obligations in the future or to refinance its indebtedness in order to be able to service its debt in its ordinary course of business. It is therefore a risk that the Group will continue to breach its debt obligations and other obligations, and that creditors as a result will be entitled to accelerate their claims against the Group. The Group will in such circumstances be dependent upon its creditors agreeing to waive covenant breaches and other events of</p>

# Summary of risk factors (continued)

Risks relating to the Group's operations	
<p><b>Operational difficulties may have a negative effect on the Group's operations</b></p>	<p>The Group's flights may be negatively affected by a number of factors, many of which are outside the Group's control, such as technical problems, problems with information technology systems, third-party service providers failing to deliver services in a satisfactory manner etc. As an example, the Group had experienced several technical issues with its engines on the Boeing 787 aircraft. In addition, the Group's Boeing 737 MAX aircraft were grounded in March 2019 (along with the worldwide fleet). Each event caused the Company's operational and financial performance to be significantly negatively affected. The negative effect on operating profit is caused by loss of revenue, increased fuel burn, crew inefficiencies and increased care and compensation expenses. There can be no assurance that future similar problems will not arise. The abovementioned issues can result in delays or cancellations of flights or a failure to deliver satisfactory services to the Group's customers. This can in turn have various negative effects, such as loss of income, incurrence of additional costs, reputational damage and liability to pay compensation to customers. Materialization of any of the above risks may have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or future prospects.</p>
<p><b>The operations and development of the Group is dependent on traffic rights</b></p>	<p>The Group is required to have traffic rights to operate its flights. Today there is a single aviation market within the EU, However, the right to fly from a member state to a non-member state is regulated by bilateral agreements that typically restrict access to carriers and aircraft based on the agreement parties' nationality. The EU has on behalf of its member states negotiated certain air services agreements with third countries, e.g. US, Canada and Brazil. Norway need to and may seek separately to negotiate accession to the EU agreements provided this is accepted by the EU member states and the relevant third country, and in 2011 Norway negotiated an accession to the EU – US “Open Skies” agreement. Even flying above foreign territory can be restricted, such as over Russia. The same bilateral system applies anywhere else in the world. To secure the required traffic rights, the Group' has established a multiple airline model within the same Group, where each airline holds a national 'Air Operating Certificate' (“AOC”). This allows for optimization of the location of each AOC to get access to needed traffic and overflying rights. However, to the extent the Group should wish to expand its operations outside the scope of its existing AOCs or if any of the existing AOCs should for any reason be revoked or fall away (including as a result of the Restructuring Proposal ), this may limit the Group's ability to operate certain flights. This could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.</p>
<p><b>Capacity constraints at airports or an inability to acquire and maintain airport slots or overflight rights</b></p>	<p>Air traffic is limited by the infrastructure of airports and the number of slots available for aircraft arrivals and departures. The Group is dependent on access to the right airports in the geographical markets the Group has chosen to operate within and with a level of costs in accordance with the Group's low-cost strategy. Changes in the terms and conditions for the Group's access to such facilities or an increase in the costs involved as a result of expiry or termination of its contracts may have a material adverse effect on the Group's earnings. Airports might also introduce limitations on inter alia operational hours, noise levels, use of runway or total numbers of daily departures. These types of restrictions might affect the Group's ability to offer services or improve its range of services at such airports.</p> <p>The price and availability of over-flight rights, which allow airlines to fly over individual countries or territories, as well as the cost of traffic charges, such as arrival, departure and navigation charges, affects the Group's business operations to a material extent. Increases in the prices of such charges could affect ticket prices and subsequently the demand, should the Group pass some of this cost onto its customers. Decisions on slots, over-flight rights and/or absence of such rights may affect the Group's ability to offer attractive and low-cost routes to its customers and therefore impact demand.</p>
<p><b>Further increase in hold-back from credit card acquirers could have an adverse effect on the Group's liquidity</b></p>	<p>A significant part of the Group's customers pay with credit cards. A portion of the payment is received from the credit card acquirers upon booking and the remainder upon travel. Credit card acquirers have over the past quarters increased the hold-back of payments to the Group due to the Group's financial situation, resulting in a negative impact on the Group's cash flow. Although the Group currently has a low credit exposure towards the credit card acquirers, there is still a downward risk that the credit card acquirers may increase their hold-back further which could have an adverse effect on the Group's liquidity.</p>

# Summary of risk factors (continued)

## Risks relating to tax and financial conditions

### The Group is exposed to tax related risks

In March 2017 and June 2018, the Norwegian Tax Authorities made a reassessment pertaining to an EEC cross-border restructuring within the Group that took place in 2013 and 2014. The restructuring was carried out under the rules of contingent tax-free group reorganizations. The assessment was appealed, and in January 2020 the Tax Appeals Board ruled in line with the tax authorities' assessment. The disputed question is whether the rules on contingent tax-free group reorganization, as they applied in 2013 and 2014, are contrary to EU law. The Group and its tax advisor are of the opinion that the ruling is without merit and that it is probable that the ruling will be reversed in court. The case was tried in Oslo municipality court in April 2021. The ruling is expected around 20 May 2021. . The Group has not made any provision for any potential tax claim in the Annual Financial Statements. There is no assurance that the court case will be won, and there is a risk that the Group will have to comply with the reassessments and incur significant costs related to the court case. This may impact the Group's financial condition.

Furthermore, the Norwegian Tax Authorities have given notice to the Company that it may be subject to an additional tax claim for reporting too low income on the tax return for 2014-2018. The Company, supported by its legal advisors, are of the view that the claim is unfounded, and have disputed the grounds of the claim and its size. Still, the matter entails a certain risk of the Company's debt being increased

### The Group is subject to risks relating to its substantial deferred tax assets

Intangible assets amounted to NOK 2,167 million at the end of December 2020, compared to NOK 2,871 million at the end of 2019, including deferred tax assets of NOK 1,966 million compared to NOK 2,672 million at the end of 2019. The Group had NOK 4,593 million in unrecognized deferred tax assets at the end of 2020, compared to NOK 545 million at the end of 2019 related to carry-forward tax losses. Following the COVID-19 outbreak and uncertainties regarding the speed of the market recovery and the Company's return to normal operations, the Company has not recognized any deferred tax assets related to the 2020 losses. In addition, an impairment of deferred tax assets related to carry-forward tax losses of NOK 649 million has been recognized during 2020 due to uncertainties regarding the timing and extent of utilization of deferred tax assets following the COVID-19 outbreak.

The deferred tax assets are mainly explained by the historical tax losses of the Group. Unused tax losses are recognized to the extent that taxable profits are probable. Significant management judgment is required to determine the amounts of deferred tax assets that can be recognized, based on the anticipated timing and level of future taxable profits together with future tax planning strategies. In situations where companies in the Group have experienced recent losses, the Group will evaluate whether there is other convincing evidence supporting taxable profits and the future utilization of its carry forward losses. Remaining significant carry forward losses is held by the Company as the parent entity in the Group. Convincing other evidence is considered for recognition of the deferred tax assets. Remaining recognized tax assets are supported by expected debt forgiveness through the ongoing restructuring process. The future operations with focus on markets that has been profitable in the past, also supports that there are reasonable expectations that the Group will generate taxable profits in the upcoming periods.

If the Group is unable to utilize its deferred tax assets, this will lead to reversal of deferred tax assets which may have significant adverse effect on the Group's financial position

### The market price of derivatives may involve risks

The Group is actively using derivative instruments to hedge fuel costs, interest rates and currency, with the aim of mitigating the volatility of the Group's financial results caused by market price fluctuations. Despite such hedging, there can be no assurance, at any given time, that the Group will have sufficient derivatives in place to provide adequate protection against higher market prices. In addition, the market price of the derivatives may decrease substantially, resulting in substantial hedging losses for the Group, as well as leaving the Group unable to participate fully in the economic benefits of the price decrease, which again could impact the Group's short-term cost effectiveness.

# Summary of risk factors (continued)

## Risks relating to the Group's industry

<b>The Group is exposed to volatile aviation fuel prices</b>	The Group's financial results are affected by the evolution of the market price of jet fuel, as fuel costs are the single largest cost item for the Group. The operating results of the Group can be materially affected by changes in the price and availability of jet fuel.
<b>Vulnerability to small changes due to high fixed costs</b>	Although the split between variable and fixed costs has changed over time, the nature of the airline business is such that a substantial percentage of the Group's operating expenses are fixed costs that do not vary proportionally based on its load factors, the number of passengers or the amount of cargo carried, the number of flights flown or aircraft utilization rates. These costs include the costs of the aircraft, employee costs (including, the costs of specialist workers such as pilots), air traffic charges, taxes, landing rights and other aviation fees. Thus, the Group's profit (or loss) is highly sensitive to small changes in sales volumes and the Group's ability to swiftly adjust its costs according to the decrease in demand is limited. The lack of ability to significantly reduce the Company's fixed costs may also negatively affect the Group's liquidity in times when revenue is particularly low over a longer period of time, such as in the current environment with the COVID-19 outbreak and the related government-imposed travel restrictions.
<b>The airline industry is exposed to extensive taxes and fees that can affect the demand</b>	<p>Airport, transit and landing fees, as well as charges and initiatives represent a significant operating cost to the Group and have an impact on its operations. Whilst certain airport and security charges are passed onto passengers by way of surcharges, others are not. In the past, security measures have resulted in fee hikes.</p> <p>Restrictive security policies could be implemented and additional airport fees may be levelled or existing fees increased in the market that the Group operates in. The airline industry is also subject to extensive fees and costs such as taxes (including ticket tax, passenger tax and value added taxes), aviation and license fees, charges and surcharges such as take-off charges, emission charges, noise charges, terminal navigation charges and security charges, which are typically levied on the basis of national legislation and thus vary among countries and represent a significant part of the Group's costs.</p> <p>The Group may pass onto customers some of the costs resulting from such taxes and fees, but such increase in ticket prices may significantly impact demand, so that the Group may have to bear all or parts of the cost resulting from any increase in taxes and fees. Increase of such taxes and fees that the Group is not able to recover by increasing ticket prices may materially impact the Group's results of operations. Due to the Company's current financial situation as further described in this Registration Document, this risk is prominent to the Company in the current circumstances and may adversely affect the Company's financial position.</p>

## Risks relating to the Shares

<b>Significant increase in number of Shares</b>	<p>The shareholders of the Company have granted wide authorization to the board of directors of the Company to issue Shares. Pursuant to Capital Raise, there will be a significantly increase the number of issued Shares in the Company, in addition to certain convertible bonds being offered to existing Creditors for cash. The share issues will dilute the existing shareholders and subscribers in the Rights Issue and Private Placement adversely.</p> <p>As of the date of the Prospectus, the Shares are being traded at the Oslo Stock Exchange at prices significantly higher than the Offer Price, and it is, therefore, a risk that investors may intend to sell all or part of the Offer Shares they receive. Furthermore, a significant number of such new Shares may be issued to creditors that may not have a long-term ownership horizon. Sale of a substantial number of the new Shares, or the expectation of such sale, may have a material negative effect on the trading price of the Company's Shares – or even the ability for shareholders to sell their shares at attractive terms, in a timely fashion or at all.</p>
<b>The Offering may not be completed</b>	Completion of the Offering is subject to certain terms and conditions, including inter alia that the Effective Time (as defined in the Restructuring Proposal) is occurring upon registration of the share capital increase pertaining to the Offering with the Norwegian Register of Business Enterprises ("NRBE"), which is, inter alia, conditional upon the Company raising minimum NOK 4,500 million through the Capital Raise. If the Company is unsuccessful in raising minimum NOK 4,500 million in the Capital Raise and registering the applicable capital increase pertaining to the Offering with the NRBE, or the other conditions precedent under the Reconstruction Plan is not met as expected or at all, the Restructuring Proposal will not become effective, and the Offering, including the Rights Issue, will not be completed. It is furthermore a risk that the Offering as contemplated herein may have to be amended, that due dates applicable to the Offering are extended or that the Offering may be withdrawn and not completed at all. If the Offering is withdrawn, all Subscription Rights will lapse without value, any subscriptions for, and allocations of, Offer Shares that have been made will be disregarded and any payments for Offer Shares made will be returned to the subscribers without interest or any other compensation. In the event of a delay in completion of the Offering, the Investors participating in the Offering will remain irrevocably bound by their applications and/or subscriptions in the Offering submitted during the Application Period, or Subscription period (as applicable), by way of submission of an application in the Private Placement or by exercising Subscription Rights in the Rights Issue, in accordance with applicable law.
<b>Uncertainty relating to the trading price of the Shares</b>	The Company has been severely impacted by the current outbreak of the COVID-19 which has also led to a significant reduction in the trading price of the Shares. In addition, the Shares have been subject to significant volatility and price movements since the COVID-19 outbreak and the filing of the Examinership and Reconstruction. There can be no guarantee regarding the future development of the trading price of the Shares. The fluctuations in the trading price, the extraordinary market conditions and the extraordinary and distressed financial situation of the Company result in lower visibility on the future and could have an adverse effect on how the Shares are priced in the market.
<b>Ownership restrictions – non-EEA nationals</b>	The Company is subject to ownership restrictions whereby shareholders who are not EEA nationals owning or controlling the Company or any of its subsidiaries may potentially cause the Company's and/or its subsidiaries' authorizations to carry out air traffic operations to be annulled or temporary revoked on the grounds of violation of provisions in bilateral civil aviation agreements or violation of statutory rules. The Company's articles of association therefore entitle its Board of Directors to require shareholders that are non-EEA nationals to sell their shares insofar as this is necessary to ensure that the Company no longer violates the above-mentioned provisions regarding ownership and control. In the alternative, the Company may demand that the shares are sold to the Company or that the Company shall redeem the shares by reduction of the Company's share capital at a purchase price or redemption price (as applicable) fixed to the closing price at the Oslo Stock Exchange as per the day prior to the acquisition or redemption (as applicable) is taking place, deducted by 25 percent.

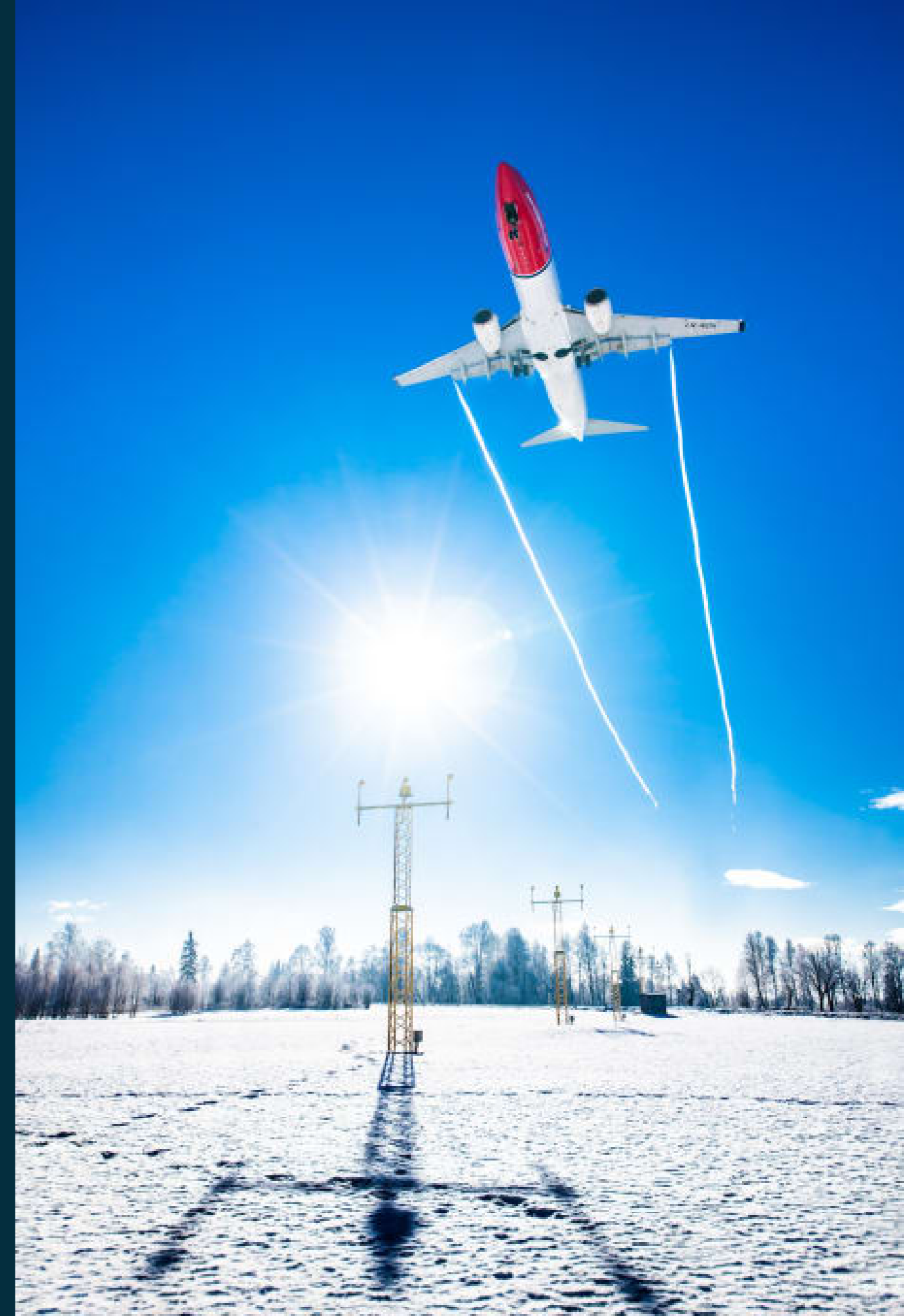
# Agenda

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Investment case

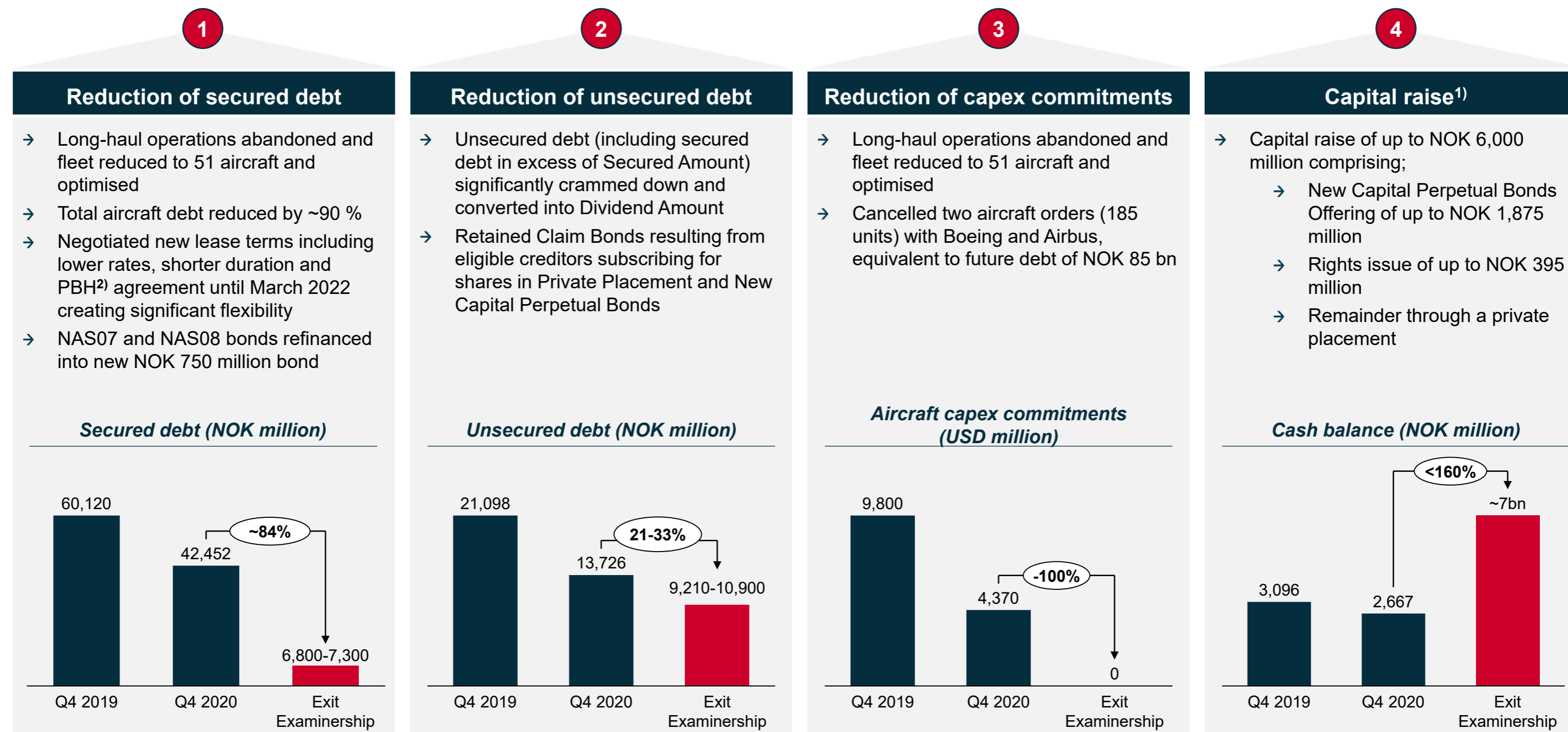
Summary

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# Restructuring overview – total liabilities reduced by more than NOK 63 billion compared to Q4 2019



<sup>1)</sup> Please see page 11 for further details on the capital raise

<sup>2)</sup> Full PBH for production exceeding approximately ten aircraft

# Treatment of unsecured creditors in the restructuring

## Summary of treatment of unsecured creditors

<p><b>Creditor dividends</b></p>	<p><i>Dividend Claim Creditors<sup>1)</sup> will receive a dividend equal to 5% of their relevant unsecured debt in full and final satisfaction of such debt:</i></p>	<p><b>1</b> Cash dividend</p>	<p>→ Dividend Claim Creditors<sup>1)</sup> will receive a pro rata cash dividend from a NOK 500 million cash pot</p>
		<p><b>2</b> Dividend Claim<sup>1)</sup></p>	<p>→ Remainder of dividend (after deducting the relevant cash dividend) will be constituted by a Dividend Claim<sup>1)</sup></p> <p>→ Dividend Claims will be documented by the Dividend Claims Terms<sup>1)</sup> and be converted into up to ~234 million shares 60 days after effective date</p> <p>→ Such shares will subsequently be sold by the Managers in a structured sale process of with proceeds thereof to be distributed proportionately to Dividend Claim Creditors<sup>1)</sup></p> <p>→ Dividend Claim Creditors<sup>1)</sup> may opt out of the structured sale process and/or conversion to shares (i.e. elect to retain Dividend Claim<sup>1)</sup> or receive shares in due course)</p>
<p><b>Retained Claims Bonds<sup>1)</sup></b></p>	<p><i>Potential to (partly) recover outstanding debt amounts by subscribing for new capital</i></p>	<p><b>3a</b> Participation in the Private Placement<sup>1)</sup></p>	<p>→ Creditors with relevant aggregate debt not exceeding NOK 2.5 million are on certain terms eligible to subscribe for shares in the Private Placement<sup>1)</sup> – maximum subscription is equal to an amount not exceeding 50% of the creditor’s relevant debt</p> <p>→ Eligible Private Placement Creditors<sup>1)</sup> will receive Retained Claims Bonds<sup>1)</sup> equal to 200% of the total amount paid for such creditor’s subscription for shares</p>
		<p><b>3b</b> Participation in New Capital Perpetual Bonds<sup>1)</sup></p>	<p>→ Creditors with relevant aggregate debt exceeding NOK 2.5 million are on certain terms eligible to subscribe for New Capital Perpetual Bonds<sup>1)</sup> – maximum subscription is equal to an amount not exceeding 50% of the creditor’s relevant debt</p> <p>→ Eligible New Capital Perpetual Bonds Creditors<sup>1)</sup> will receive Retained Claims Bonds<sup>1)</sup> equal to 200% of aggregate nominal value of New Capital Perpetual Bonds<sup>1)</sup> issued to such creditors</p>

1) As defined in Proposals for Scheme of Arrangement and Explanatory Memorandum dated 11 March 2021

# Summary of the capital raise

Item	Amount	Description
<b>Rights Issue</b>	<b>Up to NOK 395 million</b>	<ul style="list-style-type: none"> <li>→ Directed towards holders of existing shares registered as held on 4 May 2021 (as registered in the VPS on 6 May 2021)</li> <li>→ 3 subscription rights for every 2 existing shares held on such date</li> <li>→ Subscription price of NOK 6.26 per share</li> <li>→ Subscription period between 7 May 2021 and 21 May 2021</li> <li>→ Subscription rights will be listed on the Oslo Stock Exchange and tradeable between 7 May 2021 and 19 May 2021</li> </ul>
<b>+ New Capital Perpetual Bonds</b>	<b>Up to NOK 1,875 million</b>	<ul style="list-style-type: none"> <li>→ Eligible creditors with claims above NOK 2.5 million entitled to apply for an amount equal to the 50% of the creditor's relevant debt on certain terms</li> <li>→ Eligible New Capital Perpetual Bonds Creditors<sup>1)</sup> will receive Retained Claims Bonds<sup>1)</sup> equal to 200% of aggregate nominal value of New Capital Perpetual Bonds<sup>1)</sup> issued to such creditors</li> <li>→ Convertible into shares on certain terms at 150% of the subscription price in the Private Placement<sup>1)</sup></li> </ul>
<b>+ Private Placement</b>	<b>Remainder<sup>2)</sup></b>	<ul style="list-style-type: none"> <li>→ Comprised of an institutional offering with minimum application of NOK 2,500,000 and an eligible creditor (claims below NOK 2.5 million) offering with maximum application equal to an amount not exceeding 50% of the creditor's relevant debt</li> <li>→ Subscription price of NOK 6.26 per share</li> <li>→ Subscription period between 7 May 2021 and 21 May 2021</li> <li>→ Preferential allocation for eligible creditors up to the amount not exceeding 50% of the creditor's relevant debt</li> <li>→ Cornerstone investors have undertaken to subscribe for and will be allocated shares for a total amount of NOK 2,855m</li> </ul>
<b>= Total gross proceeds</b>	<b>Up to NOK 6,000 million</b>	<ul style="list-style-type: none"> <li>→ Contemplated capital raise of up to NOK 6,000 million</li> <li>→ Restructuring proposal conditional upon the company receiving gross proceeds of no less than NOK 4,500m</li> </ul>

1) As defined in Proposals for Scheme of Arrangements dated 11 March 2021

2) The Private Placement will raise gross proceeds limited to an amount so that the total gross proceeds from the capital raise will not exceed NOK 6,000 million

# Issue price in the capital raise set to meet the criteria of the Scheme

## Criteria from the scheme

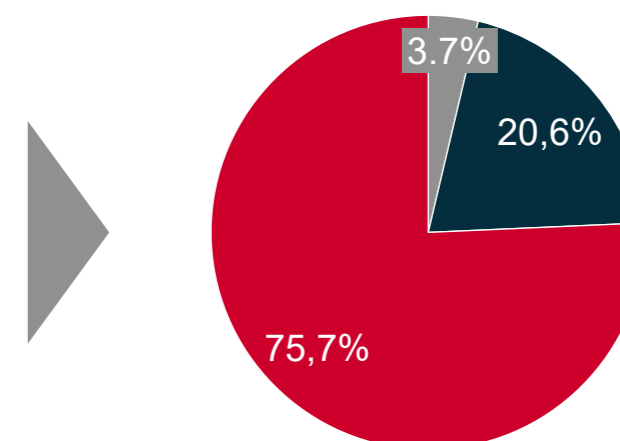
- According to the Proposals for Scheme of Arrangement dated 11 March 2021 the investors in the Capital Raise shall be entitled to hold 70% of the company's share capital on a fully diluted basis assuming a NOK 4,500 million capital raise
- Existing shareholders would retain a 4.6% ownership while creditors through conversion of Dividend Claim would own 25.4%
- **This implies a blended average issue price in the capital raise of NOK 6.99 per share**
- If more than NOK 4,500 million is raised in the Capital raise, existing shareholders and creditors would be further diluted

## Illustrative issue price calculations<sup>1)</sup>

	Amount (NOK million)	Issue price (NOK / share)	# shares (fully diluted)
Rights issue	395	6.26	63,076,638
Private placement	3,730	6.26	595,869,048
New Capital Perpetual Bonds	1,875	9.39	199,680,511
<b>Total Capital Raise</b>	<b>6,000</b>	<b>6.99</b>	<b>858,626,197</b>

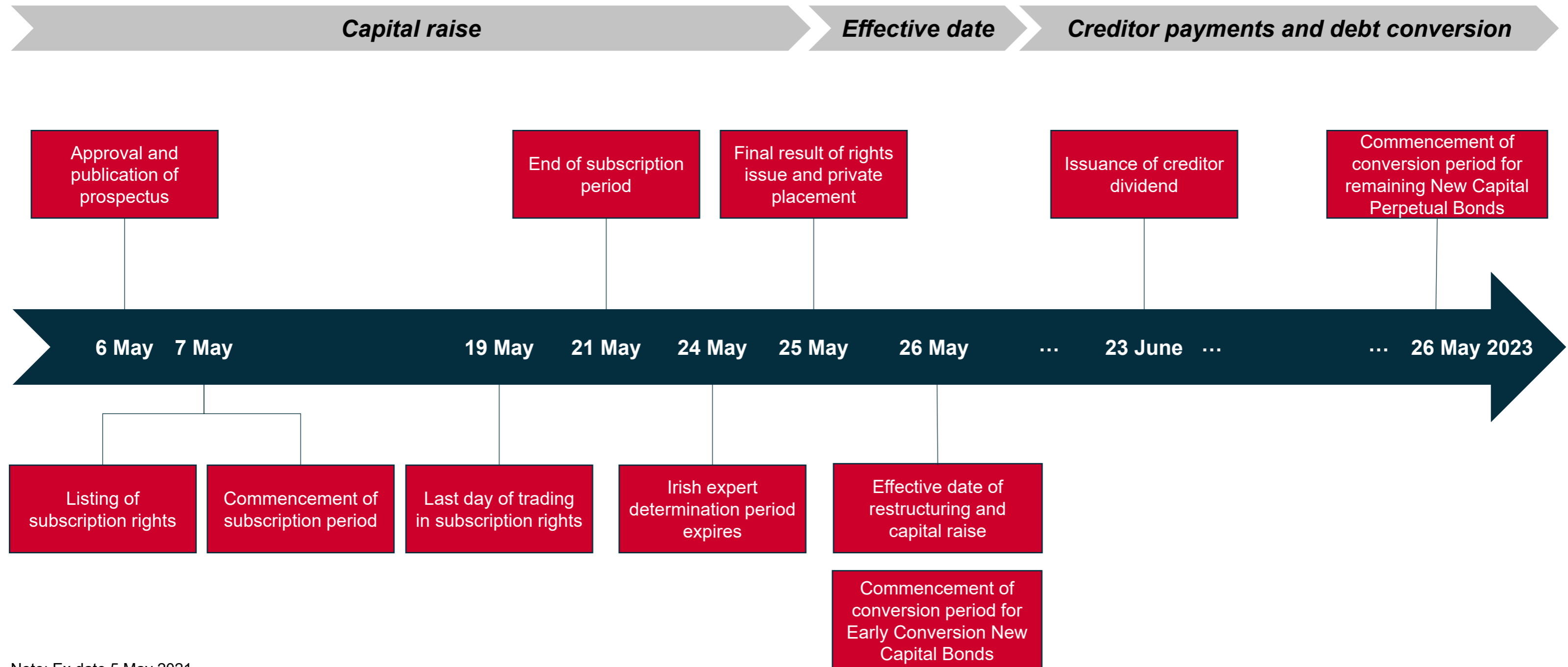
## Illustrative fully diluted ownership<sup>1)</sup>

	# shares (fully diluted)
Existing shareholders	42,051,092
Creditors (through Dividend Claim)	233,548,229
Capital Raise	858,626,197
<b>Fully diluted</b>	<b>6,000</b>



<sup>1)</sup> Issue price in the Capital Raise is set based on the assumption that the Capital Raise is full subscribed (including a fully subscribed New Capital Perpetual Bonds offering). Should the total Capital Raise be less than NOK 6,000 million or the New Capital Hybrid Bonds be less than NOK 1,875 million, the blended average issue price and the fully diluted ownership will change. However, the issue price in the Rights Issue and the Private Placement and the conversion price in the New Capital Perpetual Bonds will remain NOK 6.26 and NOK 9.39 respectively.

# Timeline – capital raise and restructuring



Note: Ex date 5 May 2021

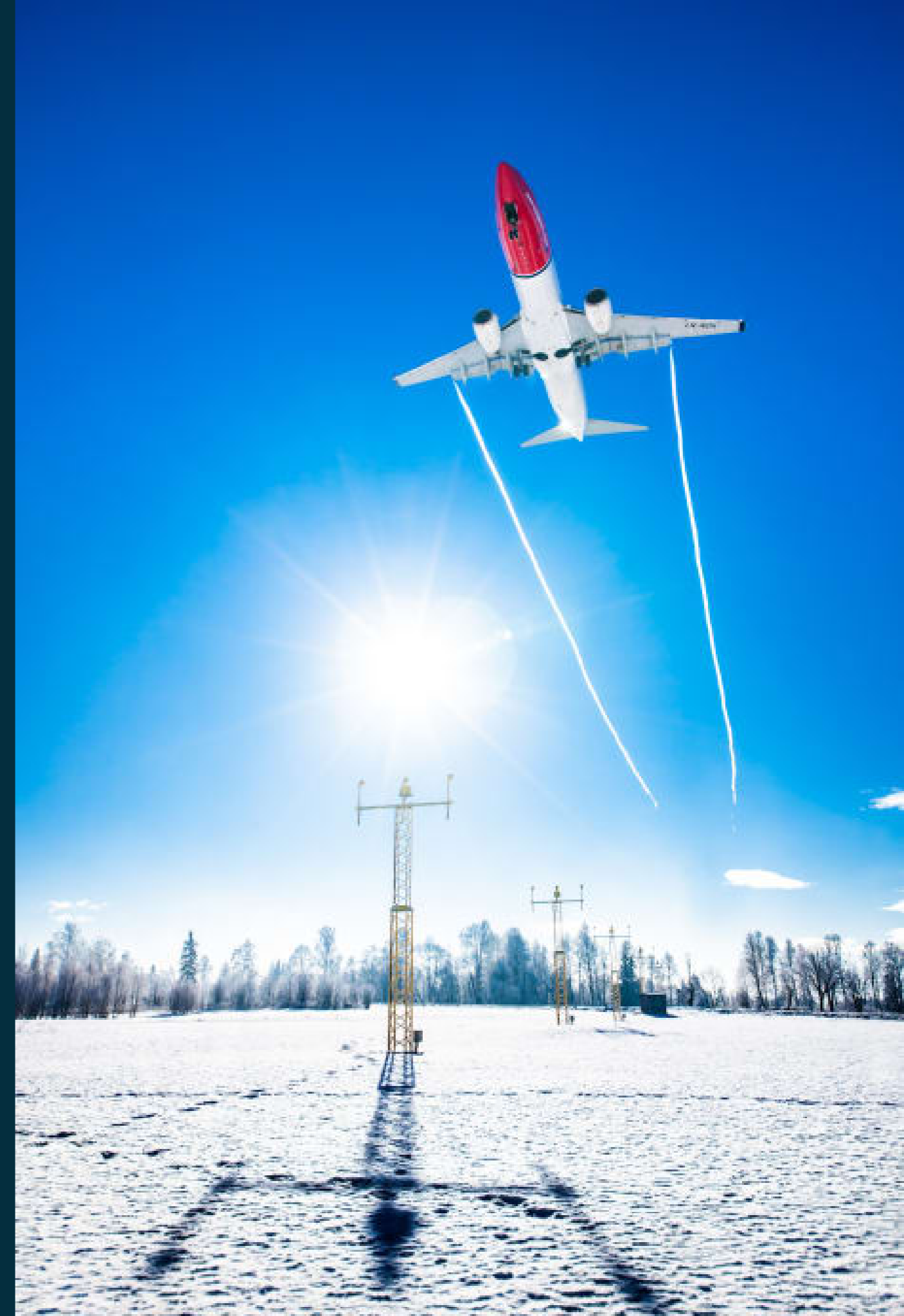
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Summary

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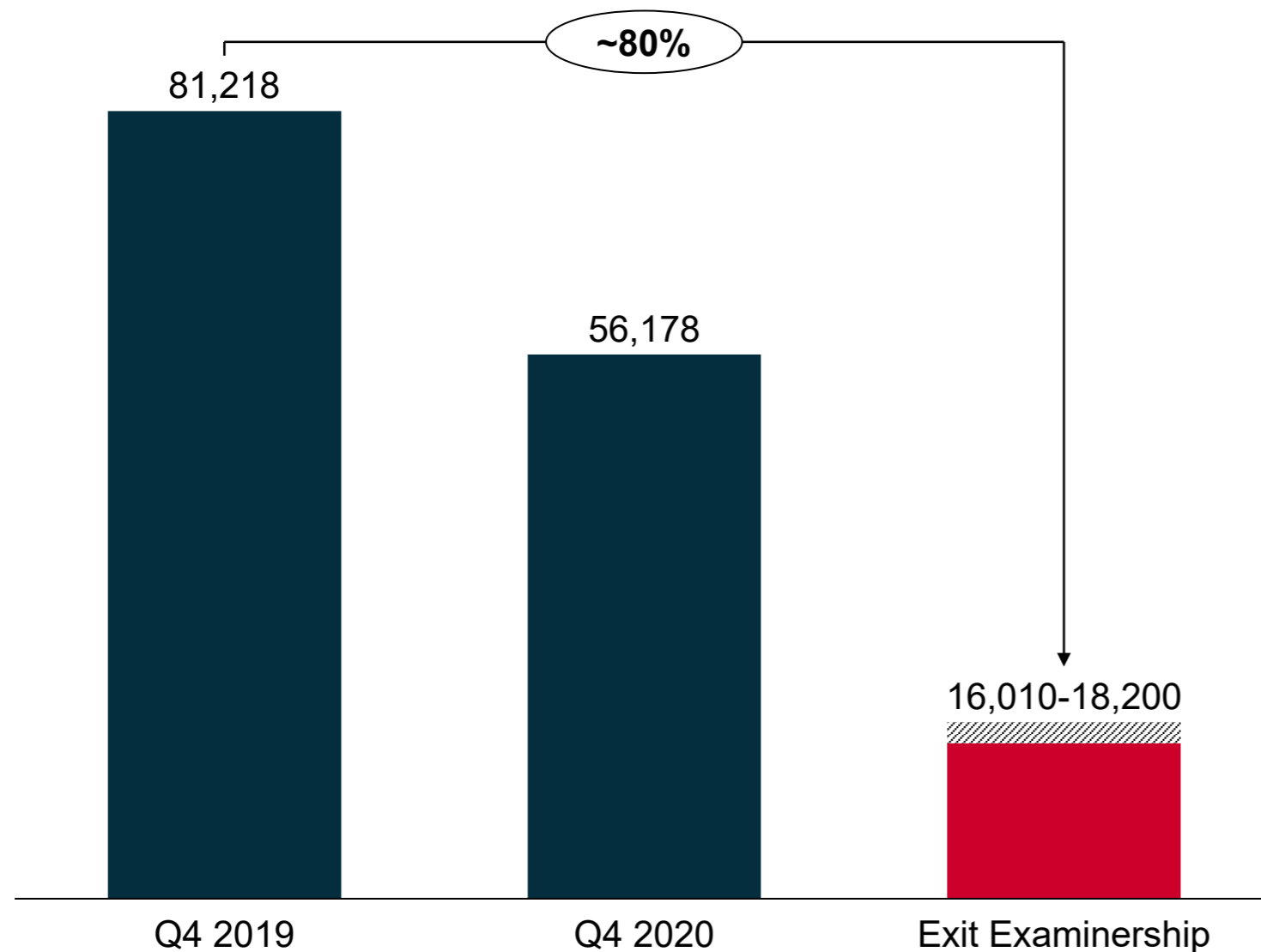
# Key investment highlights

- 1 Restructured balance sheet with debt reduction of NOK 63 - 65 bn and liquidity buffer of NOK 7 bn provides financial solidity
- 2 Focus on profitable routes in highly attractive Nordic and European short-haul markets
- 3 Early signs of recovery in the short haul markets – ongoing vaccine roll-out spurs hope of recovery from 2021
- 4 Strong market position in the Nordics and a beloved brand that drives loyalty and revenues
- 5 A legacy of low-cost operations will add value and support the profitability of New Norwegian
- 6 Highly qualified and diverse Executive Management and a strong employer brand

# 1 Total liabilities reduced to NOK 16-18 billion post restructuring

## Total reduction in liabilities since pre-covid

Total liabilities (NOK million)



## Estimated total liabilities

NOK million	Target
Aircraft financing	5,800-6,300
NAS 13	750
NAS 09	250
<b>Total interest bearing debt<sup>1)</sup></b>	<b>6,800-7,300</b>
Non-interest bearing retained claims note 2025/26	3,750
Air traffic settlement liabilities	1,100-2,000
Maintenance accrual	260-400
Other liabilities, of which Reward NOK 2.4 bn	4,100-4,750
<b>Total liabilities</b>	<b>16,010-18,200</b>

**Total liabilities reduced to ~NOK 16-18 bn of which NOK 7 bn is interest bearing debt, so zero NIBD net of cash**

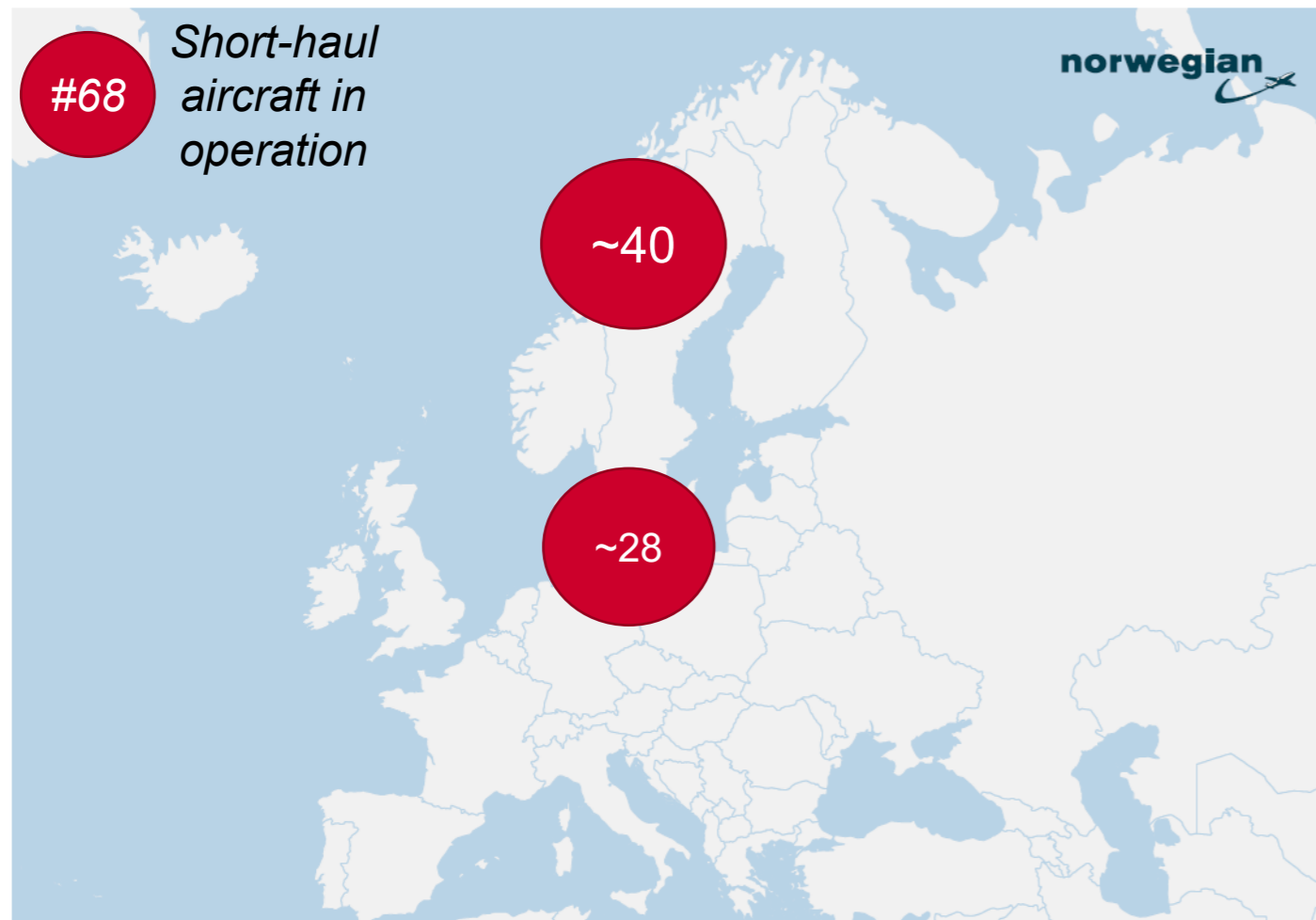
1) Total interest bearing debt excludes Dividend Claims Bonds (as defined in Proposals for Scheme of Arrangements dated 11 March 2021). The Dividend Claims Bonds will be included as debt on the balance sheet post restructuring, however claim is convertible into shares and the company assumes that this will be converted



2

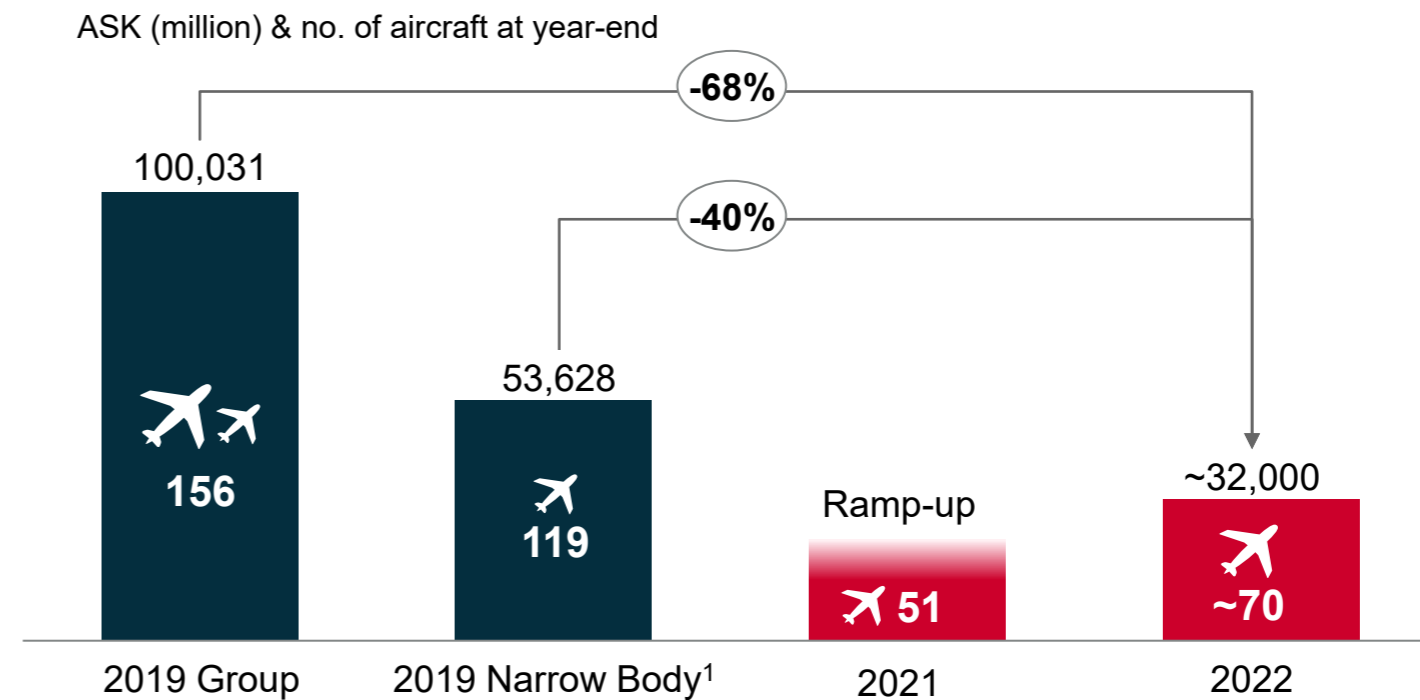
# Norwegian post restructuring is focused solely on a strengthened short-haul network in Europe

## Short-haul route network 2022



Key items	
Aircraft (Norway)	~40
Aircraft (Europe)	~28
Spare aircraft	~2

## Consolidated to Nordics with scale to defend cost position








- **Truly Nordic:** All routes are Nordic-touching (vs. 85 % in 2019) with 15-20 % domestic and 80-85 % international flying measured in ASKs
- **Profitable core:** The routes and markets of the business that historically have had the strongest performance
- **Retain needed scale:** A fleet size that retains sufficient market presence and scale economies in core markets, with growth opportunities post-Covid

<sup>1</sup> Unless otherwise specified, narrow body figures include all operation covered by the Boeing 737-800 NG and Boeing 737-800 MAX in 2019, including non-European routes such as Argentina domestic, US Caribbean & Transatlantic routes flown by narrow-bodies

2

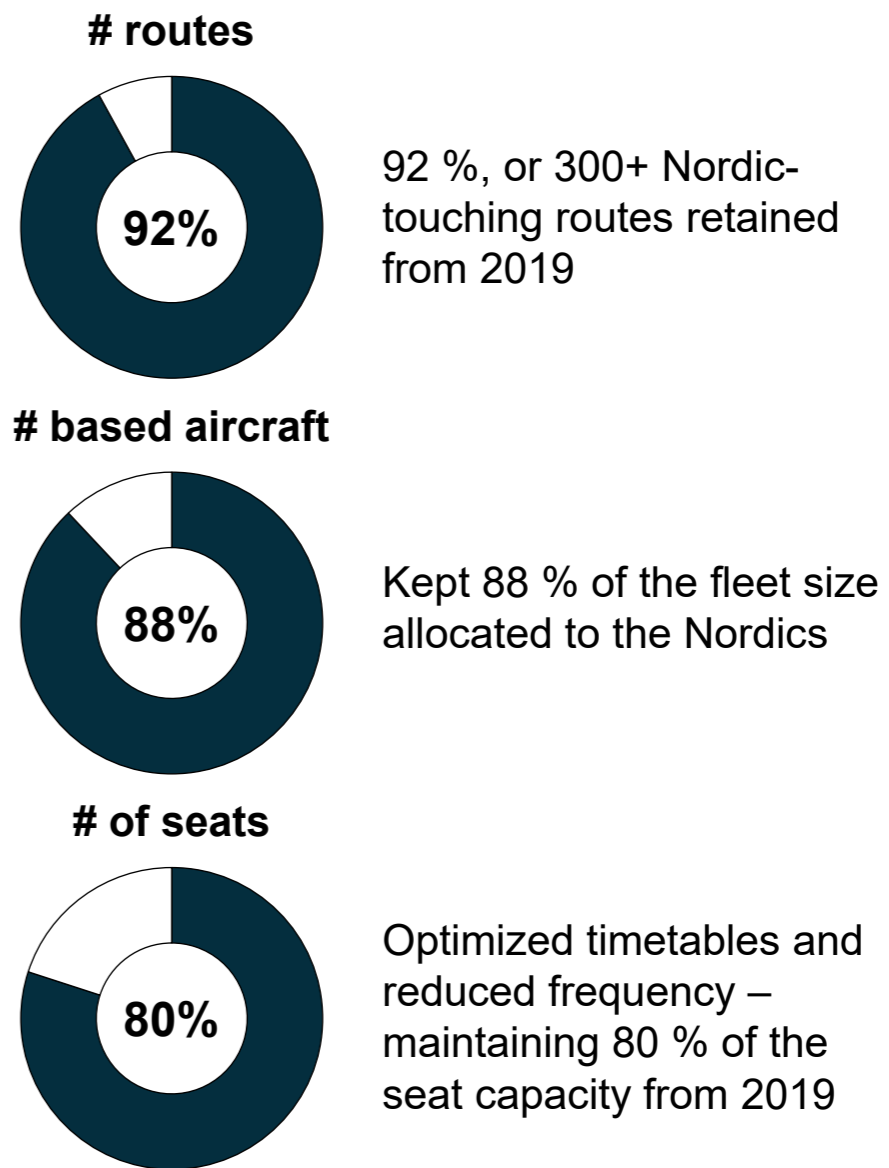
# Future network retains the presence & connectivity that our Nordic customers value

## Focused network strategy to fortify the Nordics

 <p><b>Norway</b></p>	<ul style="list-style-type: none"> <li>→ Relative shift toward the home market with ~50 % of planned production.</li> <li>→ Defend and strengthen leading position.</li> </ul>
 <p><b>Sweden</b></p>	<ul style="list-style-type: none"> <li>→ Capacity adjusted across segments to improve performance.</li> <li>→ Continues to be Norwegian's 2<sup>nd</sup> largest market.</li> </ul>
 <p><b>Denmark</b></p>	<ul style="list-style-type: none"> <li>→ Maintain similar route network and size as pre-Covid.</li> </ul>
 <p><b>Finland</b></p>	<ul style="list-style-type: none"> <li>→ Capacity adjusted to accelerate performance improvement seen pre-Covid.</li> <li>→ Defend position as 2<sup>nd</sup> largest carrier.</li> </ul>
 <p><b>Intra-Nordic</b></p>	<ul style="list-style-type: none"> <li>→ Uphold strong connectivity across the Nordic countries.</li> <li>→ Expect Intra-Nordic leisure to bounce back quickly post-Covid.</li> </ul>

## We preserve our Nordic market presence

Nordic market presence in '22 vs. '19

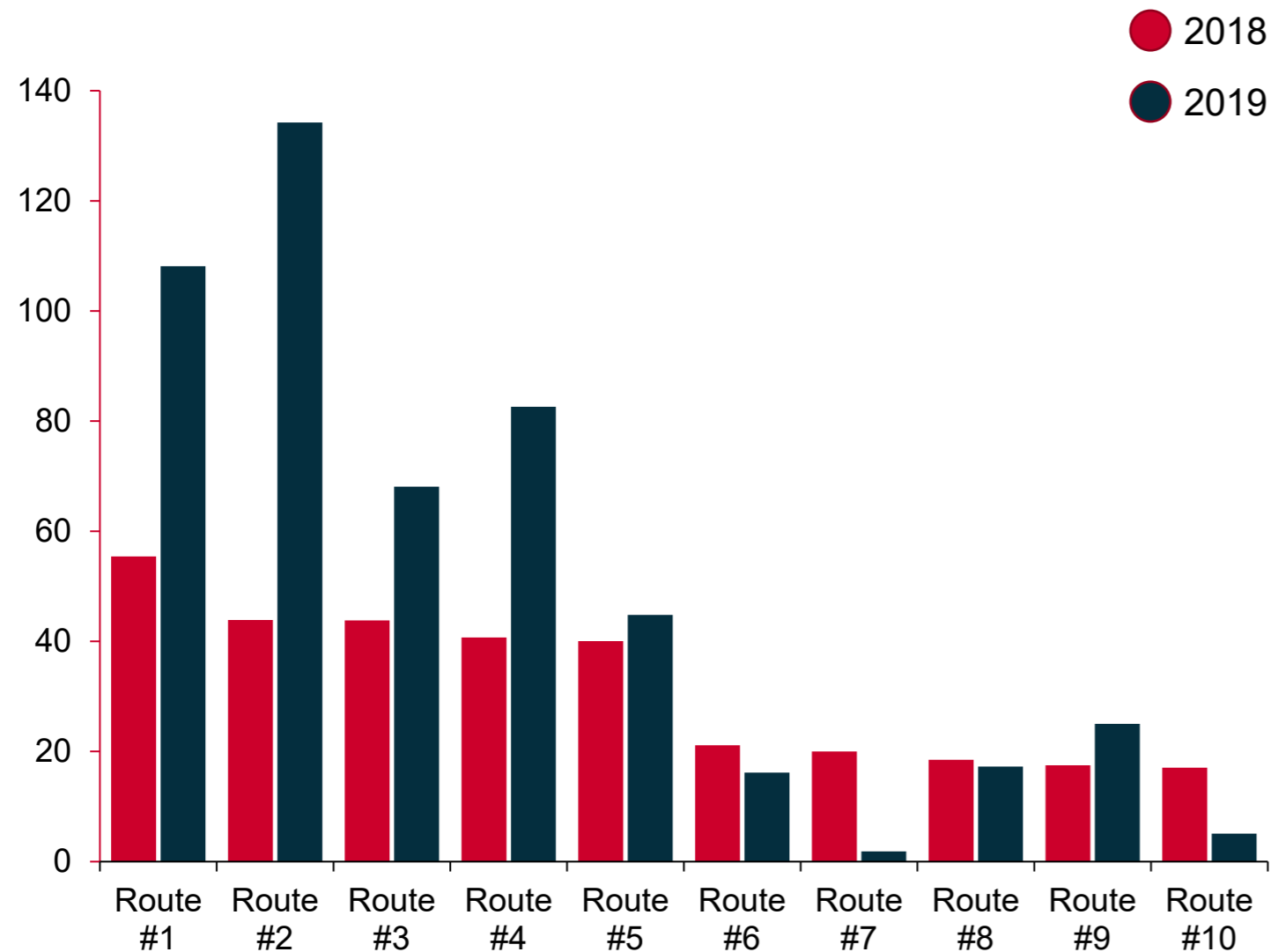


1: Not including cancelled markets.

# Focus on core Nordic routes with proven historical profitability

## Profitability on selected routes - EBT

NOK million



## Key drivers for improved profitability in 2022

- **Route mix:** The main effect (over 50 %) derives from network changes by rationalizing underperforming routes, both non-Nordic and intra-Nordic, and optimizing the highest-margin routes on timing and frequency.
- **Underlying RASK improvement** mainly from increased ancillary revenue from already-implemented initiatives, while largely stable ticket revenue with projected demand/supply mostly in balance.
- **Underlying CASK improvement:** Overall unit cost project to be higher than in 2019 from loss of scale, but on a comparable route-by-route basis the new operation is more competitive with underlying cost reductions on the fleet, personnel, and in the supply chain.
- **Rationalization may lead to a lower market share** depending on competition post-Covid – but the footprint ensures that Norwegian retains a strong presence on all key routes in order to defend our position and deter incursion into the Nordic arena.

**Proven profitability for several years in a mature market with limited competition**

# Norwegian has clear advantages in a ramp-up environment

## Win back the Nordic customer

### Customer needs

#### Attractive prices



The cost position & network strength to offer highly competitive prices on core routes

#### The right destinations



Serve the destinations that Nordic customers demand post-Covid – with the right timing & frequency

#### Familiar experience



Recognized brand with a local, familiar experience and a loyal customer base

#### Reliable & trustworthy



Emerge as financially robust airline with the scale & connectivity to have operational resilience

**A profitable, yet competitive ramp-up is key to long-term success**

## Cash-accretive operation

### Operational requirements

Retain aircraft on Power-by-the-Hour<sup>1)</sup> (PBH) terms; if lack of demand, we do not fly

#### Aircraft flexibility



Rightsized labor force, union Covid protocol & use of furlough measures

#### Crew flexibility



Controlled, iterative ramp-up through diligent monitoring of demand & quick operational execution

#### Intelligent planning



Commission aircraft when demand is clear, use tactical marketing & cautious overhead ramp-up

#### Minimize fixed costs



<sup>1)</sup> Full PBH for production exceeding approximately ten aircraft

4

# No 1 or 2 position in all core markets with strongest top of mind brand awareness

## Leading Nordics LCC by offering quality at affordable price

- Pre-Covid, NAS was the leading carrier for leisure-oriented traffic and the second-largest on domestic & intra-Nordic flights
- New network is designed to defend and strengthen this position, and retains the presence and connectivity that customers value

### Market share position across Nordics 2019

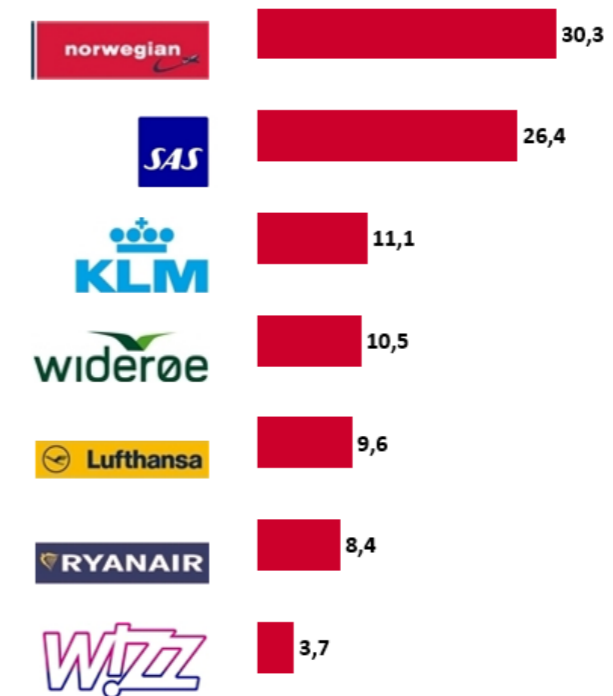


Source: Market share position measured in available seat-kilometres (ASK) based on schedule data for 2019 from OAG

## Nordic customers have learned to know and love the brand

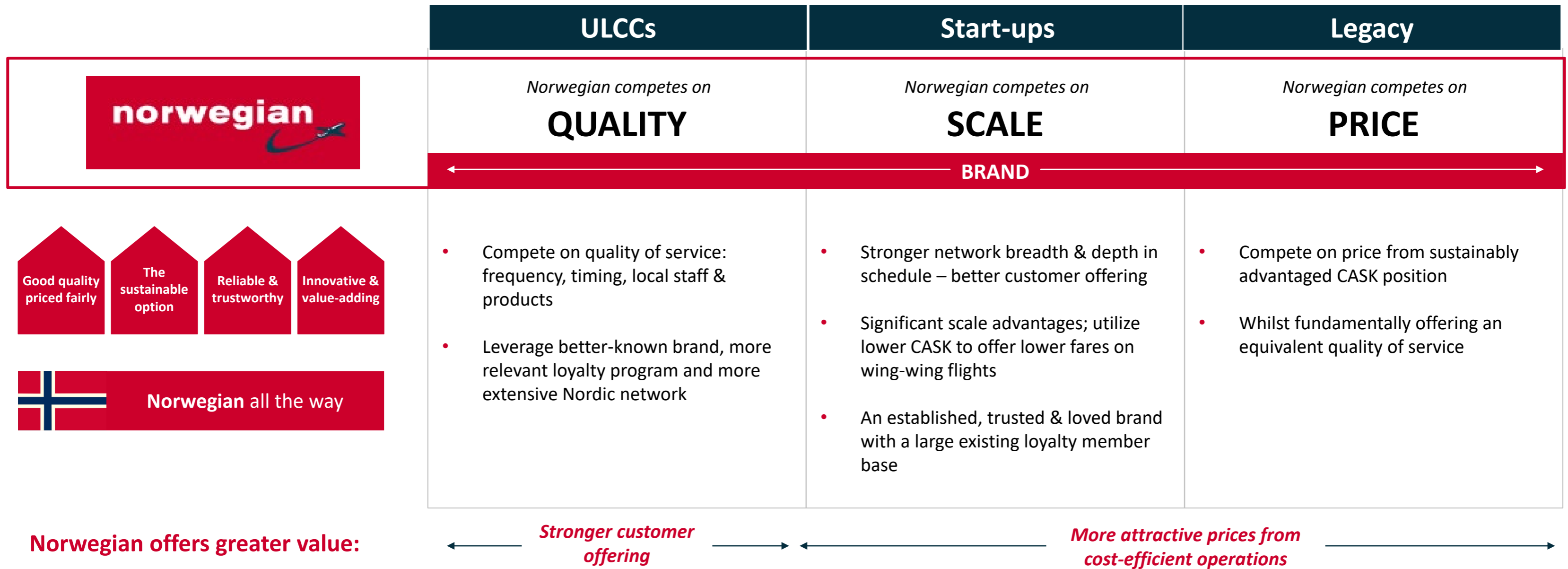
- Norwegian has a strong position scoring higher than key competitors on being a smart choice, including offering a variety of direct flights and offering a fast journey

### BRAND POWER



Source: Norwegian brand tracker 1st half 2019 Norway.; Kantar Country Deep dive  
 Note: Brand power definition: the ability of a brand to attract a share of its particular market; 100 points means total market

# 4 Norwegian is strongly positioned to win the customer



4

# To leverage the attractive loyalty program as a means to drive market share in the new competitive environment

## Industry-leading loyalty program to drive market shares



The Reward program is an industry-leading program with 4.3 million members in the Nordics



Cashpoint balance gives customers another reason to choose Norwegian and is an important driver of our market share



Reward members book more frequent and at a higher value<sup>2</sup> (+10 %) than non-Reward customers



The Reward program is a competitive advantage in the fierce, Nordic market with many new entrants



## While closely managing liquidity risk

- Reward program frozen<sup>1</sup> as of 1<sup>st</sup> February 2021
- Current CP balance 2.5x normal level due to credits issued during pandemic as alternative to cash refunds
  - ~ 27 % of CP balance expires 2021 year-end
  - ~ 53 % of CP balances expiring in 2021 are held by non-Nordic customers
- Reward T&Cs updated 1<sup>st</sup> March 2021 to introduce option to limit cashpoint redemption
- Introduce mechanism to control (limit) cashpoint redemption; work ongoing to define appropriate mechanism
- Considering to set CP purchase cap, inventory limits, etc.

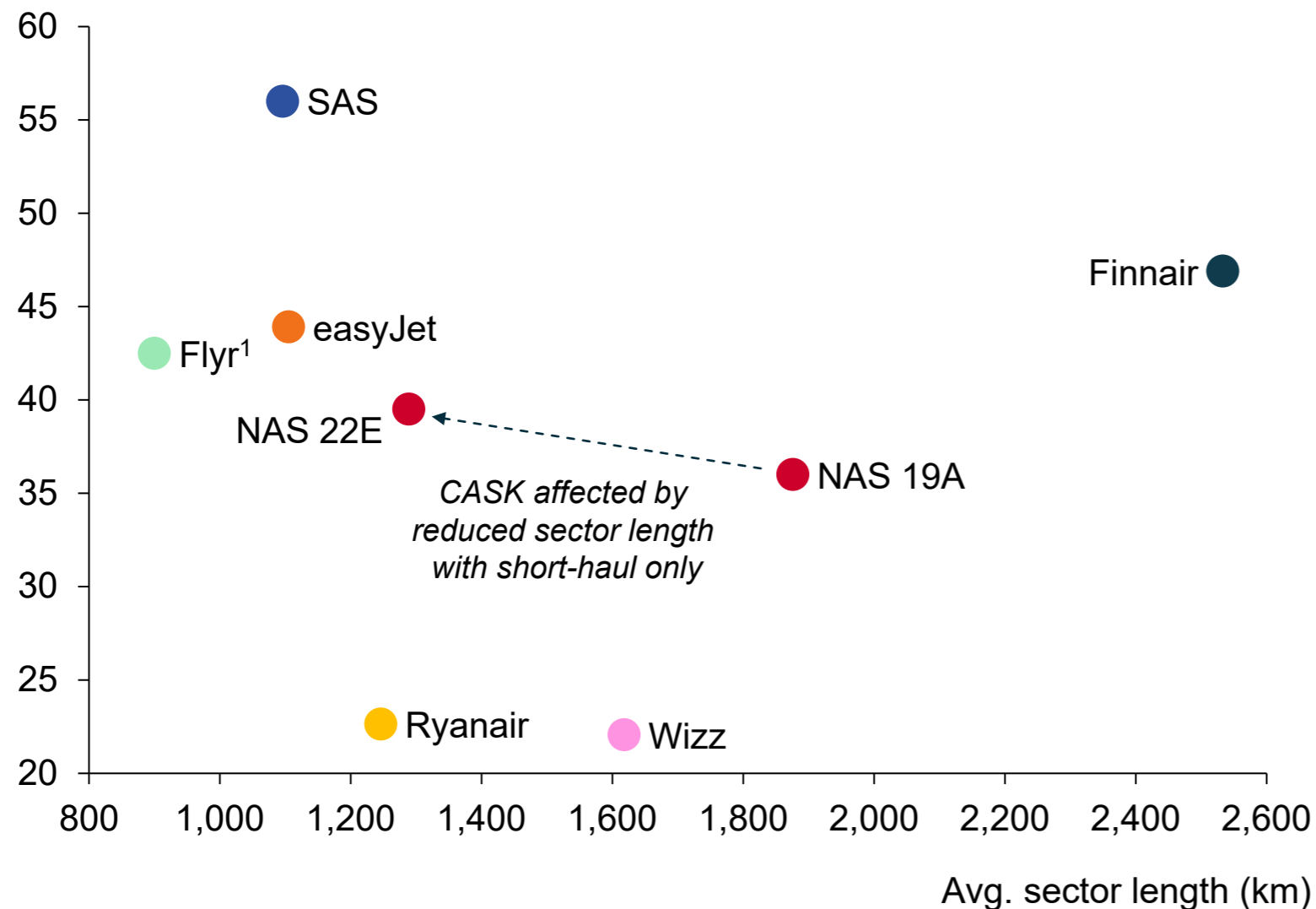
**Norwegian retains full flexibility of the Reward program**

5

# A legacy of low-cost operations will add value and support the profitability of Norwegian

## Competitive cost position already in 2022

CASK ex. fuel (NOK cent)



## Comments

- **A leading cost position** has been Norwegians historical competitive advantage in its core markets, in combination with a strong Nordic network.
- **A turnaround from growth to profitability** was initiated in 2018 – with NOK 2.3 bn in cost reductions realized in 2019. Further initiatives were halted due to the pandemic.
- **Significant cost reductions realized in restructuring** on the aircraft, vendor and employee side, in addition to being relieved of commitments.
- **Smaller operation and shorter sector length** outweighs cost gains measured on a per ASK basis, but increased underlying competitiveness on route-for-route basis
- **Cost-efficiency part of our DNA** – also going forward with clear areas of priority to further strengthen cost position

Source: Figures based on company FY19 annual reports and Company estimate for 2022. Note that select companies apply deviating accounting year.

1) Flyr is yet to operate but have indicated a CASK-target level (unspecified time) in their investor presentation released March 2021.



# 20 years of experience running cost-efficient operations - rightsized and streamlined for a new competitive environment

## Solid, cost-efficient foundation

- **Built on the low-cost carrier model** since 2002 and optimized for Nordic conditions.
- **Maintained cost-advantage** versus closest peers since the beginning
- **Now removed complexity** of long-haul and non-core operation
- **Full narrow-body setup retained** with unique capabilities, including in-house maintenance & IOCC, and highly qualified, trained crew
- **New COO** recruited to continue transformational drive with 15 years of experience from Ryanair

## Major steps taken to simplify operations



**Uniform fleet** of B737 NGs only



**Consolidated AOC-structure** with EU- and Norwegian-AOC with full crew flexibility across



**Concentrated network** with fewer stations while retaining economies of scale at main hubs

## Rightsized, lean and efficient organization



**Organization rightsized** for a 50 A/C operation with simpler design and corporate structure



**High crew utilization** within commercially-optimized schedule and renegotiated CBAs



**Rigorous management selection** for all Top 50 leader roles over the last year

# 5

## Thoroughly restructured and flexible ownership costs

### Evolution of the fleet in the past 12 months



### Implications of fleet restructuring

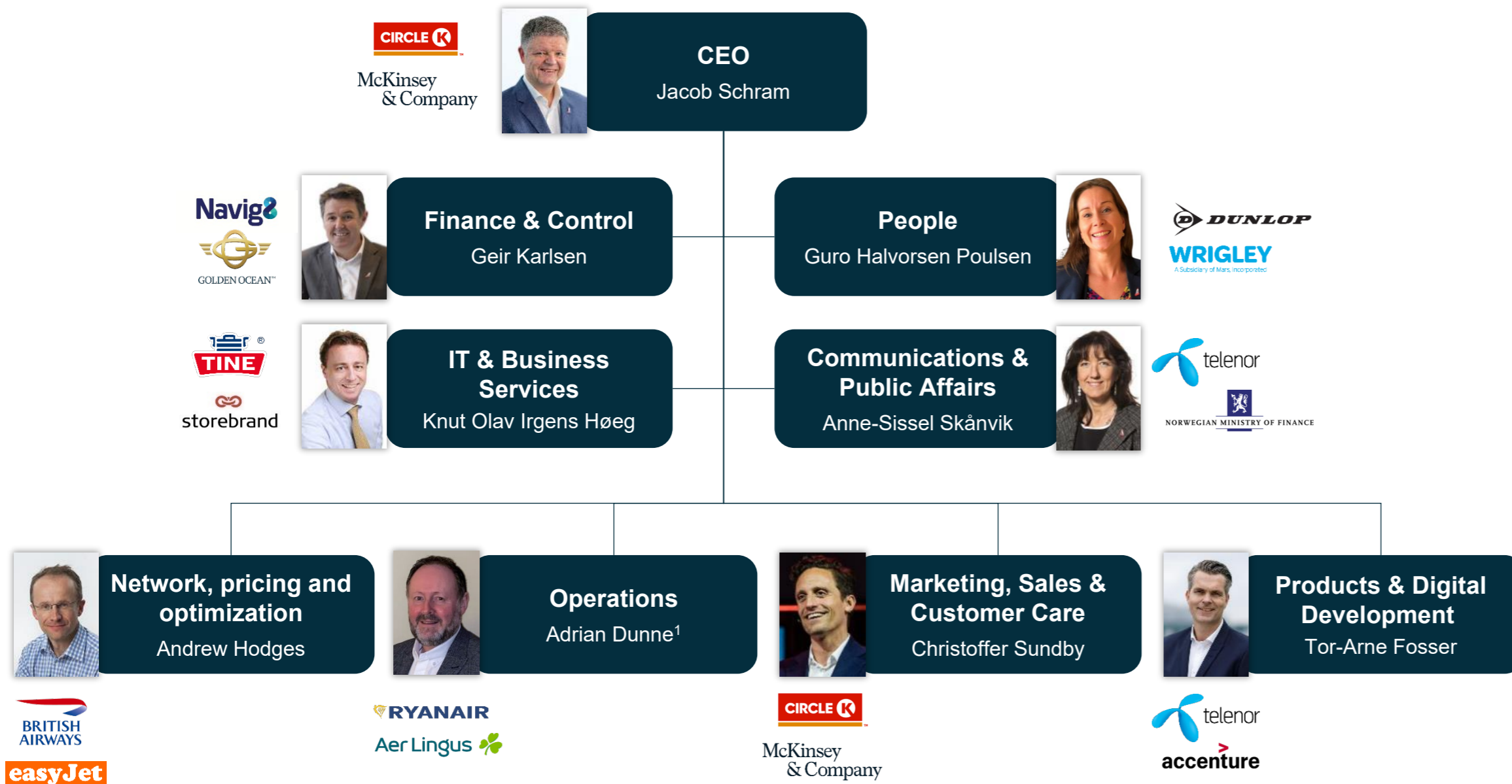
- Aircraft debt reduction** – total aircraft debt reduced by ~90 %
- No outstanding order** – cancelled two aircraft orders (185 units) with Boeing & Airbus, equivalent to future debt of NOK 85 bn
- Significantly improved lease rates** – cumulatively reduced the average lease rate by 36 % compared to pre-restructuring for the NG fleet and reduced ownership costs vastly
- Fleet financing structure** – moved to a ~78 % leased fleet which offers more flexibility for the future and removes exposure to highly uncertain asset values
- Lease duration** – achieved a short average lease duration, without offering significant extensions
- Maintenance accrual write-off** – NOK 3.15 bn (~\$370 million) write-off plus partial lessor contribution to future maintenance events
- PBH agreement**<sup>1)</sup> – fleet cost until March 2022 is dependent on aircraft usage to manage the risk of a prolonged COVID crisis
- Transition to new generation aircraft** - a possible near/mid-term transition to MAXs or Neos through fleet replacement and expansion in 2022-2024 is considered feasible within the current fleet strategy

Note: Pre-restructuring refers to Q4 2019, post summer 2020 restructuring refers to Q3 2020 and post Examinership refers to Q2 2021. USD/NOK = 8.5

<sup>1)</sup> Full PBH for production exceeding approximately ten aircraft

6

# Highly qualified and diverse Executive Team and a very strong Red Nose Warrior people platform & culture



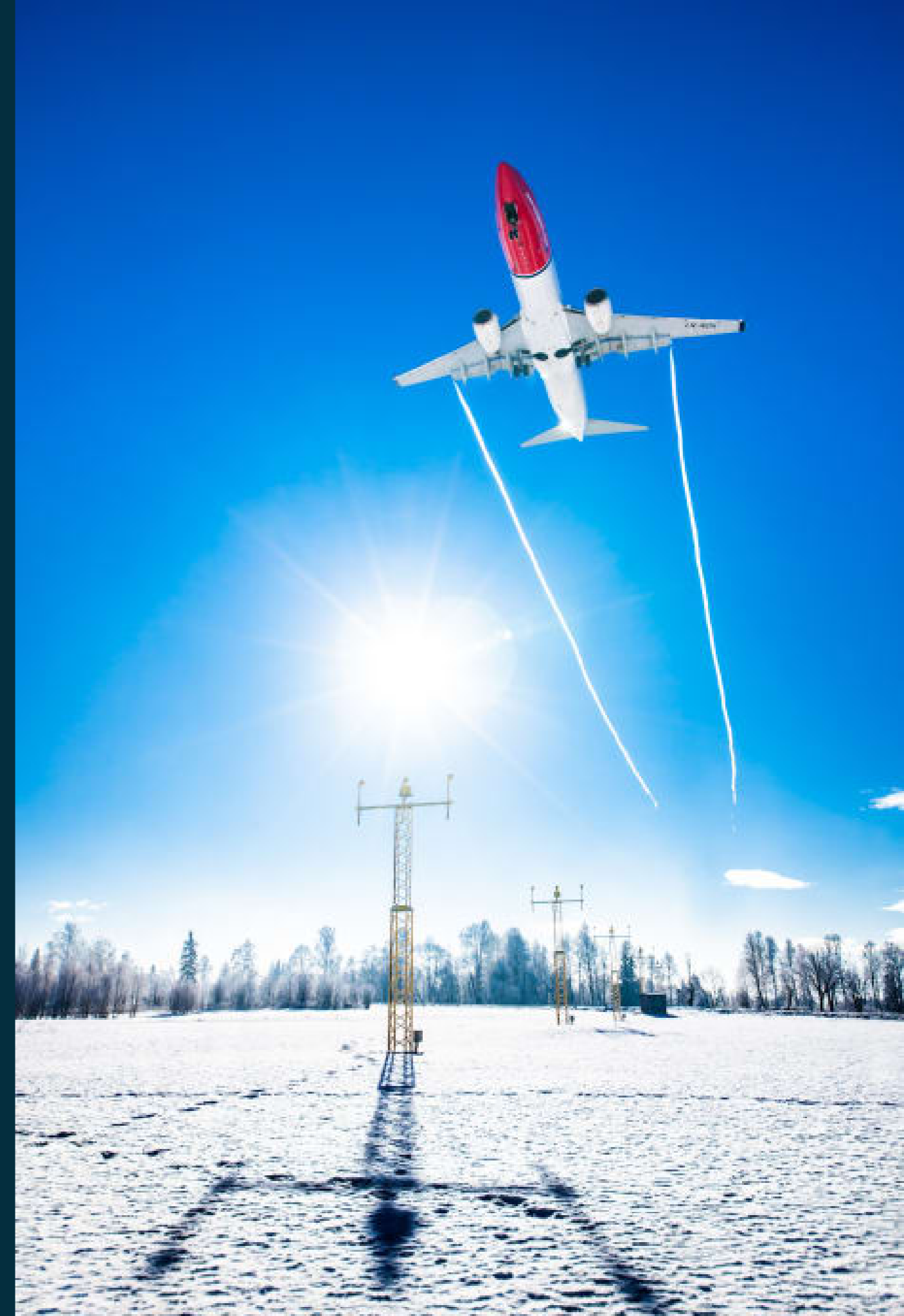
1: The recruitment of Adrian Dunne is announced, but Mr. Dunne will formally begin in Norwegian at a later unconfirmed date. Johan Gauermann continues to serve as interim in this role.

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# A restructured and investable Company built on its unique market and customer position

## Transaction summary

- Restructured balance sheet with debt reduction of NOK 63-65 bn
  - Secured debt reduced by NOK ~53 bn
  - Total aircraft debt reduced by ~90 %
  - Unsecured debt reduced by NOK ~11 bn
- Capital raise of up to NOK 6,000 million comprising;
  - New Capital Perpetual Bonds Offering of up to NOK 1,875 million
  - Rights issue of up to NOK 395 million
  - Remainder through a private placement

## Investment highlights

- Short-haul only & focused on four Nordic source markets. Established, proven routes in the portfolio
- No 1 or 2 position in core markets with strongest top of mind brand awareness and loyalty program
- Clear advantages in a ramp-up environment
- A competitive unit cost position already in 2022
- Highly qualified and diverse Executive Management and a strong employer brand

# Fly Norwegian

Book tickets at [Norwegian.com](https://www.norwegian.com)