Norwegian Air Shuttle ASA

Presentation to bondholders

27 April 2020

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Summary of key risk factors

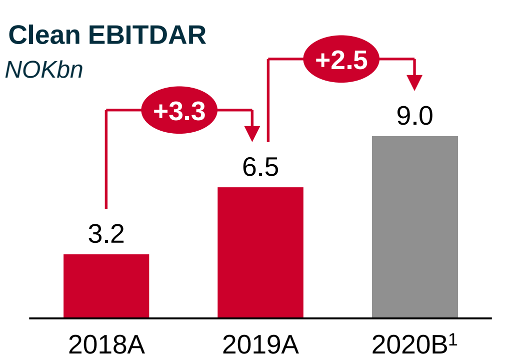
- The Group's business, operations and financial performance have been adversely impacted by the outbreak of Coronavirus SARS-CoV-2 (COVID-19). In a very short time period, the Group has lost most of its revenues due to global travel restrictions. Given the rapidly evolving landscape of the COVID-19 pandemic, it is impossible to predict the consequences of the COVID-19 for the Group. The Group's ability to maintain its business and operations in the near term, including its ability to service its debt obligations, is dependent upon a reduction and/or restructuring of a material part of its debt, as well as obtaining access to the State Aid Package. There can be no assurance whether and to what extent the Group will succeed in such debt restructuring or if it will obtain funds under the State Aid Package. There is also a risk that the Company will be unable to satisfy its payments obligations in the medium-term even if it receives the State Aid Package unless further funding is provided.
- Even if the Group is able to restructure its debt (including part conversion to shares), it is expected that the Group will still have a significant amount of debt, including substantial fixed obligations under aircraft leases and financings. The Group's ability to service such debt is subject to a number of risk factors, including the future effects to the Group's operations caused by the COVID-19 outbreak.
- The Group has significant liabilities relating to aircraft acquisitions and may not obtain financing of such acquisitions. A failure to secure financing or to meet payment obligations under aircraft acquisition contracts may lead to a breach of contract. Such default may result in severe financial penalties, and make the Group unable to take delivery of the acquired aircraft.
- The conversion of the bonds is, among other things, subject to that the State Aid Package will be available to the Issuer following such conversion. The availability of the State Aid Package is subject to several conditions, and will, among other things, likely require that the Company receives at least NOK 300 million in a Private Placement or Offering. Even if the Company successfully completes such a Private Placement or Offering, such transaction(s) may be completed up to several weeks after the bondholders' meeting scheduled for 30 April 2020.
- The Group's business can be adversely affected by a number of factors, many of which are outside of 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. Such issues may result in delays or cancellation of flights or failure to deliver satisfactory services of the Group's customers, which in turn may have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.
- 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 remaining upon travel. The credit card companies have, due to the Group's financial situation, increased the hold-back of payments, resulting in a negative impact on the Group's cash flow over the past quarters. Although the Group now believes to be at a peak level, there is still a risk that the credit card companies may further increase their hold-back with an adverse effect on the Group's liquidity.
- The Group is exposed to volatile aviation fuel prices and exchange rate fluctuations which may affect the Group's financial condition or results of operations. The Group's foreign exchange risk mainly arises from fuel and aircraft purchases, aircraft maintenance, aircraft leasing payments and sales revenue denominated in foreign currencies. The largest investments, including the acquisition of aircraft and their spare parts, are also mainly made in USD and EUR. Fuel costs and aircraft leasing costs are also USD-denominated and represented 34 percent of the Group's operating costs (before aircraft leasing and depreciation) in 2019.
- 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. 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.
- Demand for airline travel and the Group's business is subject to strong seasonal variations and uncertainty caused by the COVID-19 pandemic. Additionally, the Company is vulnerable to small changes in its revenues by ASK (Available Seat Kilometre) in due to high fixed costs.
- The Group may not achieve its goals in future negotiations regarding the terms of collective labour agreements of its unionized work groups, exposing it to the risk of strikes and other work-related disruptions.
- The potential issue of new shares in connection with the contemplated debt restructuring and share offering could significantly increase of the number of issued Shares in the Company. Sale of a substantial number of such Shares, or the expectation of such sale, may have a material adverse effect on the trading price of the Company's shares and the ability for shareholders to sell their shares at attractive terms, in a timely fashion or at all.
- The Company is subject to statutory rules requiring the Company and/or its subsidiaries to be owned and controlled by shareholders who are EEA nationals. The Company's articles of association entitles 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.
- Beneficial owners of the Company's shares that are registered in a nominee account may not be able to exercise their voting rights.

Executive summary

Backdrop and status

COVID-19 with unprecedented impact for the airline industry and the Company

- Company was well underway on it's strategic focus from growth to profitability
- Air travel demand have disappeared and around 75% of the world's fleet is grounded
- Norwegian furloughed 80% of employees and has initiated significant liquidity preservation measures



Restructuring proposal

Liquidity runway through State Aid Package but increased solidity required

- Norwegian Government have proposed a state aid package of NOK 3bn upon certain conditions
- Three tranches, with first tranche of NOK 0.3bn received, and focus now on the next two tranches totalling NOK 2.7bn
- Equity ratio of >8% to obtain remaining package

Tranches	1	2	3
Value in NOKbn	0.3	1.2	1.5
Conditions			
1. 10% from an external bank, credit institutions, or other commercial counterparty	✓	✓	✓
2. Deferral of instalments and waiver of interest fees for 3m	×	✓	×
3. Pro-forma equity >8.0%	×	×	✓

Business plan

Managing the hibernation phase and planning for a strong return to the skies

- Period of rapid grounding of the fleet and now planning for hibernation to be followed by a planned recovery phase
- Hibernation phase in the low season with focus on cash preservation
- Planned recovery during the high-season in 2021 with operations back to normal in 2022

BASE CASE

	2020	2021	2022
SH[2]	*Ongoing*	*Ramp-up*	*Nor-mal*
SH[2]	*Grounded*	*Ramp-up*	*Nor-mal*
LH[2]	*Grounded*	*Ramp-up*	*Nor-mal*

New Norwegian

Norwegian should have a strong position in the future airline industry

- New Norwegian will build on the strong platform and customer footprint, and to be based on a clean-sheet approach with focus on core profitability and aggressive cost focus
- Significant resizing of fleet with refinancing driving down cost and focus on profitable routes

Network and fleet: Economic rightsizing to a more profitable network

Crew & Operations: Agile and flexible cost-base

Customer, pricing & product: Appropriate and flexible bundles

Backbone: Leveraging existing resources and make prioritized investments

(1) Before COVID-19
(2) "SH" and "LH" stands for Short Haul and Long Haul, respectively

Agenda

- **Summary**
- Backdrop and status
- Restructuring proposal
- Business plan
- New Norwegian
- *Appendix*
- *Risk factors*

Background for the restructuring

- Norwegian was well on-track with changing the strategic focus from growth to profitability
  - Optimized route network on short-haul and long-haul into focus on profitable routes
  - Restructured aircraft orders reducing capex by NOK 22.0bn for 2019 and 2020
  - Established joint venture with CCBLI reducing capex by NOK 13.7bn
  - Concluded 24 aircraft sales for 2019 and 2020 with net liquidity effect of NOK 2.2bn
  - Delivered on target with cost reductions in 2019 of NOK 2.3bn
  - Delivered (clean) EBITDAR of NOK 6.5bn in 2019 (top end of guiding) and guided on a positive net income in 2020 (NOK 9bn in budgeted clean EBITDAR before COVID-19)
- Global COVID-19 travel restrictions resulted in 85% of Norwegian's flights cancelled by mid March
  - COVID-19 travel restrictions are looking to continue into the summer, removing the peak season in terms of cash generation for airlines
- Norwegian's fleet capacity is currently reduced by 95% and around 7,650 employees are furloughed
  - Only 7 aircraft in operation offering a reduced state-subsidized schedule domestically in Norway
- Run rate operational expenses[1] reduced from NOK 2,850-3,350m in an yearly average month to NOK 100-300m, all excluding finance expenses
  - Introduced stringent cost-cutting measures
  - Only absolutely vital operational invoices are being paid
  - Expected average cash burn of NOK 300-500m per month during grounding phase (from July 2020)
- Norwegian needs to access the Norwegian State Aid Package of in total NOK 3bn by mid May to manage the significant challenges of the current COVID-19 environment and prepare to gradually re-open its route network and bring back furloughed employees
  - The NOK 3bn is assumed to be sufficient to cover the liquidity need until year-end, however given the high degree of uncertainty on the current market situation, subsequently the exact liquidity need, including size and timing, there could be need for additional funds to have sufficient liquidity runway until operations normalize

(1) Includes personnel expenses, aviation fuel, technical maintenance expenses and other flight operation expenses, and excludes other G/L

Overview of the State Aid Package

BACKGROUND

- Following the recent outbreak of COVID-19, the Norwegian Government has proposed certain measures and state aid to mitigate the negative economic effects of the outbreak on the business
- The state aid includes inter alia a state guarantee scheme in the amount of NOK 3bn available upon fulfilment of certain conditions
- Under the guarantee scheme, the government will guarantee 90% of the loans granted to Norwegian

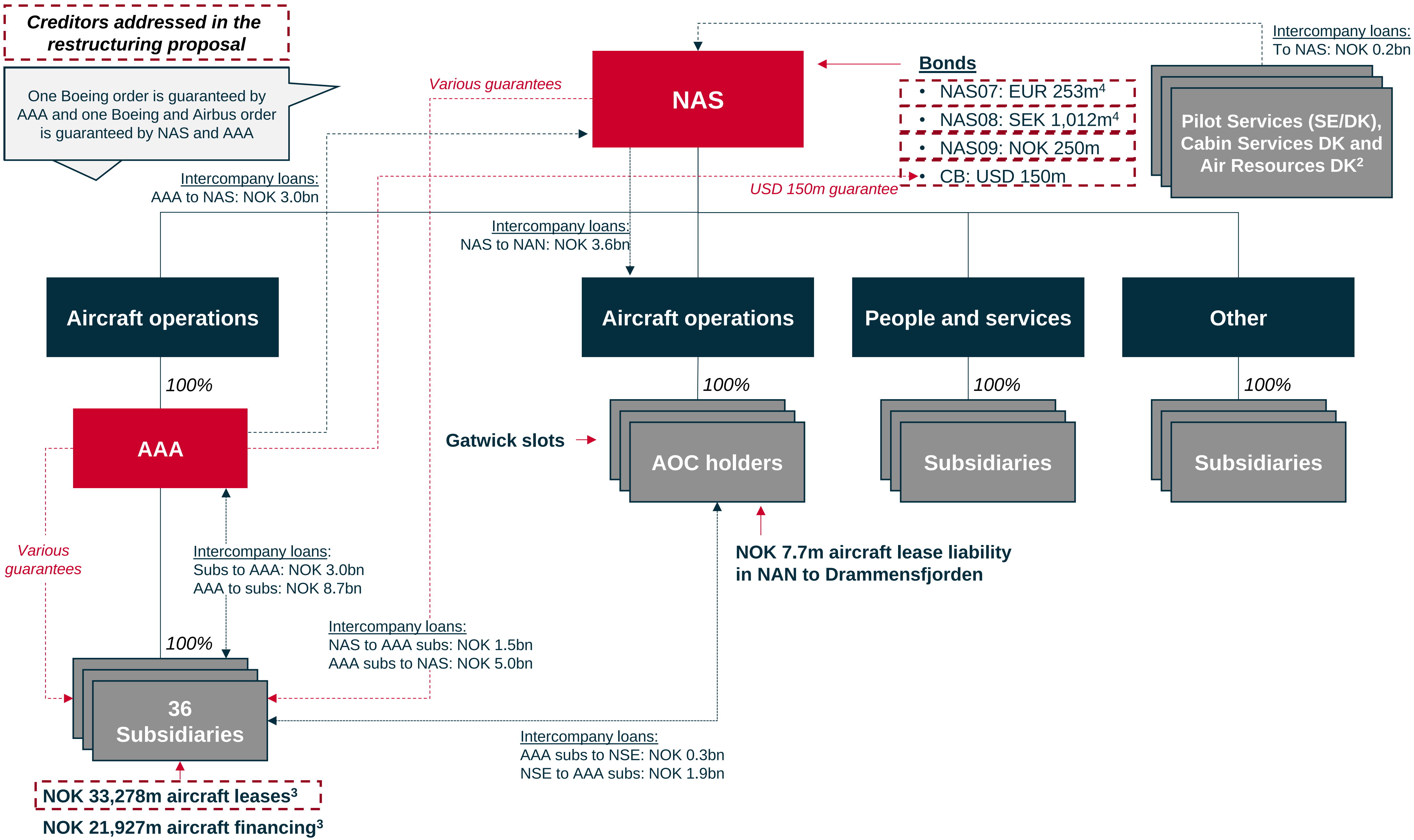
TRANCHES AND CONDITIONS

1. **Tranche 1 of up to NOK 300m (amount obtained)**
   - The only required condition was 10% risk participation by external commercial lenders or the issuer obtains a corresponding amount of new financing through a capital increase
2. **Tranche 2 of up to NOK 1.2bn**
   - Will be available if the loans guaranteed thereunder are accompanied by the existing creditors agree to a moratorium being put in place which involves a waiver of interest payments and a deferral of principal payments for a period of three months, commencing on disbursement of the guaranteed loans
3. **Tranche 3 of up to NOK 1.5bn**
   - The company needs to meet a pro forma year-end 2019 equity ratio of at least 8.0% and secure 10% in new risk capital

KEY TERMS

Borrower	Norwegian Air Shuttle ASA
Ranking	Pari passu with each other senior debt obligation and ahead of any subordinated debt of the Borrower
Facility amount	90% GIEK risk tranche and 10% commercial risk tranche
Guarantor	GIEK to provide a 100% guarantee for the GIEK risk tranche
Availability	Available in one drawdown maximum 10 days from closing date
Repayments	Non-amortizing
Tenor	2 years
Margin	150bps p.a (indicative, subject to final agreement)

Group structure[1]



(1) Reference to slide 53 appendix for details
(2) Filed for bankruptcy as of 20 April 2020
(3) Amount as of 31 Dec 2019, as reported
(4) NAS07 is adjusted for own holding, and NAS07 and NAS08 are adjusted for redemption price of 105%

Note: Not a complete overview. Figures are presented on a net and consolidated basis and should not be used for insolvency impact. Figures are end of February adjusted for filed companies which are as of 20 April 2020

NAS has provided certain letters of support in favour of their subsidiaries hereby providing assurances relating to those subsidiaries' financial commitments. The listed intercompany loans do not represent the complete balances.

Summary of the restructuring plan

- In order to fulfil the requirements and receive the State Aid Package, Norwegian is dependent upon a restructuring of its current debt and a new cash injection
- It is seen as key to further strengthen the Company's financial position and liquidity to create a path to a sustainable platform going forward
  - Strengthen balance sheet beyond the required 8% equity ratio through conversion of debt to equity
  - Improve cash flow going forward by reducing lease liabilities, extending debt maturities and introducing payment holidays
  - Become investible for new equity to deliver on the 10% risk participation requirement
  - Remain eligible for subsequent governmental support with a minimum of conditions
- In order to increase the probability of success with the short time available and due to the complexity of its financing structure, Norwegian has been required to focus the restructuring towards its lessors and bondholders, in addition to raising equity from existing shareholders and new investors
- Lessors are asked to contribute by reducing leasing obligations of Norwegian by at least USD 500m
  - Reduction of rent levels from July 2020 or the return of aircraft being leased
  - NPV of the reduction of rent levels, overdue payments and rent until 30 June 2020 are being converted into equity
  - Lease between July 2020 and March 2021 being converted into equity on the same terms if the aircraft is not utilised under a power by the hour ("PBH") agreement
- Bondholders are asked to convert parts of the NAS07, NAS08 and the USD 150m convertible bond to equity and make amendments to the terms of all outstanding bonds, including NAS09
  - Conversion of 60%, 60% and 85% of the principal amount of NAS07, NAS08 and the convertible bond, respectively, to equity
    - Conversions, extensions, cancellation of accrued but unpaid interest and interest holiday implies a reduced NPV[1] of approx. EUR 175.1m, SEK 641.0m, NOK 17.5m and USD 139.9m for NAS07, NAS08, NAS09 and the convertible bond, respectively
    - The aggregate number of NAS shares to be allocated to each bond issue shall be calculated based on the aforesaid reduction of NPVs for each bond issue divided by the Conversion Price
  - Maturity being postponed on all secured bonds
  - Other adjustments include waiver of certain events of default, particularly cross-default which is intended to give sufficient manoeuvrability in a situation when the Company continues negotiating with its creditors
- After obtaining the State Aid Package, the Company will continue to work on optimizing its relationship with its wider set of partners and creditors to further improve the robustness of the company
  - Process towards other stakeholders has started and some have been addressed, but these will not part of this restructuring due to the challenging timeline

(1) At a discount rate of 5.2% and calculated as of 4 May 2020

Proposed timeline

INDICATIVE TIMELINE

Concluded

Implementation step	Timing
Call for EGM	8 April
Summons to bondholders' meetings	14 April
Proposal details and public equity offering announced	27 April
Bondholders' meeting	30 April
Signing of agreement with lessors	3 May
Announcement of proposed terms for the public equity offering	4 May
EGM	4 May
Publication of the prospectus	4 May
Subscription period for the public equity offering	5 May – 11 May
Effective date for the public equity offering	13 May
State Aid Package funding	14 May

Note: The conversion of bonds to shares shall occur on the conversion date with the record date being at close of business on 3 business days prior to the conversion date. The conversion date will be decided between the company and Nordic Trustee.

Agenda

Summary

Backdrop and status

Restructuring proposal

Business plan

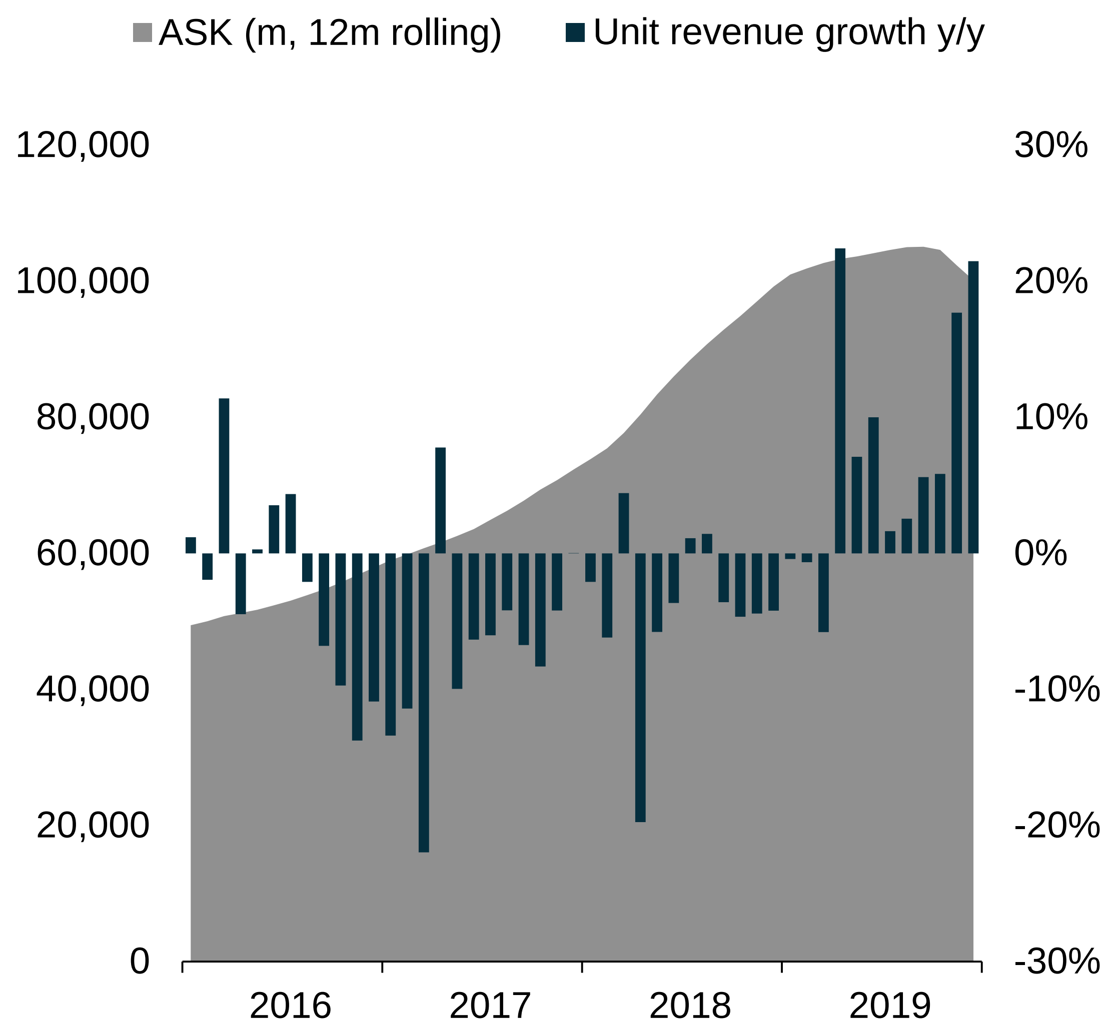
New Norwegian

Appendix

Risk factors

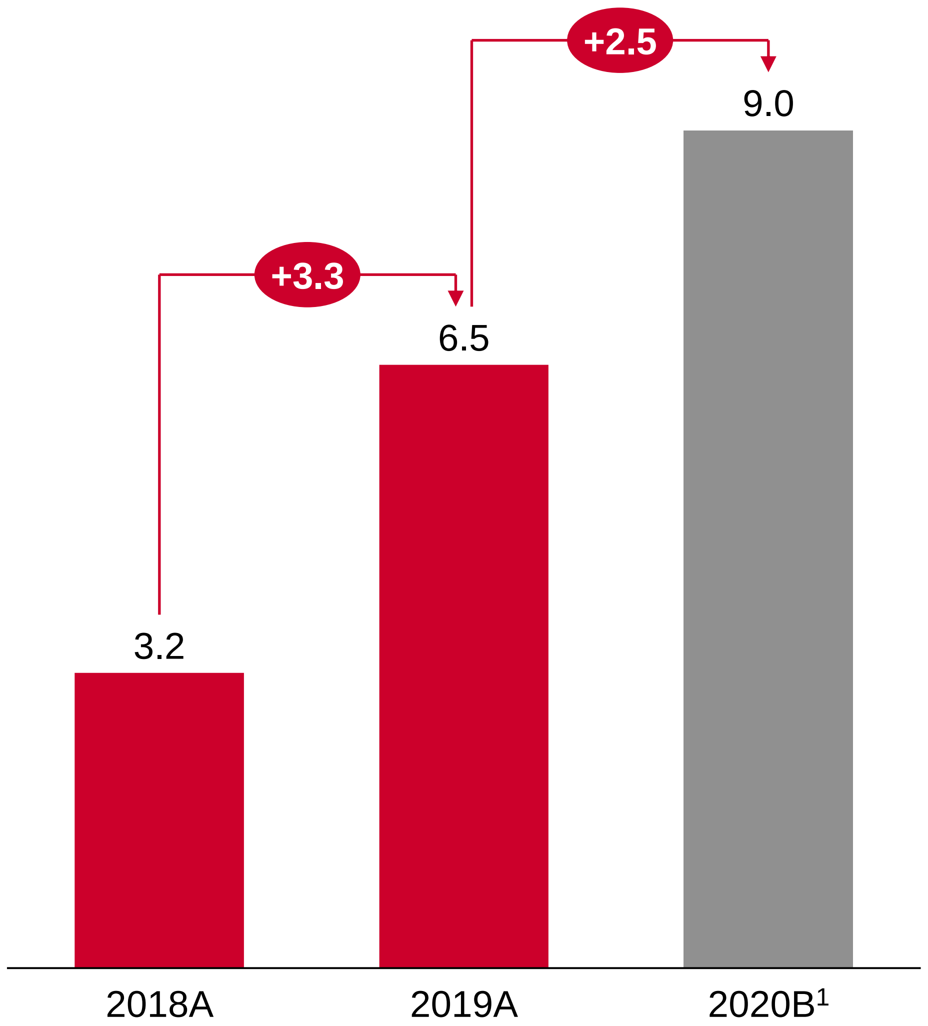
Well underway with focus on profitability before COVID-19

MONTHLY TRAFFIC DEVELOPMENT



Clean EBITDAR

NOKbn



The planned capacity reduction supports higher unit revenue, better load factor and increased punctuality

(1) Before COVID-19

The impact of COVID-19 on the airline industry is unprecedented

The crisis differs in abruptness and severity to any other crisis faced in modern times

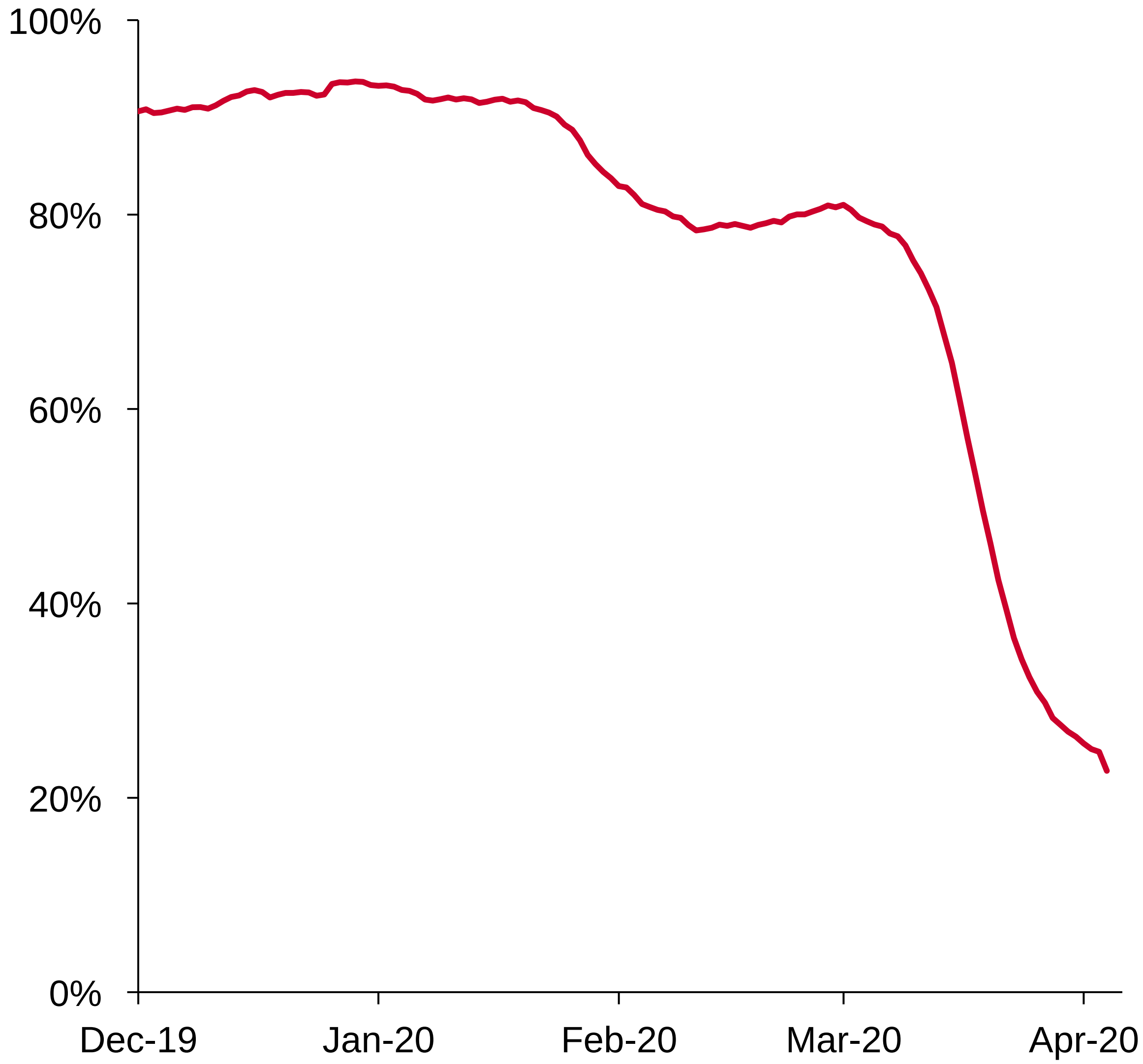
	9/11 2001	SARS 2003	Great Recession 2008	COVID-19 2020
GEOGRAPHICAL IMPACT	**Global Impact**	Regional Impact	**Global Impact**	**Global Impact**
MAJOR DRIVER	Fear and uncertainty	**Imposed travel restrictions**	Economics	**Imposed travel restrictions**
BEHAVIOR CHANGE	**Abrupt**	**Abrupt**	Gradual	**Abrupt**
FLEET GROUNDING	Short-term, globally	Mostly unaffected	Small capacity reduction	**Long-term, globally**
TIMING / PATTERNS	Simultaneous changes	Effects regionalised	Similar global pattern	**Variations by country**

Given the abruptness and severity of the impact, the industry may not return to the same baseline as before the crisis

75% of the world's narrowbody and widebody fleets have been grounded

IN SERVICE FLEET DEVELOPMENT

Global in-service fleet (wide- and narrowbody)



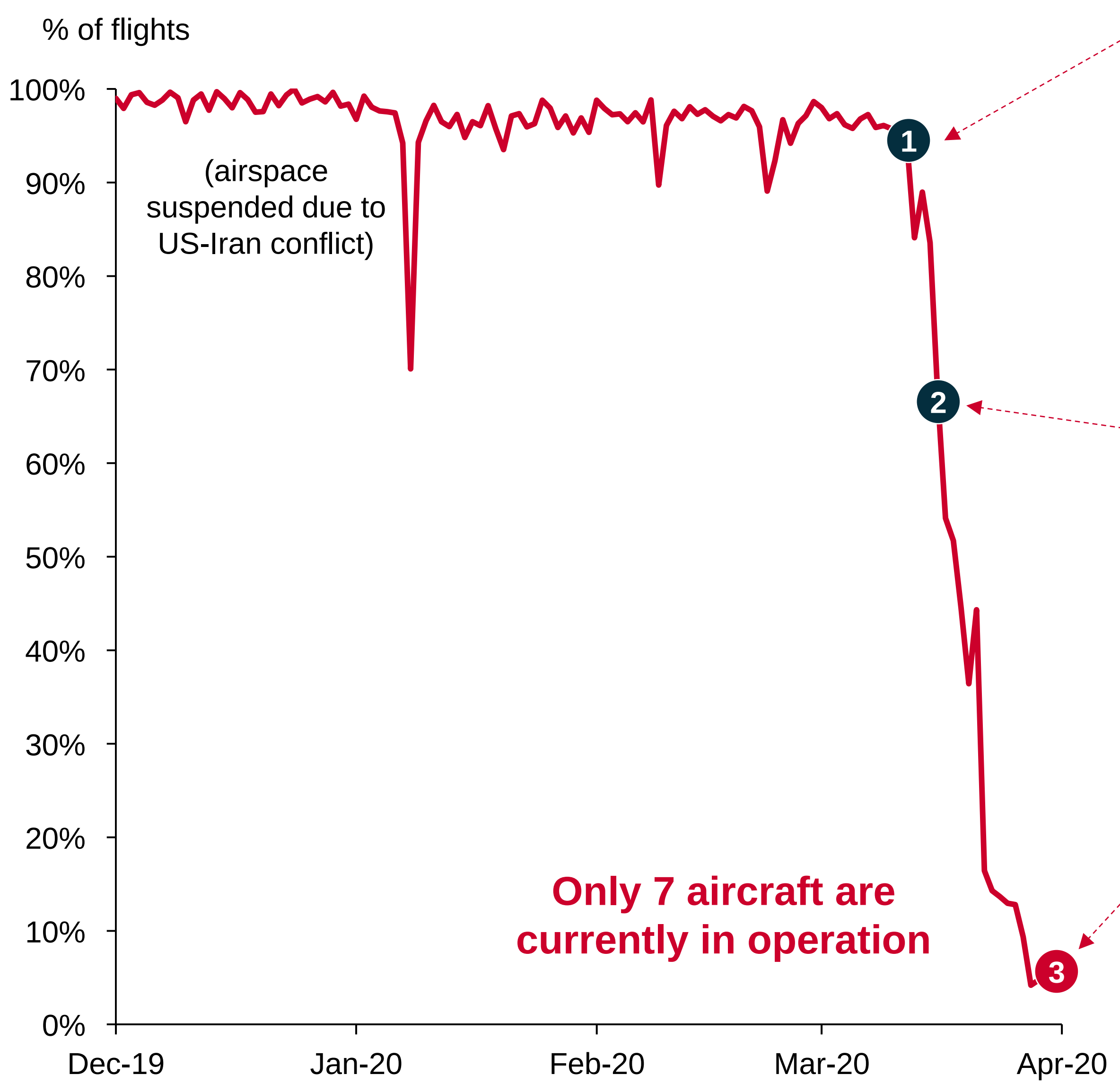
COMMENTS

- Scheduled capacity has fallen 78% globally and capacity cuts are already bleeding into airline's highly lucrative summer schedules
- An estimated 75% of the world's narrowbody and widebody fleets have been grounded as of 6 April; this may continue to grow as countries complete repatriation flights

Source: Innovata, FlightRadar24, Ascend, Seabury Consulting analysis

95% of Norwegian’s flights are cancelled

FLOWN VS SCHEDULED CAPACITY



CANCELLATIONS

1 10/12 March

- 3,000 flights cancelled 10 March in response to reduced booking demand due to the COVID-19 situation
- 4,000 flights cancelled 12 March following U.S. travel ban
  - 40% of long-haul fleet grounded
  - Up to 25% of short-haul flights cancelled until end of May

2 16 March

- Stagnating demand and enforced travel restrictions worldwide forcing Norwegian to cancel 85% of flights and lay off 7,300 colleagues
- Reduced schedule domestically and between Nordic capitals maintained at a minimum level

3 Current status

- 95% of the fleet grounded and only 7 aircraft in operation
- Around 7,650 employees temporarily laid off and 1,571 pilots and 3,134 cabin crew affected by cancellation of OSM crew agreements

Norwegian has taken significant action to date to preserve liquidity

Staff

- Temporary layoffs for around 7,650 employees, approximately 80% of the workforce
- Filed for bankruptcy for Norwegian's pilot and cabin crew companies in Sweden and Denmark to further reduce costs
- Cancelled crew agreements with a number of jointly-owned OSM Aviation subsidiaries, all together affecting 1,571 pilots and 3,134 cabin crew
- Only 200 employees remain in operations

Fleet

- 95% of the fleet grounded
- All intercontinental and mainland European flights cancelled
- Focus only on domestic routes in Norway
  - 7 aircraft in operations under state subsidized program

Payments

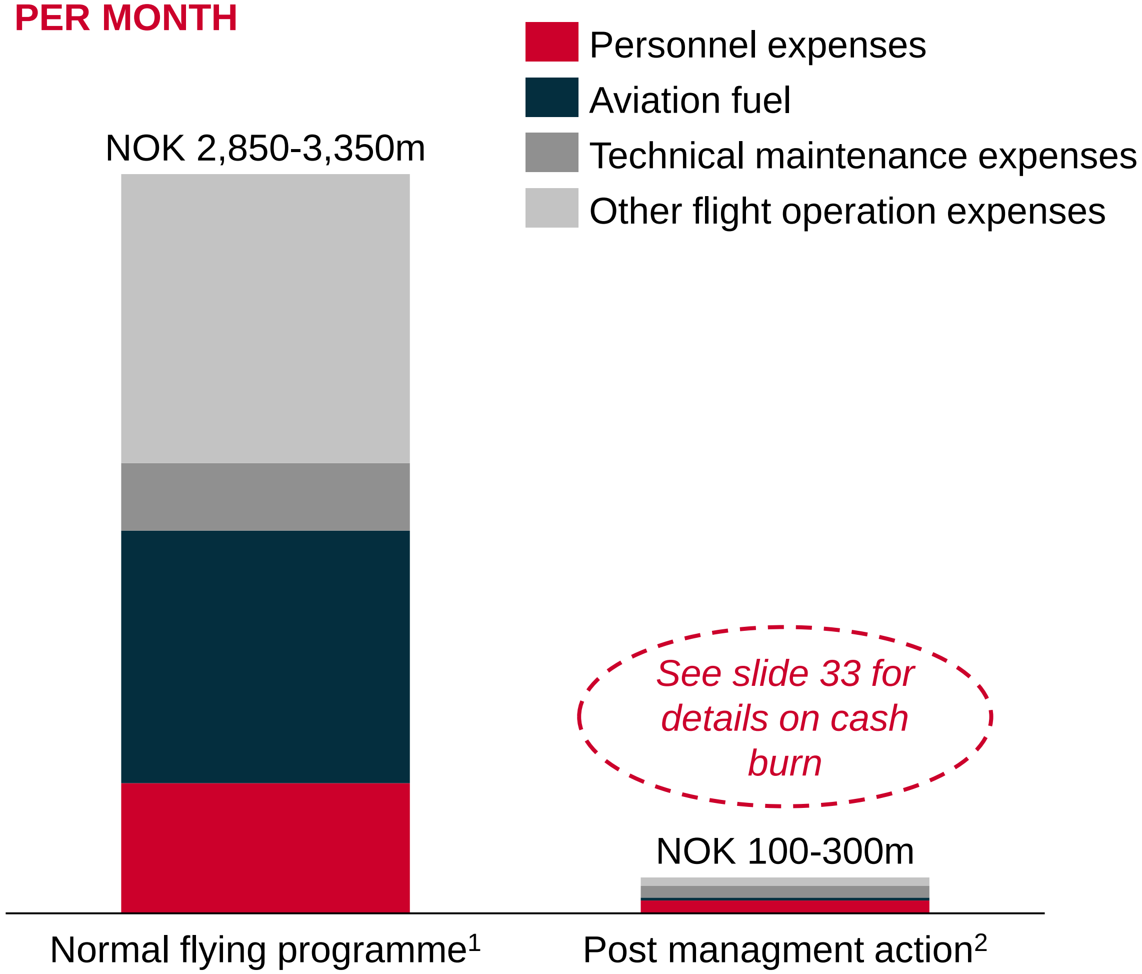
- Only “absolutely vital” operational invoices are being paid: Minimum operations, minimum salary, critical IT infrastructure and other critical operational payments
- Other payments halted, including (but not limited to) ground handling, payments to OEMs, hedges, debt and lease payments

Run rate operational expenses in the low season of NOK 100-300m per month²

RUN RATE OPERATIONAL EXPENSES

Total operating expenses excluding lease, depreciation, amortization and other G/L

PER MONTH



DETAILS ON COST SAVING MEASURES

- Significant reduction in other operating costs has been achieved through management actions including, inter alia:
  - Crew and head office lay-offs, voluntary redundancy and pay reduction, recruitment freeze
  - Stopping discretionary spend on non-mandatory training, travel, contractors & consultancy etc.
  - Stopping non-essential project opex & IT expenditure
  - No selling and marketing expenditure
  - Non-essential maintenance deferred
  - Active use of reward programme to preserve liquidity
  - Filed for bankruptcy for Norwegian's pilot and cabin crew companies in Sweden and Denmark to further reduce costs
- Currently, only absolutely vital operational invoices are being paid
  - Minimum operations, minimum salary, critical IT infrastructure and other critical operational payments primarily relating to the 7 aircraft in service

(1) Average per month for 2019
(2) Average per month for Q2 2020 business plan

Agenda

Summary

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Appendix

Risk factors

Key objectives for the restructuring

Secure liquidity by mid May – access the State Aid Package	→ Access NOK 2.7bn of new liquidity through the State Aid Package to cover immediate liquidity needs and fund operations going forward → Requirements for accessing the State Aid Package includes; i) strengthening the Company's solidity to a pro forma year-end 2019 equity ratio of at least 8.0% and ii) satisfying the condition of 10% "risk participation"
Deliver restructuring now on a timely basis	→ Critical to get access to the State Aid Package by mid May before the company runs out of cash → Only stakeholders that are able to contribute within this timeframe are addressed in the restructuring now, hence aircraft financing providers (other than lessors) and suppliers to which the company has overdue payments are not included due to the number of counterparties and complexity
Create a sustainable platform going forward	→ Further strengthen the Company's financial position and liquidity to create a sustainable platform going forward → Strengthen balance sheet beyond the required 8% equity ratio through conversion of debt to equity → Improve cash flow going forward by reducing lease liabilities, extending debt maturities and introducing payment holidays → Deliver an investable company that will attract the required 10% risk capital

Overall objective of the restructuring proposal is to obtain access to the remaining NOK 2.7bn under the State Aid Package by mid May 2020 and create a path to a sustainable platform going forward

Stakeholders prioritised near term due to timing

Creditor group	Amount[1]	Security	Assessment of value of security
Aircraft leases	NOK 33,278m	Various aircraft	→ Contractual lease rates significantly higher than current market lease rates → Outstanding lease amounts higher than market value of aircraft for certain leases
Convertible bond (USD bond)	NOK 1,257m	None[2]	→ N/A
NAS 07 / 08 (EUR/SEK bonds)	NOK 3,290m	Share pledge in entity owning Gatwick slots	→ 3rd party valuations not obtained due to high uncertainty due to COVID-19 impact → Likely limited value in the slots near term due to market conditions → Access to recovered value in due course assured via company as a going concern
NAS 09 (NOK bond)	NOK 250m	OSL hangar	→ Valuation less impacted by COVID-19 and considered sufficient to cover outstanding debt

(1) Amounts as of 31 Dec 2019, as reported
(2) There is a USD 150m guarantee from AAA

Summary of current fleet financing and rationale for treatment in the restructuring

Fleet as of Q1 2020	Owned			Leased		
Fleet overview (# of aircraft)	32x 737-800	12x 737-8	11x 787	62x 737-800	4x 737-8	26x 787
Financing (# of aircraft)	33x Export credit / AFIC	17x EETC / USPP	5x Loan / finance leases	Mix of operating leases and sale-leasebacks		
	NOK 21,927m outstanding liabilities[1]			NOK 33,278m outstanding liabilities[1]		
	High complexity and many involved counterparties			24 different lessors, relatively high concentration		

Owned: Not addressable in the restructuring due to challenging timeline and high complexity

Leased: Complex with many counterparties, but more addressable in a short timeframe compared to other financing

(1) Amounts as of 31 Dec 2019, as reported

Key terms of the restructuring

Aircraft leases	▪ Lease obligations shall be reduced by at least USD 500m ▪ The NPV[1] of the aggregate lease payment reductions to the lessors taking part in the conversion shall be converted to shares at a conversion price to be defined (the "Conversion Price"), subject to a minimum conversion to equity of USD 500m ▪ Due and unpaid lease payments to the lessors taking part in the conversion as of 30 June 2020 to be converted into shares at the Conversion Price ▪ In addition, certain lease agreements will be cancelled with redelivery of the leased aircraft as the full and final settlement – i.e. no conversion to shares, no cash payments and no other recourse against the NAS group or its assets ▪ In addition, the lease payments will during the period July 2020 to March 2021 be subject to a PBH, to be defined based on 2019 average monthly utilization per aircraft type. With the expected level of aircraft utilization in the slow recovery case (see the business plan for more information), and assuming that the company reaches an agreement with lessors in line with current status of negotiations, the additional level of conversion into equity from PBH may be in the area of USD 300-400m ▪ Under the PBH mechanism, unpaid rent relating to non-utilization of leased aircrafts will be converted to shares at the Conversion Price. Such conversion will be carried out in April 2021 ▪ Lock-up schedule on conversion shares: 1/3 as of 1 September 2020, 1/3 as of 1 December 2020 and 1/3 as of 1 March 2021
Bonds	▪ NAS07, NAS08 and NAS09 maturities extended with 1 year ▪ Accrued but unpaid interest cancelled, and no interest shall accrue until 1 July 2021 for NAS07, NAS08, NAS09 and the convertible bond ▪ Conversion of 60%, 60% and 85% of the principal amount of NAS07, NAS08 and the convertible bond, respectively, to equity ▪ Conversions, extensions, cancellation of accrued but unpaid interest and interest holiday implies a reduced NPV[1] of approx. EUR 175.1m, SEK 641.0m, NOK 17.5m and USD 139.9m for NAS07, NAS08, NAS09 and the convertible bond, respectively ▪ The aggregate number of NAS shares to be allocated to each bond issue shall be calculated based on the aforesaid reduction of NPVs for each bond issue divided by the Conversion Price ▪ Lock-up schedule on conversion shares: 1/3 as of 1 September 2020, 1/3 as of 1 December 2020 and 1/3 as of 1 March 2021
Existing shareholders	▪ It is contemplated that the current shareholders will retain 5.2 % of the shares post conversion of lessors (not including any conversion due to PBH) and conversion of bonds, but before the proposed up to NOK 400m equity issue[2]
New risk capital	▪ As part of the restructuring, and as a condition of the State Aid Package, minimum NOK 300m needs to be injected as new risk capital

(1) At a discount rate of 5.2%. Calculated as of 4 May 2020 for the bond issues and 30 June for the lessors
(2) Excluding, for the avoidance of doubt, any shares issued in the future in connection with the conversion of power by the hour rental to equity or shares issued in connection with a private placement/or public offering approved by the EGM

Status on other key stakeholder[1] discussions

Hedges	▪ Reached agreement with one party to terminate outstanding swap exposure – outstanding debt of USD ~20m
	  ▪ In its liquidity budget, the Company has assumed that this will not be paid, and the Company is in dialogue with relevant counterparties to find solutions for these positions
	▪ Outstanding remaining hedging relates to jet fuel swaps, with most hedges expiring before year end 2020
	  ▪ Negative market-to-market value of approximately USD 83m as per mid April
	  ▪ The positions will be settled in tranches of 20,000-32,000 MT per month between April and December 2020 (the total position amounts to 240,000 MT)

Total overdue and deferred vendor debt	▪ Total outstanding payables to suppliers, excluding Boeing and Rolls-Royce, of NOK 2,396m as per 31 March 2020, of which NOK 1,715m were overdue
	▪ In its liquidity budget, the Company assumes that costs going forward related to the minimum operations are paid on an ongoing basis
	▪ For the outstanding payables, the company is working with the various vendors to reduce the overall claims
	  ▪ Established a Debt to Equity program for suppliers anticipating good accept rates
	  ▪ Established good dialogue with largest suppliers to void cost and postponed for later payments

Other	▪ Aircraft financing will be addressed according to the planned fleet plan by the Company
	  ▪ Most of the financing has been well secured with LTV of 50-60% pre COVID-19
	  ▪ Concessions are not possible within the current timeline, and renegotiations will have to be done at a later stage
	▪ Ongoing dialogues with OEMs, including both Airbus and Boeing regarding the fleet orders
	  ▪ No material capex related to any aircraft deliveries will be incurred until Q2 2021
	  ▪ Aggregate PDP payments for aircraft being delivered between 2020 to 2027 of NOK 4,946m[2]
	  ▪ Note that the Company is in dialogue with Rolls-Royce and Boeing for compensation for losses related to engines and Max orders

Launched a wide range of measures to help cushion the impact of this crisis, and will continue to work on optimizing the relationship with a wider set of partners and creditors to further improve the financial robustness

(1) It should be noted that DNB Bank ASA, being one of the Managers, is also a creditor in respect of the Company's financial obligations
(2) Amounts as of 31 Dec 2019, as reported

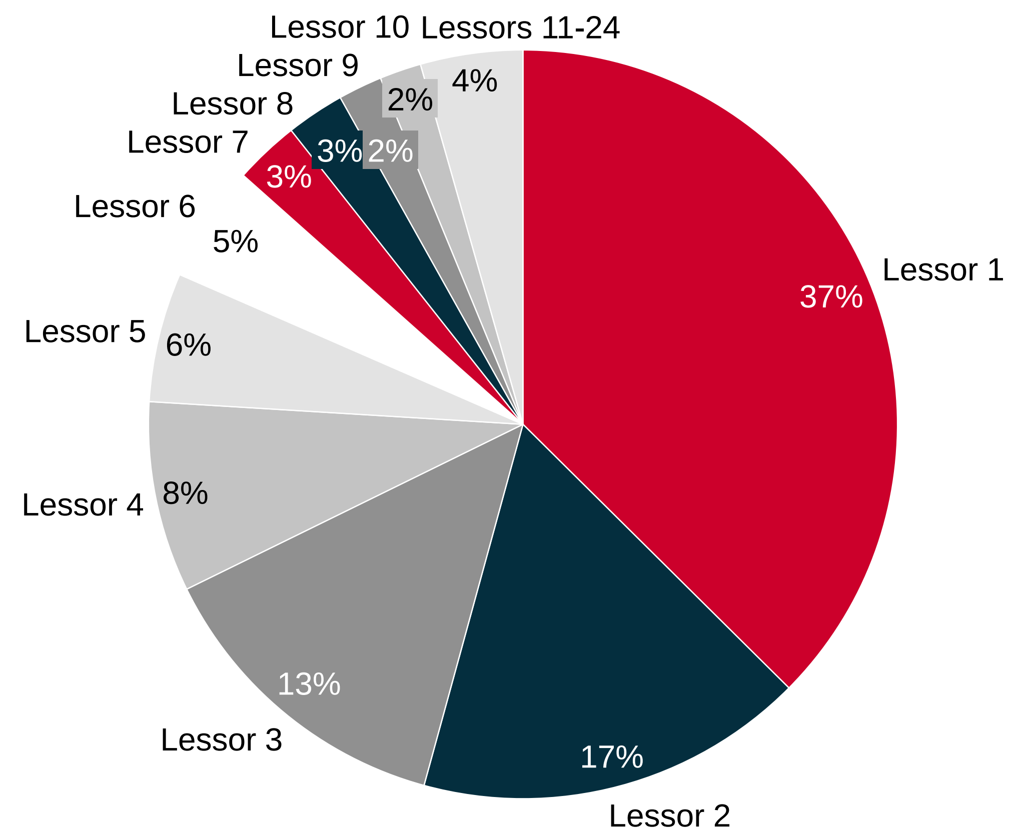
Summary of ask to lessors

OVERVIEW OF THE ASK

1. Amounts in arrears: Non payment and forgiveness of all outstanding rents up to and including 30 June 2020
2. Rental reduction: Commencing 1 July 2020, rent will be reduced by at least USD 4.2m per month including USD 0.9m from aircraft which will be redelivered before year end[1]
   - → Present value of rent reductions and forgiven amounts above to be converted into equity in conjunction with drawdown of the State Aid Package
3. PBH period: Rental “power by the hour” agreement “PBH” from 1 July 2020 to 31 March 2021 based on new agreed rent

→ Difference between newly agreed rent and PBH paid between 1 July 2020 and 31 March 2021 becomes a claim that will convert into equity in April 2021 at the same conversion rate as the May 2020 liability conversion rate and forex exchange rate

BREAKDOWN OF TOTAL CLAIMS BASED ON ASK

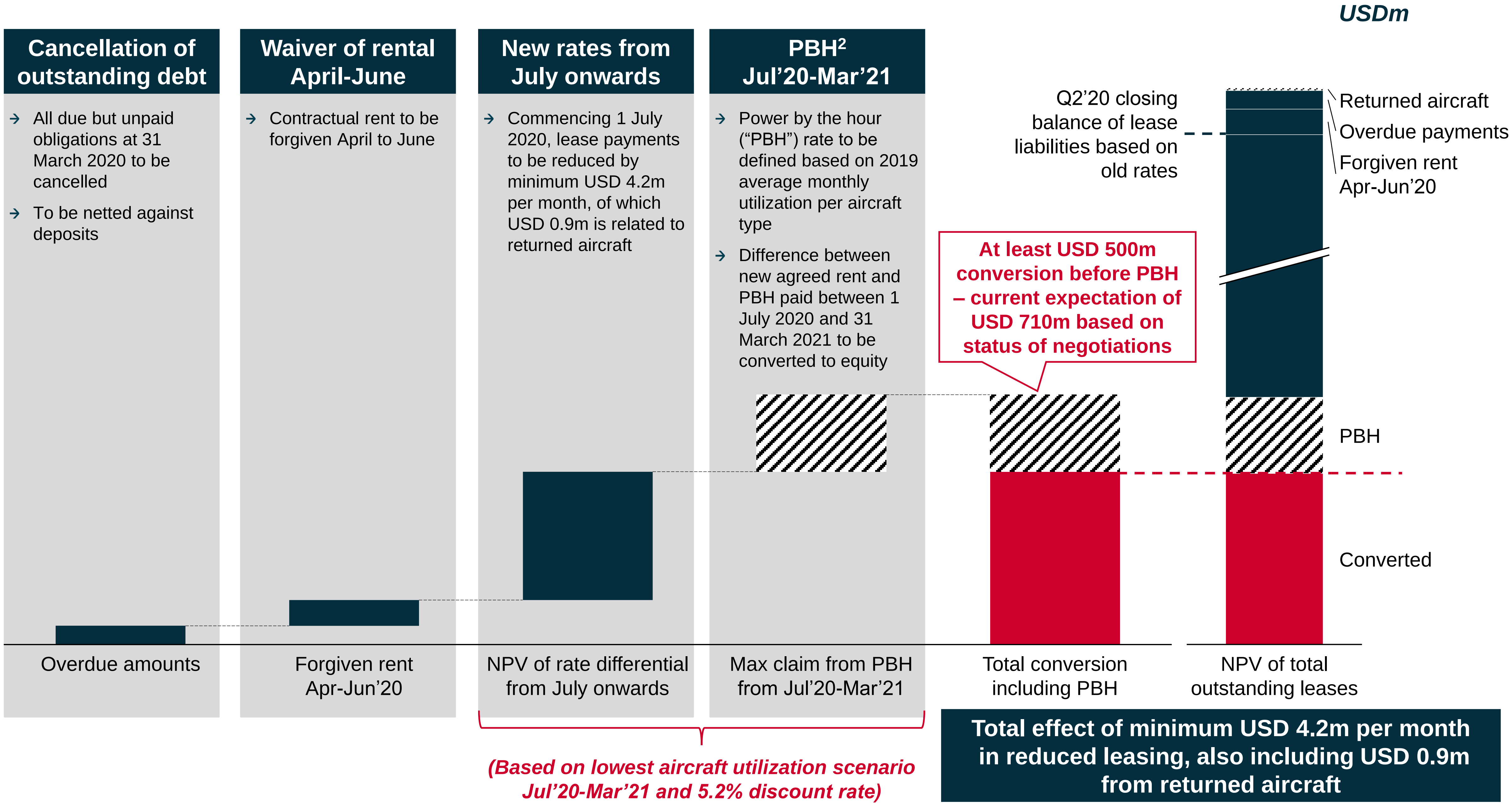


Minimum USD 500m of lessor concessions

(1) Minimum reduction based on current status of negotiations.

Lessors to contribute with conversion of at least USD 500m of lease liabilities to equity

OVERVIEW OF PARTICIPATION FROM LESSORS[1]



(1) Lessors to convert minimum USD 500m (excluding PBH). Build-up in the illustration is based on the expected final agreement with lessors based on current status of negotiations
(2) Estimated PBH conversion into equity based on the slow recovery case, assuming that the company reaches an agreement with lessors in line with current status of negotiations

High-level impact on capital structure and maturity profile

CAPITAL STRUCTURE AND HIGH-LEVEL IMPACT

Total book liabilities details	
Unaudited in NOKm	*Q4 2019 reported values*
NAS07 EUR bond	2,380
NAS09 NOK bond	250
NAS08 SEK bond	910
USD convertible bond	1,257
Total bond book value	4,797
Lease liabilities	34,274
Aircraft & PDP	22,306
Other liabilities	19,840
Total liabilities	**81,218**

Equity	
Unaudited in NOKm	Q4 2019 reported values
Total book assets	85,343
Total book liabilities	81,218
Book equity	4,125
Equity ratio	**4.8 %**

+ Lessor conversion: ~NOK 5.3bn[1]

+ Bond conversion: ~NOK 3.7bn[1]

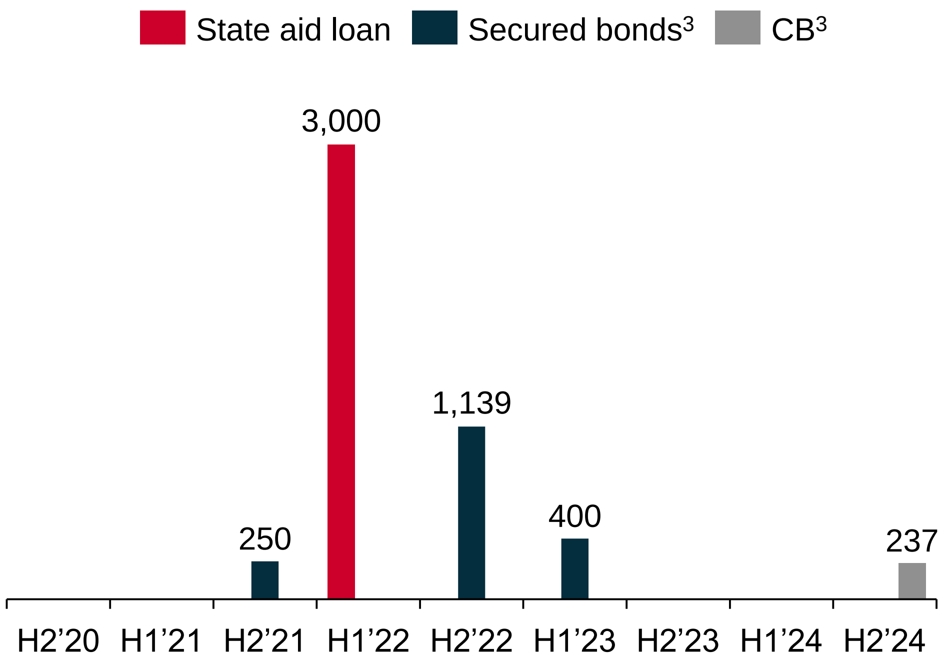
= **Total debt conversion ~NOK 8.9bn or 15% of total debt[2]**

+ Public equity offering ~NOK 400m

= **Total effect ~NOK 9.3bn or 11% of total balance sheet[2]**

PRO FORMA DEBT REPAYMENT PROFILE

NOKm. Excluding aircraft financing and lease liabilities



- No instalments or interest payments to creditors or lessors until 1 July 2021
- Norwegian government NOK 3bn state aid maturing in May 2022
- All secured bonds extended by one year

Targeting outperformance of the 8% requirement

(1) Contemplated transaction amount based on applicable exchange rates as described in Summons to Bondholders per 14 Apr 2020. Lessor conversion based on minimum ask of USD 500m.
(2) Total borrowing amounts and total balance sheet amounts as of 31 Dec 2019, as reported, used as proxy
(3) Remaining principal amount converted to NOK at applicable exchange rates as described in Summons to Bondholders per 14 Apr 2020

Summary of proposed bond conversion and amendments

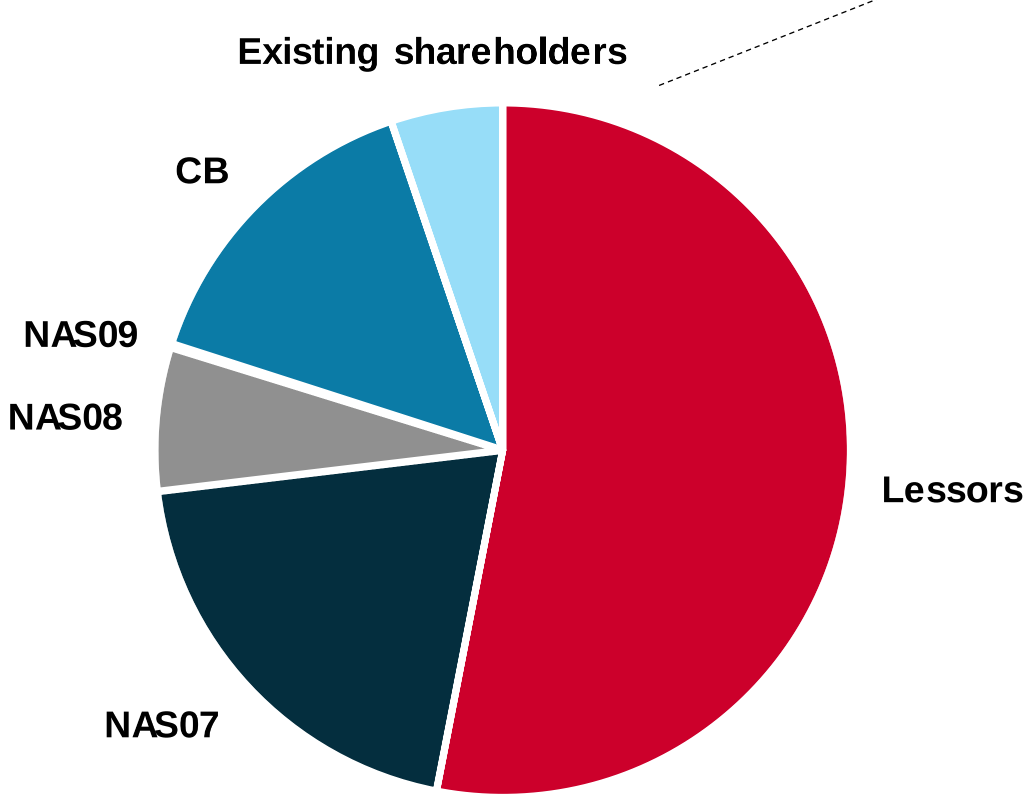
	NAS07	NAS08	Convertible bond	NAS09
Ranking	Secured	Secured	Unsecured	Secured
Security	Gatwick slots	Gatwick slots	N.A. (*guarantee from AAA*)	OSL hangar
Outstanding amount	EUR 250m	SEK 963.5m	USD 150m	NOK 250m
Principal amount conversion ratio	60%	60%	85%	0%
Conversion principle	The aggregate number of shares allocated to each bond issue shall be calculated based on the respective reduced NPV[1] due to the restructuring divided by the Conversion Price			
Reduced NPV value	~EUR 175.1m	~SEK 641.0m	~USD 139.9m	~NOK 17.5m
Principal Amount converted	EUR 150.0m	SEK 578.1m	USD 127.5m	NOK 0m
Share lock-up	1/3 as of 1 September 2020, 1/3 as of 1 December 2020 and 1/3 as of 1 March 2021			
New outstanding principal amount	EUR 100m	SEK 385.4m	USD 22.5m	NOK 250m
Amended maturity date	11 November 2022 (extended by 1 year)	7 February 2023 (extended by 1 year)	15 November 2024 (unchanged)	23 November 2021 (extended by 1 year)
Conversion rights	-	-	From 1 July 2021	-
Coupon amendments	Accrued but unpaid interest up to the Conversion Date cancelled, and no interest shall accrue until 1 July 2021			
Financial covenants	To be harmonized across all bonds: Book Equity of minimum NOK 1,500m and Liquidity of minimum NOK 500m Minimum liquidity covenant to NOK 100m until 1 July 2021			
Conditionality amongst the bonds	Conditional			Unconditional
Event of Default	Waiver of certain current or future event of default that has occurred or occurs prior to 1 July 2021 (unless material adverse effect), including i) Cross default, ii) insolvency, iii) insolvency proceedings and dissolution and iv) Creditors' process Introduction of a new cross-acceleration paragraph			
Other conditions	Adequate conditionality on fulfilling the State Aid Package conditions Adequate conditionality between bonds and lessors			

(1) Based on discounting of cash flow at 5.2% discount rate calculated as of 4 May 2020

Illustrative pro forma ownership[1] after debt conversion

ILLUSTRATIVE PRO FORMA OWNERSHIP AFTER DEBT CONVERSION

Assuming minimum lease conversion, and before the up to NOK 400m equity issue



Lessors	53.1%
NAS07	20.0%
NAS08	6.7%
NAS09	0.2%
CB	14.8%
Existing shareholders	5.2%

Bonds

41.7%

(1) See slide 23 for details

Comparing the two key routes of action

Creditor group	Proposal | Contemplated restructuring		Alternative | Norwegian bankruptcy proceedings	
	Benefits	Reservations[1]	Benefits	Reservations
Aircraft Leases	✓ Partial preservation of debt claim ✓ Potential for full recovery through equity	× Payment holiday	✓ Could recover fast if market recovers, but magnitude of recovery is uncertain	× Alternative employment difficult × Likely low recovery
Convertible bond	✓ Partial preservation of debt claim ✓ Potential for full recovery through equity ✓ Maintain conversion rights ✓ Compensation for interest cancellation	× Cancellation of interest		× Likely to receive zero recovery dividend
NAS 07 / 08	✓ Partial preservation of debt claim ✓ Potential for full recovery through equity ✓ Compensation for interest cancellation	× Requested to extend by 1 year × Cancellation of interest	✓ Value of security is binary, but could recover fast if market recovers – however, magnitude of recovery is uncertain	× Timing and magnitude of market recovery is highly uncertain
NAS 09	✓ Full preservation of debt claim ✓ Compensation for interest cancellation	× Requested to extend by 1 year × Cancellation of interest	✓ Potential for full recovery	× Carry and refinancing cost
Overall assessment	Right-sizing the capital structure for the benefit of all stakeholders in combination with new funds, including the State Aid Package		Company will not succeed in securing additional funds from the Stake Aid Package. Value destruction is likely to be high, and as a consequence most creditors are likely to have low recovery and occur significant costs	

(1) Excludes reservations in relation to creditors that will / can not receive equity

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Risk factors

Norwegian to emerge from this crisis as a stronger aviation company = New Norwegian

Phase 1	*Phase 2*	*Phase 3*
Crisis management	**Business restructuring**	**Return to service**
→ Total shut down of the business	→ Secure funding, time and opportunity to rightsize the balance sheet	→ Emergence from the COVID-19 crisis
→ Fleet & operational 'hibernation'	→ Redefining & restructuring the business	→ Return to service of a sustainable & healthy enterprise
→ Focus on cash preservation and liquidity	→ Clean sheet approach on what to do and how to get there	→ Focus on profitability and route optimisation
→ People management		

Phase 2 must secure a path to a profitable and sustainable enterprise – with returns attractive to investors

Situation overview and new liquidity platform

CURRENT OPERATIONAL STATUS

- Strong outlook before COVID-19, record-high bookings for 2020
- Material restructuring of route network since 2018 to bring the company from growth to profitability
- COVID-19 impact: Full grounding of international operations subject to travel restrictions, domestic Norwegian flights kept at a bare minimum
- Close to 80 percent of the company's total work force is laid off, pilot and cabin crew companies in Sweden and Denmark have filed for bankruptcy – only 200 employees remain in operations
- Operational plan developed to handle the current market situation and be well positioned for a recovery
  - Grounding of the majority of fleet as long as travel restrictions affect the overall demand to keep cash burn at a minimum level
  - Gradual phasing-in of short and long-haul operations - with sufficient optionality to kick-start activity upon improving demand from customers
  - Fleet optimisation program

LIQUIDITY AND MONTHLY USE OF CASH[1]

Total liquidity buffer[2]	~NOK 3bn

- Estimated liquidity[2] of approx. NOK 3bn as per Q2 20E, subject to the NOK 3bn State Aid Package being granted in full
- First tranche of NOK 300m already received
- **Currently, only absolutely vital operational invoices are being paid – no interest, leasing or debt service payments until July 2020**

Monthly cash in

Revenues / cash in	~100-300m

- Includes revenue from state subsidized operations and cargo
- In addition, the company generates cash from credit card acquires and Bank Norwegian payments

Monthly cash out

Operational expenses	~100-300m

- Significant reduction of personnel expenses, fuel usage, technical maintenance and other opex – now kept at a minimum level

Interest / debt service and other	~200-400m

- Interest holiday for bonds until July 2021
- Aircraft lease rental holiday until July 2020 and Power by the Hour agreement until March 2021
- No aircraft financing payments until July 2020 – principal and interest payments to resume in Q3 2020
- Includes certain, non-operating cash flows

Expected average cash burn of NOK 300-500m per month during grounding phase (from July 2020)

(1) Please refer to page 52 for assumptions and basis for preparation of the business plan and liquidity forecasts
(2) Corresponds to free cash (total cash and cash equivalents less restricted cash)

Will take time before operations normalize, focus is on cash preservation in the ramp-up phase

	2020 (M J J A S O N D)	2021 (J F M A M J J A S O N D)	2022 (J F M)
Norwegian short haul operations	*Operations ongoing at a minimum level* ▪ 7 airplanes in operations ▪ Focus on minimizing cash burn	*Gradual ramp-up of routes* ▪ Gradual normalization of core routes ▪ Initiation of marketing activities	*Normal operations*
European short haul	*Full grounding* ▪ Airplanes grounded subject to travel restrictions ▪ Maintenance / technical support kept at a minimum level to allow for speedy recovery once the demand is normalising	*Gradual ramp-up of routes* ▪ Gradual normalisation of core routes ▪ Initiation of marketing activities	*Normal operations*
Long haul	*Full grounding* ▪ Airplanes grounded subject to travel restrictions ▪ Maintenance / technical support kept at a minimum level to allow for speedy recovery once the demand is normalising	*Gradual ramp-up of routes* ▪ Most profitable routes to open upon sufficient demand ▪ Initiation of marketing activities	*Normal operations*

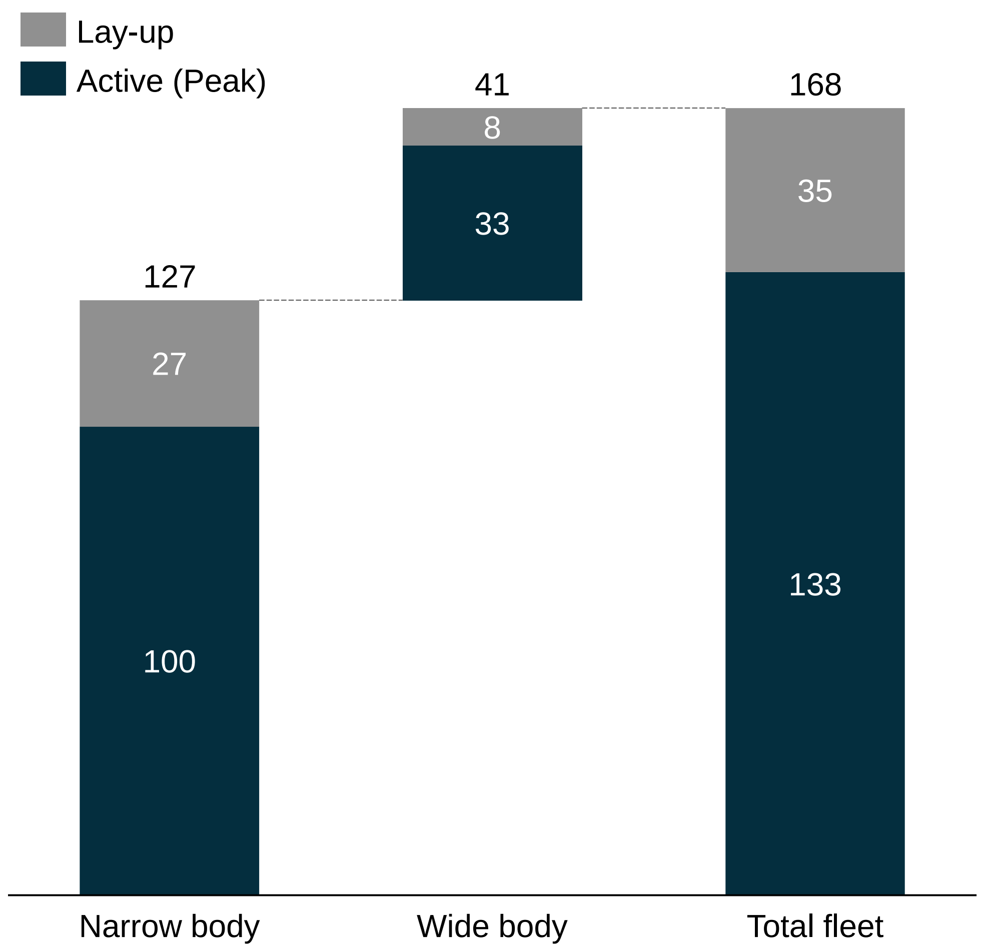
The plan allows flexibility to restore operations earlier upon sufficient demand

Base case built on a slow recovery scenario where operations are kept at a minimum level until demand is picking up and the company is in position to ramp-up the most profitable routes stepwise

Right-sizing, focus on profitable routes and impact of COVID-19 will affect the fleet count

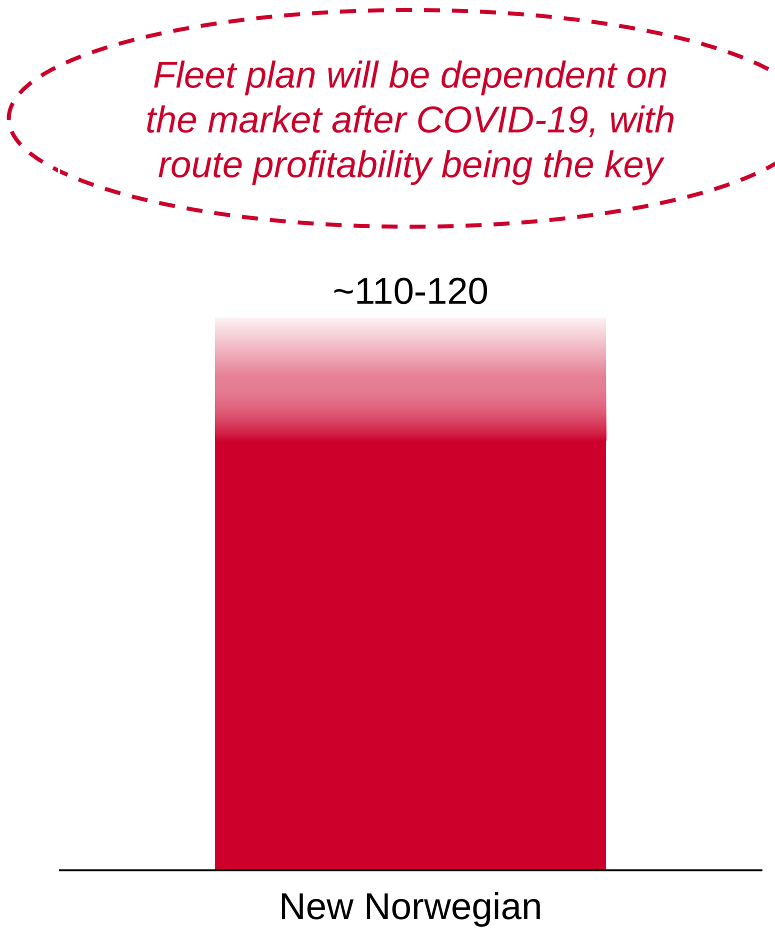
NUMBER OF AIRCRAFT 2020B PRE-COVID-19

Number of owned and leased aircraft



NUMBER OF AIRCRAFT NEW NORWEGIAN

Number of owned and leased aircraft, "new normal"

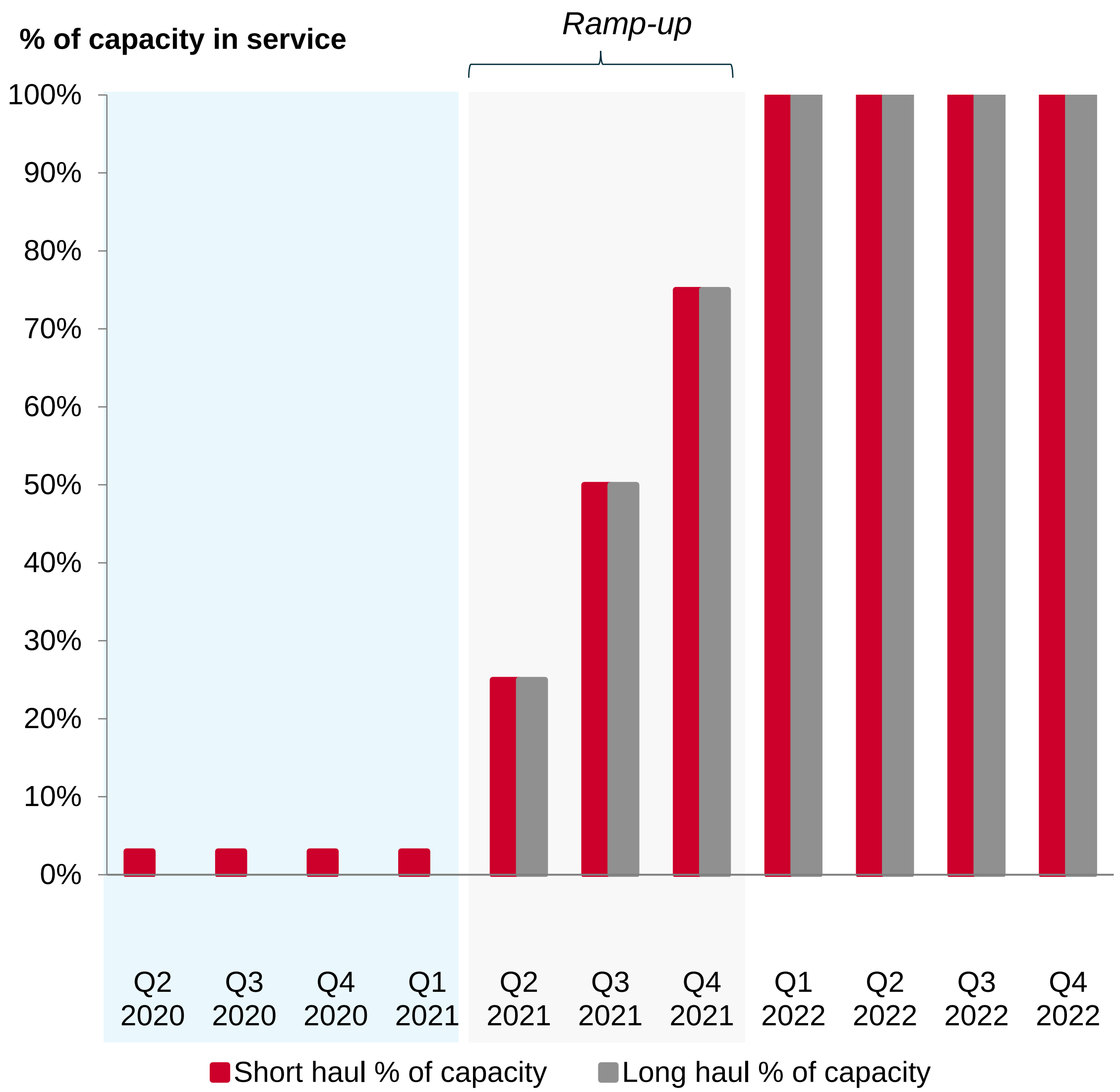


Norwegian will plan for a reduction in the aircraft fleet, aligned with market for airline travel post COVID-19

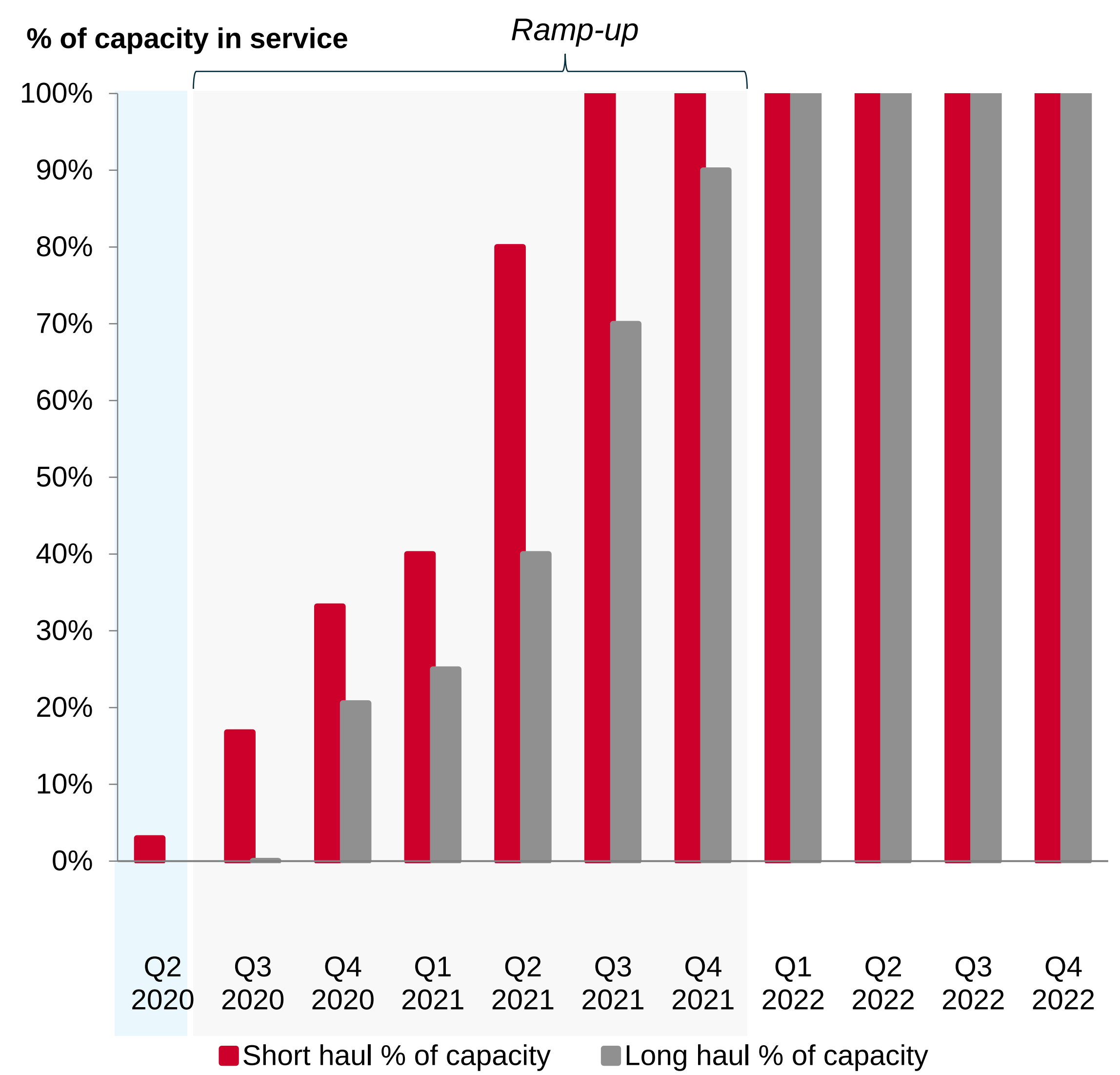
Two demand scenarios considered towards a recovery – our base case involves grounding until Q2 2021

BASE CASE

Utilization[1] – Slow recovery



Utilization[1] – Early recovery



(1) Capacity refers to the fleet plan. Please see the previous slide for further details

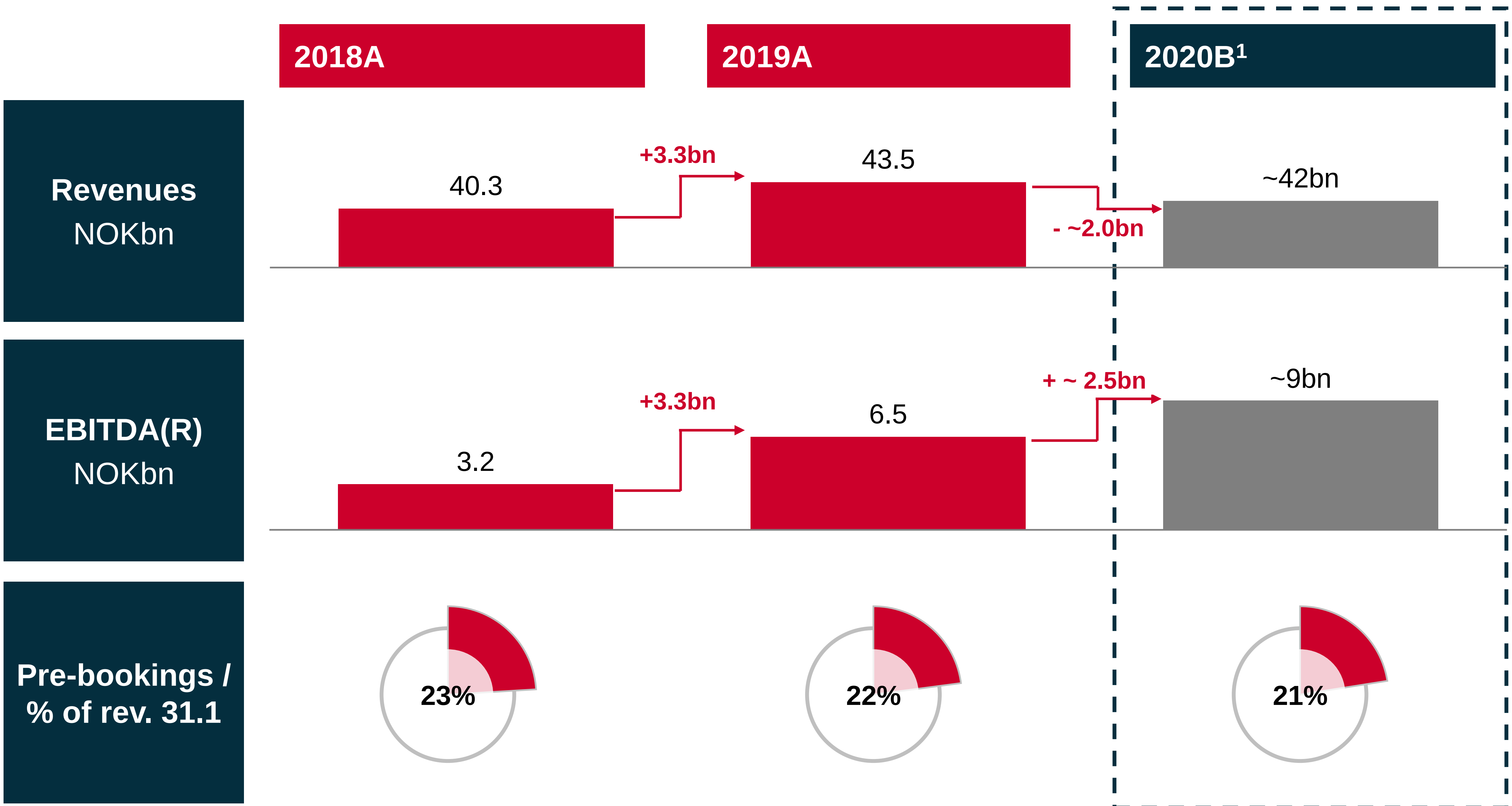
Liquidity situation after recapitalisation – further funding likely required to return to normal

RECOVERY SCENARIOS

Slow recovery (Base case)	→ **Grounding until Q2 2021** - gradual ramp-up throughout 2021 → **Likely need for additional liquidity beyond the NOK 3bn State Aid Package** that assumed that COVID-19 travel restrictions last up until June 2020, unless travel restrictions are lifted and demand for air travel improve before this time → **Significant liquidity risk from Q4'20/Q1'21** → **High degree of uncertainty on liquidity need**, including size and timing, as it depends on multiple factors[1] with limited visibility, including when the air travel market normalizes, the outcome of ongoing and planned discussions with suppliers, OEMs and other creditors, and duration of state subsidized operations → **Depending on how the market actually develops, actions to improve liquidity may need to be taken**, including reconsidering the scale of operations, selling and refinancing assets or accessing other sources of financing
Early recovery	→ **Gradual ramp-up from H2'20** with higher start-up costs into low season → Significant liquidity risk during Q4'20/Q1'21 - improved liquidity position from Q2 2021 towards peak season → **Additional funding need highly sensitive to speed / magnitude of a recovery** and factors listed above under 'Slow recovery'
Sustained grounding	→ Full grounding with cash burn (incl. interest / debt service) of ~ NOK 300 – 500m per month → Fleet maintenance kept at a bare minimum → **Sufficient cash for next 6-9 months without additional funds**

(1) The liquidity analysis is based on the restructuring proposal presented herein. Other factors that can impact the analysis may include, but are not limited to, changes to fuel prices / FX rates, negotiations with other stakeholders, changes in the holdback % from credit card companies, changes to travel restrictions and / or new legislation. Please refer to page 52 for further details on the key financial assumptions for the company

Strong underlying development in recent years – 2020B credibly within reach prior to COVID-19



(1) Previous budget for 2020 no longer relevant as announced on 5 March 2020

Financial targets with normalized operations

		2019 (actual)	2020 (pre-COVID-19 budget[1])	Target normalized operations[2]	
Operational	**ASK** (bn)	100	~87		▪ Lower production growth vs. budget ▪ Optimising of fleet size, including disposal of aircraft no longer needed (both existing and future deliveries)
	RASK (NOK)	0.43	~0.47		▪ Focus on route optimisation – turn focus away from unprofitable routes ▪ Reduction of average stage length from change in the short-haul vs. long-haul mix
	CASK (NOK, clean)	0.43	~0.44		▪ Lower fuel and depreciation costs from new leasing terms, as well as lower absolute technical operations costs, offset by lower stage lengths and FX effects
Financials	**Revenues** (NOKbn)	43.5	~42		▪ Deliberate reduction to focus on higher margin revenues
	Clean EBITDAR (NOKbn)	6.5	~9		▪ Higher margins – focus on profitable routes ▪ Reduced administration costs ▪ Supportive fuel prices at current forward curve
	Pre-tax profit (NOKbn)	-1.7	~0.5		▪ Represents reorganisation of balance sheet, including more favourable interest and leasing terms (under negotiation), as well as lower depreciation from fleet size reduction

The company is committed to remain an industry leader when it comes to operating an efficient and environment-friendly fleet, which is reflected in the business plan and the units that will serve to deliver the long-term strategy for Norwegian

(1) Previous budget for 2020 no longer relevant as announced on 5 March 2020
(2) See page 52 for further details on the key assumptions

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New Norwegian will build on the strong platform and customer footprint, with focus on profitability

Strong market position in the Nordics	→ Strong market position in the Nordics which presently proves to be more resilient to the COVID-19 impact compared to other regions → Fortifying the Nordics is a cornerstone of the New Norwegian network strategy
Well positioned for changed airline market dynamics	→ Strong scenario planning and flexible ramp-up model, including the new PBH mechanism with lessors → Configuration is suited for recessionary environment, with simple but high-quality low cost offering and focus on proven destinations, like LGW, JFK, LAX, connecting large demand flows → Less exposed to a potential downturn in the business travel segment due to enhanced digitalization driven by COVID-19 – Norwegian's core customer travels for leisure and convenience at affordable fares
Proven operational platform and youngest fleet among peers	→ Building on a strong base, New Norwegian has the unique opportunity to reconfigure the long haul network to maximize return and profitability → Opportunity to build a strong and lean backbone through shared service centres, lean operation and digitalization → The most efficient and environmental friendly fleet among airlines in Europe, yielding lower costs
Strong customer perception and customer-oriented organisation	→ Strong consumer perception as a low cost long haul carrier, as demonstrated with the "World's Best Low-Cost Long-Haul Airline" award four years in a row → Opportunity to unlock customer revenue potential through planned actions within ancillary income and new revenue streams within airline ecosystem → Customer-oriented organization with high employee engagement, latest seen through the «Red Nose Warriors» campaign on social media during COVID-19

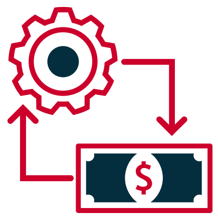
The success of New Norwegian is hinged on four key drivers

❶ Network & fleet:
Economic rightsizing to a more profitable network

- Updated network based on right-sized fleet
- Focus on proven, and not pilot, routes
- Refinancing of existing fleet to drive down costs
- Must reduce ownership costs without losses
- Maintain a uniform and modern fleet

❷ Crew & operations:
Agile and flexible cost-base

- Overall increased utilization of crew
- Increased use of seasonal agreements to manage winter trough
- Focus on rapidly controlling costs, e.g. crew-friendly network, in volatile situations
- New ways of working in ground-handling to reduce overall cost



❸ Customer, pricing & product:
Appropriate and flexible bundles

- Ancillaries becoming increasingly important revenue driver
- Responding to customer's needs with right products & capturing willingness-to-pay

❹ Backbone:
Leveraging existing resources and make prioritized investments

- Business centres support admin right sizing & cost control
- Digitalization across the business
- Increase flexibility in the supply chain
- Drive improvements across the business
- Manage and prioritize projects and resources

1

Network & fleet

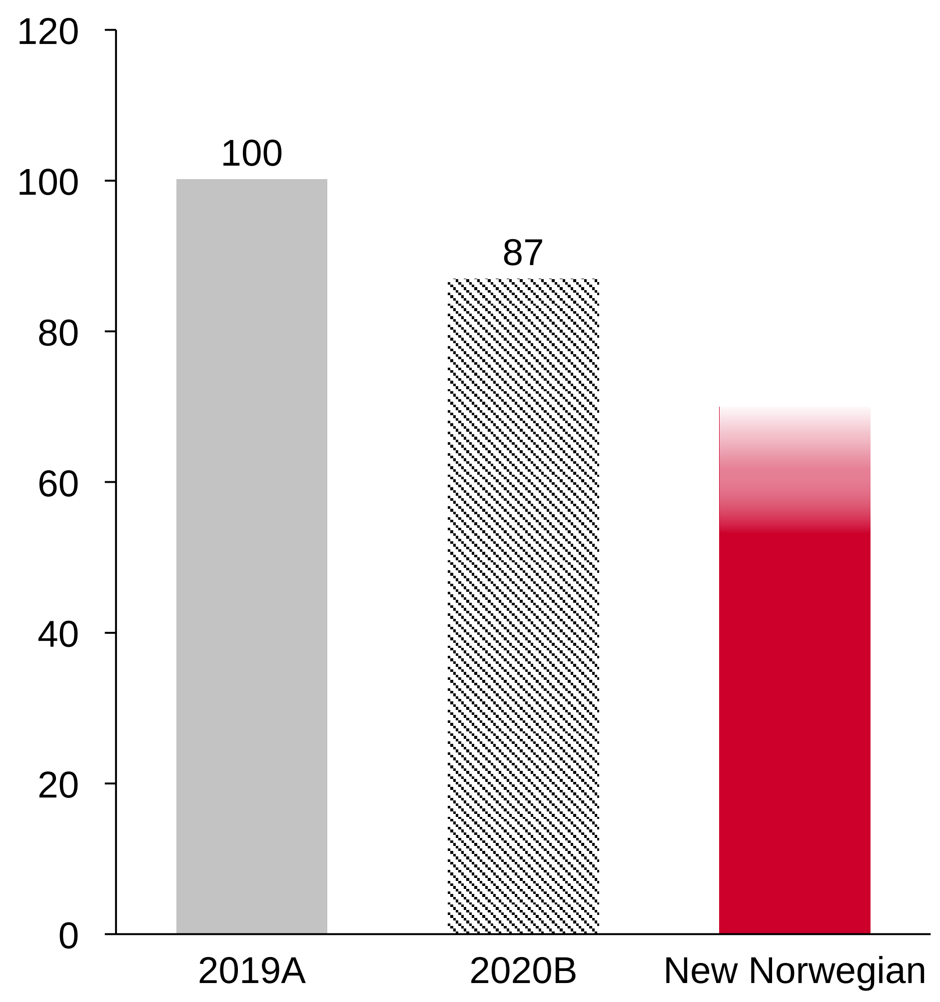
Economic rightsizing to a more profitable network

Long haul	**Reducing capacity to match demand** → Consolidated network and assuming ~40% lower production in a normalized period vs. 2020[1]B, with implications on fleet size → Improving route portfolio alone to drive a significant improvement in operating margin → Focus on top-tier cities and key flows between the EU and the US where Norwegian has inherent strengths in terms of scale and existing presence, e.g. LGW, JFK and LAX → Right-size seasonality to better drive profitability in the summer and conserve cash in winter (max-min ratio of 2.0) → A simpler and more efficient network design to drive higher aircraft utilization and unit cost improvements, particularly on crew and maintenance → Additional revenue upside from broader ancillary offering and improved revenue management
Short haul	**Optimizing already re-engineered network and fortifying primary markets** → Adjustments on top of existing short-haul network with significant restructuring over past two years → Main change is simplification of schedule design to gain crew efficiencies and improved on-time performance → Focus on strengthening intra-Nordic core → Production down ~10% vs. 2020B[1] as precaution for lower demand environment, but retaining scale to maintain clear cost advantage vs. peers in primary markets
Fleet	**Rightsizing of fleet managed through restructuring process and beyond** → Norwegian will maintain one of the youngest and most fuel-efficient fleets → Refinancing of existing fleet to drive down ownership costs (without incurring losses) → Clear path for OEM orders with flexibility in terms of alternative solutions

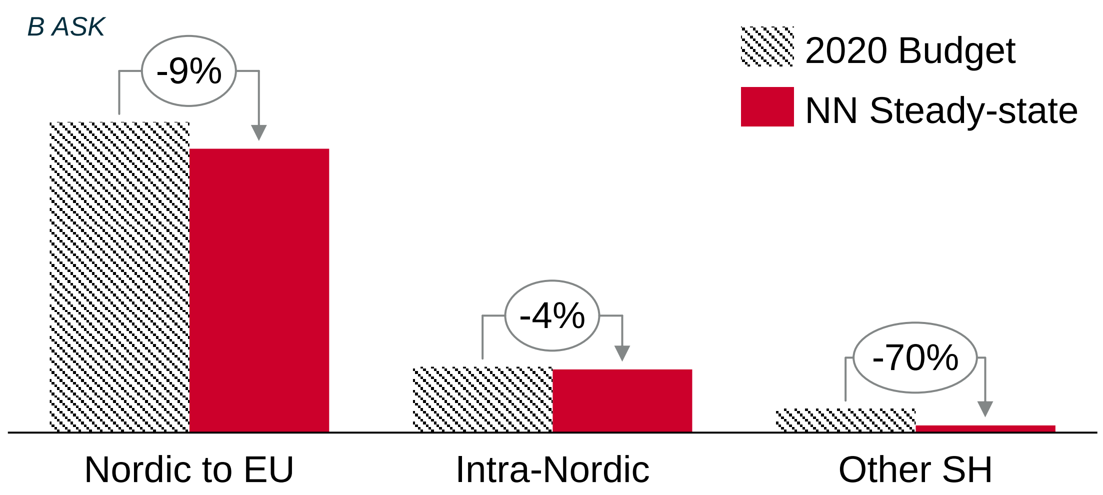
(1) Previous budget for 2020 no longer relevant as announced on 5 March 2020

Change in planned capacity to strengthen performance

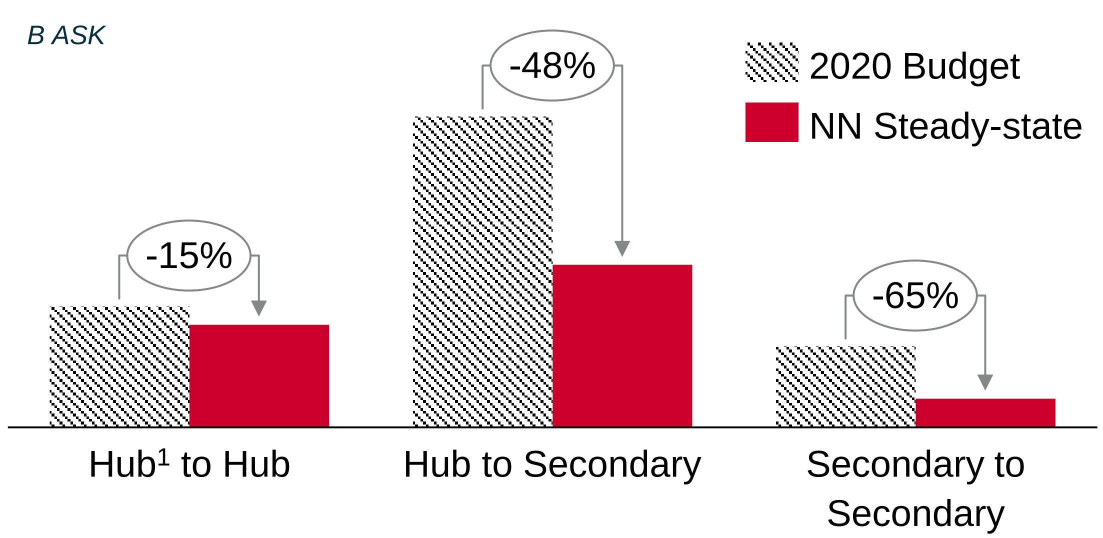
AVAILABLE SEAT KILOMETRES



FULL YEAR SHORT HAUL CAPACITY



FULL YEAR LONG HAUL CAPACITY

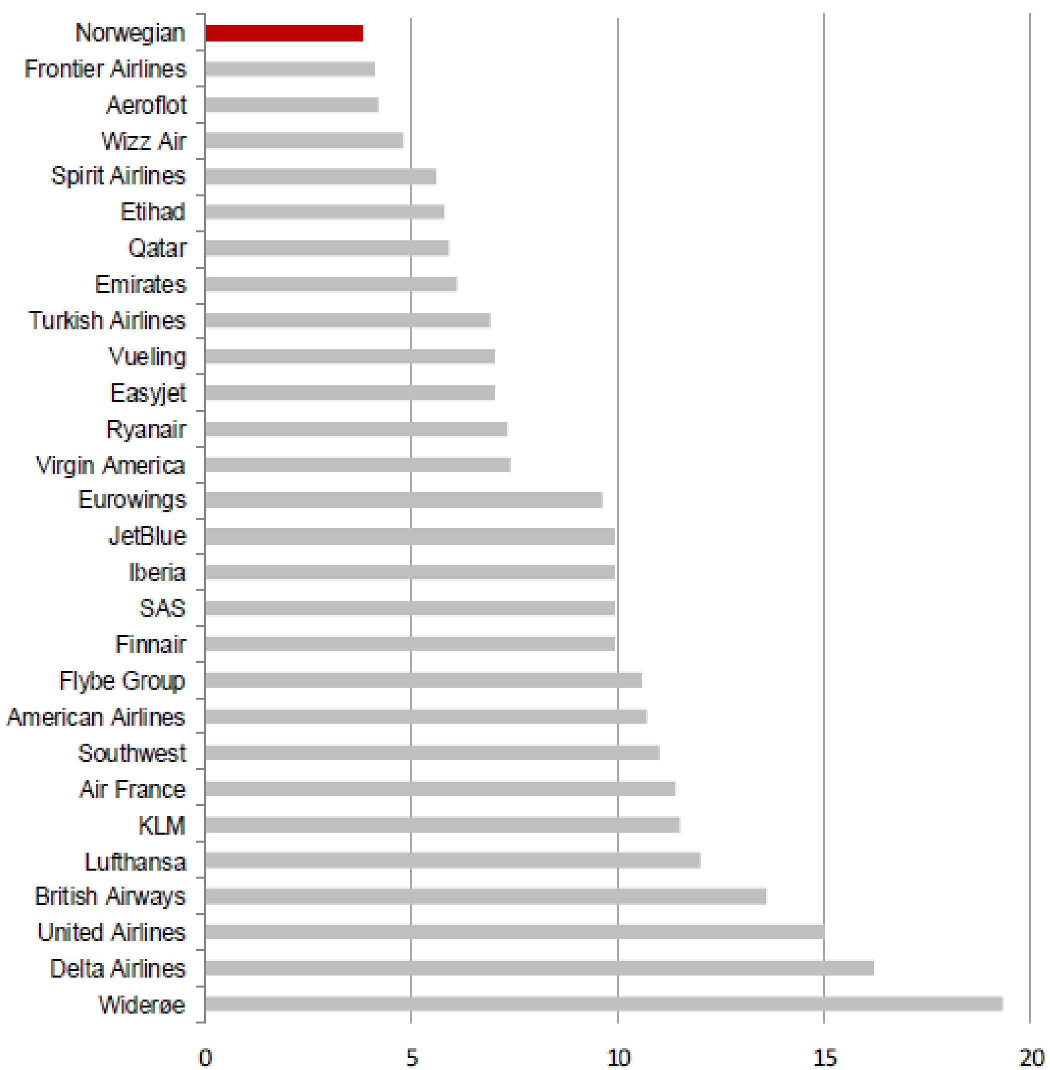


1

Network & fleet

Youngest fleet in the industry will secure leading operational cash flow break even

FLEET AVERAGE AGE IN YEARS BY COMPANY[1]



Higher fuel efficiency and lower fuel costs

Significantly improved environmental friendliness

Newer and more sustainable aircraft are preferred by travellers globally

Young fleet will be a key sustainability, commercial and financial advantage going forward

(1) Source: Planespotters.net, January 2019

Agile and flexible cost-base

Unit cost overall	→ Underlying unit cost improvement driven by personnel and technical cost efficiencies → Shorter average stage length defines new unit cost-level → To use a zero-base budget approach in ramp-up to tightly control cost and liquidity
Operations	→ Opportunity to streamline operations on new network with boost in utilization of ground and technical staff → Reviewing future technical operations setup to increase control of costs → “Next level" ways of ground handling through simplified structure, strategic approach to sourcing and new engagement standards to reduce cost per turn → Further unlocks ability to harmonize AOC setup and leverage interoperability which is already established → Continue journey to integrate sustainability in all aspects of the business, including supply chain and waste management
Crew & Personnel	→ Crew-friendly network and schedule allows right-sized crew base structure, higher utilization and lower transportation & accommodation costs → Staffing need reduced on average by 30-35 % over the year → To base on extremely dedicated and high-performing workforce → Opportunity to restart union relations and increase use of seasonal labour to manage winter trough

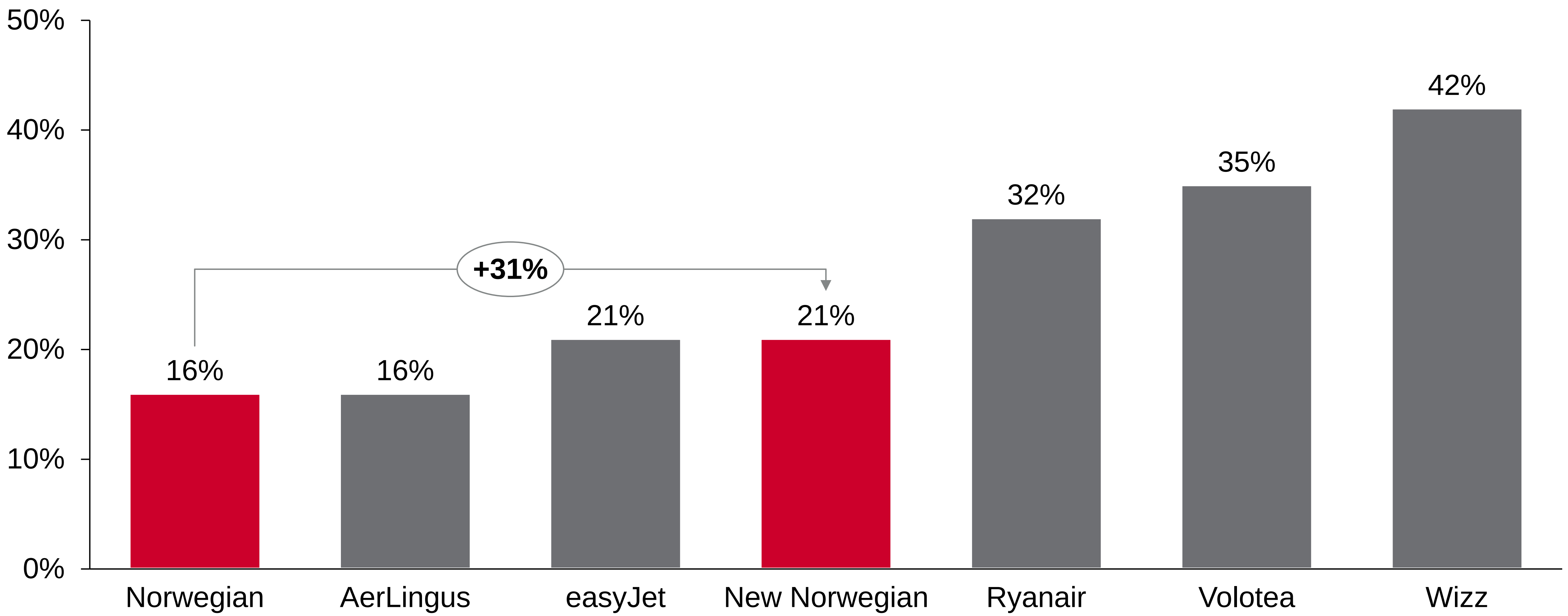
Appropriate and flexible bundles

Customer	→ New Norwegian will leverage strength of existing brand and consumer perception in primary markets → Core customer will continue to be all those who seek an affordable alternative to the traditional legacy carriers without compromising on quality – a particularly relevant offering in weaker economic environment → Mainly target leisure segment, but with more consistent offerings to the infrequent business traveler and SME-market
Pricing & product	→ Target boost of ancillary sales to 25 % of ticket revenue through a personalized, data-driven e-commerce engine and improved retailing capabilities with more flexible bundles – vital to close gap to peers → Conversion-led review of all digital touchpoints to deliver right offer at the right time → Transformation of ticket pricing and revenue management already started in 2019 with program NEXT
Airline ecosystem	→ To develop new revenue streams from surrounding airline ecosystem with added benefit of steady contribution → Exploit untapped commercial opportunities within the Reward program and existing member base (>10m)

Ancillary revenue target

CHANGE IN ANCILLARY REVENUE[1] AS % OF TOTAL REVENUES (BENCHMARK FROM 2018)

Ancillary % of total revenue



New Norwegian targets that ancillary will be 21 % of total revenue, translating into ~25 % of ticket revenue

(1) Including products/services accounted for in Other Revenue (unrelated to cargo)

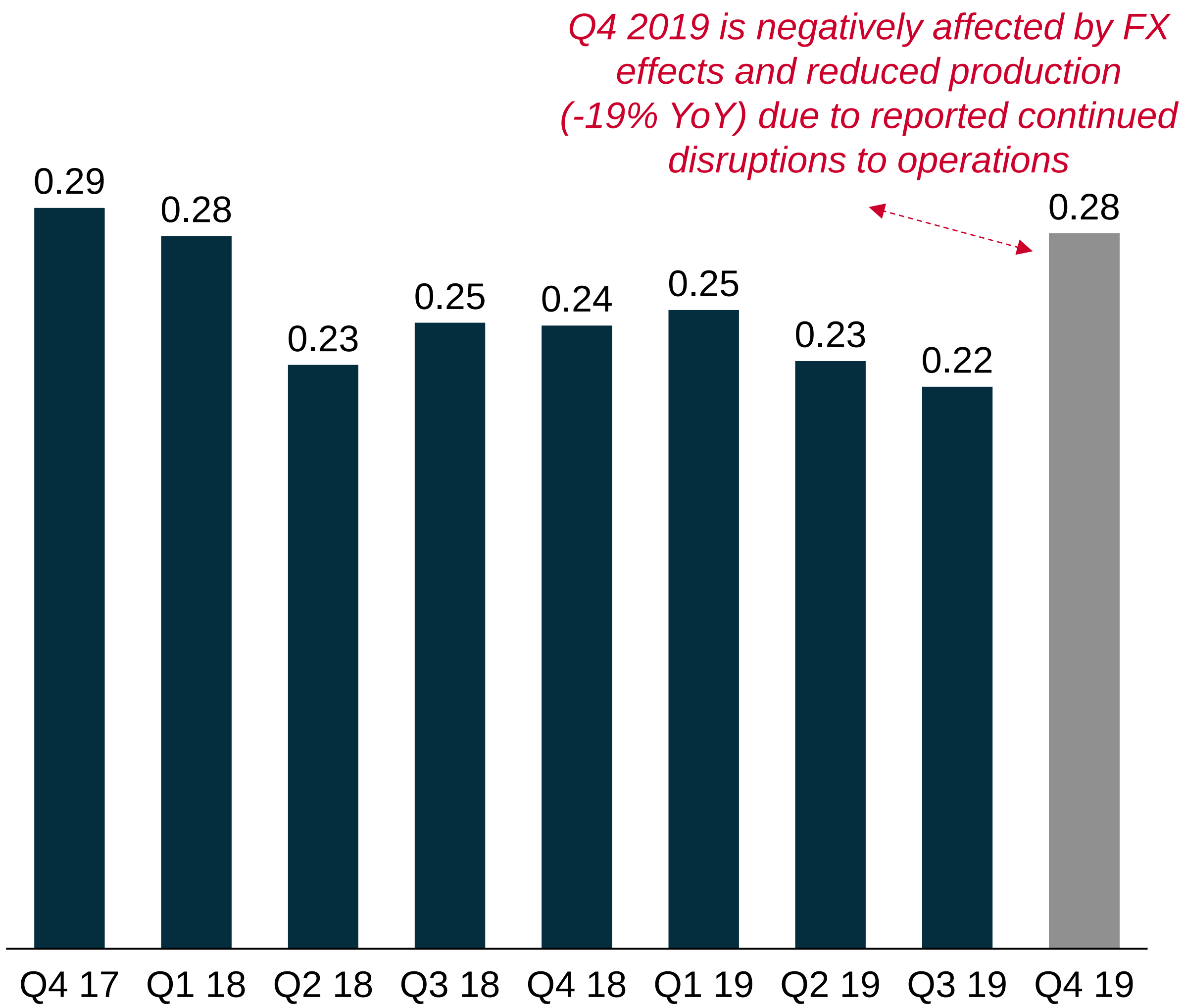
Leveraging existing resources and make prioritized investments

Organization	→ Redesigned organization and management structure with a new executive team building on key performers and new talent – target 35 % reduction in overhead personnel costs → Professionalize business centers and develop captive centre to support administrative right sizing & cost control → Ramp-up presents opportunity to reinforce agility in the organization and ensure process efficiency
Infrastructure	→ Digitalization across the business; clear roadmap on integration and investments needed to level-up particularly within customer analytics, distribution and planning functions → Standardize and improve integration in IT infrastructure to improve speed to market, reduce costs and enable commercial and operational optimization → New project- and investment governance model to ensure accountability and to steer in the same direction
Supply chain	→ Increase flexibility in the supply chain through centralized supplier- and category management → Build on results from cost-reduction program FOCUS2019 to continue drive for contractual and commercial best-practices

To further improve upon already disciplined low cost operating model when returning to service

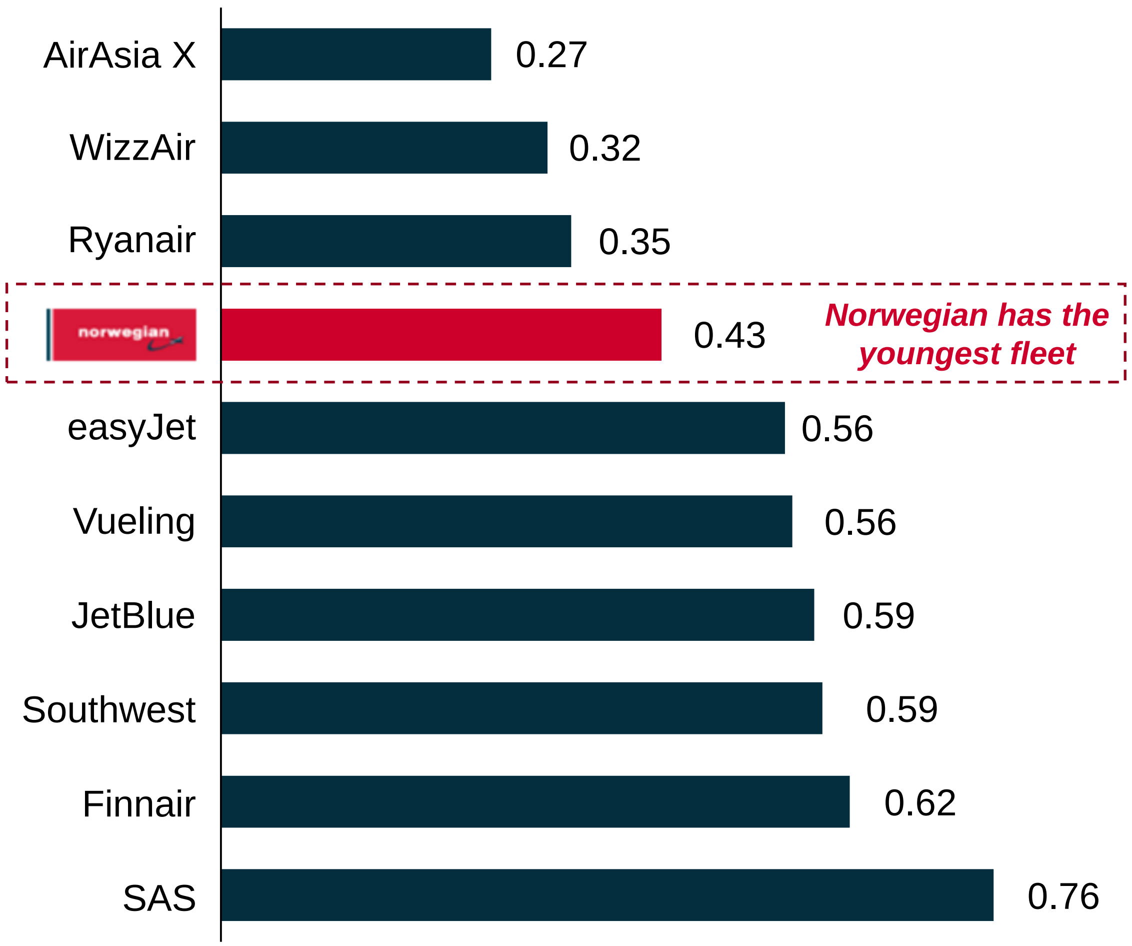
COST DEVELOPMENT

Operating costs excl. fuel and ownership costs per ASK (NOK)



COST LEVEL COMPARES WELL TO PEERS

Operating costs (EBIT level) per ASK (NOK)1



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

(1) Based on 2018 annual reports or corresponding fiscal year.

- Foreign exchange rates used are equivalent to the daily average rates corresponding to the reporting periods and as stated by the Central Bank of Norway
- Other losses/(gains) are not included in the unit cost measure as it primarily contains hedge gains/losses offset under financial items, as well as other non-operational income and/or cost items such as gains on the sale of spare part inventory and unrealized foreign currency effects on receivables/payables and (hedges of operational expenses).

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Business plan and liquidity forecast – basis for preparations

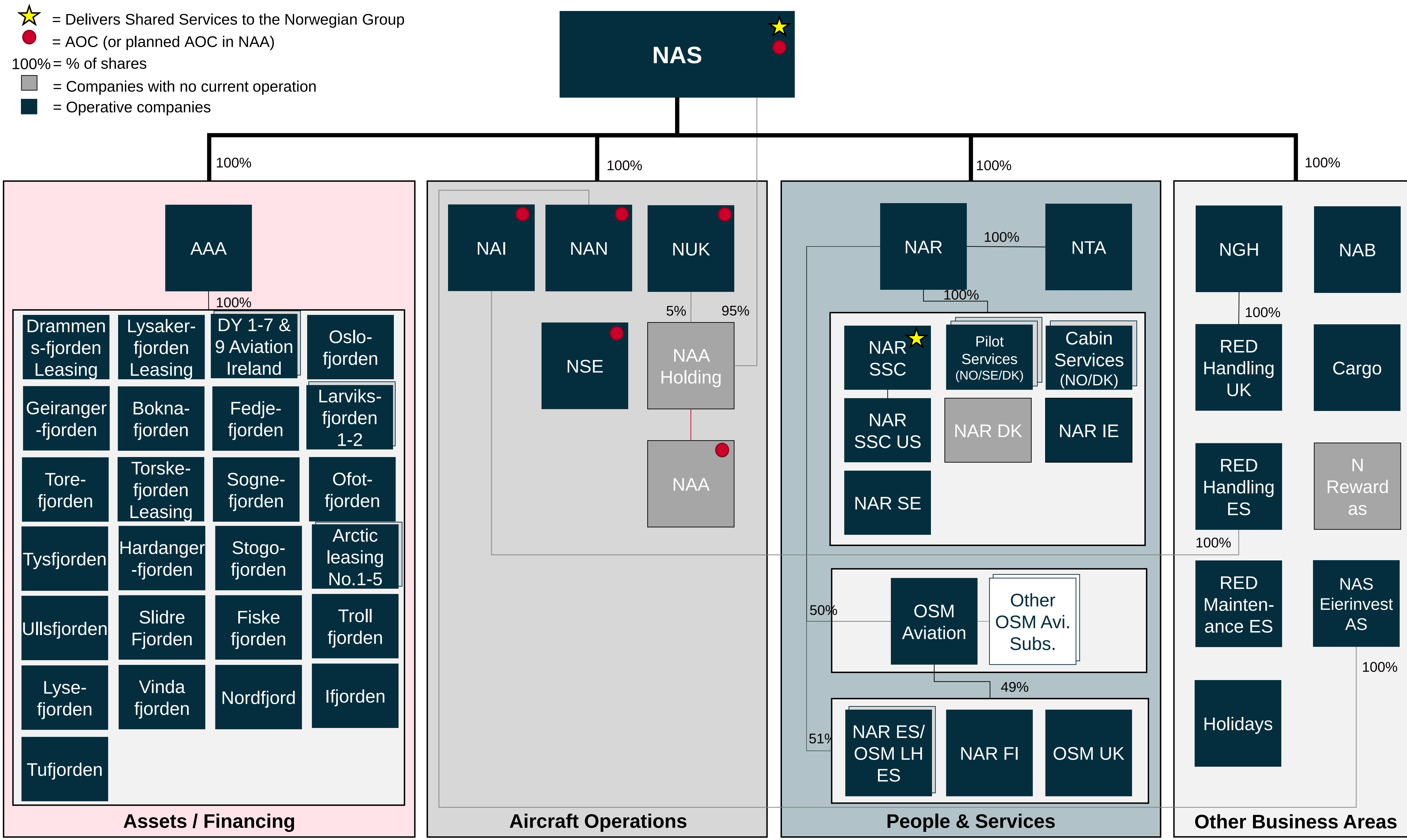
BASIS FOR PREPARATIONS

- The high-level financial guidance for 2022 represents the first step to the operational platform of "New Norwegian" assuming a fully normalized business environment, i.e. post implications of COVID-19
  - The numbers and expectations presented are based on a bottom-up analysis on the route network and projected production / capacity development for the various demand scenarios, conducted by the company's commercial organization
- The company's liquidity forecast is based on a bottom-up approach where management has identified key cost items and revenue sources on a day-to-day basis (until July 2020), and then estimated the liquidity profile for the subsequent period (July 2020 – Mar 2021) on a monthly basis
  - The liquidity analysis is based on a starting position which includes the current cash balance (incl. the full NOK 3bn State Aid Package), with NOK 3.7bn in total cash and cash equivalents, and NOK 2.9bn in free cash (as of 30 June)

KEY ASSUMPTIONS FOR VARIOUS SCENARIOS

	Slow recovery (Base case)	Fast recovery
Capacity ramp-up	▪ State subsidized operations until April 2021 (7 aircrafts in operations) ▪ 'Linear' ramp-up from Q2 2021 to Q4 2021 – full capacity in 22 ▪ Opex ramp-up in line with production increase	▪ State subsidized operations until July 2020 (7 aircrafts in operations) ▪ Gradual ramp-up from Q3 2020 towards Q4 2021 – SH with head start vis-a-vis LH ▪ Opex ramp-up in line with production increase
Fuel / FX	▪ Constant USDNOK at 10.5 ▪ Fuel price of 325 USD/MT in 2020 and 425 USD/MT from 2021 and onwards	
NWC	▪ Share of holdbacks at 100% until Q2'21, at 90% for Q2-Q4'21 and at 80% for '22 ▪ Payables assumed to stay constant (in NOK) from Q3 2020 to Q1 2021 and then gradually revert back to normalized levels throughout 2021 and 2022 with full normalization assumed in 2023	
Financing	▪ Capital structure similar to proposed balance sheet from re-organization ▪ Existing debt with maturities during the forecast period will be refinanced at similar terms	
Interest / debt service	▪ No interest / debt service until July 2020 (including lease holiday) ▪ Aircraft financing interest payment / debt service to resume from Q3 2020 ▪ Pay by the Hour leasing agreement until March 2021 ▪ Interest holiday for bonds until 1 July 2021	
Capex	▪ No material capex related to any aircraft deliveries will be incurred until Q2 2021; will require discussions and agreements with OEMs ▪ Reduction in aircraft is assumed to be cash neutral (i.e. no impact on liquidity)	
Fleet size	▪ Total fleet of ~110-120 aircraft in normalized operations	

The following legal structure aligns with the Norwegian Group model (January 2020)



2019 P&L

INCOME STATEMENT 2019

NOK million	Full year 2019	Full year 2018
Passenger revenue	35,216	32,560
Ancillary passenger revenue	6,651	6,267
Other revenue	1,654	1,439
Total operating revenue	**43,522**	**40,266**
Personnel expenses	6,817	6,665
Aviation fuel	12,607	12,562
Airport and ATC charges	4,140	4,373
Handling charges	5,260	5,200
Technical maintenance expenses	3,379	3,494
Other operating expenses	4,850	4,806
EBITDAR excl other losses/(gains)	**6,468**	**3,165**
Other losses/(gains)	-846	994
EBITDAR	**7,313**	**2,171**
Aircraft lease, depreciation and amortization	6,457	6,022
Operating profit (EBIT)	**856**	**-3,851**
Net financial items	-2,530	1,232
Profit (loss) from associated companies	-14	129
Profit (loss) before tax (EBT)	**-1,688**	**-2,490**
Income tax expense (income)	-78	-1,036
Net profit (loss)	**-1,609**	**-1,454**

8% revenue growth mainly driven by improving unit revenue and increasing ancillary per passenger

Net financial items for 2018 include a gain related to fair value adj. of NOFI of NOK 1,940m

Negative impact from IFRS 16 adjustments on EBT of NOK 756m

2019 balance sheet

BALANCE SHEET

NOK million	31 DEC 2019	31 DEC 2018
Intangible assets	2,871	2,886
Tangible fixed assets	66,379	40,106
Fixed asset investments	1,485	1,216
Total non-current assets	**70,734**	**44,209**
Assets held for sale	1,205	851
Inventory	176	167
Investments	-	2,084
Receivables	10,133	6,753
Cash and cash equivalents	3,096	1,922
Total current assets	**14,609**	**11,777**
ASSETS	**85,343**	**55,985**
Equity	**4,125**	**1,704**
Non-current debt	52,593	22,530
Other non-current liabilities	4,598	4,132
Total non-current liabilities	**57,192**	**26,662**
Air traffic settlement liabilities	6,106	6,907
Current debt	8,784	11,309
Other current liabilities	9,136	9,403
Total current liabilities	**24,026**	**27,619**
Liabilities	**81,218**	**54,281**
EQUITY AND LIABILITIES	**85,343**	**55,985**

IFRS 16 transition effect at 1 January 2019:
+NOK 32.8bn right-of-use assets
+NOK 32.8bn lease liabilities
Sold twelve 737-800 and two A320, and added five 787-9 to the fleet
Sold all shares in NOFI

2019 cash flow

CASH FLOW

NOK million	Full year 2019	Full year 2018
Profit before tax	-1,688	-2,490
Paid taxes	-38	-23
Depreciation, amortization and impairment	6,457	1,668
Changes in air traffic settlement liabilities	-801	414
Changes in receivables	-3,380	-2,548
Other adjustments	2,487	3,442
Net cash flows from operating activities	**3,038**	**463**
Purchases, proceeds and prepayment of tangible assets	6,039	-8,782
Other investing activities	2,293	219
Net cash flows from investing activities	**8,332**	**-8,563**
Loan proceeds	2,408	12,547
Principal repayments	-13,218	-6,519
Financing costs paid	-3,345	-1,500
Proceeds from issuing new shares	3,961	1,456
Net cash flows from financing activities	**-10,193**	**5,984**
Foreign exchange effect on cash	-3	-2
Net change in cash and cash equivalents	**1,174**	**-2,118**
Cash and cash equivalents at beginning of period	1,922	4,040
Cash and cash equivalents at end of period	3,096	1,922

Sold twelve 737-800 and two A320, and added five 787-9 to the fleet

Sold all shares in NOFI

The IFRS 16 effect was NOK 5.7bn on operating activities and NOK 5.7bn on financing activities

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RISKS RELATING TO THE GROUP'S BUSINESS AND FINANCIAL SITUATION

COVID-19 Outbreak and Bankruptcy Risk

- The current outbreak of the Coronavirus SARS-CoV-2 (COVID-19), which was recognized as a pandemic by the World Health Organization in March 2020, has severely impacted companies and markets globally. At present, Norway and the rest of the world are facing an adverse financial and economic downturn. It is currently not possible to predict the consequences 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 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 regulation that affect the Group's operations may enter into force.
- The Group's business, operations and financial performance have been, and is expected to continue to be, adversely impacted by the outbreak of COVID-19, including the extraordinary health measures and restrictions on a local and global basis imposed by authorities across the world as a result thereof. In a very short time period, the Group has lost most of its revenues; it has cancelled most of its flights and temporarily laid-off most of its employees. The Group's ability in the future to return to normal operations is among other dependent upon the lifting of travel restrictions and an increase in demand for air travel. 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, and thereby if and when the Group may return to its scale of operations as per pre-COVID-19.
- The decrease in revenues has adversely affected the Group's ability to finance working capital expenditure. Among other things, the Group has failed to make rental payments in respect of certain of its aircraft operating lease agreements. The Group's ability to maintain its business and operations in the near term depends upon the Group's ability to obtain new financing.
- The Group is currently seeking to restructure its debts by asking creditors to agree to convert bond debt and leasing debt to shares (the "**Conversion of Debt**") and issuing shares in a private placement (the "**Private Placement**") and/or a public offering (the "**Offering**"). There can be no assurance whether and to what extent the Group will succeed in such debt restructuring and refinancing. Moreover, such debt restructuring and refinancing may not be sufficient to bring the Group into positive cash generating business. The Group may risk insolvency and bankruptcy if, inter alia, the Group's business does not return to normalised levels, the Company is not able to raise capital/finance daily operations and/or the Group is not able to further restructure or refinance a substantial portion of its existing debt.

Risks related to substantial debt level and the feasibility of the proposed debt restructuring

- The Group has a substantial debt level, including substantial fixed obligations under aircraft leases and financings. In order to be able to service its debt obligations, the Group needs to reduce, reschedule and otherwise restructure a material part of its debt, as well as obtain access to the State Aid Package, as further described below. The restructuring of the Group's debts (including the Conversion of Debt) is not completed. While the Company has approached certain creditors with a view to propose to restructure certain debt obligations, no creditors have yet agreed to such debt restructuring. Completion of the debt restructuring will likely be subject to certain terms and conditions that are currently not satisfied and that are beyond the control of the Company. There is a risk that such debt restructuring will not be completed as contemplated, or has to be completed on less favourable terms or not at all.
- There is further a considerable risk that the Company will be unable to satisfy its payments obligations in the medium-term even if it receives the State Aid Package. In addition to the proposals put forward to the bondholders in the Company's bond issues NAS07, NAS08 and NAS09 and its convertible bond issue, as well as to lessors, the Group has approached (or intends to approach) certain of its other major creditors with a view to agree upon a rescheduling of its payments. No assurance can be given that the Group will receive the requisite amount of consents from such creditors. The failure of the Group to achieve the consent of such creditors could have an adverse impact on the Company's obligation to satisfy its payment obligations and with a major risk of a potential bankruptcy (full liquidation) as the ultimate consequence thereof.

Risk factors (continued)

- The conversion of the bonds is, among other things, subject to that the State Aid Package will be available to the Issuer following such conversion. The availability of the State Aid Package is subject to several conditions, and will, among other things, likely require that the Company receives at least NOK 300 million in a Private Placement or Offering. Even if the Company successfully completes such a Private Placement or Offering, such transaction(s) may be completed up to several weeks after the bondholders' meeting scheduled for 30 April 2020.

Risks related to substantial debt level and the feasibility of the proposed debt restructuring (continued)

- Even if the Group is able to restructure its debt, the Group's ability to service its remaining debt 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, the need for future capital injections and refinancing – and therefore remains highly uncertain. Each of these factors is, to a large extent, subject to 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 in the future or to refinance its indebtedness in order to being able to service its debt in its ordinary course of business. It is therefore a significant risk that the Group will breach its debt obligations and other obligations, and that creditors as a result will be entitled to accelerate their claims against the Group. This risk will remain even if the Company succeeds in satisfying the conditions for receiving the State Aid Package. The Group will therefore be dependent upon its creditors agreeing to waive covenant breaches and other events of default.
- Reference is also made to section "Significant increase in number of Shares" below, regarding the dilutive effect of the potential issue of shares in connection with the Group's debt restructuring.

Risks of not getting access to State Aid Financing

- The Norwegian government has adopted a state guarantee scheme (the "**State Aid Package**") in an amount of up to NOK 3 billion available to the Company on certain terms and conditions. The availability of the State Aid Package is conditional upon the Company satisfying conditions concerning an increase in the Company's equity so that the Company's equity ratio as of 31 December 2019 adjusted pro forma to reflect new equity contributions in cash or Conversion of Debt to equity is at least 8 percent. Moreover, the Company's access to the State Aid Package is conditional upon that there is 10 percent risk participation by external commercial lenders (such as banks or financial institutions) or that the Company obtains a corresponding amount of new finance through a capital increase (such participation or capital increase being referred to as the "**Private Sector Involvement**"). The Conversion of Debt, the Private Placement and/or the Offering are intended to satisfy such conditions. However, such debt restructuring and refinancing is not completed, and no assurance can be made that the Company will be able to obtain funds under the State Aid Package in a timely fashion or at all. The failure of the Company to satisfy the conditions for receiving the full or any amount of the State Aid Package and attracting loans guaranteed thereunder will have a material adverse effect on the Group's ability to finance its working capital expenditures and meet its payment obligations.

Operational difficulties may have a negative effect on the Group's operations

- The Group's flights can 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.
- The Group has for example experienced several technical issues with its engines on the Boeing 787 aircraft. All Boeing 737 MAX aircraft worldwide are grounded until they get clearance to fly from aviation authorities. The timing of return to service for the Boeing 737 MAX aircraft is uncertain and is currently not expected before the second half of 2020. There can be no assurance that future problems will not arise similar to the Boeing 787 engines or the Boeing 737 MAX aircraft grounding.

Risk factors (continued)

Operational difficulties may have a negative effect on the Group's operations (continued)

- 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.

The Group has significant liabilities relating to aircraft acquisitions and may not obtain financing of such acquisitions

- As of the date of this Presentation, the Group's firm aircraft orders totalled 190 aircraft with corresponding payment obligations. In accordance with airline industry market practice, the total order is not fully financed. Debt financing of aircraft acquisitions is expected to be secured on a periodic basis, the size and timing depending on the schedule of aircraft delivery.
- A failure to secure financing or to meet payment obligations under aircraft acquisition contracts may lead to a breach of contract. Such default may result in severe financial penalties, and make the Group unable to take on delivery of the acquired aircraft. This may have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or future prospects.

The operations and development of the Group is dependent on traffic rights

- Under the laws and regulations which govern the aviation business, the Group is required to have traffic rights to operate its flights. Today there is a single aviation market within the EU, meaning that any carrier from a member state (incl. the EEC) can depart and arrive anywhere within the region. 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. As Norway is not an EU member state Norway is not a party to such agreements. Norway may seek separately to negotiate accession to the EU agreements provided this is accepted by the EU member states and the relevant third country, 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. In order for the Group to continue to grow outside Scandinavia and combine low-cost short haul in Europe with low-cost long haul from Europe to the rest of the world, the Group needs traffic rights. The Group's solution to this obstacle is 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, 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.

Capacity constraints at airports or an inability to acquire and maintain airport slots or overflight rights may have a material adverse effect on the Group's business, financial condition or results of operations

- Air traffic is limited by the infrastructure of airports and the number of slots available for aircraft arrivals and departures. The Group's growth is hence 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. Conditions that denies, delays, limits or defers the Group's access to airport or slot positions, which the Group already serves or wishes to serve in the future, will represent barriers to the Group's growth 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.

Risk factors (continued)

Capacity constraints at airports or an inability to acquire and maintain airport slots or overflight rights may have a material adverse effect on the Group's business, financial condition or results of operations (continued)

- 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.

The Group may not achieve its goals in future negotiations regarding the terms of collective labour agreements of its unionized work groups, exposing it to the risk of strikes and other work-related disruptions

- Most of the Group's employees are unionized. While the Group was able to negotiate a new collective labour agreement with the Norwegian Pilot Union in November 2017 and has collective labour agreements in place with all employee groups, there can be no assurance that the Group's future agreements with labour unions can be negotiated to the long-term benefit of the Group or that the outcome of new negotiations, mediations or arbitrations will be on terms consistent with the Group's expectations or comparable to agreements entered into by other airlines. If the Company or its Subsidiaries are unable to reach an agreement with any of their unionized work groups in future negotiations regarding the terms of their collective labour agreements or if additional segments of the Group's workforce become unionized, they may be subject to work interruptions, stoppages or other employee actions. Any such disputes or actions can have a number of negative consequences, such as cancellation of flights, loss of income, reputational damage and reduced ability to recruit or retain skilled employees. Negotiations with unions may also result in increased employee-related costs, which can negatively impact the Group's results of operations and financial condition.
- For example, in February and March 2015, the Group experienced a strike in connection with negotiations with its unions. The strike lasted eleven days from 28 February. The strike resulted in a decrease in passenger numbers of 4 percent compared with the same period the preceding year, impacting 2,000 flights and 200,000 passengers. According to the Company's calculations, the strike incurred losses and extra costs to the Group of approximately NOK 350 million, whereof NOK 120 million were related to lost revenue and NOK 110 million were related to extra costs to cater for passengers impacted by the strike.
- 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.

Further increase in hold-back from credit card acquirers could have an adverse effect on the Group’s liquidity

- 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 remaining 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 over the past quarters. Although the Group believes that it is now at a trough level, 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.
- The Group has due to the increase of hold-backs a more significant amount of trade payables which are expected to be normalized into 2020. It is a risk that these trade payables may be accelerated, which could have a material negative impact on the liquidity of the Group.

Risk factors (continued)

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 if the rules on contingent tax-free group reorganization, as they applied in 2013 and 2014, are contrary to EU law.
- Norwegian 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. For that reason, Norwegian has decided to try the case in court. The opinion of the Company and its advisors is supported by a previous ruling. The Group has not made any provision for any potential tax claim in the unaudited financial statements for the year ended 31 December 2019. 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.

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

- Intangible assets amounted to NOK 2,871 million at the end of 2019, compared to NOK 2,886 million at the end of 2018, including deferred tax assets of NOK 2,672 million compared to NOK 2,674 million at the end of 2018. The Company has NOK 545 million in unrecognized deferred tax assets at the end of 2019 related to carry-forward tax losses. 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 Group Companies have experienced recent losses, the Group will evaluate whether there are other convincing evidence supporting taxable profits and the future utilization of its carry forward losses, such as the NEXT profit improvement program, changing strategic focus from growth to profitability, route and base optimization across the Group, moving capacity from non-profitable routes and selling aircraft(s) with taxable gains. The Group has also considered effects on non-recurring events on historic tax losses, such as startup-costs for the long-haul operation, technical engine issues, adverse effects of the grounding of Boeing MAX aircraft and cost of establishment in new markets. 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.

Exchange rate fluctuations may affect the Group's financial condition or results of operations

- Fluctuations in exchange rates, particularly between NOK and the U.S. dollar ("**USD**") and between NOK and the Euro ("**EUR**"), may have a material adverse effect on the Group. The Group's foreign exchange risk mainly arises from fuel and aircraft purchases, aircraft maintenance, aircraft leasing payments and sales revenue denominated in foreign currencies. The largest investments, including the acquisition of aircraft and their spare parts, are also mainly made in USD and EUR. Fuel costs and aircraft leasing costs are also USD-denominated. There can be no assurance that the Group will have adequate protection against foreign exchange losses. Substantial foreign exchange losses may have a material adverse effect on the Group's financial condition.

The market price of derivatives may involve risks

- The Group is subject to risk relating to fuel costs, interest rates and currency. Hence, 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. The size of the hedges will vary depending on different factors. 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. This risk materialized in Q1 2020, making the Group incur losses from fuel forward contracts of approximately NOK 1,067 million.

Risk factors (continued)

Reduction of growth may adversely affect short-term liquidity and profit and loss statement

- The Group is seeking to reduce growth and focusing on profitability and may through these activities incur short-term negative effects through e.g. increased restructuring costs which may adversely affect the liquidity and the profit and loss statement.

RISKS RELATED TO THE SHARES

Significant increase in number of Shares

- The potential issue of shares in connection with a Conversion of Debt, a Private Placement and/or an Offering could significantly increase of the number of issued Shares in the Company. Although some of these shares are expected to be subject to lock-up regulations, such lock-up is temporary and may be breached. Sale of a substantial number of such 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.

Ownership restrictions – non-EEA nationals

- 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' authorisations 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 entitles 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%.

Exercise of voting rights

- Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties in addition) may not be able to instruct their nominees to vote for such Shares unless their beneficial ownership is re-registered in their names with the VPS prior to the general meetings. The Group can provide no assurances that beneficial owners of the Shares will receive the notice of a general meeting in time to instruct their nominees to either effect a re-registration of the beneficial interests registered in the VPS or to vote their Shares in the manner desired by such beneficial owners. Hence, there is a risk that beneficial owners of Shares may not be able to exercise their voting rights.

Risk factors (continued)

RISKS RELATING TO THE GROUP'S INDUSTRY

The Group is exposed to volatile aviation fuel prices

- 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. Jet fuel costs represented 34 percent of the Group's operating costs (before aircraft leasing and depreciation) in 2019. The operating results of the Group can be materially affected by changes in the price and availability of jet fuel.

Demand for airline travel and the Group's business is subject to strong seasonal variations

- The airline industry tends to be seasonal in nature and the Group, like other airlines, has historically experienced substantial seasonal fluctuations. Generally, the demand peaks in the period from May to October and is relatively lower in the period from November to April. Furthermore, public holidays, which alter the general seasonal changes in demand, are usually addressed by adapting the schedule and network to the expected traffic flows around such holiday periods as well as offering seasonal routes. Should fluctuations be greater than expected or should the Group not adapt its network in accordance with the changed demand around holidays, this could lead to over- or under capacity, and have a material adverse effect on the Group's business, financial condition, cash flow and/or results of operations.
- Reference is also made to description of effects of the COVID-19 outbreak in the section "*COVID-19 Outbreak and Bankruptcy Risk*" above.

Vulnerability to small changes in fixed costs

- 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, a relatively small change in a carrier's unit revenues by ASK (Available Seat Kilometre) can have a major effect on a carrier's profitability.

The Group's profitability depends on accurately estimating long-term capacity development

- The capacity of airlines is a decisive factor to their profitability. Due to the long delivery time, aircraft orders are based on long-term forecasts. This can lead to the Group having too much or too little capacity resulting in a subsequent price impact. Adjustments to long-term capacity are based on different assumptions and estimates made by the airline industry in general as well as by individual airlines in relation to the expected development in demand for air travel and market growth. If the assumptions and estimates prove to be incorrect, the Group may have too high or too low capacity in the future. This may materially impact the Group's load factor and subsequently the results of operations.
- Reference is also made to description of effects of the COVID-19 outbreak in the section "*COVID-19 Outbreak and Bankruptcy Risk*" above, and in particular the highly uncertain effects thereof.

The airline industry is exposed to extensive taxes and fees that can affect the demand

- 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.
- Restrictive security policies could be implemented and additional airport fees may be levelled or existing fees increased in the market that the Group operates.

Risk factors (continued)

The airline industry is exposed to extensive taxes and fees that can affect the demand (continued)

- 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.
- 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 increase in taxes and fees. This may materially impact the Group's results of operations.

The Group is exposed to the risk of significant losses from aviation accidents involving its operations, including plane crashes, and other disasters

- The Group is exposed to potential significant losses in the event that any of its aircraft is lost or involved in an accident, terrorist attack or other disaster, including significant costs related to passenger claims, repairs or replacement of a damaged aircraft and its temporary or permanent loss from service. If the Group was to suffer a loss of one or more of its aircraft for any reason, there can be no assurance that the amount of insurance cover, if any, available to the Group would be sufficient to cover the resulting losses. The Group could be obliged to bear substantial costs if (i) its insurance policies do not cover a specific claim; (ii) the amounts insured under such policies are insufficient; or (iii) an insurer is not able to pay the insured amounts.
- Losses can also take the form of passenger claims and repair and replacement costs, as well as losses connected to any public perception that the Group's fleet is unsafe or unreliable, causing air travellers to be reluctant to fly with the Group's aircraft.

The airline industry is exposed to risks associated with the limitation of greenhouse gas emissions and related trading schemes or allowances and any changes in environmental regulation

- As part of the continued effort to reduce CO_2 emissions by 20 percent by 2020, the EU has issued Directive 2008/101/EC to member states, including the airline industry in the EU emissions trading system (the "**EU ETS**"). As a result, all airline carriers flying into and out of the EU has to ensure compliance with the legal requirements set forth in Directive 2003/87/EC relating to greenhouse gas emissions. The future effects of this trading scheme for the Group are not currently foreseeable with certainty, but may increase the costs borne by the Group. Due to the European focus of the scheme, the Group might also face competitive disadvantages in comparison with non-European air carriers who operate a lower proportion of routes into, out of or within the EU.

REGULATORY RISKS

The United Kingdom’s exit from the European Union might have a material adverse effect on the Group's business, financial condition, cash flows and/or results of operations

- The Company’s operating subsidiary based in London, United Kingdom, Norwegian UK Limited (“**NUK**”) holds an UK AOC issued by British airline authorities. This license opens up bilateral traffic rights to a number of potential new markets and destinations, hereunder Asia, South America and South Africa, and might support the Group's further international expansion.
- The UK formally left the EU on 31 January 2020 with a business-as-usual transition period running until 31 December 2020. Negotiations are now in progress to agree on a trade deal, to take effect from 1 January 2021. Though the Company has in place a full range of contingency measures to cover potential scenarios, the result and thereby consequences of a final trade deal remain uncertain and might have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and/or future prospects.


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