



Norwegian Air Shuttle ASA

(Incorporated in Norway as a public limited liability company)
(Business registration number: 965 920 358)

Prospectus

Listing of up to 2,978,402,828¹ Conversion Shares issued through conversion of debt to Shares
Offering and listing on Oslo Børs of up to 571,428,571 Offer Shares
Application Period for the Offering:
From 09:00 hours (CEST) on 6 May 2020 to 16:30 hours (CEST) on 14 May 2020

The information in this prospectus (the "**Prospectus**") relates to (i) the public offering (the "**Offering**") by Norwegian Air Shuttle ASA (the "**Company**" or "**Norwegian Air Shuttle**"), a public limited company incorporated under the laws of Norway (together with its consolidated subsidiaries, the "**Group**" or "**Norwegian**"), and the listing on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**"), of up to 571,428,571 new Shares in the Company with a nominal value of NOK 0.10 each (the "**Offer Shares**") at an offer price of NOK 1.00 per Offer Share, and (ii) the listing of up to 2,978,402,828² new Shares in the Company with a nominal value of NOK 0.10 each (the "**Conversion Shares**" and, together with the Offer Shares, the "**New Shares**") to be issued in connection with the conversion of (a) bonds issued under the Company's EUR 250 million bond issue with International Securities Identification Number ("**ISIN**") NO 0010753437 ("**NAS07**"), SEK 963.5 million bond issue with ISIN NO 0010783459 ("**NAS08**"), NOK 250 million bond issue with ISIN NO 001 0809940 ("**NAS09**") and USD 150 million convertible bond issue with ISIN NO 0010868284 (the "**CB**" or "**Convertible Bond Issue**") (together the "**Bonds**") and (b) liabilities pursuant to certain aircraft operating lease agreements (the "**Lease Debt**" and together with the Bonds, the "**Debt**").

The Offering consists of: (i) a private placement to (a) institutional investors in Norway, (b) institutional investors outside Norway and the United States of America (the "**US**" or the "**United States**"), subject to applicable exemptions from applicable prospectus and registration requirements, and (c) "qualified institutional buyers" ("**QIBs**") in the United States as defined in, and in reliance on, Rule 144A ("**Rule 144A**") or another available exemption under the US Securities Act of 1933 (as amended) (the "**US Securities Act**") (the "**Institutional Offering**") and (ii) a retail offering to the public in Norway (the "**Retail Offering**"). All offers in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another available exemption from, or in transactions not subject to, the registration requirements of the US Securities Act. All offers outside the United States will be made in compliance with Regulation S under the US Securities Act ("**Regulation S**").

The price per Offer Share in the Offering is NOK 1.00 (the "**Offer Price**"). Please refer to Sections 6.4.1 and 6.5.1 "Offer price and determination of the number of Offer Shares" for the possibility of any amendment of the Offer Price. The application period for the Institutional Offering and the Retail Offering (the "**Application Period**") will commence at 09:00 hours (central European time, "**CEST**") on 6 May 2020 and close at 16:30 hours (CEST) on 14 May 2020. The Application Period may, at the Company's sole discretion, in consultation with the Managers, and for any reason, be shortened or extended beyond the set times, but will in no event be shortened to expire prior to 16:30 hours (CEST) on 7 May 2020 or extended beyond 16:30 hours (CEST) on 29 May 2020. If the Application Period is shortened or extended, other dates related to the Offering may change accordingly. The number of Offer Shares sold in the Offering is expected to be announced through a stock exchange notice on or about 15 May 2020.

The Company will seek to provide preferred allocation of up to 50 percent of the Offer Shares that are issued in the Offering to shareholders of the Company as of 30 April 2020 (and being registered as such in the Norwegian Central Securities Depository (the "**VPS**") on 5 May 2020 pursuant to the two days' settlement procedure (the "**Record Date**")), except for such shareholders who are resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action (the "**Eligible Shareholders**"). However, the Offering is not a rights offering, shareholders' preferential rights are deviated from and preferred allocation may not be achieved or made to the fullest extent. Further, the Company will seek to provide preferred allocation of combined up to 25 percent of the Offer Shares that are issued in the Offering to (i) holders of bonds in the Bond Loans (as defined herein) as registered as such in the VPS on 30 April 2020 (the "**Bond Record Date**") except for such bondholders who are resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action (the "**Eligible Bondholders**"), and (ii) Lease Debt creditors that have committed to convert Lease Debt for Conversion Shares except for such creditors who are resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action (the "**Eligible Lease Creditors**"), and together with the Eligible Bondholders, jointly the "**Eligible Creditors**"). Please see Section 6.6 "Mechanisms for allocation of Offer Shares" for more details on the allocation mechanism in the Offering.

Completion of the Offering is subject to certain terms and conditions. Please refer to Section 6.16 "Conditions for completion of the Offering" for more details. The Company's existing shares are, and the New Shares will be, listed on the Oslo Stock Exchange under the ticker code "NAS". Except where the context requires otherwise, references in this Prospectus to "Shares" will be deemed to include the existing Shares and the New Shares. All of the existing Shares are, and the New Shares will be, registered in the VPS in book-entry form. All of the issued Shares rank pari passu with one another and each carry one vote. Subject to certain exemptions, the Conversion Shares will be subject to a lock-up divided into three tranches whereby 1/3 of the Conversion Shares will be released from the lock-up on each of 9 August 2020, 9 October 2020 and 9 December 2020 and expected to be included on separate ISINs during the lock-up period. Certain Conversion Shares of Eligible Creditors that participate in the Offering may be released from lock-up on 15 June 2020. Please refer to Section 5 for more details.

Investing in the Shares, including the Offer Shares, involves a particularly high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 2 "Risk factors" beginning on page 17 when considering an investment in the Company. The Company has been severely impacted by the current outbreak of the COVID-19. In a very short time period, the Group has lost most of its revenues. This has adversely and materially affected the Group's contracts, rights and obligations, including financing arrangements, and the Group is not capable of complying with its ongoing obligations. Even if the Company is able to restructure its leasing debt and bond debt, and thereby getting access to the State Aid Package, the restructuring process of the aircraft financing and vendor financing is still ongoing. Such financing is therefore currently subject to an event of default, which will not be remedied by the refinancing itself. Although the Company believes there are reasonable prospects to resolve such defaults there is a significant risk that the Company becomes insolvent and enters into bankruptcy if, inter alia, the Company's is not able to reach an agreement with its creditors, access to working capital and regain normalized operations.

The Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares may lawfully be made and, for jurisdictions other than Norway, would not require any prospectus, filing, registration or similar action. The Offer Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to persons who are QIBs in reliance on Rule 144A or another available exemption from registration requirements under the US Securities Act; and (ii) outside the United States in compliance with Regulation S. The distribution of this Prospectus and the offer of the Offer Shares may be restricted by law in certain jurisdictions. Persons in possession of this Prospectus are required by the Company and the Managers to inform themselves about and to observe any such restrictions. Any failure to comply with these regulations may constitute a violation of the securities law of any such jurisdiction. For more information regarding restrictions in relation to the Offering, see Section 7 "Selling and transfer restrictions".

The due date for the payment of the Offer Shares is expected to be on or about 19 May 2020 in the Retail Offering and on about 20 May 2020 in the Institutional Offering. Subject to fulfillment of conditions to closing of the Offering and timely payment, delivery of the Offer Shares is expected to take place on or about 20 May 2020 through the facilities of the VPS, and trading in the Offer Shares and Conversion Shares on the Oslo Stock Exchange is expected to commence on or about 20 May 2020.

Joint Bookrunners

ABG Sundal Collier ASA

Danske Bank, Norwegian Branch

DNB Markets, a part of DNB Bank ASA

The date of this Prospectus is 5 May 2020

¹ Including Shares to be issued by conversion of Perpetual Bonds as further described in section 5.

² Including Shares to be issued by conversion of Perpetual Bonds as further described in section 5.

IMPORTANT INFORMATION

This prospectus (the "**Prospectus**") has been prepared in connection with (i) the Offering and (ii) the listing of the New Shares on the Oslo Stock Exchange (the "**Listing**"), and is based on the simplified disclosure regime for secondary issuances, cf. Article 14 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC³, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**").

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended from time to time, the "**Norwegian Securities Trading Act**") and related secondary legislation, including the EU Prospectus Regulation. This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as the competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

For the definitions of terms used throughout this Prospectus, see Section 17 "Definitions and glossary".

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment by investors in the Offer Shares which arises or is noted in the time between the time of approval of this Prospectus by the Norwegian FSA and the listing of the Offer Shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the granting of any Allocation Rights nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

The Company has furnished the information in this Prospectus. The Company has engaged ABG Sundal Collier ASA ("**ABGSC**"), Danske Bank, Norwegian Branch ("**Danske Bank**") and DNB Markets, a part of DNB Bank ASA ("**DNB Markets**") as Joint Bookrunners for the Offering (the "**Managers**").

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Offering, including the merits and risks involved. None of the Company or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or subscriber of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or subscriber under the laws applicable to such offeree or subscriber.

An investment in the Offer Shares is subject to prevailing tax laws and regulations, which differ between investors and jurisdictions. The Prospectus does not provide a complete overview of applicable tax laws and regulations, nor potential tax implications of an investment in the Offer Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a subscription of the Offer Shares.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Offering or the offer and sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or the Managers or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

In the ordinary course of their respective businesses, the Managers and certain of their affiliates have engaged, and may continue to engage, in investment and commercial banking transactions with the Group. Without limiting the manner in which the Company may choose to make any public announcements, and subject to the Company's obligations under applicable law, announcements relating to the matters described in this Prospectus will be considered to have been made once they have been received by Oslo Børs ASA ("**Oslo Børs**" or the "**Oslo Stock Exchange**") and distributed through its information system.

³ Means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC.

The distribution of this Prospectus and the offer and sale of the Offer Shares may in certain jurisdictions be restricted by law. This Prospectus does not constitute an offer of, or an invitation to subscribe for, any of the Offer Shares in any jurisdiction in which such offer, sale or subscription would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that is in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 7 "Selling and transfer restrictions".

This Prospectus and the terms and conditions of the Offering as set out herein, and any offer and subscription of Offer Shares shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering or this Prospectus.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General information".

Notice to investors in the United States

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares. The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable state securities laws. All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the US Securities Act. All offers and sales outside the United States will be made in "offshore transactions" as defined in, and in reliance on, Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A. See Section 7.1.5 "United States".

Any Offer Shares offered or sold in the United States will be subject to certain transfer restrictions and each purchaser will be deemed to have made acknowledgements, representations and agreements, as set forth under Section 7.1.5 "United States".

The Offer Shares have not been recommended by any United States federal or state securities commission or regulatory authority. Further, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the Offer Shares. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized and any disclosure of its contents, without prior written consent of the Company, is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire the Offer Shares.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

Each of the Managers has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in

investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the UK.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "**EEA**"), other than Norway (each, a "**Relevant Member State**"), this communication is only addressed to and is only directed at persons who are "qualified investors" within the meaning of Article 2(e) of the EU Prospectus Regulation. The Prospectus has been prepared on the basis that all offers of Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to produce a prospectus for offer of securities. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the Offering contemplated in this Prospectus within any Relevant Member should only do so in circumstances in which no obligation arises for the Company or the Managers to publish a prospectus pursuant to Article 1 of the EU Prospectus Regulation, or to supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation, in each case, in relation to such offer. Neither the Company nor the Managers have authorized, nor do they authorize, the making of any offer of Shares through any financial intermediary, other than offers made by the Managers which constitute the final placement of Offer Shares contemplated in this Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway, who receives any communication in respect of, or who acquires any Offer Shares, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

- it is a "qualified investor" within the meaning of Article 2(e) of the EU Prospectus Regulation; and
- in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) such Offer Shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and any securities to be offered, so as to enable an investor to decide to acquire any of the Offer Shares.

See Section 7 "Selling and transfer restrictions" for certain other notices to investors.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Group's senior management (the "**Management**") are not residents of the United States. Virtually all of the Company's assets are located outside the United States. As a result, it may be impossible or difficult for investors in the United States to effect service of process on the Company, the Board Members and members of Management in the United States or to enforce judgments obtained in US courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Similar restrictions may apply in other jurisdictions.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act, it will, during any period in which it is neither subject to sections 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the "US Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the US Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the US Securities Act. The Company is not currently subject to the periodic reporting and other information requirements of the US Exchange Act.

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1. SUMMARY

1.1 INTRODUCTION AND WARNINGS

This summary contains all the sections required by the Prospectus Regulation to be included in a summary of this type of securities and issuer. This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor.

An investment in the Company's Shares involves inherent risk and an investor investing in the securities could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Name of securities	Norwegian Air Shuttle ASA
ISIN	NO 001 0196140
Issuer	Norwegian Air Shuttle ASA
Issuer's office address	Oksenøyveien 3, 1366 Lysaker, Norway
Issuer's postal address	P.O. Box 115, 1330 Fornebu, Norway
Issuer's legal entity identifier ("LEI")	549300IEUH2FEM2Y6B51
Issuer's phone number	+47 67 59 30 00
Issuer's e-mail	investor.relations@norwegian.com
Issuer's website	www.norwegian.no Note that the information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus
The competent authority approving the Prospectus	The Financial Supervisory Authority of Norway (Nw.: <i>Finanstilsynet</i>)
Visiting address, the Financial Supervisory Authority of Norway	Revierstredet 3, 0151 Oslo
Postal address, the Financial Supervisory Authority of Norway	Postboks 1187 Sentrum 0107 Oslo
E-mail, the Financial Supervisory Authority of Norway	post@finanstilsynet.no
Date of approval of this Prospectus	6 May 2020

1.2 KEY INFORMATION ON NORWEGIAN AIR SHUTTLE ASA

1.2.1 Who is the issuer of the securities?

The issuer's registered name is Norwegian Air Shuttle ASA. The Company is organized as a public limited liability company organized under the laws of Norway and subject to the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (Nw.: "allmennaksjeloven") (the "Norwegian Public Limited Liability Companies Act"). The Company is registered with the Norwegian

Register of Business Enterprises under business register number 965 920 358. Norwegian Air Shuttle ASA is domiciled in Norway. The Company's LEI number is 549300IEUH2FEM2Y6B51.

Norwegian Air Shuttle ASA is engaged in aviation, other transport and travel related business activities as well as activities connected therewith. The Company may also directly or indirectly be engaged in other forms of internet-based provision of goods and services, including car-rental, hotel booking, payment services, financial services and services related to credit cards. Norwegian Air Shuttle ASA has additional branch registrations according to local requirements in the operating regions. The Company has a leading position in the European short-haul point-to-point market, with a particularly strong position in the Nordics. In addition, the Company has developed a strong and differentiated position on flying long-haul transatlantic.

As of 4 May 2020, the Company had more than 50,000 shareholders. As of 4 May 2020, the last practical date prior to the date of this Prospectus, and insofar as known to the Company, the following persons had, directly or indirectly, interest in 5 percent or more of the issued share capital of the Company:

#	Shareholder name	No. of Shares	% of shares
1	Folketrygdfondet	13,434,688	8.21%
2	Nordnet Bank AB	11,485,328	7.02%

As far as is known to the Company, no person or entity, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any agreements or other similar understandings that the operation of which may at a subsequent date result in a change in control of the Company. As a result of resolutions made at the EGM, certain creditors of the Company are becoming large shareholders of the Company.

The names of the members of the senior management team as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Position	Executive manager since
Mr. Jacob Schram	Chief Executive Officer	2020
Mr. Geir Karlsen	Chief Financial Officer	2018
Mr. Tore Jenssen	Chief Operating Officer	2015
Ms. Anne-Sissel Skårnvik	Chief Communications Officer	2009
Mr. Marty St. George	Interim Chief Commercial Officer	2019
Mr. Brede Huser	EVP Loyalty & Managing Director of Norwegian Reward	2020
Mr. Knut Olav Irgens Høeg	SVP Procurement / IT / Customer Care	2020
Mr. Kei Grieg Toyomasu	SVP Marketing	2020
Ms. Guro H. Poulsen	SVP Crew Management	2020
Ms. Sarah Louise Goldsbrough	EVP Human Resources	2020

The Company's independent auditor is Deloitte AS ("**Deloitte**") with company registration number 980211282 and business address Dronning Eufemias gate 14, 0191 Oslo, Norway. Deloitte has been the Company's auditor since 2013. Deloitte is a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants).

1.2.2 What is the key financial information regarding the issuer?

The selected historical key financial information presented below has been derived from Norwegian's audited consolidated income statements for the years ended, 31 December 2018,

2017, and 2016 and the Group's unaudited consolidated income statements for the three- and twelve-month periods ended 31 December 2019 and 2018, have been prepared in accordance with IFRS.

<i>In NOK million</i>	Three-month period ended 31 December		Year ended 31 December	Year ended 31 December		
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Audited)	2017 (Audited)	2016 (Audited)
			43,521.9			
Revenue	8,944.4	9,657.8		40,265.5	30,948.3	25,950.6
Operating profit (loss)	-1,278	-3,593.2	856.0	-3,850.6	-2,002.1	1,820.4
Net profit (loss)	-1,872.9	-3,011.9	-1,609.1	-1,454.1	-1,793.7	1,135.0
Earnings per share Basic (<i>NOK/share</i>)	-12.8	-66.3	-12.6	-34.39	-50.18	31.75

The table below sets out key financial information gathered from the Company's audited consolidated statements of financial position as of 31 December 2018, 2017, and 2016 and the Group's unaudited consolidated statements of financial position as of 31 December 2019, and has been prepared in accordance with IFRS.

<i>In NOK millions</i>	As of 31 December		As of 31 December	
	2019 (Unaudited)	2018 (Audited)	2017 (Audited)	2016 (Audited)
Total assets	85,342.9	55,985.3	43,522.7	37,762.7
Total equity	4,124.9	1,704.4	2,098.4	4,049.0
Net financial indebtedness *	78,122.3	52,359.16	37,384.49	31,390.03

*Refer to section 9.1.3 for definition.

The table below sets out key financial information gathered from the Company's audited consolidated cash flow statement for the years ended 31 December 2018, 2017, 2016 and from the unaudited consolidated cash flow statement for the three- and twelve-month periods ended 31 December 2019 and 2018.

<i>In NOK millions</i>	Three-month period ended 31 December		Twelve-month period ended 31 December	Year ended 31 December		
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Audited)	2017 (Audited)	2016 (Audited)
Net cash flow from operating activities	-29.5	-893.9	3,037.8	462.7	2,901.3	3,046.5
Net cash flow from investing activities	1,959.7	1,440.3	8,332.4	-8,563.2	-3,428.1	-6,512.4
Net cash flow from financing activities	-1,791.2	-1,850.9	-10,193	5,984.1	2,291.1	3,302.8
Net change in cash and cash equivalents	161.7	-1,289.5	1,173.9	-2,118.1	1,716.1	-130.5
Cash and cash equivalents at beginning of the period	2,933.9	3,211.2	1,921.7	4,039.8	2,323.6	2,454.2
Effect of foreign currency rate changes on cash and cash equivalents	22.7	14.9	-3.3	-1.7	-48.2	32.6
Cash and equivalents at end of the period	3,095.6	1,921.7	3,095.6	1,921.7	4,039.8	2,323.6

1.2.3 What are the key risks that are specific to the issuer?

A brief summary of the key risks that are specific to the Company are listed below.

Risks relating to the Group's business and financial situation, including risk of bankruptcy

- The Company has been severely impacted by the current outbreak of the of the Coronavirus disease (COVID-19). In a very short time period, the Group has lost most of its revenues. This has adversely and materially affected the Group's contracts, rights and obligations, including financing arrangements. Even if the Company is able to restructure its leasing debt and bond debt, and thereby getting access to the State Aid Package, the restructuring process of the aircraft financing and vendor financing is still ongoing. Such financing is therefore currently subject to an event of default which will not be remedied by the refinancing itself. Although the Company believes there are reasonable prospects to resolve such defaults there is a significant risk that the Company becomes insolvent and enters into bankruptcy if, inter alia, the Company's is not able to reach an agreement with its creditors and regain normalized operations.
- The current outbreak of COVID-19 has resulted in a global pandemic and has severely impacted companies and markets globally. At present, Norway and the rest of the world are facing an adverse financial and economic downturn that may lead to recession. The Group's business, operations and financial performance have been, and is expected to continue to be, materially adversely impacted by the outbreak of COVID-19, including the extraordinary health measures and restrictions on a local and global basis imposed 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 canceled most of its flights and temporarily laid-off most of its employees. The decrease in revenues has materially 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 debt restructuring and refinancing through the issue of the Conversion Shares and the Offer Shares, and the Company gaining access to the State Aid Package, 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 normalized levels, the Company is not able to raise capital/finance daily operations and/or the Group is not able to restructure or refinance a substantial portion of its existing debt.
- The Company has, and will continue to have even after the restructuring described herein, a significant amount of indebtedness, including substantial fixed obligations under aircraft leases and financings. In addition to internal financing, the ongoing fleet renewal program is expected to require additional external financing. The ability of the Company to make scheduled payments under its indebtedness and to comply with financial covenants in its financing agreements will depend on, among other things, its future operating performance, ability to raise further capital and its ability to refinance its indebtedness. 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. The effects of the COVID-19 outbreak have materially increased such risk. It is therefore a significant risk that, even if the Company succeeds in qualifying for the State Aid Package, the Company will be in non-compliance with its debt obligations and other obligations, and that creditors as a result will be entitled to accelerate their claims against the Company. The Group may therefore be dependent upon its creditors agreeing to waive covenant breaches and other events of defaults.
- The availability of the State Aid Package is conditional upon the Company satisfying conditions concerning an increase in the Company's equity and 10 percent risk participation. However, such debt restructuring and refinancing is not yet 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 eligibility for the State Aid Package and thereby 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.
- 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. Such issues can result in delays or cancellations of flights or a failure to deliver satisfactory services to the Group's customers. 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. As a result of the 737 MAX grounding, the Company's operational and financial performance has been affected. Until the Company is able to fully utilize its 737 MAXs, the Company's operating profit will continue to be negatively affected by the grounding. Such factors may have various negative effects, such as loss of income, the incurrence of additional costs, reputational damage and liability to pay compensation to customers, resulting in a material adverse effect on business, financial condition, results of operations and future prospects.

Risks relating to the Group's industry

- 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). Changes in price and availability may materially affect the operating results.
- The airline industry tends to be seasonal in nature and the Group has historically experienced substantial seasonal fluctuations. Unexpected fluctuations or inability to adapt in accordance with fluctuations could lead to over- or under capacity, and have a material adverse effect on the business, financial condition and results of operations.
- 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. Thus, a relatively small change in a carrier's unit revenues by ASK (Available Seat Kilometer) can have a major effect on profitability.
- 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. If the assumptions and estimates for long-term capacity prove to be incorrect, the Group may have too high or too low capacity in the future. This may materially impact Load Factor and subsequently the results of operations.
- The Group may not achieve its goals in future negotiations regarding the terms of collective labor agreements of its unionized work groups, exposing it to the risk of strikes and other work-related disruptions. 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, resulting in a material adverse effect on business, financial condition, results of operations and future prospects.
- A significant part of the Group's customers pays 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 increased the hold-back of payments, resulting in a negative impact on the Group's cash flow. There is a downward risk that the Credit card acquirers may increase their hold-back further which could have an adverse effect on liquidity.
- As of the date of this Prospectus, the Group's firm aircraft orders totaled 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 will 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 business, financial condition, results of operations and future prospects.

1.3 KEY INFORMATION ON THE SECURITIES

1.3.1 *What are the main features of the securities?*

The securities' type, class and ISIN	The Company has one class of Shares in issue and all Shares provide equal rights to all other Shares. The Shares have been created under the Norwegian Public Limited Companies Act and are registered in book-entry form with the VPS under ISIN NO 001 0196140.
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The securities' currency, denomination, par value, the number of securities issued and the term of the securities	The Shares are issued in NOK. As of the date of this Prospectus, the Company's share capital is NOK 16,355,837.70, divided into 163,558,377 Shares with each Share having a par value of NOK 0.10.
The rights attached to the securities	The Company has one class of Shares. The Shares are equal in all respects, including the right to dividend; voting rights; rights to share in the Company's profit; rights to share in any surplus in the event of liquidation; redemption provisions; reserves or sinking fund provisions; (lack of) liability to further capital calls by the Company; and any provision discriminating against or favoring any existing or prospective holder of such securities as a result of such Shareholder owning a substantial number of Shares. Each Share carries one (1) vote at the Company's general meeting ("General Meetings" means the annual and Extraordinary General Meetings in the Company, and a "General Meeting" means any one of them).
Relative seniority of the securities in the Company's capital structure in the event of insolvency	If the Company enters into insolvency or bankruptcy proceedings, Shareholders of the Company will be subordinated to all other creditors of the Company in their right to receive payment.
Restrictions on the free transferability of the securities	<p>The Shares are freely transferrable and, subject to applicable securities law (further information below), there are no restrictions in the Company's securities. The Conversion Shares issued pursuant to the Conversion of Debt is subject to lock-up restrictions.</p> <p>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. Pursuant to articles 12 and 13 of the Company's Articles of Association, the Board of Directors has a right to request or compel shareholders that are not being domiciled within EEA to sell shares or to redeem their shares in certain circumstances, to ensure that the Company no longer violates the above-mentioned provisions regarding ownership and control.</p> <p>Other than described above, share transfers are not subject to approval by the Company's Board of Directors, as elected from time to time.</p>
Dividend policy	The Company generally aims to generate competitive returns to its shareholders. The Board has currently recommended not to distribute dividends but to retain any earnings in order to strengthen the Company's financial position. The Company has not paid dividends during the last three years.

1.3.2 *Where will the securities be traded?*

The Shares are, and the Offer Shares and the New Shares will be, admitted to trading on the Oslo Stock Exchange. Subject to completion of the Offering and timely payment, trading in the Offer Shares on the Oslo Stock Exchange is expected to commence on or about 20 May 2020.

1.3.3 *What are the key risks that are specific to the securities?*

A brief summary of the key risk that are specific to the securities are listed below.

- The issue of the New Shares will significantly increase the number of issued Shares in the Company, thus diluting the existing Shares significantly. Further, even if the Company will seek to give Eligible Shareholder and Eligible Creditors preferred allocation in the Offering, there can be no assurance that such preferred allocation can be achieved or made to the fullest extent. A significant number of the New Shares are issued to bondholders and lessors of the Company which may not have a long-term ownership horizon and have an intention to sell the Conversion Shares they receive. Although some of the New Shares are subject to lock-up regulations, such lock-up is temporary and may be breached. Sale of a substantial number of the New Shares, or the expectation of such sale, may have a material negative effect on the

trading price of the Company's Shares – or even the ability for shareholders to sell their shares at attractive terms, in a timely fashion or at all.

- Conversion of Bonds and Lease Debt is not agreed or executed – nor are the amounts finally determined. Conversion of Bonds and the terms thereof are *inter alia* subject to bondholder approvals for the Bonds NAS07 and the CB. Terms and amounts of Debt to be converted are therefore not set and may change.
- The Company may need further capital, and such need may be material. Such capital could consist of new equity or equity-linked securities which may have a substantive dilutive effect of issued Shares and materially negative effect on the trading price of the Shares.

1.4 KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

1.4.1 Under which conditions and timetable can I invest in this security?

The Offering consists of up to 571,428,571 Offer Shares at the Offer Price per Offer Share.

For allocation of Offer Shares to Eligible Shareholders, the Company will seek to provide preferred allocation based on their shareholding in the Company as registered in VPS on the Record Date. However, the Offering is not a rights offering, shareholders' preferential rights are deviated from and preferred allocation may not be achieved or made to the fullest extent. Further, for allocation of Offer Shares to Eligible Creditors, the Company will seek to provide preferred allocation to Eligible Lease Creditors as well as Eligible Bondholders based on their holding in the relevant Bonds as registered in VPS on the Bond Record Date. However, such preferred allocation may not be achieved or made to the fullest extent.

Investors that are not Eligible Shareholders or Eligible Creditors are permitted to subscribe for Offer Shares in the Offering.

The Application Period will commence at 09:00 CEST on 6 May 2020, and expire at 16:30 CEST on 14 May 2020. The Application Period may be shortened or extended, and any such change may affect other Offering dates. Notifications of conditional allocation in the Offering are expected to be issued on or about 15 May 2020. The payment due date is expected to be on or about 19 May 2020 for the Retail Offering and on or about 20 May 2020 for the Institutional Offering. Subject to fulfilment of conditions for closing of the Offering and timely payment, the Issue of the Offer Shares and recording of the Offer Shares in the VPS is expected to take place on or about 19 May 2020, and delivery of the Offer Shares to investors' VPS accounts is expected to take place on or about 20 May 2020.

On the assumptions that (i) the maximum amount of 571,428,571 Offer Shares are issued in the Offering, (ii) completion of the Conversion of Lease Debt to Equity and Conversion of Bonds to Equity, and (iii) issue of Shares pursuant to the Perpetual Bonds, the Offering will result in a dilution of Existing Shareholders to approximately 4.4 percent.

1.4.2 Why is the prospectus being produced?

The Prospectus has been prepared in connection with (i) the listing of up to 2,978,402,828⁴ Conversion Shares issued as part of the Conversion of Debt, and (ii) the Offering and listing of up to 571,428,571 Offer Shares to Eligible Shareholders, Eligible Creditors and other investors. The net proceeds from the Offering will be used for *inter alia* working capital and general corporate purposes.

The Managers will in connection with the Offering receive a success-based fee and commission as a percent of the gross proceeds of the Offering in this regard. The Managers and their affiliates are currently providing, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may receive and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own Shares in the Company.

⁴ Including Shares to be issued by conversion of Perpetual Bonds as further described in section 5.

2. RISK FACTORS

The primary purpose of this Chapter is to ensure that investors can assess the relevant risks related to their investment and make an informed investment decision in full knowledge of the facts.

The risk factors featured in this Chapter are presented in a concise form, are limited to risks which are specific to the Group or to the Shares, and which are material for taking an informed investment decision.

If any of these risks were to materialize, individually or together with other circumstances, they could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows and/or future prospects, and the Shares.

Within each risk category below, the risks perceived as most material to the Group or to the Shares are mentioned first. The order of subsequent risks within each risk category does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact.

An investment in the Group also involves a number of other risk factors not described in this Chapter, primarily because these risk factors either are not specific to the Group or the Shares, or because the materiality of these risk factors is not apparent.

By subscribing for an interest in the Group, investors will be deemed to have acknowledged that an investment in the Shares will carry risks, and that such investment is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

2.1 RISKS RELATING TO THE GROUP'S BUSINESS AND FINANCIAL SITUATION

COVID-19 Outbreak and Bankruptcy Risk

The current outbreak of the 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 that may lead to recession.

The Company has been severely impacted by the current outbreak of the COVID-19. In a very short time period, the Group has lost most of its revenues. This has adversely and materially affected the Group's contracts, rights and obligations, including financing arrangements, and the Group is not capable of complying with its ongoing obligations. Even if the Company is able to restructure its leasing debt and bond debt, and thereby getting access to the State Aid Package, the restructuring process of the aircraft financing and vendor financing is still ongoing. Such financing is therefore currently subject to an event of default, which will not be remedied by the refinancing itself. Although the Company believes there are reasonable prospects to resolve such defaults there is a significant risk that the Company becomes insolvent and enters into bankruptcy if, inter alia, the Company's is not able to reach an agreement with its creditors and regain normalized operations.

It is currently not possible to predict all 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 material adverse negative effects that may be long-term. Potential investors should note that the COVID-19 situation is continuously changing and that and new laws and regulations that affect the Group's operations may enter into force.

The Group's business, operations and financial performance have been, and is expected to continue to be, materially adversely impacted by the outbreak of COVID-19, including the extraordinary health measures and restrictions on a local and global basis imposed by authorities across the world as a result thereof. In addition to the loss of most of its revenues, the Group has in a very short time period cancelled most of its flights and temporarily laid-off most of its employees. 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 materially 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 debt restructuring and refinancing through the issue of the Conversion Shares and the Offer Shares, and the Company gaining access to the State Aid Package, 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 normalized levels, the Company is not able to raise capital/finance daily operations and/or the Group is not able to restructure or refinance a substantial portion of its existing debt.

Risks related to substantial debt level, the feasibility of the proposed debt restructuring and ability to satisfy payment obligations going forward

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. Completion of the debt restructuring is subject to certain terms and conditions that are currently not satisfied, including that the State Aid Package (see below) will be made available to the Company following the Conversion of Debt, and others that are beyond the control of the Company. There is a risk that the debt restructuring will not be completed as contemplated, or has to be completed on less favorable terms or will not be completed at all.

There is further a considerable risk that the Company will continue to be unable to satisfy its payments obligations in the short or medium-term even if it completes the refinancing and receives the State Aid Package. In addition to the proposals put forward to the bondholders in the Company's Bond Issues, the Group has approached 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 a material adverse impact on the Company's ability to satisfy its payment obligations and with a major risk of a potential bankruptcy (full liquidation) as the ultimate consequence thereof.

Even if the Group is able to restructure its current debt, the Group's ability to service its debt (including any loan provided under the State Aid Package) and ensure compliance with financial covenants in its financing agreements going forward is subject to a number of risk factors, including but not limited to the future effects of the COVID-19 outbreak, the Group's ability to generate sufficient cash flow and operate in the ordinary course of business with positive cash flow, 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 or other payment obligations in the future or to refinance its indebtedness in order to be able to service its debt in its ordinary course of business. It is therefore a significant risk that the Group, even if it qualifies for the State Aid Package, will continue to breach its debt obligations and other obligations, and that creditors as a result will be entitled to accelerate their claims against the Group. 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 other investors acceptable to the guarantor (such participation being referred to as the "**Private Sector Involvement**"). However, such debt restructuring and refinancing is not completed, and no assurance can be made that the Company will qualify according to the requirements and be able to obtain funds under the State Aid Package in a timely fashion or at all. Specifically, there can also be no assurances that the Offering will qualify to fulfil the requirement for 10 percent risk participation by itself or facilitate satisfaction of the Private Sector Involvement in order to attract participation by external commercial lenders. The failure of the Company to satisfy the conditions for eligibility for the State Aid Package and thereby 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. As a result of the 737 MAX grounding, the Company's operational and financial performance has been affected. The negative effect on operating profit is caused by loss of revenue, increased fuel burn, crew inefficiencies and increased care and compensation expenses. Until the Company is able to fully utilize its 737 MAXs, the Company's operating profit will continue to be negatively affected by the grounding. There can be no assurance that future problems will not arise similar to the Boeing 787 engines or the Boeing 737 MAX aircraft grounding.

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 Prospectus, the Group's firm aircraft orders totaled 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.

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 labor 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 labor agreement with the Norwegian Pilot Union in November 2017 and has collective labor agreements in place with all employee groups, there can be no assurance that the Group's future agreements with labor 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 labor 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 and 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 pays 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 currently has a low credit exposure towards the credit card acquirers, there is still a downward risk that the credit card acquirers may increase their hold-back further which could have an adverse effect on the Group's liquidity.

The Group has due to the increase of hold-backs a more significant amount of trade payables which are expected to be reduced into 2021 and 2022 and onwards. It is a risk that these trade payables may be accelerated, which could have a material negative impact on the liquidity of the Group.

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 Interim Financial Statements for the fourth quarter, which includes the Company's unaudited financial statements for the year ended 31 December 2019. For further information, refer to Section 15.1.1. 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 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 US 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

As described above, 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.

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

Once the market materialize, the Group is seeking to reduce growth and focus on profitability, and may through these activities incur short-term negative effects through e.g. increased restructuring costs which may materially adversely affect the liquidity and the profit and loss statement of the Group.

2.2 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 due to high 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, the Group's profit (or loss) is highly sensitive to small changes in sales volumes and the Group's ability to swiftly adjust its costs according to the decrease in demand is limited. The lack of ability to significantly reduce the Company's fixed costs may also negatively affect the Group's liquidity in times when revenue is particularly low over a longer period of time, such as in the current environment with the COVID-19 outbreak and the related government-imposed travel restrictions.

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.

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. Increase of such taxes and fees that the Group is not able to recover by increasing ticket prices may materially impact the Group's results of operations. Due to the Company's current financial situation as further described in this Prospectus, this risk is prominent to the Company in the current circumstances and may adversely affect the Company's financial position.

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 travelers 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 CO₂ 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 have 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.

2.3 RISKS RELATED TO THE SHARES

Significant increase in number of Shares

The issue of the New Shares will significantly increase the number of issued Shares in the Company, thus diluting the existing Shares significantly. Further, even if the Company will seek to give Eligible Shareholder and Eligible Creditors preferred allocation in the Offering, there can be no assurance that such preferred allocation can be achieved or made to the fullest extent. A significant number of the New Shares are issued to bondholders and lessors of the Company which may not have a long-term ownership horizon and have an intention to sell the Conversion Shares they receive. Although a significant amount of the New Shares is subject to lock-up regulations, such lock-up is temporary and may be breached and is furthermore subject to certain exemptions. Sale of a substantial number of the New Shares, or the expectation of such sale, may have a material negative effect on the trading price of the Company's Shares – or even the ability for shareholders to sell their shares at attractive terms, in a timely fashion or at all.

The amount of Debt to be converted in the Refinancing is not fixed

Conversion of Bonds and Lease Debt is not agreed or executed – nor are the amounts finally determined. Conversion of Bonds and the terms thereof are inter alia subject to bondholder approvals for the bonds NAS07 and the CB, as further described in section 5.4. Terms and amounts of Debt to be converted are therefore not set and may change. See section 5 for further information about the Conversion of Debt including the issuance of Conversion Shares and Perpetual Bonds.

Uncertainty relating to the Offer Price

The Company has been severely impacted by the current outbreak of the COVID-19 which has also led to a significant reduction in the trading price of the Shares. There can be no guarantee regarding the future development of the trading price of the Shares. The fluctuations in the trading price, the extraordinary market conditions and the extraordinary financial situation of the Company result in lower visibility on the future and could have an effect on how the Shares are priced in the market, which has made it challenging to determine the Offer Price and no assurance can be given that the Offer Price will reflect the future trading value of the Company. Furthermore, the Offer Price has been set by the Board of Directors following negotiations with different stakeholders who may have different interests than the investors subscribing for Offer Shares. There is a material risk that the Shares will trade below the Offer Price and thus will result in a loss on an investment in the Offer Shares.

The Offering may not be completed, and if completed, other parts of the Refinancing may not be completed

Completion of the Offering is subject to certain terms and conditions, which are inter alia related to the Refinancing of the Company. It is a risk that the Offering as contemplated herein may have to be amended, that due dates applicable to the Offering are extended or that the Offering may not be completed at all. There is a risk that the Offering is completed while other parts of such Refinancing remain uncompleted, which may have adverse consequences for the Company and investors participating in the Offering

Ownership restrictions – non-EEA nationals

The Company is subject to ownership restrictions whereby shareholders who are not EEA nationals owning or controlling the Company or any of its subsidiaries may potentially cause the Company's and/or its subsidiaries' authorizations to carry out air traffic operations to be annulled or temporary revoked on the grounds of violation of provisions in bilateral civil aviation agreements or violation of statutory rules. The Company's articles of association therefore 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 percent. As the Conversion of Lease Debt to Equity and the Conversion of Bonds to Equity will result in new non-EEA nationals as shareholders in the Company, this may negatively affect the Company's and/or its subsidiaries' authorizations to carry out air traffic operations. The Company may, for the same reason, be required to accept deviations from the agreed lock-up undertakings of such shareholders.

Exercise of voting rights and other shareholder 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 and may not be able to benefit from other shareholder rights, such as any preferred allocation in connection with the Offering and/or preferential rights in connection with any future offerings. 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 or other shareholder rights or benefit from any preferred allocation in the Offering.

The Company may need additional capital which may have a substantial dilutive effect

The Company may need further capital, and such need may be material. Such capital could consist of new equity or equity-linked securities which may have a substantive dilutive effect of issued Shares and materially negative effect on the trading price of the Shares. Furthermore, the Company may need to convert additional debt into equity in order to solve discussions with its creditors such as vendors and hedging counterparties which may have a substantive dilutive effect of issued Shares and a material negative effect on the trading price of the Shares.

2.4 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.

3. RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Offering and the Listing of the New Shares described herein.

The Board of Directors of Norwegian Air Shuttle ASA (the "**Board of Directors**" or the "**Board**") accepts responsibility for the information contained in this Prospectus. The Board of Directors hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import.

5 May 2020

The Board of Directors of Norwegian Air Shuttle ASA

Niels Smedegaard

Chair

Liv Berstad

Deputy chair

Sondre Gravir

Board member

Ingrid Elvira Leisner

Board member

Christian Fredrik Stray

Board member

Geir Olav Øien

Board member

Eric Holm

Board member

Katrine Gundersen

Board member

4. GENERAL INFORMATION

4.1 THE APPROVAL OF THIS PROSPECTUS BY THE NORWEGIAN FSA

The Norwegian FSA has reviewed and approved this Prospectus, as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. This Prospectus was approved by the Norwegian FSA on 6 May 2020. This Prospectus has been published in an English version only and is valid for twelve (12) months from the date of approval.

The Prospectus has been drawn up as part of a simplified prospectus for secondary issues in accordance with Article 14 of the EU Prospectus Regulation.

Investors should make their own assessment as to the suitability of investing in the securities.

4.2 OTHER IMPORTANT INVESTOR INFORMATION

The Company has furnished the information in this Prospectus. No representation or warranty, express or implied is made by the Managers as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Managers assume no responsibility for the accuracy or completeness or the verification of this Prospectus and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising outside of contract, in contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement.

Neither the Company nor the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares. Each investor should consult with its own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

Investing in the Offer Shares involves a particularly high degree of risk. See Section 2 "Risk factors". Investors should make their own assessment as to the suitability of investing in the Offer Shares.

4.3 PRESENTATION OF FINANCIAL INFORMATION, INDUSTRY DATA AND OTHER INFORMATION

4.3.1 Financial Information

The Company's audited consolidated financial statements as of and for the years ended 31 December 2018, 2017 and 2016 (the "**Annual Financial Statements**") and the Company's unaudited consolidated interim financial statements as of and for the three and twelve months' period ended 31 December 2019 (the "**Interim Financial Statements**") and together with the Annual Financial Statements, the "**Financial Statements**") have been incorporated by reference hereto. See Section 16.4.

The Annual Financial Statements have been prepared in accordance with IFRS and have been audited by Deloitte, as set forth in their auditor reports included therein.

The annual accounts for 2019 is not completed or approved. The Company has announced on 7 April 2020 that the (i) issue of the annual accounts for 2019 has been delayed until 9 June 2020 and (ii) report for the first quarter 2020 is delayed until 28 May 2020. Such information is therefore not included in this Prospectus.

The Company presents the Financial Statements in NOK rounded to the nearest thousands.

The Company's auditor, Deloitte, has issued all audit opinions without qualifications. The audit opinion for the 2018 Annual Financial Statements has identified three key audit matters: (i) the materiality and reliance of management judgement of the carrying value of current aircraft and future commitments to buy aircraft, (ii) the value of the Group's tax assets and liabilities based on the level of complexity and judgement, and (iii) the liquidity and financing of future committed

aircraft purchases due to the low level of equity and the Group's history of significant losses. The opinion contains several general disclaimers, but none that are not commonly used in audit opinions of similar companies.

4.3.2 Industry and market data

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third-party sources, such as annual and interim financial statements and other presentations published by listed companies operating within the same industry as the Group, as well as the Group's internal data and its own experience, or a combination of the foregoing. Unless otherwise indicated in this Prospectus, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third-party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third-party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend, and does not assume any obligations to, update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus, and projections, assumptions and estimates based on such information may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

4.3.3 Currency and rounding

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**USD**" are to the lawful currency in the US, and all references to "**EUR**" are to the official currency of the EU. No representation is made that the NOK, USD, and EUR amounts referred to herein could have been or could be converted into NOK, USD, or EUR as the case may be, at any particular rate, or at all.

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.4 CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Prospectus includes "forward-looking" statements that reflect the Company's current views with respect to future events and financial and operational performance, including, without limitation, projections and expectations regarding the Group's future financial position, business strategy, plans and objectives. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipate", "assume", "believe", "can", "could", "estimate", "expect", "forecast", "intend", "may", "might", "plans", "should", "projects", "will",

"would", "seek to" or, in each case, their negative, or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Group, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggest, by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Factors that could cause the Group's actual results, performance or achievements to materially differ from those in the forward-looking statements include but are not limited to:

- General economic conditions in the Nordic region and elsewhere, and any adverse development in the Nordic region or global economic and financial markets;
- The development of the COVID-19 outbreak, including the extraordinary health measures and restrictions on a local and global basis imposed or being imposed in the future by authorities across the world as a result thereof;
- The competitive nature of the markets in which the Group operates;
- Variations in interest rates;
- Variations in costs and availability of funding;
- Availability of capital in the future;
- Credit ratings;
- Capital adequacy requirements;
- Increased levels of unemployment;
- Success of brand and ability to acquire and retain customers at a reasonable cost;
- Operational risks related to systems and processes and inadequacy in internal control procedures;
- Failure to attract or retain the Management or other key employees;
- Failure or inadequacy in IT systems;
- Vulnerability to cyber-attacks and security breaches;
- Insufficient insurance coverage;
- Failure to implement the Group's business strategies;
- Changes in air transport and other legislation and regulations which may affect the Group's business;
- Dilution of the existing Shareholders in times of stress due to applicable regulations;
- Significant litigation, claims and compliance risks;
- Money laundering activities and identity fraud;
- Failure in automated procedures and services from external providers;
- Risks related to the use of the Norwegian name;
- Changes in political events; and

- Force majeure events.

Some important factors that could cause actual results to differ materially from those in the forward-looking statements are, in certain instances, included with such Forward-looking Statements and in the section entitled "Risk factors" (Section 2) in this Prospectus.

The information contained in this Prospectus, including the information set out under Section 2 "Risk factors", identifies additional factors that could materially affect the Group's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "Risk factors" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These forward-looking statements speak only as of the date of this Prospectus. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law or regulation. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.

5. THE REFINANCING AND CONVERSION OF DEBT TO EQUITY

5.1 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 businesses, which includes, *inter alia* the proposal of a state guarantee scheme (the "**State Aid Package**") in the amount of NOK 3 billion available to the Company upon fulfilment of certain conditions set out by the Norwegian government in its parliamentary proposition on 20 March 2020. The Norwegian parliament approved the State Aid Package on 21 March 2020. Under the State Aid Package, the government will guarantee 90 percent of loans granted to the Company by banks and other financial institutions. On 30 March 2020, the EFTA Surveillance Authority decided to not raise objections to the implementation of the measure.

The State Aid Package directed at the Company is divided into three tranches as follows:

- (i) The first tranche is in the amount of up to NOK 300 million ("**Tranche 1**"), where the only required condition is that there is 10 percent risk participation by external commercial lenders (such as banks or financial institutions) or other investors acceptable to the guarantor (such participation or capital increase being referred to as the "**Private Sector Involvement**");
- (ii) The second tranche is in the amount of up to NOK 1.2 billion ("**Tranche 2**"), and will be available if the loans guaranteed thereunder are accompanied by the Private Sector Involvement and the existing creditors of the Company 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 (3) months, commencing on disbursement of the guaranteed loans (the "**Moratorium**"); and
- (iii) In respect of the third tranche ("**Tranche 3**" and together with Tranche 1 and Tranche 2, the "**Tranches**"), the remaining NOK 1.5 billion, or NOK 2.7 billion if Tranche 2 has not been drawn, will be available if the loans guaranteed thereunder are accompanied by the Private Sector Involvement and the Company meets the requirement that its Equity Ratio was at least 8 percent at the end of the last quarterly period before the outbreak of COVID-19. Alternatively, if the Company is unable to comply with this equity requirement then it must before the end of the three-month Moratorium make improvements to its balance sheet such that the Company's Equity Ratio as of 31 December 2019 (being the last quarterly date before the outbreak of COVID-19) as adjusted on pro forma basis for new equity contributions in cash or conversion of debt to equity since 31 December 2019 is at least 8 percent. As the Company's Equity Ratio as of 31 December 2019 was 4.8 percent, the Company must rely on the latter alternative in order to unlock Tranche 3.

On 31 March 2020, the Company obtained the first tranche by way of a single currency term facility in the aggregate amount of NOK 330 million (the "**Tranche 1 Loan**"). All amounts borrowed by the Company under the Tranche 1 Loan shall be applied towards financing short-term liquidity needs caused by COVID-19 to ensure further operations of airlines in Norway. The terms of the loan agreement include, amongst others, restrictions on financial indebtedness and restrictions on dividends and distributions during the tenor of the Tranche 1 Loan. The facility agreement does not contain any financial covenants, but includes provisions on event of default with respect to non-payment, misrepresentations, cross-acceleration and insolvency proceedings. The premium payable in respect of the guarantee is 2 percent per annum during the COVID-19 situation and on market terms once the Ministry of Trade and Fisheries determines that commercial air traffic in Norway is no longer restricted as a result of COVID-19.

Subsequent to the drawdown on Tranche 1, the Company determined that the terms of the Moratorium (as described above) were not possible to fulfil and concluded that it needed to initiate a comprehensive recapitalization of the Group (the "**Refinancing**") which now consists of various measures to improve the Group's financial position, including conversion of Lease Debt to equity as described in Section 5.3 (the "**Conversion of Lease Debt to Equity**"), conversion of Bonds to equity as described in Section 5.4 (the "**Conversion of Bonds to Equity**"), the Offering as further described in Section 6 and measures needed to gain access to the remaining two Tranches of the State Aid Package.

If the Company satisfies the requirements for gaining access to Tranche 2 and Tranche 3 of the State Aid Package, the Company expects to enter into a loan agreement ("**Tranche 2 and 3 Loan**") for a loan equal to Tranche 2 and 3. The final terms of the Tranche 2 and 3 Loan are not concluded, but are expected to be similar to the terms of the Tranche 1 Loan.

The Private Sector Involvement for Tranche 2 and Tranche 3 is intended to be satisfied either through an unsecured bank loan in the principal amount of up to NOK 300 million and/or through all or parts of the proceeds from the Offering. The Private Sector Involvement may, but will not necessarily, be satisfied in full or in part through a loan from DNB Bank ASA and other lenders. In such event all or parts of the proceeds from the Offering may be used as security for, or for repayment of, the Group's existing debt to DNB Bank ASA related to a hedge fuel position in order for DNB Bank ASA to release credit capacity towards the Company and thereby be able to extend further loans to the Company. Any loan agreement to be entered into in connection with the Private Sector Involvement for Tranche 2 and Tranche 3 is expected to include restrictions on financial indebtedness, restrictions on dividends and distributions and event of default provisions relating to non-payment, cross-acceleration and insolvency proceedings.

Furthermore, the Company considers additional measures for improving its financial position, including further refinancing of existing debt, further work towards converting more debt to Shares or other financial instruments, obtaining additional debt, raise additional capital through issue of new Shares and/or other financial instruments and otherwise.

On 4 May 2020, the EGM approved resolutions pertaining to, inter alia, the issue of Offer Shares in the Offering, Conversion of Lease Debt to Equity and Conversion of Bonds to Equity, as further set out in this Prospectus.

Shareholders' preferential rights will be derogated from in connection with the Offering to facilitate completion of the Offering within a short timeframe and cater for subscription of Offer Shares by other stakeholders as further described herein. The Company will however seek to provide preferred allocation of Offer Shares to Eligible Shareholders in the Offering as further described in Section 6.6 "Mechanisms for allocation".

The Board of Directors considers the Conversion of Lease Debt to Equity, the Conversion of Bonds to Equity and the Offering to be in the best interest of the Company and its shareholders, and thereby in compliance with the equal treatment requirements in Section 5-14 of the Norwegian Securities Trading Act, as well as sections 5-21 and 6-28 of the Norwegian Public Limited Liability Companies Act, in particular due to the following reasons:

- The Company is in urgent need for liquidity due to the effects of the COVID-19 outbreak and immediately needs to improve the financial position of the Company;
- The Board of Directors assessed other alternatives and structures for securing equity and liquidity for the Company, and has concluded that in the current circumstances, the Conversion of Lease Debt to Equity, the Conversion of Bonds to Equity and the Offering are the most feasible alternatives available to the Company;
- The Existing Shareholders will be able to participate in the Offering and the Company will seek to provide preferred allocation of Offer Shares to Eligible Shareholders in the Offering as further described in Section 6.6, although no assurance can be given that such preferred allocation will be achieved or made to the fullest extent. See Section 6.6 "Mechanisms for allocation" for more information.

The terms and conditions of the Offering are further described in Section 6 "The Terms of the Offering".

5.2 CONVERSION OF DEBT TO EQUITY – GENERAL PRINCIPLES

The current plan is to convert a portion of the Lease Debt (as described in Section 5.3) and a portion of the Bonds (as described in Section 5.4) to equity as further explained below, so that Lease and Bond creditors upon such conversion shall own combined approximately 94.8 percent and the Shareholders of the Company shall own approximately 5.2 percent, of the issued Shares based on the share capital after the Conversion of Lease Debt to Equity and Conversion of Bonds to Equity, but prior to the issue of the Offer Shares in the Offering.

For the purposes of calculating the 94.8 percent ownership, such creditors shall receive a total of 2,978,402,828 Conversion Shares. However, such creditors may on certain conditions (due to inter alia regulatory constraints on owning Shares at all or above certain ownership thresholds) instead

of Conversion Shares receive zero coupon perpetual subordinated convertible bonds as described in Section 5.5 (the "**Perpetual Bonds**") – and the total of 2,978,402,828 Conversion Shares shall be calculated on a fully diluted basis (i.e. assuming for the purpose of calculating the total of Conversion Shares that all Perpetual Bonds have been converted to shares).

The subscription price per Conversion Share will equal (i) the portion of the Lease Debt and the portion of the Bonds to be converted to Conversion Shares and Perpetual Bonds (using the relevant exchange rates published by Norges Bank on 6 April 2020 for amounts denominated in other currencies than NOK) divided by (ii) 2,978,402,828 (the "**Conversion Subscription Price**").

As described in Section 5.3, the Company could in 2021 be required to convert a portion of the new agreed rental payment rates under certain lease agreements into shares or perpetual bonds at a subscription price that is equal to or potentially lower than the Conversion Subscription Price. In addition, the Company is working with vendors for conversion of overdue payables into equity at the Conversion Subscription Price. As per 31 March 2020, the Company had overdue payables of NOK 1,715 million. Such future further conversion of Lease Debt and/or vendor debt will necessitate further issuance of shares or Perpetual Bonds, and will represent a dilution to shareholders in the Company at such time.

The Lease Conversion Shares and Bond Conversion Shares (jointly the "**Conversion Shares**") will be subject to lock-up for the following periods (each a "**Lock-up Period**"):

- 1/3 of the Conversion Shares will be released from the lock-up on 9 August 2020;
- 1/3 of the Conversion Shares will be released from the lock-up on 9 October 2020; and
- The remaining 1/3 of the Conversion Shares will be released from the lock-up on 9 December 2020.

Each portion of the Conversion Shares subject to the above-mentioned lock-up periods is expected to be placed in separate ISINs (to be established). Once the relevant lock-up period ends, the relevant ISIN will be merged with the Company's ordinary ISIN.

As described in Sections 5.3 and 5.4, there are exemptions to the Lock-up Periods that entitle holders of Conversion Shares to have shares released from lock-up earlier than described above. The Company shall consult with the Managers in a reasonable time prior to making any early releases from lock-up of Lease Debt Conversion Shares.

5.3 CONVERSION OF LEASE DEBT TO EQUITY

The Group has entered into aircraft operating lease agreements, pursuant to which the aggregate lease liabilities are USD 3,678,907,319 as of 31 March 2020, as per the IFRS 16 accounting standard.

Pursuant to the EGM resolution regarding Conversion of Bonds to Equity, it is a condition for completion of said conversion that a minimum of USD 550 million of Lease Debt shall be converted to Conversion Shares (or Perpetual Bonds). At the time of this Prospectus, the Company has received commitments from creditors of Lease Debt that a minimum amount of USD 730 million of Lease Debt is to be converted into Conversion Shares (or Perpetual Bonds).

It is possible that additional creditors of Lease Debt may accept to convert Lease Debt into Conversion Shares (or Perpetual Bonds) up to an expected target amount of Lease Debt of approximately USD 850 million (and maximum up to USD 920 million). Any such further conversion of Lease Debt to Conversion Shares (or Perpetual Bonds) will correspondingly reduce the Company's debt. Since the number of Conversion Shares (including Shares which may be issued following conversion of Perpetual Bonds) is fixed at a number of 2,978,402,828 as described above, such further conversion of Lease Debt will increase the Conversion Subscription Price for the issue of the Conversion Shares, but will not result in any additional dilutive effect for the Company's existing shareholders. This said, increased participation of additional creditors of Lease Debt may result in a higher amount of shares and Perpetual Bonds being issued in April 2021 as a consequence of the PBH arrangements described below, which will be dilutive at such time.

In order to convert Lease Debt to Conversion Shares (or Perpetual Bonds) in connection with the EGM resolutions, lessors are expected to notify the Company of their participation on an ongoing basis until at the latest on 18 May 2020 at 10:00 CEST. The Company is expected to announce the final size of the Lease Debt to be converted through the facilities of the Oslo Stock Exchange's information system under the ticker "NAS" when a final amount has been decided.

The EGM passed the following resolution regarding conversion of Lease Debt to Conversion Shares:

1. *The share capital is increased by minimum NOK 0.1 and maximum NOK 297,840,282.8 by issue of minimum 1 and maximum 2,978,402,828 new shares, each with a nominal value of NOK 0.10.*
2. *The subscription price shall be minimum NOK 1 and maximum NOK 20, and shall be equal to the aggregate bond and lease debt that is to be converted to shares or perpetual bonds as mentioned under paragraphs 5a. and 5b. below divided by 2,978,402,828.*
3. *The shares may be subscribed for by lessors, or affiliates of such lessors, that are party to the aircraft operating lease agreements of the group.*
4. *The new shares shall be subscribed for on or before the earlier of:*
 - a. *at such time when the conditions set out in paragraph 5 below have been satisfied or waived; and*
 - b. *30 June 2020.*
5. *The subscription amount shall be settled by set-off (conversion) of parts of the lease debt in relation to the lease agreements, including interest accrued on the debt being converted until and including the last interest payment date. For the purpose of this set-off (conversion), the value of the lease debt shall be calculated using the exchange rate for USD/NOK as published by Norges Bank on 6 April 2020, being 10.5528. The set-off is declared by a notice to the Company included in the subscription form, but will only be effective on the date when the following conditions are satisfied or waived:*
 - a. *An auditor has confirmed in writing that the Company has received subscriptions from Nordic Trustee or another person representing the bondholders for the completion of the conversion of at least 50% of the debt represented by the Company's 2007 EUR250 million bond and the Company's 2008 SEK963.5 million bond, and at least 77% of the debt represented by the Company's 2019 USD150 million convertible bond into shares or perpetual bonds, in each case as contemplated by the capital increase in resolution no. 7 above, and it being understood that any future increase in value of the Company's 2007 EUR250 million bond and the Company's 2008 SEK963.5 million bond shall be disregarded for the purposes of calculating the debt being converted pursuant to this paragraph;*
 - b. *An auditor has confirmed in writing that the Company has received subscriptions from the Company's and its subsidiaries' (the **Group**) creditors (including those described in paragraph 5a. above) for the completion of the conversion of at least NOK 8.5 billion of the Group's debt obligations into shares or perpetual bonds;*
 - c. *The amounts set out in i) and ii) below, individually or taken together, are at least equal to NOK 300,000,000:*
 - i. *gross proceeds of the public offering in resolution 6 above in respect of which an auditor has confirmed receipt pursuant to the Public Limited Companies Act § 10-9, and/or*

- ii. *the proceeds of a loan in respect of which a financial institution acting as a lender or agent for several lenders, or Nordic Trustee, has confirmed in writing will be available to the Company after, and subject only to, the registration of this capital increase and the capital increase in resolution no. 7 above; and*
- d. *The facility agent in relation to the funding (**Support Funding**) to be provided to the Company contemplated by the white paper Prop. 57 S (2019-2020) has confirmed to the Company that upon registration of the capital increases and the issue of perpetual bonds mentioned under paragraph 5a. and 5b. above and the registration and/or availability for draw-down, as applicable, of the proceeds in the amount of NOK 300 million mentioned under paragraph 5c., there are no remaining unfulfilled conditions precedent for the provision of the Support Funding and Tranche 2 and Tranche 3 of the Support Funding will be made available to the Company upon the registration of said capital increases.*

For the purposes of this paragraph 5 "subscriptions" shall be deemed to include irrevocable agreements to subscribe for perpetual bonds, where the set-off under such agreements is subject only to registration of the capital increases mentioned under paragraphs 5a. and 5b. above and the necessary corporate board resolution to issue the perpetual bonds.

- 6. *Lessors subscribing for 100% of the shares in this capital increase (for these purposes only treating any subscription for perpetual bonds as a subscription for the equivalent number of shares), may together waive or agree to amendments of the conditions set out in paragraph 5 above.*
- 7. *In the event that the conditions set out in paragraph 5 above have not been satisfied or waived on or before 31 May 2020, subscribers in this capital increase shall have the right to withdraw their subscriptions by notice to the Company within 3 business days of that date. In the event that these conditions have not been satisfied or waived on or before 5 July 2020, this capital increase shall lapse unless extended by Lessors subscribing for more than 50% of the shares, calculated as set out in paragraph 6.*
- 8. *The new shares will carry rights to dividends and other shareholder rights in the Company from the registration of the share capital increase in Foretaksregisteret.*
- 9. *One third of the new shares will be registered with a separate ISIN and may not be disposed of prior to 9 August 2020. One third of the new shares will be registered with a second ISIN and may not be disposed of prior to 9 October 2020. The remaining one third shares, registered on a third ISIN, may not be disposed of until 9 December 2020. The board of directors may enter into agreements regarding the release of these transfer restrictions.*
- 10. *Section 3 of the articles of association shall be amended to state the Company's share capital and number of shares following the share capital increase.*
- 11. *The aggregate estimated costs for this capital increase and the two capital increases above are NOK 130 million.*
- 12. *Completion and registration of this capital increase is subject to and shall be registered and effective simultaneously with the Company's registration of the capital increases in resolutions 6 (if applicable) and 7 above so that the requirement for Support Funding is satisfied.*

Any issue of Perpetual Bonds is subject to approval by the Company's Board of Directors. Such Board decision is expected to be based on the authorization to issue convertible loans as approved by the EGM. Any such Board decision cannot be made effective until after the authorization is registered with the Norwegian Register of Business Enterprises (the "NRBE"), and such registration in the NBRE cannot take place until the registration of the share capital increases in the NBRE pertaining to the issue of the Conversion Shares and the Offer Shares. Any such issue of Perpetual Bonds will therefore be subject to and made after the issue of the Offer Shares and Conversion Shares.

The EGM passed the following resolution to authorize the Board of Directors to issue convertible loans:

1. *The Board of Directors is authorized to adopt resolutions regarding borrowings as mentioned in the Public Limited Companies Act § 11-1.*
2. *The aggregate amount of loans that may be borrowed is NOK 10 billion (or a corresponding amount in another currency).*
3. *The share capital may in total be increased by up to NOK 105,000,000.*
4. *The authorization applies until the ordinary general meeting of the Company in 2021, but in any case no later than 30 June 2021.*
5. *The shareholders preferential rights upon subscription of the loans pursuant to the Public Limited Companies Act § 11-4 cf. § 10-4 and § 10-5, may be deviated from.*

The Shares to be issued in the Conversion of Lease Debt to Equity (the "**Lease Conversion Shares**") are ordinary Shares in the Company each having a nominal value of NOK 0.10. The Lease Conversion Shares shall be issued electronically in registered form in accordance with the Norwegian Public Limited Companies Act.

The settlement and issue of the Lease Conversion Shares is subject to and expected to occur on or about the same time as the issue of the Offer Shares in the Offering.

There are several carve-outs and exemptions from the lock-up regulations described in Section 5.2 in respect of the Lease Conversion Shares, including:

- that the Lease Conversion Shares shall be released from lock-up if the Company has not, prior to 1 September 2020, completed a private or public placement of shares which is subscribed for by investors by way of cash in an amount of not less than NOK 150 million (for the avoidance of doubt, the Offering will, if completed in accordance with its terms, represent such a placement);
- that, if Lease creditors convert Lease Debt to Conversion Shares (or Perpetual Bonds) and also subscribe for and are allocated Offer Shares, they may have released from lock-up 1.6 Conversion Shares for every 1 Offer Share they are allocated on the same terms as the corresponding exemption from the Lock-up Period for Bondholders as described in Section 5.4;
- transfers to affiliates;
- transfers to the offeror in the event of a general offer for the Shares of the Company;
- pursuant to legal or regulatory requirements;
- with the prior written consent of the Company (after prior consultation with the Managers).

The conversion of Lease Debt as described above represents write-down of certain historical liabilities, a waiver of rental payments due up until 30 June 2020 and the reduction of future rental payment rates with effect from 1 July 2020 by at least USD 9 million per month including USD 0.9 million from aircraft which has been redelivered in April 2020.

However, it is expected that arrangements with lessors converting Lease Debt pertaining to the EGM resolutions shall also include, on certain terms and conditions, that the Company shall during the period from 1 July 2020 up until 31 March 2021 pay rental for the use of relevant aircraft based on actual flight hour usage of each aircraft (PBH) ("power by the hour"), and that the difference between the new agreed rental payment rates and what the Company has actually paid for the use of the relevant aircraft up until 31 March 2021 under the "power by the hour" arrangements shall be converted to equity in April 2021 at the lower of (i) Conversion Subscription Price and (ii) the

lowest price that the Company has agreed to convert debt obligations before 31 March 2021. Such aforementioned amounts could be converted into shares or perpetual bonds of the Company, subject to inter alia necessary corporate resolutions, and will represent a dilution to shareholders in the Company at such time. The amount of liabilities to be converted under the PBH arrangements based on utilization of the aircraft in line with the Company's business plan and the current commitment from lessors is approximately USD 250 million. With additional creditors of Lease Debt accepting to convert Lease Debt into Shares or Perpetual Bonds the amount of liabilities to be converted under the PBH based on utilization of the aircraft in line with the Company's business plan would be approximately USD 270 million.

5.4 CONVERSION OF BONDS TO EQUITY

Further to description of conversion of certain Lease Debt and Bonds to Conversion Shares (or Perpetual Bonds, as the case may be) in Section 5.2, bondholder resolutions as of 30 April 2020 have resolved to convert the following amounts of the Bond Loans pertaining to NAS08 and NAS09, and bondholders are expected to approve to convert the following amounts pertaining to NAS07 and the CB in a bondholders' meeting on 18 May 2020 and a written resolutions procedure expiring on 18 May 2020, respectively:

Bonds	Conversion of principal amount (percentage of total principal amount)	Reduced NPV used for calculation purposes	NOK amount to be converted to shares	Remaining Outstanding Bonds following the conversion
CB	USD 115,500,000 (77%)	USD 128,120,950	NOK 1,352,034,761	USD 34,500,000
NAS07	EUR 125,000,000 (50%)	EUR 149,756,807	NOK 1,705,355,636	EUR 125,000,000*
NAS08	SEK 481,750,000 (50%)	SEK 545,724,517	NOK 566,025,469	SEK 481,750,000*
NAS09	N/A	NOK 17,452,716	NOK 17,452,716	NOK 250,000,000
Total:			NOK 3,640,868,582	

* Outstanding bonds are payable at 105 percent of par on maturity. Subject to terms described in more detail below, the bondholders under NAS07 and NAS08 may potentially be entitled to receive additional bonds in a maximum amount of 38 percent of the bonds outstanding under the respective Bond Loans on 30 June 2021, 30 June 2022 and 30 September 2022.

The respective reduced NPVs reflect the reduced net present value of the Bonds caused by the write down of the Bonds, maturity extension, interest forgiveness and interest holidays (as applicable). The effectiveness of the conversion of the Bonds and all associated amendments to the respective bond terms is conditional upon that the Company will be eligible for guarantees under Tranche 2 and Tranche 3 of the State Aid Package following conversion and the conversion of at least USD 550 million of Lease Debt to equity, and the conversion of and amendments to the CB, NAS07 and NAS08 are in addition subject to that the bondholders of each of these Bond Loans agree to the proposals.

The following EGM resolution was made regarding the conversion of Bonds to Conversion Shares:

1. The share capital is increased by minimum NOK 0.1 and maximum NOK 297,840,282.8 by issue of minimum 1 and maximum 2,978,402,828 new shares, each with a nominal value of NOK 0.10.

2. *The shares may be subscribed for by Nordic Trustee AS (Kronprinsesse Märthas plass 1, 0160 Oslo) on behalf of the holders of bonds in the following bond issues (the **Bond Issues**):*

ISIN: NO 001 0753437 - EUR 250,000,000 Norwegian Air Shuttle ASA Senior Secured Bond Issue 2015/2019 (**NAS07**)

ISIN: NO 001 0783459 - SEK 963,500,000 Norwegian Air Shuttle ASA Senior Secured Bond Issue 2017/2020 (**NAS08**)

ISIN: NO 001 0809940 - NOK 250,000,000 Norwegian Air Shuttle ASA Senior Secured Bond Issue 2017/2020 (**NAS09**)

ISIN: NO 001 0868284 - USD 150,000,000 Norwegian Air Shuttle ASA Senior Unsecured Convertible Bonds 2019/2024 (**CB**)

3. *The aggregate subscription amount for the new shares is the sum of i) 97.5 % of the nominal amount of the debt under NAS07 and NAS08 that is to be written down and ii) 100 % of the debt under NAS09 and CB that is to be written down. 2.5 % of the nominal amount of the debt under NAS07 and NAS08 that is to be written down is consideration for any future increase in the value of the NAS07 and NAS08 Bonds due to any future increase in the value of the Gatwick slots owned by group. Reference is made to the attached report prepared by KWC AS.*

4. *The subscription price shall be minimum NOK 1 and maximum NOK 20. The number of shares to be allocated to each subscriber shall equal 100 % of the nominal amount of that subscriber's debt to be written down on the registration of this capital increase, divided by a conversion rate equal to:*

- i) the aggregate bond and lease debt that is to be written down on the registration of this capital increase and converted to shares or perpetual bonds as mentioned under paragraphs 5a. and 5b. of resolution no. 8 below,*
- ii) divided by 2,978,402,828.*

5. *The new shares shall be subscribed for on or before the earlier of:*

a. at such time when the conditions set out in paragraph 10 a. and b. below have been satisfied or waived; and

b. 30 June 2020.

6. *The subscription amount shall be settled by set-off (conversion) of all or parts of the bonds under the Bond Issues, including interest accrued on the bonds being converted until and including the last interest payment date. Upon conversion, the value of the bonds under NAS07 shall be calculated using the exchange rate for EUR/NOK as published by Norges Bank on 6 April 2020, being 11.3875. Upon conversion, the value of the bonds under NAS08 shall be calculated using the exchange rate for SEK/NOK as published by Norges Bank on 6 April 2020, being 103.72. For the purpose of the conversions, the value of the bonds under CB shall be calculated using the exchange rate for USD/NOK as published by Norges Bank on 6 April 2020, being 10.5528. The set-off is declared by a notice to the Company included in the subscription form, and shall be effective on the date when the condition in paragraph 10 a. below is satisfied. Conversion of the debt under the Bond Issues will be carried out on the terms set out in the Updated Notice to Bondholders in respect of NAS07, NAS08, NAS09, and CB dated 28 April 2020 and*

the Summons to Bondholders' Meeting in respect of NAS07 dated 3 May 2020, in each case as attached at Schedule 2 hereto.

7. *The new shares will carry rights to dividends and other shareholder rights in the Company from the registration of the share capital increase in Foretaksregisteret.*
8. *One third of the new shares will be registered with a separate ISIN and may not be disposed of prior to 9 August 2020. One third of the new shares will be registered with a second ISIN and may not be disposed of prior to 9 October 2020. The remaining one third shares, registered on a third ISIN, may not be disposed of until 9 December 2020. Notwithstanding the foregoing, deviating lock-up periods may be agreed by the board of directors for bondholders participating in the public offering described in resolution no. 6 above. The board of directors may, subject to approval by the Managers for the public offering described in resolution no. 6 above, enter into agreements regarding the release of these transfer restrictions.*
9. *Section 3 of the articles of association shall be amended to state the Company's share capital and number of shares following the share capital increase.*
10. *The aggregate estimated costs for this capital increase, the public offering above and the capital increase below are NOK 130 million.*
11. *Completion and registration of this capital increase with Foretaksregisteret is subject to a*
 - a. *closing procedure that in the Company's reasonable opinion ensures that Tranche 2 and Tranche 3 of the State Aid Package will be available to the Company following such registration, and*
 - b. *minimum USD 550 million lease obligations to be converted to equity at the same conversion price as in this capital increase.*
12. *The board of directors is authorised to make any technical adjustments to this resolution necessary in order register it with Foretaksregisteret.*

As with the lessors for conversion of Lease Debt, holders of Bonds can on certain terms and conditions require that conversion of their Bonds shall be made for Perpetual Bonds instead of Conversion Shares. See Section 5.2 regarding further information about the issuance of Perpetual Bonds and Section 5.5 for further information about the properties of the Perpetual Bonds.

Assuming that the bondholders approve the resolutions to convert NAS07 and the CB, NOK 3,640,868,582 of the Bonds will be converted to Conversion Shares (or Perpetual Bonds, as the case may be) according to the above table.

The Shares to be issued in the Conversion of Bonds to Equity (the "**Bond Conversion Shares**") are ordinary Shares in the Company each having a nominal value of NOK 0.10. The Bond Conversion Shares are issued electronically in registered form in accordance with the Norwegian Public Limited Companies Act.

The settlement and issue of the Bond Conversion Shares is expected to occur on or about the same time as the issue of the Offer Shares in the Offering.

As with the Lease Conversion Shares, the Bond Conversion Shares will be subject to lock-up for the same Lock-up Periods. Each portion of the Bond Conversion Shares subject to the various Lock-up Periods is expected to be placed under separate ISINs. Once the relevant Lock-up Period ends, the relevant ISIN is expected to be merged with the Company's ordinary ISIN.

As with the Lease Conversion Shares, there are several carve-outs and exemptions from the lock-up regulations, including;

- that Bondholders that subscribe for and are allocated Offer Shares in the Offering may require released from lock-up 1.6 Bond Conversion Shares for each Offer Share allocated to them. The release from the lock-up shall occur following 15 June 2020. The allocation of the Offer Shares will be decided following the end of the Application Period. The releases shall occur by releasing a number of a Bondholder's Bond Conversion Shares scheduled for release on 9 December 2020 equal to 1.6 times the number of Offer Shares allocated to that Bondholder (subject to rounding) (the "**Lock-up Release Number**"). Insofar as the Lock-up Release Number exceeds the Bondholder's number of Bond Conversion Shares scheduled for release on 9 December 2020, the Company shall release a number of the Bond Conversion Shares scheduled for release on 9 October 2020 equal to the difference. Insofar as the Lock-up Release Number exceeds the aggregate number of Bond Conversion Shares scheduled for release on 9 October 2020 and 9 December 2020, the Company shall release a number of the Bond Conversion Shares scheduled for release on 9 August 2020 equal to the difference.
- further that certain Bondholders have entered into subscription letters with the Company that, subject to certain conditions, commits such Bondholders to subscribe for Offer Shares in the Offering. Such Bondholders may, subject to certain conditions, require to be released from lock-up 1.6 Bond Conversion Shares for each Offer Share subscribed by them. The release from the lock-up shall occur on 15 June 2020. Through the entry into of such subscription letters, Bondholders have in aggregate committed to subscribe for Offer Shares for USD 10.115 million. The release shall occur as described in the bullet point immediately above.

The releases shall occur by releasing a number of a Bondholder's Bond Conversion Shares scheduled for release on 9 December 2020 equal to 1.6 times the number of Offer Shares allocated to that Bondholder (subject to rounding) (the "**Lock-up Release Number**"). Insofar as the Lock-up Release Number exceeds the Bondholder's number of Bond Conversion Shares scheduled for release on 9 December 2020, the Company shall release a number of the Bond Conversion Shares scheduled for release on 9 October 2020 equal to the difference. Insofar as the Lock-up Release Number exceeds the aggregate number of Bond Conversion Shares scheduled for release on 9 October 2020 and 9 December 2020, the Company shall release a number of the Bond Conversion Shares scheduled for release on 9 August 2020 equal to the difference.

Furthermore, carve-outs and exemptions include:

- transfers to affiliates;
- transfers to the offeror in the event of a general offer for the Shares of the Company;
- transfers between Bondholders who both hold Bond Conversion Shares subject to lock-up;
- pursuant to legal or regulatory requirements; and
- with the prior written consent of the Company (after prior consultation with the Managers).

As part of the conversion of NAS07 and NAS08 described above, bondholders in NAS07 and NAS08 shall on certain terms and conditions potentially be entitled to receive additional bonds in an amount determined by reference to the difference between the value of the Group's slots at Gatwick Airport on 30 June 2021, 30 June 2022 and 30 September 2022 and the amount of bonds then outstanding under NAS07 and NAS08. The first potential increase will occur following valuations of the slots owned on 30 June 2021. If (i) the sum of the value ascribed to the slots and cash proceeds resulting from disposals of slots exceeds (ii) the combined principal amount of bonds then outstanding under NAS07 and NAS08 (the "**Excess Slot Value**"), the then outstanding bonds in each of these Bond Loans shall be increased (through the issuance of additional bonds distributed among the bondholders) by a percentage equal to the lower of (i) the Excess Slot Value divided by the combined principal amounts then outstanding under NAS07 and NAS08 and (ii) 38 percent. Insofar as this procedure does not result in the maximum increase of 38 percent, the exercise will be repeated with reference to valuations of the slots owned as of 30 June 2022 and 30 September 2022, provided that the aggregate increase of bonds under a Bond Loan is capped at 38 percent of the outstanding amounts prior to the first valuations on 30 June 2021.

The bondholders in the CB will have a right to convert post-conversion bonds into shares in the Company at the Conversion Subscription Price (subject to adjustments following 9 December 2020). Such conversion will represent a dilution to shareholders in the Company at such time.

Subject to the respective resolutions for the Bonds becoming effective, the Company will be subject to inter alia the following financial covenants under the said Bond Loans (to the extent not converted):

- The Group shall maintain minimum liquidity of NOK 100 million until 1 July 2021 and thereafter NOK 500 million.
- The Group shall maintain book equity of minimum NOK 1,500 million.

Accrued, but unpaid interest up to the conversion date shall be cancelled. No interest will thereafter accrue on the Bonds until 1 July 2021. The final maturity dates of NAS07, NAS08 and NAS09 will be extended to 11 November 2022, 7 February 2023 and 23 November 2021, respectively, i.e. one year from their respective current final maturity dates.

The Bonds will contain several other covenants, including negative pledge provisions, a general prohibition on dividends and distributions and restrictions on financial indebtedness. Some, but not all, events of default will be waived until 1 July 2021 insofar as they do not have a material adverse effect.

Existing terms for the Bond Loans are, and amended terms will be, available on www.stamdata.no.

5.5 PERPETUAL BONDS

The Perpetual Bonds will be issued to certain holders of Lease Debt or Bond Loans who are unable to convert their respective debt to equity due to inter alia legal, regulatory or other restrictions. See Section 5.3 regarding the resolution required to issue Perpetual Bonds and the timing thereof.

The Perpetual Bonds will be subordinated to all other debt liabilities of the Company, have no maturity date, incur no interest and may in the option of the holder be convertible into ordinary Shares of the Company. The conversion price shall be fixed at the Conversion Subscription Price (with certain market-standard anti-dilution provisions).

The Perpetual Bonds will be subject to lock-up (in respect of both transfer of Perpetual Bonds and conversion of the Perpetual Bonds to ordinary Shares) for the same Lock-up Periods as the Bond Conversion Shares and Lease Conversion Shares, subject to similar exceptions as set out in respect of the Lease Conversion Shares and Bond Conversion Shares. Upon conversion, the new Shares that will be issued are expected to be registered on the Company's ordinary ISIN and become tradable immediately thereafter, subject to any applicable prospectus requirement in accordance with the EU Prospectus Regulation. The Company will seek to apply for listing of the Perpetual Bonds on the Oslo Stock Exchange after the release of the final 1/3 of the Perpetual Bonds from lock-up on 9 December 2020.

As a matter of law, the Company may not grant approval for conversion rights in excess of five years. As such, the conversion rights in the Perpetual Bonds must be renewed periodically at a general meeting of the Company. In the event the Company fails to renew the conversion rights, the holders of the Perpetual Bond would be unable to call or convert the instrument following lapse of the approval then in effect. In order to minimize this risk, the Company is incentivized to renew the conversion rights by way of accrual of 20 percent payment-in-kind interest on the Perpetual Bond following any expiry of the conversion rights therein. Furthermore, the Company would be restricted from making distributions in respect of the equity until the Perpetual Bonds are redeemed in full, with a first call date of five years from the expiry of the conversion rights.

5.6 DILUTION

On the assumptions of (i) completion of the Conversion of Lease Debt to Equity and the Conversion of Bonds to Equity, (ii) conversion of all Perpetual Bonds to Shares, and (iii) the Offer Shares not having been issued, the Company's Existing Shareholders will be diluted to approximately 5.2 percent of the issued and outstanding Shares as a result of the said conversions.

5.7 COSTS

The transaction costs of the Company related to the Conversion of Debt and the Offering are estimated at approximately NOK 130 million.

6. THE TERMS OF THE OFFERING

6.1 OVERVIEW OF THE OFFERING

The Offering consists of an offer of up to 571,428,571 Offer Shares at the Offer Price, each with a par value of NOK 0.10, to raise gross proceeds of between NOK 300 million and NOK 400 million.

The Offering consists of:

- An Institutional Offering, in which Offer Shares are being offered to (a) institutional and professional investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from the prospectus and registration requirements, and (c) investors in the United States who are QIBs in transactions exempt from registration requirements under the US Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000.
- A Retail Offering, in which Offer Shares are being offered to the public in Norway subject to an upper limit per application of NOK 1,999,999 for each investor. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit.

All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the US Securities Act. All offers and sales outside the United States will be in compliance with Regulation S of the US Securities Act.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important Information" and Section 7 – "Selling and Transfer Restrictions".

The Application Period for the Institutional Offering and the Retail Offering is expected to take place from 6 May 2020 at 09:00 hours (CEST) to 14 May 2020 at 16:30 hours (CEST). The Company, in consultation with the Managers, reserves the right to shorten or extend the Application Period, or to cancel the Offering at any time. Any shortening of the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 hours (CEST) on the then prevailing expiration date of the Application Period. Any extension of the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 hours (CEST) on the first business day following the then prevailing expiration date of the Application Period. Any cancellation of the Offering will be announced through the Oslo Stock Exchange's information system promptly upon the Company's decision to cancel the Offering. An extension or shortening of the Application Period can be made one or several times, provided, however, that in no event will the Application Period be shortened to end prior to 16:30 CEST on 7 May 2020 or extended beyond 16:30 hours (CEST) on 29 May 2020. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due dates, the date of delivery of Offer Shares and other dates related to the Offering may be changed accordingly.

The Offer Price in the Offering is NOK 1.00 per Offer Share. The Offer Price may be amended, please see Sections 6.4.1 and 6.5.1 for more details.

The number of Offer Shares sold in the Offering, is expected to be announced through a stock exchange notice on or about 15 May 2020.

Subject to fulfillment of conditions to closing of the Offering and timely payment, the Offer Shares allocated in the Offering are expected to be traded on the Oslo Stock Exchange on or about 20 May 2020.

The Company will seek to provide preferred allocation of Offer Shares to Eligible Shareholders and Eligible Creditors, but no assurance can be given that such preferred allocation will be achieved or made to the fullest extent. See Section 6.6 "Mechanisms for allocation" for further information. Eligible Shareholders applying for Offer Shares in the Retail Offering must apply in the same name(s) as registered in the Company's shareholder register at the Record Date in order to benefit from preferred allocation (if applicable). Eligible Shareholders applying for Offer Shares in the

Institutional Offering will have to document their shareholding per the Record Date in order to benefit from preferential allocation (if applicable).

Completion of the Offering is conditional upon the Company satisfying the conditions set out in Section 6.16 "Conditions for completion of the Offering". There will be no lock-up on any Shareholders or members of the Management or the Board who are holders of Shares, except for the lock-up arrangement for the Conversion Shares further described in Section 5.

See Section 6.18 "Expenses of the Offering" for information regarding fees expected to be paid to the Managers and costs expected to be paid by the Company in connection with the Offering

6.2 TIMETABLE

The timetable set out below provides certain indicative key dates for the Offering (subject to shortening or extensions):

Record Date for determination of Eligible Shareholders	5 May 2020
Record Date for determination of Eligible Bondholders	30 April 2020
Offering resolved by the EGM	4 May 2020
Prospectus approved by the NFSA	6 May 2020
Application Period commences	6 May 2020 at 09:00 (CEST)
Application Period expires	14 May 2020 at 16:30 (CEST)
Conditional allocation of the Offer Shares	On or around 15 May 2020
Publication of the results of the Offering	On or around 15 May 2020
Distribution of allocation notes/contract notes	On or around 18 May 2020
Accounts from which payment will be debited in the Retail Offering to be sufficiently funded	On or around 18 May 2020
Payment date in the Retail Offering	On or around 19 May 2020
Registration of the Company's new share capital in the Norwegian Register of Business Enterprises	On or around 19 May 2020
Delivery of the Offer Shares in the Retail Offering	On or around 20 May 2020
Payment date in the Institutional Offering	On or around 20 May 2020
Delivery of Offer Shares in the Institutional Offering	On or around 20 May 2020
First day of trading on the Oslo Stock Exchange	On or around 20 May 2020

Note that the Company, in consultation with the Managers, reserves the right to shorten or extend the Application Period at its sole discretion. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due dates, the dates of delivery of Offer Shares and other dates relating to the Offering may be changed accordingly.

The Board of Directors may decide not to complete the share capital increase pertaining to the Offering, and therefore not complete the Offering, at any time before the conditions under paragraphs 5a through 5d in the EGM resolution to issue Conversion Shares as a result of conversion of Lease Debt, as described in Section 5.3 have been declared satisfied.

6.3 RESOLUTION RELATING TO THE OFFERING AND THE ISSUE OF THE NEW SHARES

The EGM made the following resolution to increase the share capital of the Company in connection with the Offering (unofficial translation from Norwegian):

- 1. The share capital is increased by minimum NOK 0.10 and maximum NOK 58,122,840 by issue of minimum 1 and maximum 581,228,400 new shares, each with a nominal value of NOK 0.10.*
- 2. The subscription price shall be from NOK 0.70 to NOK 20 per share, as resolved by the Board of Directors.*
- 3. The new shares shall be subscribed for by ABG Sundal Collier ASA, Danske Bank, Norwegian Branch and/or DNB Markets, a part of DNB Bank ASA, on behalf of investors having been allocated shares in the contemplated public offering of the shares in the Company. The shareholders of the Company shall accordingly not have preferential rights to the new shares, cf. § 10-4 and 10-5 of the Public Limited Companies Act.*

4. *The new shares shall be subscribed for on or before the earlier of:
 - a. *at such time when the Company may register this capital increase with Foretaksregisteret pursuant to paragraph 9 below; and*
 - b. *30 June 2020.**
5. *Payment shall be made to the Company's share issue account one business day after the subscription of shares.*
6. *The new shares will carry rights to dividends and other shareholder rights in the Company from the registration of the share capital increase in Foretaksregisteret.*
7. *Section 3 of the articles of association shall be amended to state the Company's share capital and number of shares following the share capital increase.*
8. *The aggregate estimated costs for this capital increase and the two capital increases below are NOK 130 million.*
9. *Completion and registration of this capital increase with Foretaksregisteret is subject to a closing procedure that ensures that the NOK 2.7 billion financing facilitated by Tranche 2 and Tranche 3 of the State Aid Package will be available to the Company following such registration. The board of directors may decide not to complete this capital increase any time before the conditions under paragraphs 5a. through d. of resolution no. 8 have been declared satisfied.*

Following expiry of the Application Period on or around 14 May 2020, the Board of Directors will consider and, if thought fit, approve the allocation of Offer Shares in the Offering, in consultation with the Managers. Subject to fulfillment of the terms and conditions for completion of the Offering and timely payment, Offer Shares are expected to be issued on or around 19 May 2020.

The Existing Shareholders' preferential rights to subscribe for and be allocated Shares will be deviated from in order to be able to complete the Offering in time to complete the Refinancing. Please see Section 5 "The Refinancing and Conversion of Debt to Equity" for a further description of the Refinancing and the reason for the deviation of the Existing Shareholders' preferential rights. The Company will seek to provide preferred allocation of Offer Shares to Eligible Shareholders and Eligible Creditors although no assurance can be given that such preferred allocation will be achieved or made to the fullest extent. See Section 6.6 "Mechanisms for allocation" for more information.

6.4 THE INSTITUTIONAL OFFERING

6.4.1 Offer Price and determination of the number of Offer Shares

The price per Offer Share in the Offering is NOK 1.00 (the "**Offer Price**").

Notwithstanding the foregoing, the Board of Directors reserves the right to, in consultation with the Managers, at any time prior to allocation of the Offer Shares reduce the Offer Price, provided that the reduced offer price per Offer Share shall in no event be lower than NOK 0.70. A reduced offer price as described herein shall be defined as "Offer Price" for the purposes of this Prospectus.

If the Offer Price is reduced to the minimum of NOK 0.70, the maximum number of Offer Shares to be issued in the Offering is 571,428,571. Any reduction of the Offer Price will be announced by the Company through the Oslo Stock Exchange's information system under the ticker code "NAS".

The final number of Offer Shares is expected to be announced by the Company through the Oslo Stock Exchange's information system on or about 15 May 2020 under the ticker code "NAS".

6.4.2 Application Period

The Application Period for the Institutional Offering will be from 6 May 2020 at 09:00 hours (CEST) to 14 May 2020 at 16:30 hours (CEST), unless shortened or extended.

The Company may, in consultation with the Managers, shorten or extend the Application Period at any time on one or several occasions. The Application Period may in no event expire prior to 16:30 hours (CEST) on 7 May 2020 or be extended beyond 16:30 hours (CEST) on 29 May 2020. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due dates, the date of delivery of Offer Shares and other dates relating to the Offering may be changed accordingly.

6.4.3 **Minimum application**

The Institutional Offering is subject to a minimum application of NOK 2,000,000 per application. Investors in Norway who intend to place an application for less than NOK 2,000,000 must do so in the Retail Offering.

6.4.4 **Application procedure**

Applications for Offer Shares in the Institutional Offering must be made during the Application Period by informing one of the Managers shown below of the number of Offer Shares that the investor wishes to order or a NOK amount for the total consideration to pay for such Offer Shares.

ABG Sundal Collier ASA

Munkedamsveien 45A
P.O. Box 1444 Vika
N-0115 Oslo
Norway

Danske Bank

Bryggetorget 4
P.O. Box 1170 Sentrum
N-0107 Oslo
Norway

DNB Markets

Dronning Eufemias gate 30
P.O. Box 1600 Sentrum
N-0021 Oslo
Norway

All applications in the Institutional Offering will be treated in the same manner regardless of which Manager the applicant chooses to place the application with. Any orally placed application in the Institutional Offering will be binding for the investor and subject to the same terms and conditions as a written application. The Managers may, at any time and in their sole discretion, require the investor to confirm orally placed applications in writing. Applications made may be withdrawn or amended by the investor at any time up to the expiry of the Application Period. At the close of the Application Period, all applications in the Institutional Offering that have not been withdrawn or amended are irrevocable and binding for the investor.

Eligible Creditors wishing to apply for Offer Shares in the Institutional Offering must in addition to the application procedure set out above, submit the application form for the Retail Offering, attached to this Prospectus as Appendix A (the "**Application Form**"), including its annex. Application Forms, together with this Prospectus, can be obtained from the Company free of charge at its registered office, the Company's website www.norwegian.com, the Managers' websites or the application offices listed below.

6.4.5 **Allocation, payment for and delivery of Offer Shares**

The Managers expect to issue notifications of conditional allocation of Offer Shares in the Institutional Offering on or about 15 May 2020, and issue contract notes to the applicants by mail or otherwise on or about 18 May 2020.

Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment for Offer Shares is expected to take place on or about 20 May 2020 (the "**Institutional Closing Date**") through the facilities of the VPS. The issue and delivery of the Offer Shares may not take place on the Institutional Closing Date, or at all, if certain conditions or events referred to in Section 6.16 "Conditions for completion of the Offering" are not satisfied or waived or occur on or prior to such date.

For late payment, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Overdue Payment of 17 December 1976 no. 100 (the "**Norwegian Act on Overdue Payment**"), which, at the date of this Prospectus, is 9.50 percent per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicants, and the Managers on behalf of the Company reserve the right, at the risk and cost of the applicant, to cancel the application and to re-allot the allocated Offer Shares for which payment is overdue, or if payment has not been received by the third day after the Institutional Closing Date, without further notice dispose of or assume ownership to the Offer

Shares, on such terms and in such manner as the Managers may decide in accordance with Norwegian law (and the applicant will not be entitled to any profit therefrom). The original applicant remains liable for payment for the Offer Shares allocated to the applicant, together with any interest, cost, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the share capital increase in the Company relating to the issuance of the Offer Shares with the Norwegian Register of Business Enterprises, the Managers are, subject to certain conditions, expected to enter into an agreement with the Company to pre-fund the Offer Shares allocated in the Offering at a total subscription amount equal to the Offer Price multiplied by the number of Offer Shares allocated in the Offering, less the aggregate subscription amount received from investors in the Retail Offering at the time of the pre-funding, and by placing an application, the applicant irrevocably authorizes and instructs the Managers, or someone appointed by any of the Managers, to do so on its behalf. Irrespective of any such prefunding, the original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding. The prefunding by the Managers of the Offer Shares as described above will form part of an integrated sales process where the investors purchase Offer Shares from the Company based on this Prospectus, which has been prepared by the Company. By applying for Offer Shares, the investors waive any rights or claims against any of the Managers.

6.5 THE RETAIL OFFERING

6.5.1 Offer Price

The price per Offer Share in the Offering is NOK 1.00 (the "**Offer Price**").

Notwithstanding the foregoing, the Board of Directors reserves the right to, in consultation with the Managers, at any time prior to allocation of the Offer Shares reduce the Offer Price, provided that the reduced offer price per Offer Share shall in no event be lower than NOK 0.70. A reduced offer price as described herein shall be defined as "Offer Price" for the purposes of this Prospectus.

If the Offer Price is reduced to the minimum of NOK 0.70, the maximum number of Offer Shares to be issued in the Offering is 571,428,571. Any reduction of the Offer Price will be announced by the Company through the Oslo Stock Exchange's information system under the ticker code "NAS".

The final number of Offer Shares is expected to be announced by the Company through the Oslo Stock Exchange's information system on or about 15 May 2020 under the ticker code "NAS".

6.5.2 Application Period

The Application Period for the Retail Offering will be from 6 May 2020 at 09:00 hours (CEST) to 14 May 2020 at 16:30 hours (CEST), unless shortened or extended.

The Company may, in consultation with the Managers, shorten or extend the Application Period at any time on one or several occasions. The Application Period may in no event expire prior to 16:30 hours (CEST) on 7 May 2020 or be extended beyond 16:30 hours (CEST) on 29 May 2020. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due dates, the date of delivery of Offer Shares and other dates relating to the Offering may be changed accordingly.

6.5.3 Maximum application

The Retail Offering is subject to a maximum application amount of NOK 1,999,999 for each applicant.

Multiple applications are allowed. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. If two or more identical application forms are received from the same investor, the application form will only be counted once unless otherwise explicitly stated on one of the application forms. In the case of multiple applications through the VPS online application system or applications made both on a physical application form and through the VPS

online application system, all applications will be counted. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering.

6.5.4 Application procedures and application offices

To participate in the Retail Offering, applicants must have a VPS account. For the establishment of VPS accounts, please see Section 6.8 "VPS Account" for more information.

Norwegian applicants in the Retail Offering who are residents of Norway with a personal identification number are recommended and urged to apply for Offer Shares through the VPS online application system by following the link to such online application system on the following websites: www.abgsc.no, www.danskebank.no/nas and www.dnb.no/emisjoner. The content of the aforementioned websites is not incorporated by reference into this Prospectus, nor does it form part of this Prospectus. Applicants in the Retail Offering not having access to the VPS online application system must apply using the application form for the Retail Offering, attached to this Prospectus as Appendix A. Application Forms, together with this Prospectus, can be obtained from the Company free of charge at its registered office, the Company's website www.norwegian.com, the Managers' websites or the application offices listed below. Applications made through the VPS online application system must be duly registered during the Application Period. The Managers participating in the Offering will be ABGSC, Danske Bank and DNB Markets.

Applicants in the Retail Offering that cannot apply for Offer Shares through the VPS online application system may submit physical applications to any of the following application offices:

ABG Sundal Collier ASA
Munkedamsveien 45A
P.O. Box 1444 Vika
N-0115 Oslo
Norway

Danske Bank
Bryggetorget 4
P.O. Box 1170 Sentrum
N-0107 Oslo
Norway

DNB Markets
Dronning Eufemias gate 30
P.O. Box 1600 Sentrum
N-0021 Oslo
Norway

E-mail: subscription@abgsc.no
www.abgsc.no

E-mail: emisjoner@danskebank.no
www.danskebank.no/nas

E-mail: retail@dnb.no
www.dnb.no/emisjoner

All applications in the Retail Offering will be treated in the same manner regardless of which of the above Managers the applications are placed with. Further, all applications in the Retail Offering will be treated in the same manner regardless of whether they are submitted by delivery of an Application Form or through the VPS online application system. Eligible Creditors wishing to apply for Offer Shares in the Retail Offering must also submit proof of holdings in the relevant Bond Loan and/or Lease Debt together with the completed Application Form (and its annex).

Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period, may be disregarded without further notice to the applicant. The same applies to applications that are unlawful. Properly completed Application Forms must be received by one of the application offices listed above or registered electronically through the VPS application system by 16:30 hours (CEST) on 14 May 2020, unless the Application Period is being shortened or extended. None of the Company or any of the Managers may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any application office.

All applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, canceled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

Eligible Creditors wishing to apply for Offer Shares in the Retail Offering must apply using the Application Form, attached to this Prospectus as Appendix A (the "**Application Form**"). Application Forms, together with this Prospectus, can be obtained from the Company free of charge at its registered office, the Company's website www.norwegian.com, the Managers' websites or the application offices listed below.

6.5.5 Allocation, payment and delivery of Offer Shares

DNB Markets, acting as settlement agent (the "**Settlement Agent**") for the Retail Offering, expects to issue notifications of conditional allocation of Offer Shares in the Retail Offering on or around 15 May 2020, and issue allocation notes to the applicants by mail or otherwise on or about 18 May 2020. Any applicant wishing to know the precise number of Offer Shares allocated to it, may contact one of the application offices listed above on or around 15 May 2020 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the VPS for the registration of holdings of securities ("**VPS Account**") should be able to see how many Offer Shares they have been allocated from on or around 15 May 2020.

In registering an application through the VPS online application system or completing an Application Form, each applicant in the Retail Offering will authorize DNB Markets (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Application Form. Accounts will be debited on or around 19 May 2020 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 15 May 2020. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date (expected to be 19 May 2020). The issue and delivery of Offer Shares may not take place on the Payment Date or at all if certain conditions or events referred to in Section 6.16 "Conditions for completion of the Offering" are not satisfied or waived or occur on or prior to such date.

Further details and instructions will be set out in the allocation notes to the applicant to be issued on or around 18 May 2020.

Should any applicant have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments, which at the date of this Prospectus is 9.50 percent per annum. DNB Markets (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 26 May 2020 (or a corresponding later date if the Application Period is extended) if there are insufficient funds on the account on the Payment Date. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers on behalf of the Company reserve the right, at the risk and cost of the applicant, to cancel the application and to re-allot the allocated Offer Shares for which payment is overdue, or if payment has not been received by the third day after the Payment Date, without further notice dispose of or assume ownership to the Offer Shares, on such terms and in such manner as the Managers may decide in accordance with Norwegian law (and the applicant will not be entitled to any profit therefrom). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the share capital increase in the Company relating to the issuance of the New Shares with the Norwegian Register of Business Enterprises, the Managers are, subject to certain conditions, expected to enter into an agreement with the Company to pre-fund the Offer Shares allocated in the Offering at a total subscription amount equal to the Offer Price multiplied by the number of Offer Shares allocated in the Offering, less the aggregate subscription amount received from investors in the Retail Offering on time of the pre-funding, and by placing an application, the applicant irrevocably authorizes and instructs each of the Managers, or someone appointed by any of the Managers, to do so on its behalf. Irrespective of any such prefunding, the original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding. The prefunding by the Managers of the Offer Shares as described above will form part of an integrated sales process where the investors purchase Offer Shares from the Company based on this Prospectus, which has been prepared by the Company. By applying for Offer Shares, investors waive any rights or claims against any of the Managers.

Subject to fulfillment of conditions for closing and timely payment, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or around 20 May 2020.

6.6 MECHANISM OF ALLOCATION

Allocation of the Offer Shares to applicants will be made at the discretion of the Board of Directors. When allocating Offer Shares, the Board of Directors may take into account, amongst others, the following criteria:

Eligible Shareholders:

- The Company will seek to provide preferred allocation of minimum 50 percent of the Offer Shares to be issued in the Offering to Eligible Shareholders based on their shareholding in the Company (in the applicant's name) as registered in VPS on the Record Date. No assurance can be given that such preferred allocation is achieved or made to the fullest extent.

Eligible Creditors:

- The Company will seek to provide preferred allocation of minimum 25 percent of the Offer Shares to be issued in the Offering combined to (i) Eligible Lease Debt Creditors and (ii) Eligible Bondholders of the Bond Loans based on their holding in the relevant Bond Loans as registered in VPS on the Bond Record Date, and insofar as the total subscriptions for Offer Shares by Eligible Creditors exceeding such 25 percent, allocation will seek to be made pro rata among the Eligible Creditors based on the amount of claims each such creditor has agreed to convert. The amount of claims converted by a Bondholder shall be deemed to be (i) the NPV reduction (as described in the table in Section 5.4) multiplied by (ii) (a) that Bondholder's holdings of Bonds registered in VPS as of 30 April 2020 divided by (b) the total amount of Outstanding Bonds as of 30 April 2020. No assurance can be given that such preferred allocation is achieved or made to the fullest extent. Eligible Creditors wishing to apply for Offer Shares in the Offering must apply using the Application Form (including its annex) and submit proof of holdings in the relevant Bond Loan and/or Leasing Debt together with the completed Application Form.
- The Company will grant minimum allocation to the pre-subscribing Eligible Bondholders in an amount of NOK 50 million. Such minimum allocation may, depending on the amount of other subscriptions with preferred allocation, in whole or in part be allocated from the last 25% portion of the Offering not reserved for allocation to Eligible Shareholders and Eligible Creditors.

Other applicants than Eligible Shareholders and Eligible Creditors:

- In the Institutional Offering, Offer Shares not allocated to Eligible Shareholders or Eligible Creditors (if any), will be allocated based on factors such as perceived investor quality, investment horizon and history, sector knowledge, size and timeliness of the application.
- In the Retail Offering, Offer Shares not allocated to Eligible Shareholders or Eligible Creditors (if any) will be allocated on a pro rata basis using the VPS' automated simulation procedures and/or other allocation mechanism. The Company reserves the right to limit the total number of applicants to whom Offer Shares are allocated if the Company deems this to be necessary in order to keep the number of shareholders in the Company at an appropriate level or this is desirable to facilitate that the allocation can be done in time.

General:

- The Company reserves the right at its sole discretion to take into account the perceived credit worthiness of any applicant (including Eligible Shareholders and Eligible Creditors).
- The Company reserves the right at its sole discretion to reduce or reject any application for Offer Shares (by Eligible Shareholders, Eligible Creditors or other investors), and also set a maximum allocation per applicant, maximum number of applicants or decide to make no application to any applicant.
- Notwithstanding the above, the Company reserves the right to (i) allocate a portion of the Offer Shares to new investors, (ii) allocate a portion of the Offer Shares to other stakeholders or group of stakeholders, and/or (iii) otherwise deviate from the principles set out in the preceding paragraphs.

Technical allocation rights are expected to be issued to Eligible Shareholders in the VPS system on or about 15 May 2020 to seek to facilitate allocation of Offer Shares to Eligible Shareholders on a pro rata basis based on their shareholding in the Company as shown in the VPS on the Record Date (the "**Allocation Rights**"). The Allocation Rights will be non-transferable, not provide Eligible Shareholders with any rights to be allocated Offer Shares and will only be issued for technical purposes. **Possession of Allocation Rights will not constitute an application for Offer Shares as such, and Eligible Shareholders who wish to apply for Offer Shares must therefore do so in accordance with the application procedures described herein.**

One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999.

The Company may round off, reject or reduce any application of Offer Shares. Allocation of fewer Offer Shares than applied for by an applicant will not impact on the applicant's obligation to pay for the number of Offer Shares allocated.

The conditional allocation of Offer Shares will take place after the expiry of the Application Period on or about 14 May 2020 and notifications of allocation will be dispatched by mail or otherwise from the Managers on or about 18 May 2020.

The Company will disclose information with regard to the number of Offer Shares subscribed for in the Offering on or about 15 May 2020 through the information system of Oslo Børs at www.newsweb.no under the ticker "NAS".

6.7 FINANCIAL INTERMEDIARIES

All persons or entities holding Shares through financial intermediaries (e.g. brokers, custodians and nominees) should read this Section 6.7 "Financial Intermediaries".

It should be noted that the Company, due to the requirement to complete the Offering in time to secure completion of the Refinancing, has been required to set the Application Period to seven trading days (subject to change). Beneficial Shareholders holding their Shares through financial intermediaries as of the Record Date may be unable to benefit from any preferred allocation to Eligible Shareholders in connection with the allocation of Offer Shares due to the limited Application Period, which may make it more difficult for financial intermediaries to organize application for Offer Shares through the financial intermediary. Notwithstanding the foregoing, such beneficial Shareholders are urged to contact their financial intermediary as soon as possible in order to explore the best way to proceed.

Any beneficial Shareholder who holds shares through financial intermediaries and wishes to apply for Offer Shares, should apply for Offer Shares through their financial intermediary. Beneficial Shareholders holding their Shares through a financial intermediary may also apply for Offer Shares directly in the Institutional Offering, but may in such event only benefit from the preferred allocation to Eligible Shareholders to the extent they are able to document their beneficial ownership. Applications made by a beneficial Shareholder both directly and through a financial intermediary are not allowed.

All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to application for Offer Shares through a financial intermediary should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial Shareholder.

The time by which notification of exercise instructions for application for Offer Shares must validly be given to a financial intermediary may be earlier than the expiry of the Application Period. Such deadline will depend on the financial intermediary. Beneficial Shareholders who hold their Shares through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to deadlines.

Any beneficial Shareholder who applies for Offer Shares through a financial intermediary should pay the Offer Price for the Offer Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Offer Price in accordance with the instructions in the Prospectus. Payment by the financial intermediary for the

Offer Shares must be made no later than the applicable payment due date for the Offering. Accordingly, financial intermediaries may require payment to be provided to them prior to the applicable payment due date for the Offering as set out herein.

Beneficial Shareholders who hold their Shares through a financial intermediary and who are Ineligible Persons will not be entitled to be allocated Offer Shares or benefit from any Allocation Rights.

Please refer to Section 7 "Selling and Transfer Restrictions" for a description of certain restrictions and prohibitions applicable to the application for Offer Shares in certain jurisdictions outside Norway.

The Company is not liable for any action or failure to act by a financial intermediary through which Shares are held.

6.8 VPS ACCOUNT

To participate in the Institutional Offering and the Retail Offering, each applicant must have a VPS Account. The VPS Account number must be stated when registering an application through the VPS online application system or on the Application Form for the Retail Offering. VPS Accounts can be established with authorized VPS registrars, which can be Norwegian banks, authorized investment firms in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS Accounts registered in the name of a nominee. The nominee must be authorized by the Norwegian Ministry of Finance. Establishment of VPS Accounts requires verification of identification by the relevant VPS registrar in accordance with Norwegian anti-money laundering legislation (see Section 6.12 "Mandatory anti-money laundering procedures").

6.9 NATIONAL CLIENT IDENTIFIER AND LEGAL ENTITY IDENTIFIER

6.9.1 Introduction

In order to participate in the Offering, subscribers will need a global identification code. Physical persons will need a so-called National Client Identifier ("**NCI**") and legal entities will need a so-called LEI. Investors who do not already have an NCI or LEI, as applicable, must obtain such codes in time for the application in order to participate in the Offering.

6.9.2 NCI code for physical persons

Physical persons need an NCI code to participate in a financial market transaction. The NCI code is a global identification code for physical persons. For physical persons with only a Norwegian citizenship, the NCI code is the 11-digit personal ID number (Nw.: "*fødselsnummer*"). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Investors are encouraged to contact their bank for further information.

6.9.3 LEI code for legal entities

A LEI code is a mandatory number for all legal entities investing in a financial market transaction. A LEI code is a 20-character code that identifies distinct legal entities that engage in financial market transactions. The Global Legal Identifier Foundation ("**GLEIF**") is not directly issuing LEIs, but delegates this responsibility to Local Operating Units ("**LOU**"s).

Norwegian companies can apply for a LEI code through various application websites. The application can be submitted through an online form and signed electronically with an online banking ID (e.g. BankID). It normally takes one to two working days to process the application.

Non-Norwegian companies can find a complete list of LOUs on the website <https://www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations>.

6.10 SHARE CAPITAL FOLLOWING THE OFFERING

The maximum number of Offer Shares to be issued is 571,428,571, each with a nominal value of NOK 0.10 per Share. Assuming that the maximum number of Offer Shares is issued, the Offering would give a further increase in the Company's total number of issued Shares by 571,428,571,

each Share with a nominal value of NOK 0.10, and the new share capital will be NOK 371,338,977.6 following the issue of the Conversion Shares (assuming that 2,978,402,828 Conversion Shares are issued, which include Shares to be issued by conversion of Perpetual Bonds). The Offer Shares will be issued in accordance with the resolution passed by the EGM. See Section 12.1.2 "Share capital" for a further description of the Company's share capital.

6.11 PRODUCT GOVERNANCE

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (MiFID II); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the MiFID II Product Governance Requirements), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the Target Market Assessment).

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

6.12 MANDATORY ANTI-MONEY LAUNDERING PROCEDURES

The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**").

Applicants who are not registered as existing customers of any of the Managers must verify their identity to the Manager in which the order is placed in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS Account on the Application Form, or when registering an application through the VPS online application system, unless verification of identity is requested by any of the Managers. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period may not be allocated Offer Shares.

6.13 PUBLICATION OF INFORMATION IN RESPECT OF THE OFFERING

In addition to press releases which will be posted on the Company's website (www.norwegian.com), the Company will use the Oslo Stock Exchange's information system (www.newsweb.com) under the Company's ticker code "NAS" to publish information relating to the Offering.

The final determination of the number of Offer Shares and the total amount of the Offering is expected to be published on or about 15 May 2020.

6.14 THE RIGHTS CONFERRED BY THE OFFER SHARES

The Offer Shares will in all respects carry full shareholders' rights in the Company on an equal basis as any other Shares in the Company, including the right to any dividends, from the date of registration of the share capital increase pertaining to the Offering in the Norwegian Register of Business Enterprises.

For a description of rights attached to the Shares, see Section 12.1.2 "Share capital" and Section 12.4.1 "Voting rights and other shareholder rights" of this Prospectus.

6.15 VPS REGISTRATION

The Offer Shares will be created under the Norwegian Public Limited Companies Act. The Offer Shares will be registered in book-entry form with the same ISIN as the existing Shares, i.e. ISIN NO0010196140.

The Company's register of shareholders with the VPS is administrated by DNB Bank ASA (the VPS Registrar), Dronning Eufemias gate 30, P.O. Box 1600 Sentrum, N-0021 Oslo, Norway, telephone number +47 23 26 80 20.

6.16 CONDITIONS FOR COMPLETION OF THE OFFERING

Completion of the Offering on the terms set forth in this Prospectus is expressly conditional upon completion and registration of the share capital increase pertaining to the Offering with the NRBE following a closing procedure that ensures that the NOK 2.7 billion financing facilitated by Tranche 2 and Tranche 3 of the State Aid Package will be available to the Company following such registration.

The Board of Directors may decide not to complete the share capital increase pertaining to the Offering, and therefore not complete the Offering, at any time before the conditions under paragraphs 5a through 5d in the EGM resolution to issue Conversion Shares as a result of conversion of Lease Debt as described in Section 5.3 have been declared satisfied.

If the conditions are not satisfied, the Offering may be revoked or suspended and the Offering will ultimately, if the conditions become incapable of being satisfied, be revoked and cancelled. Any proceeds already paid by the applicants will be repaid to the applicants in the event of a cancellation of the Offering.

6.17 DILUTIONS

On the assumptions that (i) the maximum amount of 571,428,571 Offer Shares are issued in the Offering, (ii) completion of the Conversion of Lease Debt to Equity and Conversion of Bonds to Equity, and (iii) issue of Shares pursuant to the Perpetual Bonds, the Offering will result in a dilution of Existing Shareholders to approximately 4.4 percent.

The net asset value per existing Share as at 31 December 2019 was NOK 25.2 per Share, compared to the Offer Price of NOK 1.00 per Offer Share.

6.18 USE OF PROCEEDS AND EXPENSES OF THE OFFERING

The net proceeds from the Offering will be used for *inter alia* working capital and general corporate purposes and to facilitate that the Private Sector Involvement required to qualify for the State Aid Package is satisfied. Please see Section 5 for a further description of the State Aid Package and the Private Sector Involvement.

The transaction costs of the Company related to the Offering are estimated to approximately NOK 19.2 million, and accordingly the net proceeds of the Offering will be approximately NOK 380.8 million, assuming gross proceeds of NOK 400 million.

No expenses or taxes will be charged by the Company or the Managers to the applicants in the Offering.

6.19 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFERING

ABG Sundal Collier ASA, Danske Bank and DNB Markets act as Managers in connection with the Offering and the conversion of the Bonds, and will receive a success-based fee and commission as a percent of the gross proceeds of the Offering in this regard.

The Managers and their affiliates are currently providing, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may receive and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own Shares in the Company.

Further, DNB Markets is a bondholder in the Convertible Bond Issue and Danske Bank is a bondholder in NAS07, and may on this basis apply for Offer Shares in the Offering.

Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.

6.20 PARTICIPATION OF MAJOR EXISTING SHAREHOLDERS AND MEMBERS OF MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES IN THE OFFERING

None of the members of the Board of Directors and Management have at the date of this Prospectus indicated an intention to apply for Offer Shares and are expected to consider any possible applications during the application period.

The Company is not aware of whether any major shareholders of the Company or other members of Management, supervisory or administrative bodies intend to apply for Offer Shares in the Offering, or whether any person intends to apply for more than 5 percent of the Offer Shares.

6.21 GOVERNING LAW AND JURISDICTION

This Prospectus, the Application Form and the terms and conditions of the Offering shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Prospectus, the Application Form, or the Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with the Oslo District Court as the legal venue.

7. SELLING AND TRANSFER RESTRICTIONS

7.1.1 General

The issue of Offer Shares upon subscription in the Offering, to persons resident in, or who are citizens of countries other than Norway, may be affected by the laws of the relevant jurisdiction. Prospective investors should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other formalities to enable them to subscribe for Offer Shares in the Offering.

The Company does not intend to take any action to permit a public offering of the Offer Shares in any jurisdiction other than Norway. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any territory other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Offer Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements, and such Shareholder consequently qualifies as an "Eligible Shareholder" pursuant to the Offering. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer the Offer Shares to any person in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If the investor forwards this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), the investor should direct the recipient's attention to the contents of this Section 7 "Selling and transfer restrictions".

The Allocation Rights are issued for technical settlement purposes only, and are therefore non-transferable and will not be listed on Oslo Børs or any other kind of securities market.

Except as otherwise noted in this Prospectus and subject to certain exceptions: (i) the Offer Shares being offered, may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Member States of the EEA that have not implemented the Prospectus Regulation, Australia, Canada, Japan, Hong Kong, the United States, Switzerland or any other jurisdiction in which it would not be permissible to offer the Offer Shares (the "**Ineligible Jurisdictions**"); (ii) this Prospectus may not be sent to any person in any Ineligible Jurisdiction; and (iii) the registration of Allocation Rights to a VPS account of an Ineligible Shareholder or other person in an Ineligible Jurisdiction (such other persons referred to as "**Ineligible Persons**") does not constitute an offer to such persons to subscribe for the Offer Shares.

If an investor subscribes for the Offer Shares, such investor will be deemed to have made or, in some cases, be required to make, some or all of the following representations and warranties to the Company and any person acting on the Company's or its behalf (the "**Investor's Representations and Warranties**"):

- (i) the investor is not located in an Ineligible Jurisdiction;
- (ii) the investor is not an Ineligible Person;
- (iii) the investor is not acting, and has not acted, for the account or benefit of an Ineligible Shareholder or an Ineligible Person;
- (iv) The investor acknowledges that the Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction other than Norway;
- (v) unless the investor (a) is a QIB as defined in Rule 144A under the US Securities Act or (b) is an "accredited investor" as defined in Rule 501(a) under the US Securities Act, the investor is located outside the United States and any person for whose account or benefit it is acting on a non-discretionary basis is located outside the United States and, upon acquiring Offer Shares, the investor and any such person will be located outside the United States;
- (vi) the investor understands that the Offer Shares have not been, and will not be, registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged, resold, granted, delivered,

allocated, taken up or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, registration under the US Securities Act and otherwise in compliance with any applicable securities law of any state or other jurisdiction of the United States; and

- (vii) the investor may lawfully be offered, take up, subscribe for Offer Shares in the jurisdiction in which it resides or is currently located.

The Company and any persons acting on behalf of the Company, including the Managers, and their affiliates will rely upon the Investor's Representations and Warranties. The investor agrees that if any of the Investor's Representations and Warranties deemed to have been made by its application for or purchase of Offer Shares is no longer accurate, it will promptly notify the Company and the Managers. Any provision of false information or subsequent breach of these representations and warranties may subject the Eligible Shareholder to liability.

If a person is acting on behalf of an investor (including, without limitation, as a nominee, custodian or trustee), that person will be required to provide the foregoing representations and warranties to the Company with respect to the subscription for Offer Shares on behalf of the investor. If such person cannot or is unable to provide the foregoing representations and warranties, the Company will not be bound to authorize the allocation of any Offer Shares to that person or the person on whose behalf the other is acting. Subject to the specific restrictions described below, if an investor (including, without limitation, its nominees and trustees) is outside Norway and wishes to subscribe for or otherwise deal in Offer Shares, the investor must satisfy itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this Section 7 "Selling and transfer restrictions" is intended as a general overview only. If any investor is in any doubt as to whether it is eligible to subscribe for the Offer Shares, that investor should consult its professional adviser without delay.

Allocation Rights will be registered for technical settlement purposes only to financial intermediaries for the accounts of all Eligible Shareholders who hold Shares registered through a financial intermediary. Subject to certain exceptions, financial intermediaries, which include brokers, custodians and nominees, may not subscribe for the Offer Shares on behalf of any Ineligible Shareholder or any Ineligible Persons, and may be required in connection with any subscription for Offer Shares to provide certifications to that effect.

Subject to certain exceptions, financial intermediaries are not permitted to send this Prospectus or any other information about the Offering in or into any Ineligible Jurisdiction or to any Ineligible Person. Subject to certain exceptions, exercise instructions or certifications sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid and the Offer Shares will not be delivered to an addressee in any Ineligible Jurisdiction. The Company reserves the right to reject any exercise (or revocation of such exercise) in the name of any person (a) who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of Offer Shares, (b) who is unable to represent or warrant that such person is not in an Ineligible Jurisdiction and is not an Ineligible Person or (c) who is acting on a non-discretionary basis for such persons, or who appears to the Company or its agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any subscription or purported subscription for Offer Shares or which appears to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Notwithstanding any other provision of this Prospectus, the Company reserves the right to permit an investor to subscribe for Offer Shares based on the Investor's Representations and Warranties as set out above, or if the Company, at its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, the Company does not accept any liability for any actions that an investor takes or for any consequences that it may suffer as a result of the Company accepting or refusing the investor's subscription for the Offer Shares.

No action has been or will be taken by the Managers to permit the possession of this Prospectus (or any other offering or publicity materials or application or subscription form(s) relating to the

Offering) in any jurisdiction where such distribution may lead to a breach of any law or regulatory requirement.

Neither the Company nor the Managers, nor any of their respective representatives, is making any representation to any recipient, offeree, subscriber of Offer Shares regarding the legality of an investment in the Offer Shares by such recipient, offeree, subscriber or purchaser under the laws applicable to such recipient, offeree, subscriber or purchaser. Each investor should consult its own advisers before subscribing for Offer Shares or purchasing Offer Shares. Eligible Shareholders are required to make their independent assessment of the legal, tax, business, financial and other consequences of a subscription for or a purchase of Offer Shares.

7.1.2 **Canada**

This Prospectus is not, and under no circumstance is to be construed as, a prospectus, an advertisement or a public offering of the Offer Shares in Canada or any province or territory thereof. Any offer or sale of the Offer Shares in Canada will be made only pursuant to an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made.

7.1.3 **Hong Kong**

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. Persons are advised to exercise caution in relation to the Offering. In case of any doubt regarding any of the contents of this Prospectus, persons should obtain independent professional advice. This Prospectus does not constitute an offer or sale in Hong Kong of any Offer Shares and no person may offer or sell in Hong Kong, by means of this Prospectus other than (a) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (b) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong. No person shall issue or have in their possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Offer Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Investors participating in the Offering agree not to offer or sell in Hong Kong any Offer Shares other than (a) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (b) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong. Investors participating in the Offering also agree not to issue or have in their possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Offer Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

7.1.4 **United Kingdom**

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) (Financial Promotion) of the Financial Services and Markets Act 2000 ("**FSMA**") Order 2005 (the "**Order**") or (iii) high net worth entities and other persons to whom it may lawfully be communicated falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as Relevant Persons). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

Each of the Managers has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

7.1.5 **United States**

The Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and otherwise in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Offer Shares in the United States. A notification of subscription of Offer Shares in contravention of the above may be deemed to be invalid.

The Offer Shares are being offered and sold outside the United States in reliance on Regulation S under the US Securities Act. Any offering of the Offer Shares by the Company to be made in the United States or to US persons will be made only to a limited number of (A) QIBs as defined in Rule 144A under the US Securities Act, and (B) "accredited investors" as defined in Rule 501(a) under the US Securities Act, in each case acquiring the Offer Shares for investment purposes for its own account, pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the US Securities Act and otherwise in compliance with the securities laws of any state or other jurisdiction of the United States, who have executed and returned an investor letter to the Company prior to subscribing for the Offer Shares. Prospective purchasers are hereby notified that sellers of the Offer Shares may be relying on an exemption from the provisions of section 5 of the US Securities Act provided by Rule 144A.

Accordingly, subject to certain limited exceptions, this Prospectus will not be sent to any Shareholder with a registered address in the United States or to US persons. In addition, the Company and the Managers reserve the right to reject any instruction sent by or on behalf of any account holder with a registered address in the United States or to US persons in respect of the Offer Shares.

Any recipient of this document in the United States or US persons is hereby notified that this Prospectus has been furnished to it on a confidential basis and is not to be reproduced, retransmitted or otherwise redistributed, in whole or in part, under any circumstances. Furthermore, recipients are authorized to use it solely for the purpose of considering an investment in the Offering and may not disclose any of the contents of this document or use any information herein for any other purpose. This document is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for Offer Shares or otherwise acquire Offer Shares. Any recipient of this document agrees to the foregoing by accepting delivery of this document.

Until 40 days after the commencement of the Offering, any offer or sale of the Offer Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the US Securities Act.

The Offer Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offense in the United States.

Each person to which Offer Shares are distributed, offered or sold in the United States, by accepting delivery of this Prospectus or by its subscription for Offer Shares, will be deemed to have represented, warranted, agreed and acknowledged, on its behalf and on behalf of any investor accounts for which it is subscribing for Offer Shares, as the case may be, that:

- (i) it is (A) a QIB as defined in Rule 144A under the US Securities Act, or (B) an "accredited investor" as defined in Rule 501(a) under the US Securities Act, in each case acquiring the Offer Shares for investment purposes for its own account, and that it has executed

and returned an investor letter to the Company prior to exercising their Subscription Rights; and

- (ii) the Offer Shares have not been offered to it by the Company by means of any form of "general solicitation" or "general advertising" (within the meaning of Regulation D under the US Securities Act).

Each person to which Offer Shares are distributed, offered or sold outside the United States will be deemed, by its subscription or purchase of Offer Shares, to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing for or purchasing Offer Shares, as the case may be, that:

- (i) it is acquiring the Offer Shares from the Company or the Managers in an "offshore transaction" as defined in Regulation S under the US Securities Act; and
- (ii) the Offer Shares have not been offered to it by the Company or the Managers by means of any "directed selling efforts" as defined in Regulation S under the US Securities Act.

7.1.6 **EEA Selling Restrictions**

In relation to each member state of the European Economic Area, other than Norway (each, a "**Relevant Member State**"), no Offer Shares have been offered or will be offered to the public in that Relevant Member State pursuant to the Offering, except that Offer Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

- (i) to persons who are 'qualified investors' within the meaning of Article 2(e) the EU Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than persons and investors as further defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the Managers for any such offer; or
- (iii) in any other circumstances falling under the scope of Article 1 no. 4. of the EU Prospectus Regulation;

provided that no such offer of Offer Shares shall require the Company or the Managers to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable investors to decide to purchase or subscribe for any shares.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Offer Shares under, the Offering contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Company and the Managers that it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

7.1.7 **Notice to Swiss investors**

This Prospectus is not being publicly distributed in Switzerland. Each copy of this Prospectus is addressed to a specifically named recipient and may not be passed on to third parties, including any parties on whose behalf or for whose account a recipient of this Prospectus holds Shares. Neither this Prospectus nor any other offering materials in relation to the Offer Shares constitute a prospectus within the meaning of article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd. The Offer Shares are not being offered to the public in or from Switzerland, and neither this Prospectus, nor any other offering material in relation to the Offer Shares may be distributed in connection with any such public offering.

7.2 PRODUCT GOVERNANCE

Solely for the purposes of each manufacturer's product approval process in accordance with the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (MiFID II); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), the Shares have been subject to a target market assessment, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Any distributor subsequently offering, selling or recommending the Shares should take into consideration the manufacturers' Target Market Assessment, however, each distributor is responsible for undertaking its own target market assessment in respect of the Shares (by either adopting or refining the manufacturers' Target Market Assessment) and determining appropriate distribution channels.

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

7.3 MANDATORY ANTI-MONEY LAUNDERING PROCEDURES

The Offering is subject to the Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324 (collectively, the "**Anti-Money Laundering Legislation**").

Subscribers who are not registered as existing customers of one of the Managers must verify their identity to the Manager in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Manager. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares.

Furthermore, participation in the Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the Subscription Form. VPS accounts can be established with authorized VPS registrars, who can be Norwegian banks, authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorized by the NFSA. Establishment of a VPS account requires verification of identification to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

8. MARKET OVERVIEW

8.1 THE AIRLINE MARKET

While on the one hand the airline industry is characterized by intense competition and stringent streamlining requirements, it has also historically been characterized by substantial growth. Continuous efficiency enhancements in combination with the liberalization of the industry in the 1990s contributed to fundamental changes in the airline industry. Liberalization has predominantly led to more competition and the emergence of low-cost carriers.

The Group is one of the largest low-cost carriers in the world.⁵ In addition to a vast domestic route network in Norway, Sweden, Denmark, Finland and Spain, the Group's route network stretches across Europe into North Africa, the Middle East, the Americas and Southeast Asia. In 2019, the Group's long-haul business comprised more than 60 intercontinental routes to 20 destinations.

8.1.1 Historical air traffic growth and market forecast

2018 was a strong year in terms of global air traffic growth. Monthly year-over-year growth in available seat kilometers ("ASK") was above 5.3 percent throughout the year, with a monthly average of 6.0 percent. In 2019, growth has slowed somewhat as several carriers (including the Group) have reduced growth targets, and average monthly year-over-year growth in ASK was 3.5 percent.⁶

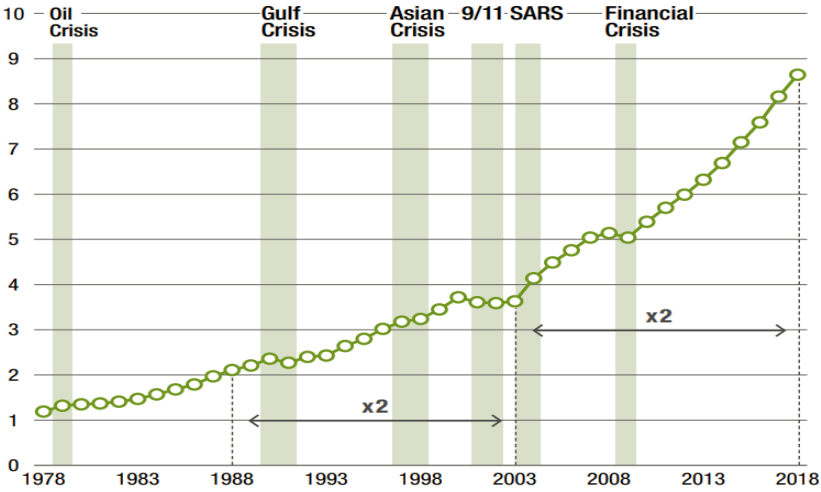
In line with ASK, global growth in revenue passenger kilometers ("RPK") has also slowed in 2019 compared to 2018. According to figures from the Assembly of the International Civil Aviation Organization ("ICAO"), average monthly year-over-year growth declined from 6.5 percent in 2018 to 4.3 percent in 2019. The largest decline in RPK growth occurred in Africa and the Middle East, i.e. outside of the areas where the Group historically has been the most active.⁶

As shown by the figure below, air traffic has proven resilient to external shocks and slow economic growth, demonstrating the world's appreciation of the benefits aviation brings. The figure does however not include the COVID-19 outbreak, which has severely impacted the airline industry and induced significant uncertainty to the overall market. The potential implications from COVID-19 on the airline industry are addressed separately in section 8.4.

⁵ Source: CAPA – Centre for Aviation, airline company traffic reports (<https://centreforaviation.com/analysis/reports/europe-airline-groups-2018-ranking-lufthansa-group-still-at-the-top-456098>)

⁶ Source: ICAO – Air Transport Monthly Monitor (https://www.icao.int/sustainability/Documents/MonthlyMonitor-2020/MonthlyMonitor_February2020.pdf and https://www.icao.int/sustainability/Documents/MonthlyMonitor-2019/MonthlyMonitor_February2019.pdf)

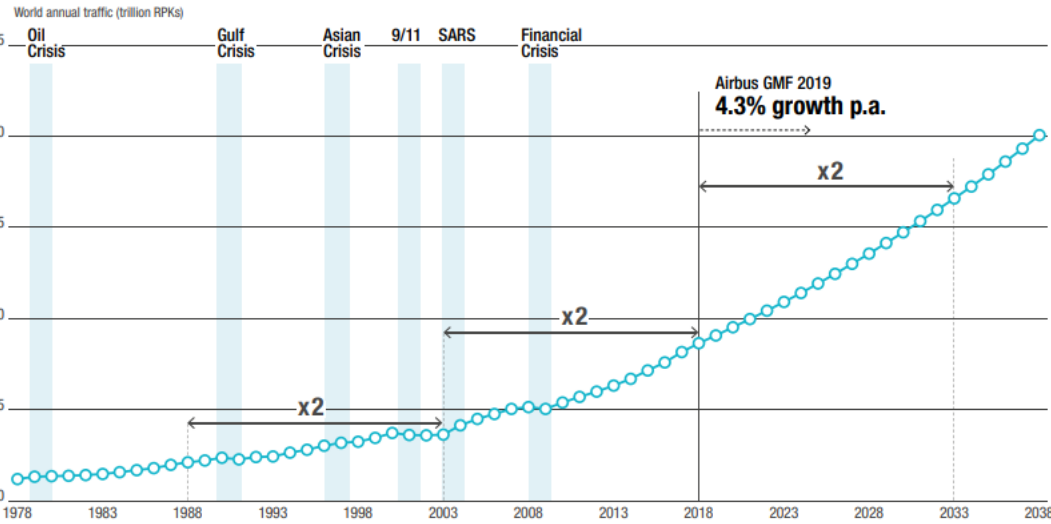
Figure: Air travel has proven resilient to external shocks, pre-COVID-19



Source: Airbus Global Market Forecast 2019 (<https://www.airbus.com/content/dam/corporate-topics/strategy/global-market-forecast/GMF-2019-2038-Airbus-Commercial-Aircraft-book.pdf>)

For the next 20 years, the Airbus Global Market Forecast (“**Airbus GMF**”) estimates a compounding average growth rate (“**CAGR**”) in RPK of 4.3 percent, despite some downward revision of future economic growth by a number of forecasters in several regions of the world. The highest long-term growth is expected to occur in the Middle East with an RPK CAGR of 5.6 percent. In Europe, the expected RPK CAGR is 3.3 percent.⁷ The Airbus GMF estimates are pre-COVID-19 and do not reflect the potential impact from the virus outbreak.

Figure: Long-term demand prediction (Airbus), pre-COVID-19



Source: Airbus Global Market Forecast 2019 (<https://www.airbus.com/content/dam/corporate-topics/strategy/global-market-forecast/GMF-2019-2038-Airbus-Commercial-Aircraft-book.pdf>)

The main regions for air travel are Europe, North America and Asia Pacific. In terms of growth, emerging markets are expected to be the main drivers.

⁷ Source: Airbus Global Market Forecast 2019 (<https://www.airbus.com/content/dam/corporate-topics/strategy/global-market-forecast/GMF-2019-2038-Airbus-Commercial-Aircraft-book.pdf>)

Figure: Airline passenger traffic (RPK in billions) in 2018

	Africa	Latin America	Middle East	Europe	North America	Asia Pacific
Asia Pacific	N/A	N/A.	393.6	538.8	377.7	2,201.5
North America	N/A	276.3	96.2	579.2	1,229.2	
Europe	175.1	236.8	300.3	982.5		
Middle East	69.0	N/A	122.1			
Latin America	N/A	268.0				
Africa	67.2					

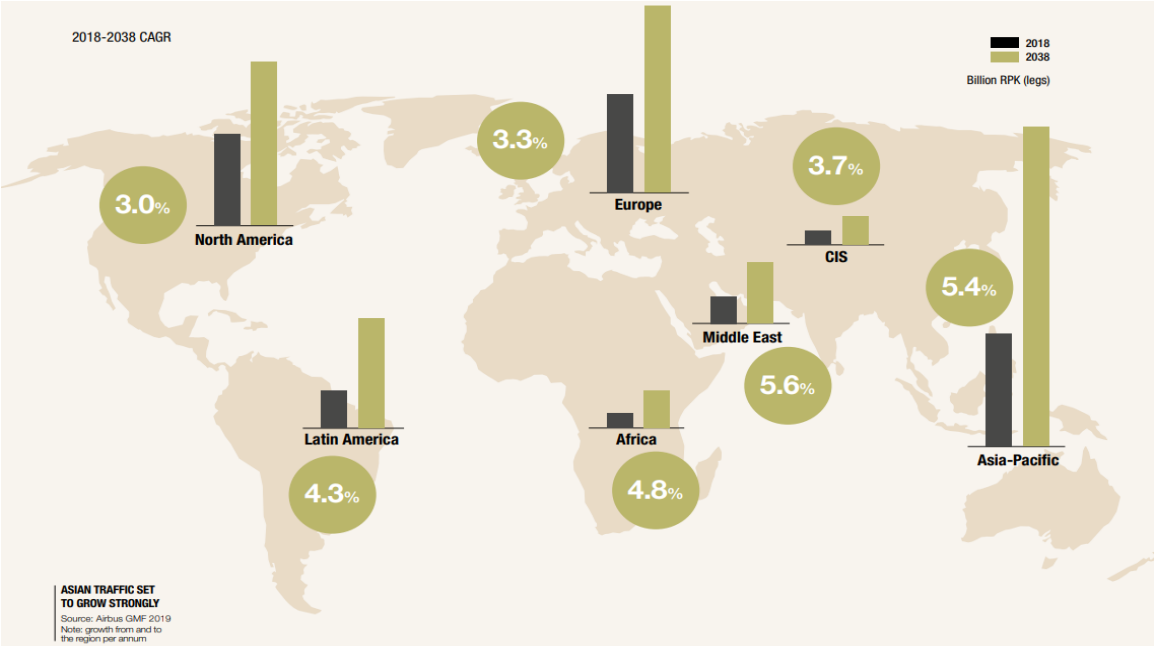
Source: Boeing Commercial market outlook 2019 forecast data

(<https://www.boeing.com/resources/boeingdotcom/commercial/market/commercial-market-outlook/assets/downloads/cmo-2019-forecast-data-web-sept17.zip>)

According to Airbus (pre-COVID-19 estimates), Asia-Pacific will have the highest share of the total world air traffic by 2038. Traffic between emerging countries is forecasted to grow at 5.9 percent per annum and emerging countries are expected to increase their share of total traffic from 30 percent in 2018 to 41 percent by 2038. Domestic Chinese traffic is forecasted to increase 3.2 times by 2038, with Domestic US traffic increasing by 50 percent from an already high base. The three major flows connecting Western Europe are all expected to grow considerably from 2018 to 2038; routes between the US, intra Western-European routes and routes to the Middle East are expected to grow 1.7, 1.6 and 2.6 times, respectively.⁸

⁸ Source: Airbus Global Market Forecast 2019 (<https://www.airbus.com/content/dam/corporate-topics/strategy/global-market-forecast/GMF-2019-2038-Airbus-Commercial-Aircraft-book.pdf>)

Figure: Overview of growth composition until 2038, pre-COVID-19

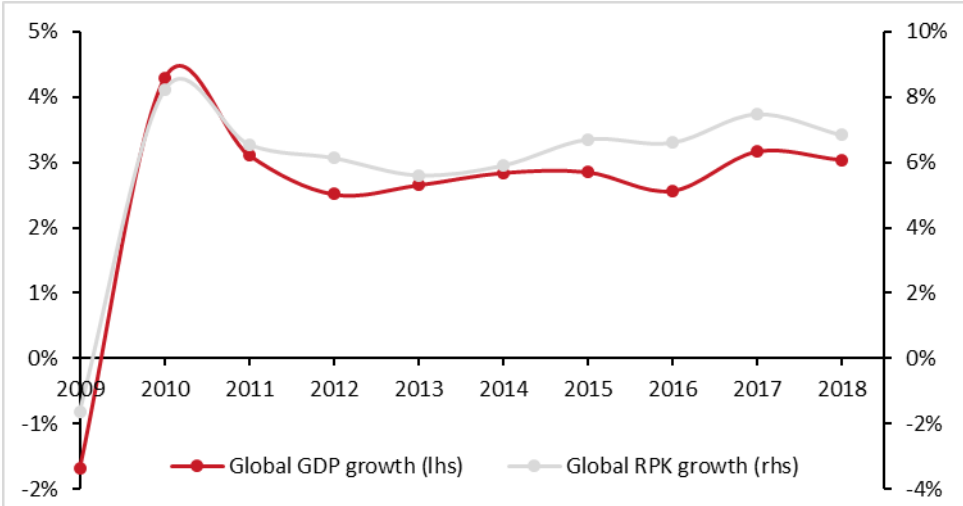


Source: Airbus Global Market Forecast 2019 (<https://www.airbus.com/content/dam/corporate-topics/strategy/global-market-forecast/GMF-2019-2038-Airbus-Commercial-Aircraft-book.pdf>)

8.1.2 Demand for air travel

Economic growth is one of the primary drivers of air traffic demand. It is highly correlated with past performance and forms much of the basis for future growth. The figure below illustrates the correlation between global Gross Domestic Product (“GDP”) and air traffic growth from 2009 to 2018, measured in RPK flown. In recent years, air travel has grown at a higher pace than global GDP.

Figure: Relationship between global GDP growth and RPK growth

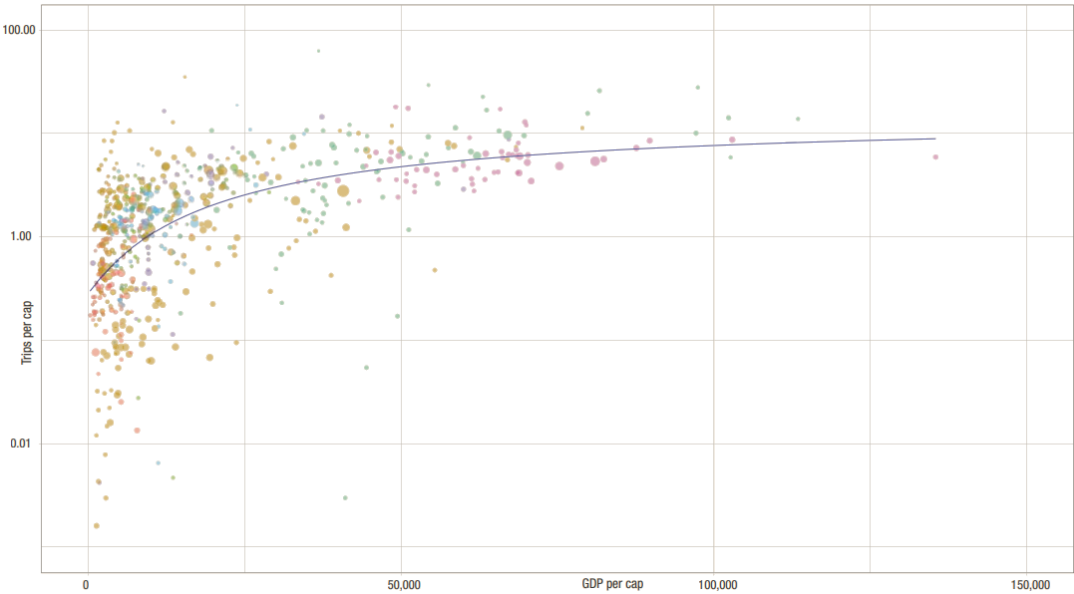


Sources: World Bank (<https://data.worldbank.org/indicator/ny.gdp.mktg.kd.zg?end=2018&start=2007&view=chart>), Boeing Commercial Market Outlook 2019 (<https://www.boeing.com/resources/boeingdotcom/commercial/market/commercial-market-outlook/assets/downloads/cmo-sept-2019-report-final.pdf>)

In terms of propensity to travel, inhabitants of wealthier countries travel more. This is illustrated in the figure below, which shows the relationship between GDP per capita and trips per capita for 2018, as estimated by Airbus. The figure shows that the positive correlation between GDP per capita and trips per capita is higher when GDP per capita is low. This will potentially contribute to

positive demand growth from highly populated emerging countries as large parts of the population in these countries are expected to move into the middle class.⁹

Figure: Propensity to travel, relationship between GDP per capita (x-axis) and trips per capita (y-axis)



Source: Airbus Global Market Forecast 2019 (<https://www.airbus.com/content/dam/corporate-topics/strategy/global-market-forecast/GMF-2019-2038-Airbus-Commercial-Aircraft-book.pdf>)

It should be mentioned that, there is a risk of overstating economic activity as a driving force to air traffic growth, especially during downturns. Although the air transport industry is subject to occasional market shocks, the industry's demand is resilient; services are often seen as essential, and spending on discretionary trips for vacations or family events is frequently high priority. Over the past 30 years, the aviation industry has experienced recessions, oil-price shocks, near pandemics, wars, and security threats, yet traffic has continued to grow on average at 5 percent annually. The COVID-19 outbreak however differs in abruptness and severity, and has induced significant uncertainties to the industry. The virus outbreak is likely to have a larger and more severe impact on global air traffic compared to the other mentioned crises. Refer to section 8.4.

8.1.3 Airline profitability

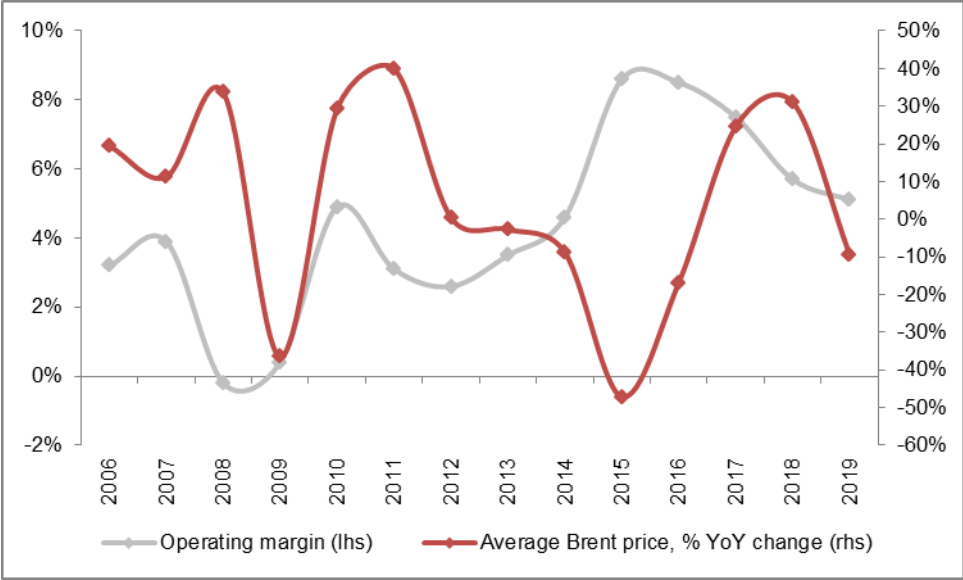
Lower fuel costs lead to increased airline profitability and reduced air fares. Although effects differ from country to country, lower oil prices represent a net gain for global economic growth as resources are shifted to more efficient economies on average, and consumer spending is stimulated in the world's largest oil importing economies.

In Q4 2014, the price of Brent crude oil decreased considerably and remained low throughout 2015, leading to a substantial increase in airline profitability as evidenced in the figure below. The price of Brent oil did however increase during 2016, 2017 and the first three quarters of 2018, reversing some of the positive effects on operating margins. In Q4 2018, the monthly average price of Brent crude oil dropped from USD 81 to USD 57 per barrel. The monthly average price per barrel of Brent crude oil has remained relatively stable throughout 2019, ranging from USD 59 to USD 71. The monthly average price per barrel of Brent crude oil showed a significant drop in March 2020 to USD 32, representing the lowest monthly average price since January 2016.¹⁰

⁹ Source: Boeing commercial market outlook 2019 (<https://www.boeing.com/resources/boeingdotcom/commercial/market/commercial-market-outlook/assets/downloads/cmo-sept-2019-report-final.pdf>)

¹⁰ Source: US Energy Information Administration (<https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=RBRT&f=A>)

Figure: Operating margin (% , LHS) and variation in average Brent crude oil prices (% year-on-year change, RHS)



Source: IATA Industry Forecast (<https://www.iata.org/publications/economics/Reports/Industry-Econ-Performance/Airline-industry-economic-performance-Jun19-data-tables.pdf> and <https://www.iata.org/publications/economics/Reports/Industry-Econ-Performance/Central-forecast-end-year-2015-tables.pdf>) and EIA (<https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=RBRT&f=A>)

8.1.4 Principal markets

8.1.4.1 Introduction

The airline sector in Europe has evolved significantly since the liberalization of the EU air transportation market in the 1990s. In 1992, EU member states adopted a final package of liberalization measures that, from 1 January 1993, permitted greater access to intra-EU international routes. In 1995, the creation of the EEA extended these measures to Norway, Iceland and Liechtenstein. In April 1997, liberalization was further extended to the domestic routes of members of the EEA, so that any EEA carrier would be able to provide passenger services on any route within the EEA without restriction on price or capacity. This changed the nature of competition in European aviation and paved the way for the growth of low-cost carriers.

Liberalization of the air transportation market has continued, with the EU having concluded horizontal agreements with a number of third-party nations, including the United Arab Emirates, as well as full open-skies agreements with other third-party nations, including the United States, Israel, the Balkan states, Georgia and Moldova. These open-skies agreements have progressively liberalized air markets, ultimately allowing any number of carriers from either contracting party to operate services on any route between them, without restrictions on price or capacity.

The European airline market is very fragmented with Europe's top seven airline groups only controlling 55 percent of seats to/from/within Europe in summer 2018, compared with an 82 percent share for North America's top seven.¹¹ In general, legacy carriers have progressively been losing ground to low-cost carriers over the past ten years, especially in the short and medium-haul market. Between 2005 and 2008, European low-cost carriers typically achieved double digit growth rates while during the same period, a time of global economic growth and overall industry expansion, the majority of European legacy carriers experienced substantially lower growth.

¹¹ Source: EU Report 2016 – Air Transport Industry Analysis as of March 2017 (https://ec.europa.eu/transport/sites/transport/files/2016_eu_air_transport_industry_analyses_report.pdf)

Figure: Market concentration across different world regions

Number of groups to reach cumulative share indicated

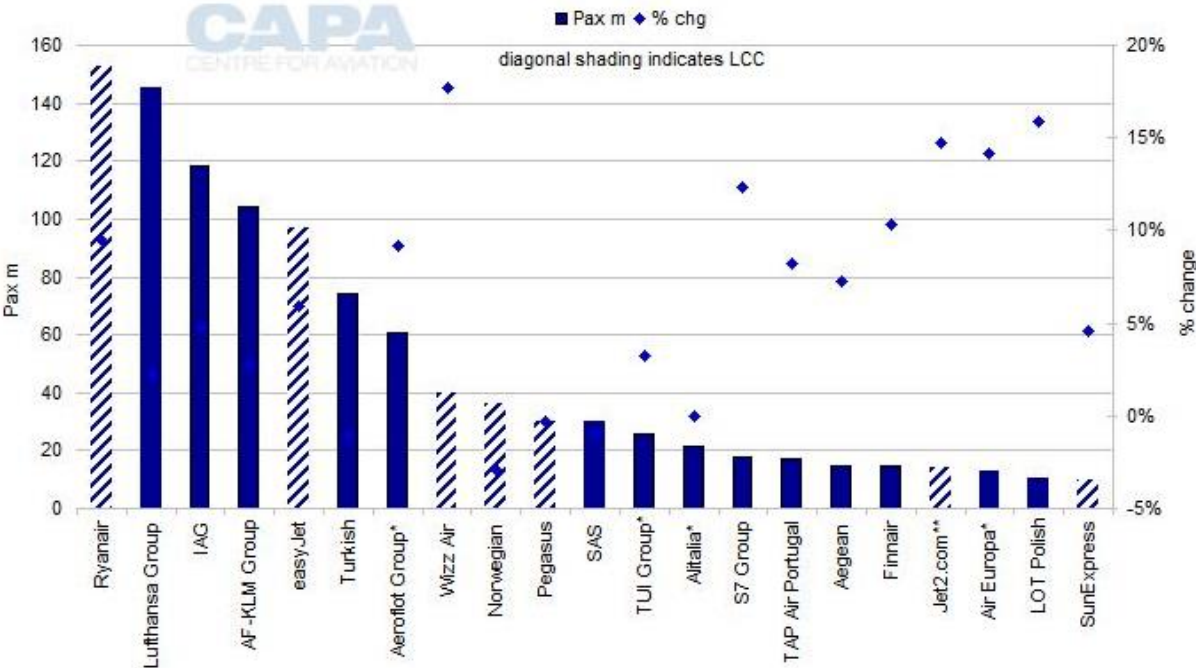
	Share of seats top 5 groups	25%	50%	90%
North America	72%	2	3	16
Middle East	57%	2	4	30
Latin America	51%	2	5	25
Europe	43%	3	7	47
Africa	36%	3	9	47
Asia Pacific	33%	4	11	49

Source: CAPA / EU Report 2016 – Air Transport Industry Analysis as of March 2017
(https://ec.europa.eu/transport/sites/transport/files/2016_eu_air_transport_industry_analyses_report.pdf)

According to the Centre for Aviation (CAPA), the Group is the ninth largest airline group in Europe and the fourth largest low-cost carrier ("**LCC**"). The largest groups are Ryanair, Lufthansa and International Airline Group ("**IAG**").¹²

¹² Source: CAPA – Centre for Aviation, airline company traffic reports (<https://centreforaviation.com/analysis/reports/ryanair-heads-europes-top-20-airline-groups-by-pax-2019-510111>)

Figure: Europe's top 20 airline groups by passenger numbers 2019



Source: CAPA – Centre for Aviation, airline company traffic reports (<https://centreforaviation.com/analysis/reports/europe-airline-groups-2018-ranking-lufthansa-group-still-at-the-top-456098>)

Note: * Note: * Indicates 2019 passenger numbers not yet reported or not available; figures are CAPA estimates based on Nov-2019 YTD growth, calendar 2019 seat growth data from [OAG](#), or other available data. ** Figures for 12 months to Sep-2019.

The airline industry and demand for air travel are affected by both local and global economic conditions. A number of European airlines have gone out of business in recent years, including AeroSvit, Cyprus Airways, Spanair, Malév, Sky Europe, Centralwings, Silverjet, Sterling, XL Airways, Air Berlin, Monarch, WOW Air and Thomas Cook.

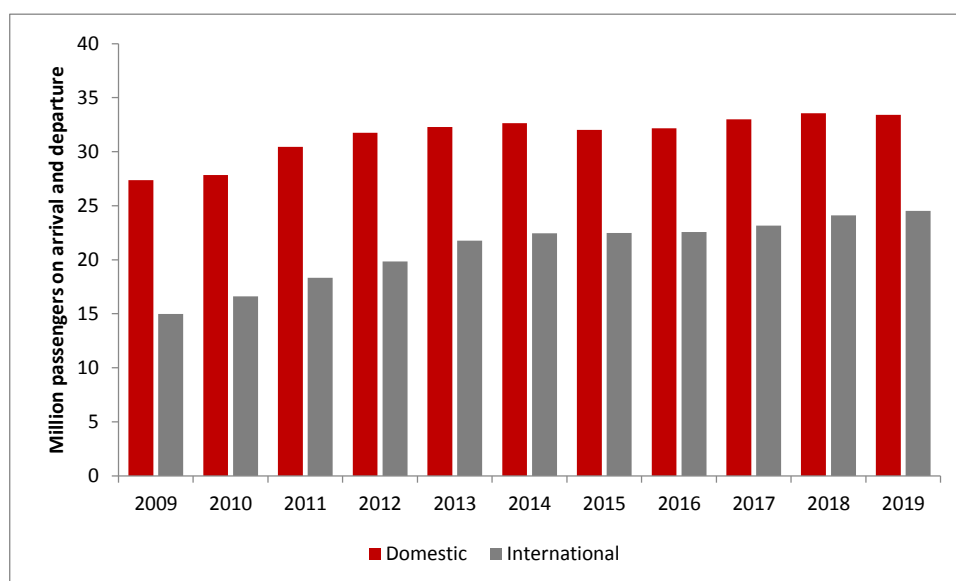
8.1.4.2 Norway

A total of 57.9 million passengers arrived and departed at Norwegian airports on all commercial flights in Norway during the last twelve months as per December 2019.¹³ Driven by challenging topography and scattered population, the people of Norway have become among the most frequent flyers in Europe. According to Eurostat, using passenger figures for 2018 in terms of number of flights, two of the ten busiest European routes are found in Norway. Oslo-Trondheim is the fifth busiest route, and Oslo-Bergen is the seventh busiest.¹⁴

¹³ Source: Statistics Norway table 08508 (<https://www.ssb.no/statbank/table/08508/>)

¹⁴ Source: Air Transport database (<https://ec.europa.eu/eurostat/web/transport/data/database>)

Figure: Air transport. Passengers, by traffic type



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Million passengers:										
Domestic	27.8	30.4	31.7	32.3	32.6	32.0	32.2	33.0	33.5	33.4
International	16.6	18.3	19.9	21.8	22.4	22.5	22.6	23.2	24.1	24.5
Total	44.4	48.8	51.6	54.0	55.1	54.5	54.7	56.2	57.7	57.9
Growth:	1.7%	9.3%	4.3%	1.7%	1.1%	-1.9%	0.5%	2.6%	1.7%	-0.4%
Domestic	10.8%	10.4%	8.3%	9.6%	3.1%	0.2%	0.4%	2.7%	4.0%	1.7%
International	4.9%	9.7%	5.8%	4.7%	1.9%	-1.0%	0.5%	2.6%	2.6%	0.5%
Total	16.6	18.3	19.9	21.8	22.4	22.5	22.6	23.2	24.1	24.5

Source: Statistics Norway table 08508 (<https://www.ssb.no/statbank/table/08508/>)

Over the period 2010 to 2019, the number of passengers at Norwegian airports increased by 13.5 million, equivalent to an average annual growth rate of 3.0 percent. This positive trend has been present for both domestic passengers and international passengers, however, international passenger numbers have grown faster than domestic passengers, as can be seen from the diagram above. Passenger growth is expected going forward, as evidenced by the decision made by Norway's busiest airport, Oslo Airport, to build a second terminal increasing capacity to about 35 million passengers per year. The new terminal opened in 2017.

Figure: Passengers carried in 2019 at top 10 Norwegian airports

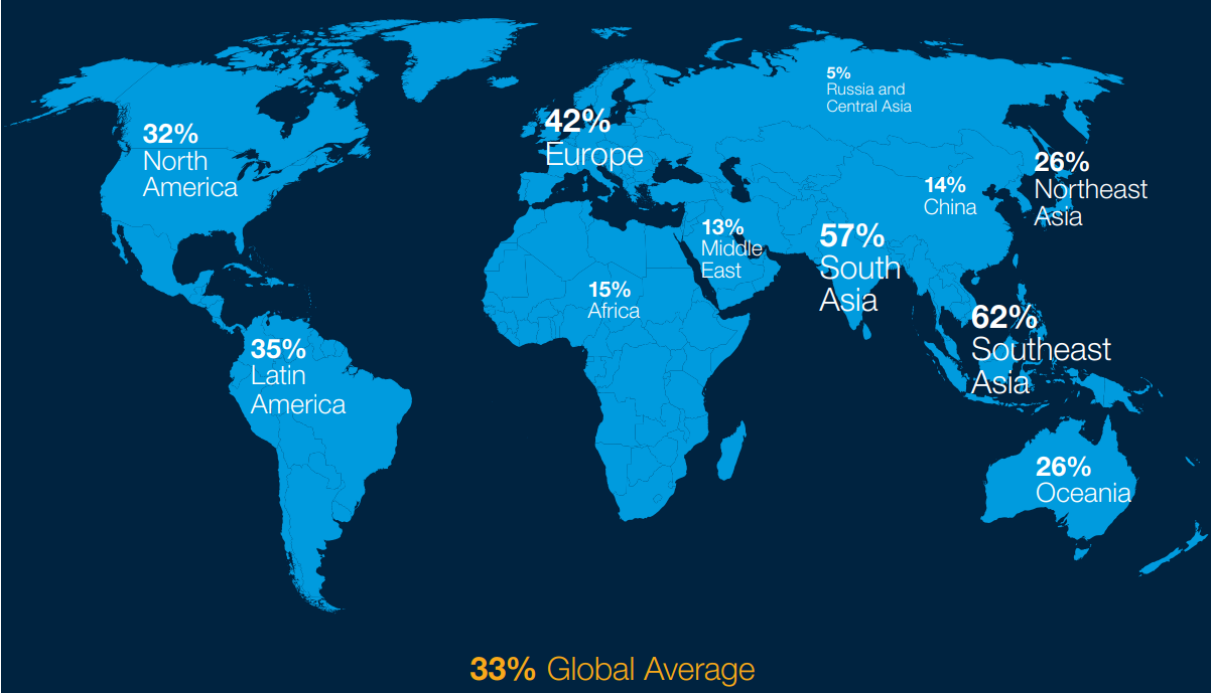
	Million passengers	% share
Oslo Gardermoen	28.5	49.2%
Bergen Flesland	6.6	11.3%
Trondheim Værnes	4.4	7.6%
Stavanger Sola	4.3	7.4%
Tromsø Langnes	2.5	4.3%
Sandefjord Torp	2.1	3.6%
Bodø	2.0	3.5%
Ålesund Vigra	1.2	2.0%
Kristiansand Kjevik	1.1	1.8%
Harstad/Narvik Evenes	0.8	1.3%
Top 10	53.3	91.9%

Source: Statistics Norway table 08508 (<https://www.ssb.no/statbank/table/08508/>)

8.2 MARKET SEGMENTATION

Passenger airlines can mainly be divided into the broader categories of legacy carriers, LCC and regional carriers. Most airlines can be assigned into one or the other category, but some also overlap. Certain legacy airlines offer a set of low fares on otherwise standard services, whilst some LCCs have begun to increase the number of legacy style services that they offer. Historically, the legacy carriers have dominated the market, while in recent years LCCs have gained considerable traction. The figure below shows an overview of LCC’s market share across different regions.

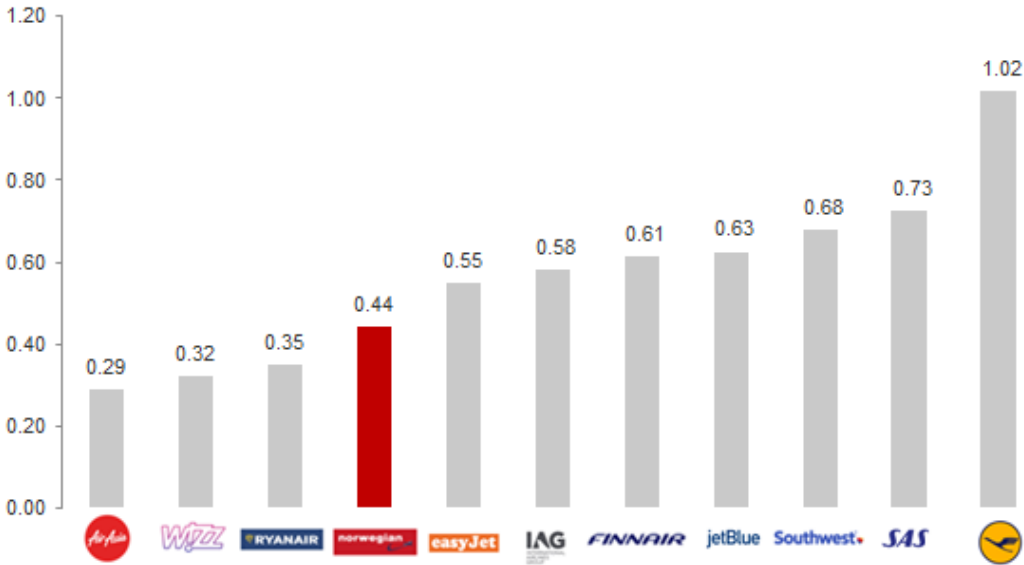
Figure: LCC short-haul penetration (share of total seats) by region 2018



Source: Boeing Commercial Market Outlook 2019 (<https://www.boeing.com/resources/boeingdotcom/commercial/market/commercial-market-outlook/assets/downloads/cmo-sept-2019-report-final.pdf>)

LCCs operate at significantly lower costs than legacy carriers. For an overview of cost structure among selected LCCs and legacy carriers, please see the figure below.

Figure: Operating cost per available seat kilometers (ASK) (NOK)



Source: Most recent annual report of each company as of 16 April 2020

Notes:

Calculates as reported operating expenses (from latest annual report) divided by reported ASK.

In its 2018 annual report, the Company reports an operating cost per available seat kilometer ("**CASK**") of NOK 0.43. The difference between reported unit cost (CASK) and the one presented in the figure above is caused by "Other losses/(gains) – net" to be consistent relative to peers.

Ryanair, Southwest and jetBlue report available seat miles (ASMs). For these carriers, a conversion ratio of 1.609344 kilometers per mile is used to convert available seat miles into ASK.

Foreign exchange rates used are equivalent to the daily average rates, as stated by the Central Bank of Norway, for the latest full fiscal year included in each company's most recent annual report.

For some carriers the available financial data represents group level data which may include cost items from activities unrelated to airline operations.

In the subsections that follow, further details are given about the airline categories.

8.2.1 Legacy carriers

Legacy carriers operate a full-service business model, which aims to offer passengers a comprehensive service. Legacy carriers may enter into alliances with other airlines and/or code-sharing and interline arrangements. Legacy carriers typically have two or more classes of service with a broad range of supplementary services, such as catering, in-flight entertainment and various levels of ticket flexibility. As a result of the comprehensive and varied service offering, a wide range of price levels exist even on the same journey. The primary aim of these airlines is to develop certain airports as their intercontinental hubs and to feed traffic to these hubs from their own domestic markets, from intra-European markets and from intercontinental interline traffic. These airlines are focused on long-haul premium traffic and high yielding corporate accounts. Legacy carriers hope to obtain a revenue premium by providing expensive services. Regarding their short-haul traffic, they either operate these routes themselves or utilize the services of regional airlines either through ownership or franchise operations.

In Europe, the legacy carriers are predominantly made up of the flag carrier airlines, such as IAG (British Airways and Iberia), Air France-KLM and Lufthansa. In the past, the majority of these carriers were state owned and some may have benefited from state aid. Many of these carriers have been either fully privatized (for example, IAG and Lufthansa) or partly privatized (for example, Air France-KLM and SAS).

8.2.2 Low-cost carriers

Traditionally, the principal aim within the business model of a low-cost carrier is to offer as simple a product as possible and minimize the business' costs in order to offer competitive low ticket prices. Typical low-cost carrier characteristics are summarized below. Most low-cost carriers adhere to most of these characteristics. Low-cost carriers aim to maximize Load Factor and aircraft utilization rates by stimulating demand through offering flights at the lowest cost possible and typically only operating on short-haul point-to-point routes, with a smaller proportion of routes classified as medium haul. Costs are kept low by having a ticketless service, using a single aircraft-family fleet, having only one class of service and predominantly flying to less-congested secondary airports serving a destination to the extent possible. Tickets are generally sold online or directly by the airline in order to avoid agency costs and global distribution system charges. Supplementary services typically included in the ticket price offered by legacy carriers are available at an additional cost. Turnaround times are kept to a minimum by having no pre-flight seating plan for passengers. The operational model means that such airlines typically have unit costs that are as much as 50 percent lower than their full-service competitors and hence they are generally able to charge much lower prices.

European low-cost carriers include easyJet, Norwegian, Ryanair, Vueling Airlines S.A. ("**Vueling**") and Wizz Air. Some of these carriers are independently owned (for example, EasyJet and Ryanair) whilst others have been formed and/or are owned by national flag carriers (for example, Vueling which is majority-owned by IAG or Eurowings which is owned by Lufthansa).

8.2.3 Regional carriers

Regional carriers are characterized by reference to the smaller aircraft they operate and the regional markets they serve. Regional carriers typically operate regional jets or turboprop aircraft. These regional aircraft, which are generally smaller in terms of passengers carried than those operated by European low-cost carriers, serve scheduled point-to-point European routes. There are primarily two distinct roles of regional airlines in Europe. The first is to provide passenger feed into the main hubs for their main shareholder or franchisor airline and the second is to provide region-to-region air services linking regional communities.

8.3 RECENT TRENDS IN THE AIRLINE INDUSTRY, PRE-COVID-19

Key recent trends in the airline industry revolve around political, environmental and technological factors, as well as new market models being introduced by market participants. The COVID-19 virus outbreak is not considered in this section and is addressed separately in Sections 8.4 and 9.11.

The years since 2017 have been challenging for the airline industry. Various geopolitical and macroeconomic issues impacted the trading environment, and intense competition and a rising cost environment, notably increases in fuel prices, but also labor costs in some cases, squeezed margins of all operators. In addition, terrorist attacks in Barcelona and London and the Brexit vote dulled consumer confidence and dampened demand.

These, as well as other issues, have been major contributing factors to several high-profile airline failures in recent years (Monarch, Air Berlin, Alitalia administration, WOW Air and Thomas Cook). A few of the Group's competitors have conducted mergers and acquisitions, of both distressed and non-distressed competitors, such as IAG's purchase of Air Europa and Lufthansa's purchase of Air Berlin. Additionally, several of the largest airlines in Europe have reacted to the dampened demand by decreasing growth targets. European growth in ASK is expected to slow down going into the first half of 2020 (not considering impact of COVID-19). An improved supply-demand balance can potentially have a positive impact on European airlines' profit margins. Part of the slowing growth is likely caused by the continued grounding of Boeing 737 MAXs. A re-introduction of these planes could create some upside risk to expected growth.

The industry finds itself undergoing changes with new and stricter requirements from its operating environment, which affects all operators, and customers are increasingly demanding air travel with a lower climate impact. This has resulted in a heightened focus on environmental issues by European airlines and several have launched initiatives aimed at reducing their environmental footprint. For example, the Group has, amongst other initiatives, invested in a new weather system which analyzes the weather to optimize route choices, leading to reduced Fuel Consumption and flight time.

The continued emergence and growth of big data analytics is also affecting the airline industry. By effectively analyzing their large amounts of data, airlines are able to optimize operations and improve their offering to customers.

The Group is well positioned to react to environmental and other forces affecting the operating environment. With a wide network throughout Europe, the Group is not as reliant as some other airlines on one key market. The Group's capacity can be redeployed quickly to accommodate affected markets.

Despite the challenges affecting the airline industry, there has been continued passenger growth at the airports which are key to the Group's business (Oslo, Stockholm, Copenhagen, Helsinki, Gatwick and Spanish bases in general).

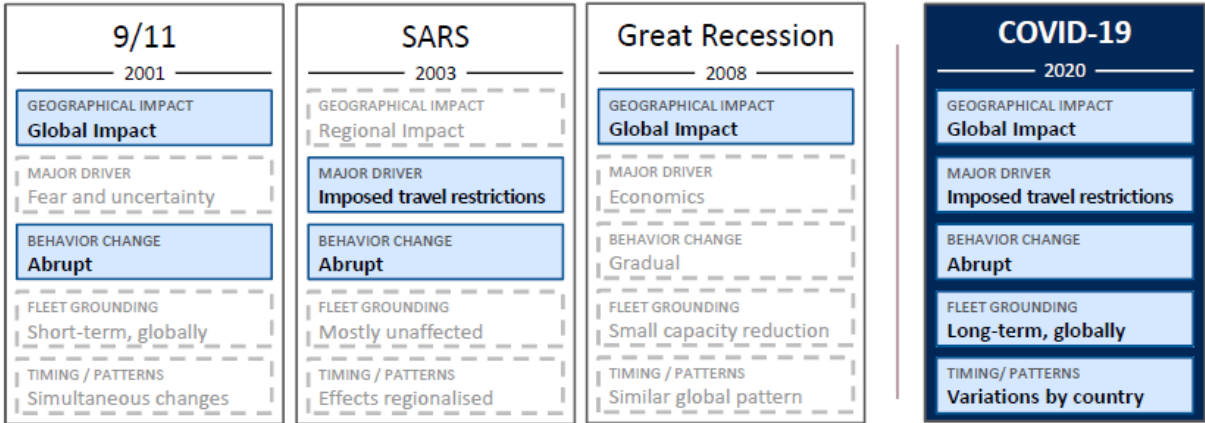
Competitors have also reacted to the Group's long-haul growth. In 2017, IAG launched a new low-cost long-haul airline, "Level", serving the US and South America from Barcelona. In addition, British Airways has reacted to the Group's London growth by increasing the seat density on their Boeing 777s flying out of Gatwick.

Actions by airline competitors show that the Group's recent expansion has had an impact on competitor profitability. The Company will continue to target routes where competitors are keeping fares high. Continuing to operate with new aircraft enables the Group to offer more competitive fares than the competition and grow its market share.

8.4 COVID-19 IMPACT

The impact of COVID-19 on the airline industry is unprecedented and differs in abruptness and severity to any other crisis faced in modern times. Given the abruptness and severity of the impact, there are significant uncertainties as to when the global airline market will recover to pre-crisis levels.

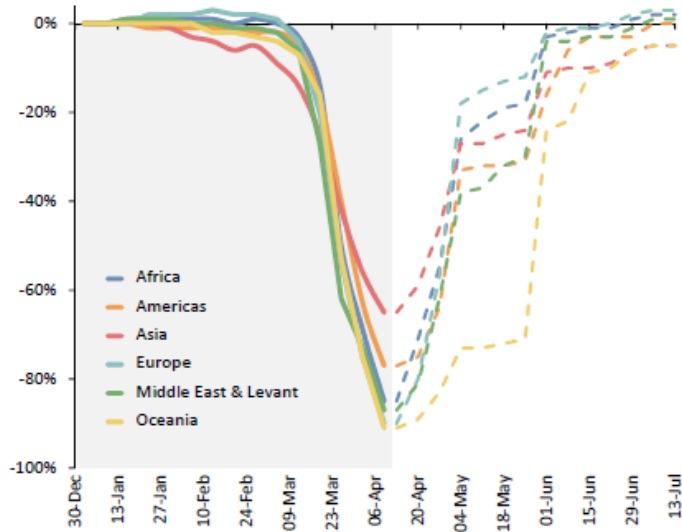
Figure: Air travel impact from external shocks



Source: Company

As of 31 March 2020, 110 countries have closed borders to all passengers, 57 countries have imposed severe restrictions, and 10 countries have quarantine rules in place for any arriving passengers. Airlines around the globe are now cutting capacity to match near zero demand, and capital projections change almost daily due to the significant uncertainty induced by the virus outbreak with regards to how it will continue to develop and impact global markets. Scheduled capacity has fallen 79 percent globally and capacity cuts are already bleeding into airline's highly lucrative summer schedules.

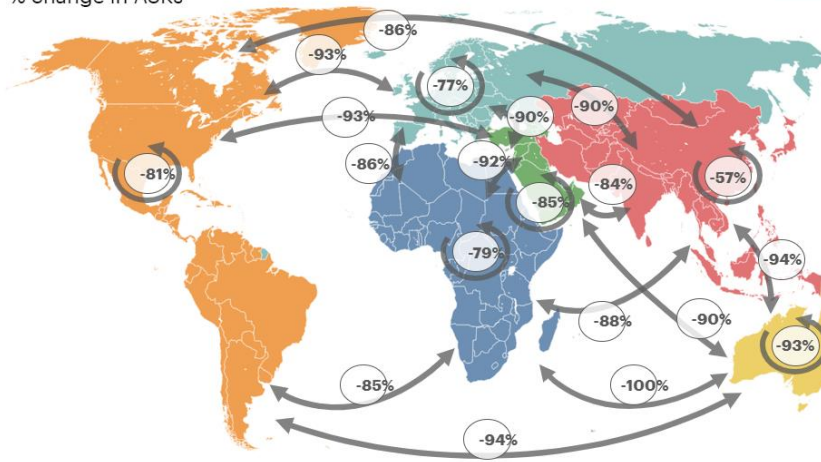
Figure: Scheduled capacity change - percentage ASKs versus 30 December 2019



Source: Company

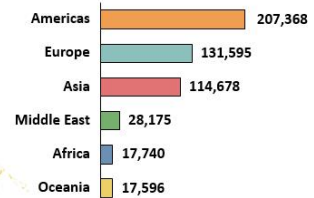
WORLD-WIDE SCHEDULED CAPACITY HAS BEEN CUT BY 79% SINCE THE BEGINNING OF THE YEAR

Scheduled capacity change for week of 4 May
% change in ASKs



Year to date

Reduction in scheduled flights
Weekly flights



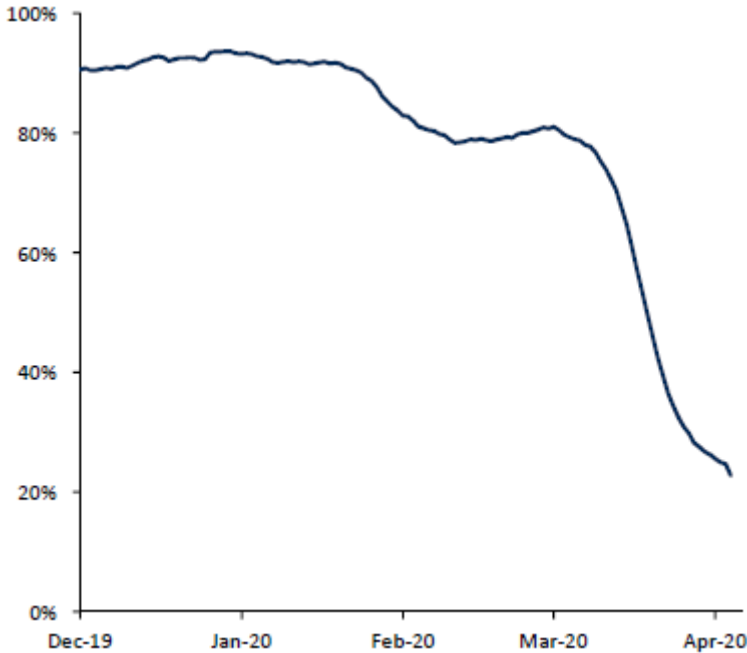
This analysis compares the schedule for the week of 4 May as published on the 2 January vs. 30 April.

Source: Innovata, Seabury Consulting analysis
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Capacity Fleet Cargo 3

An estimated 75 percent of the world's narrow-body and wide-body fleets have been grounded as of 6 April 2020; this may continue to grow as countries complete repatriation flights.

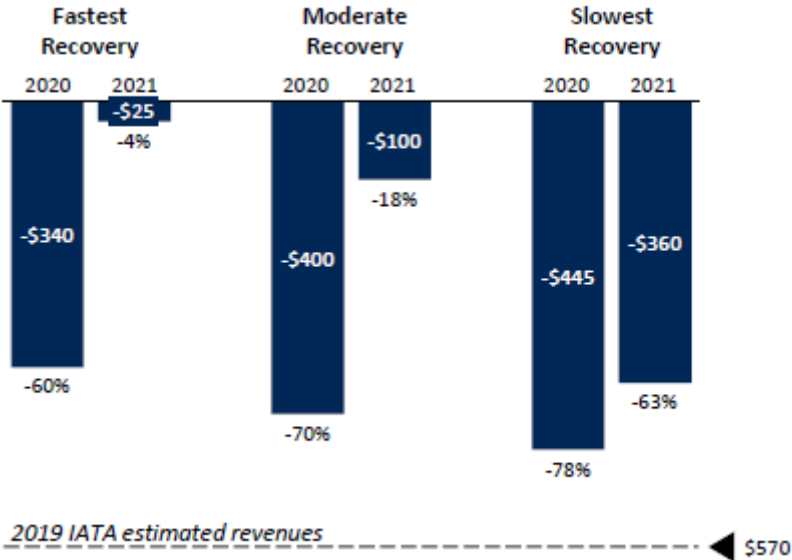
Figure: In-service fleet – Global narrow-body and wide-body fleet



Source: Company

The Company projects that COVID-19 will eliminate any industry profitability in 2020 with further impact in 2021, with a likely severe impairment of aircraft and lease values. The Company has analyzed several possible recovery scenarios and projects that a significant portion of demand will be lost for both 2020 and 2021.

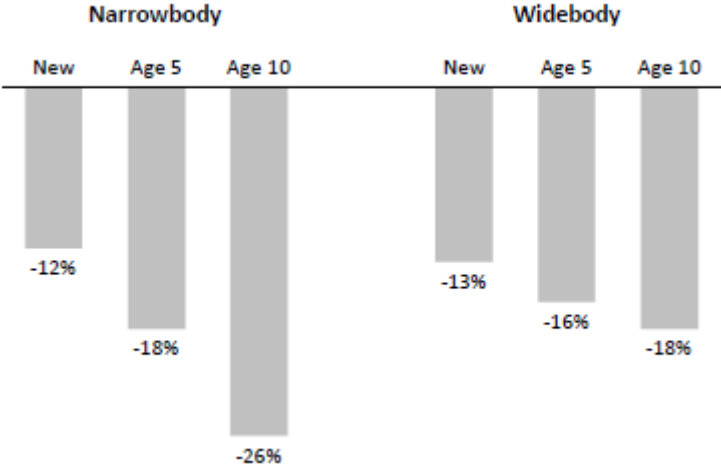
Figure: Industry-wide passenger revenue impact (USD, billion)



Source: Company

Aircraft values will likely be highly reduced in the near-term as a significant portion of the fleet remains grounded.

Figure: Percentage change in aircraft values, 2008-2009 recession



Source: Company

The long-term impact from COVID-19 on the global airline industry is highly uncertain and depends on various factors, inter alia, duration and magnitude of the outbreak, containment measures, consumer confidence and economic conditions. The environment is changing rapidly, and it is unclear how the virus will continue to develop and when the airline industry will see a recovery to baseline levels.

Note that all forward-looking statements and forecasts throughout Sections 8.1 - 8.3 of this prospectus are pre-COVID-19 and do not reflect the potential impacts from the virus outbreak. As such, these statements and forecasts are likely outdated and subject to substantial change as the situation evolve and more information becomes available.

9. PRESENTATION OF THE GROUP

Information in this Section 9 generally gives a description of the Group prior to the outbreak of COVID-19. Since then, the Company and its operations have severely been impacted by COVID-19 and consequences thereof. The Group has inter alia canceled most of its flights and grounded most of the aircrafts, lost most of its revenues, temporarily laid-off most of its employees and several subsidiaries have initiated insolvency proceedings – as further described in section 8.4, 9.11, section 9.13 and elsewhere in this Prospectus. Further, as a consequence, the Group has described its amended strategy as further described in section 9.12. This Section 9 must therefore be read as a whole, and also in conjunction with other information in the Prospectus, including the risk factors in Section 2.

9.1 INTRODUCTION

The Company is the ultimate parent company of the Group, and the business of the Group is carried out in the Company and the Company's subsidiaries, as further detailed in this Section 9 "Presentation of the Group". The Group includes 69 fully or partially owned subsidiaries.

9.2 CORPORATE INFORMATION ABOUT THE COMPANY

The Company's legal and commercial name is Norwegian Air Shuttle ASA.

The Company was incorporated on 22 January 1993.

The Company is registered in the Company Register under business register no. 965 920 358 and its LEI is 549300IEUH2FEM2Y6B51.

The Company is regulated by the Norwegian Public Limited Liability Companies Act ("allmennaksjeloven") (the "**Norwegian Public Limited Liability Companies Act**") and supplementing Norwegian laws and regulations.

As at the date of this Prospectus, the Company has a fully paid share capital of NOK 16,355,837.70 divided into 163,558,377 shares, each with a par value of NOK 0.10 (existing and new shares in the Company hereinafter referred to as "**Shares**").

The Company has one class of Shares in issue, and all Shares have equal rights, meaning that all the Shares rank in parity with one another and carry one vote per share.

The Company's registered office address is at:

Oksenøyveien 3
1366 Lysaker
Norway

The Company's place of business is at:

Oksenøyveien 3
1336 Lysaker
Norway

The Company's postal address is:

P.O. Box 115
1330 Fornebu
Norway

The Company may be reached via tel. +47 67 59 30 00, and its website is www.norwegian.com. The information at www.norwegian.com does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

9.3 OVERVIEW OF THE GROUP AND THE BUSINESS AREAS

Introduction

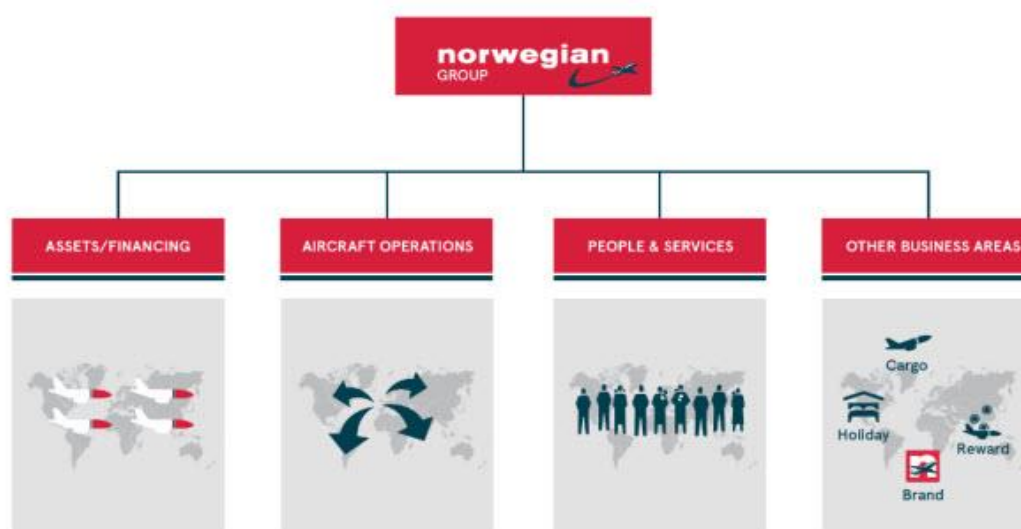
The Company's business is defined in paragraph 3 of its Articles of Association, which states that:

"The Company's objective is to be engaged in aviation, other transport and travel related business activities as well as activities connected therewith. The Company may also directly or indirectly be engaged in other forms of internet-based provision of goods and services, including car-rental, hotel booking, payment services, financial services and services related to credit cards. Participation in such activities as mentioned may take place through co-operation agreements, ownership interests or by any other means."

The Group consists of the parent company, NAS, and its directly or indirectly owned subsidiaries in Norway, Sweden, Denmark, Finland, Ireland, Spain and United Kingdom. At the end of 2019, the Company and its subsidiaries employed 9,388 staff at 20 locations in 12 countries across four continents. In 2019, the Group operated more than 500 routes to more than 150 destinations with both scheduled and charter service.

The Group has organized its operations and different functions into several entities to ensure international growth and necessary traffic rights in line with the strategy. The goal is to build an organizational structure that maintains the Group's flexibility and adaptability when growing and entering into new markets. The Group is divided into four main business areas:

- "People & Services";
- "Aircraft Operations" with the appropriate AOCs;
- "Assets and Financing"; and
- Other business areas (including the Norwegian brand and the loyalty program, Norwegian Reward).



Aircraft Operations

The Group's commercial airline activities (the Group's "Aircraft Operations" business area) are organized in the following entities:

- Norwegian Air Shuttle ASA ("**NAS**"), based at Fornebu, Norway;
- Norwegian Air International Limited ("**NAI**") based in Dublin, Ireland, wholly owned by NAS;
- Norwegian UK Limited ("**NUK**") based in London, United Kingdom, wholly owned by NAS;
- Norwegian Air Norway AS ("**NAN**") based at Fornebu, Norway, wholly owned by NAS; and
- Norwegian Air Sweden AB ("**NSE**") based at Arlanda, Sweden, wholly owned by NAS.

Each of the abovementioned Group Companies holds an AOC in their respective locations.

As of year-end 2019, the Company's commercial airline activities are operated through 20 bases globally in the following geographical locations: Norway, Sweden, Denmark, Finland, United Kingdom, Spain, Thailand, United States, Italy and France.

Throughout 2019, the Company has made several changes to its route portfolio as well as adjusted its capacity, as previously communicated. As a result, several routes and bases in Europe and the United States have been discontinued. The Company has closed down its bases in Edinburgh (EDI) in Scotland; Dublin (DUB) in Ireland; Palma de Mallorca (PMI) and Madrid (MAD) in Spain; Amsterdam (AMS) in the Netherlands; the short-haul base in Rome Fiumicino (FCO) in Italy; the long-haul base in Copenhagen (CPH) in Denmark; Bangkok (BKK) in Thailand; and Stewart (SWF) and Providence (PVD) in the United States. In addition, the Company no longer base long-haul pilots in Fort Lauderdale (FLL), United States.

On 4 December 2019, the Company announced that it had signed an agreement for the sale of 100 percent of its wholly owned Argentinian subsidiary Norwegian Air Argentina S.A.U. ("**NAA**") to JetSMART Airlines. JetSMART assumed the NAA operation with immediate effect. The parties expect that the integration process will take several months, and the Company's brand will be phased out in the domestic Argentinian network during this period. Over the first half of 2020, the three 737-800s that the Company operated in Argentina will be replaced by JetSMART's Airbus A320 aircraft. The three Boeing 737-800s will return to the Company's European fleet.

On 2 September 2019, the Company summoned bondholders to amend certain terms and conditions of the outstanding bonds NAS07 and NAS08. In exchange for an extension of approximately two years, unsecured bondholders were offered, *inter alia*, a pledge over all shares in NAN. As a part of the offering, all the Group's take-off and landing slots at London Gatwick Airport were placed under NAN's ownership through its wholly owned subsidiary NAS Eire Invest AS, providing asset backing for bondholders. All but one of the Group's aircraft owned by NAN were transferred to other subsidiaries of the Company, as these aircraft were not a part of the offered security package. One aircraft remain under NAN's ownership to uphold AOC requirements.

Assets and Financing

The business area "Assets and Financing" handles aircraft financing, leases and ownership.

The Group's assets activities are organized in a group of subsidiaries based in Dublin, Ireland. Arctic Aviation Assets DAC ("**AAA**"), which is based in Dublin, Ireland and wholly owned by NAS, is the parent company. Wholly owned subsidiary entities of AAA are (all of which are based in Ireland):

- Oslofjorden Limited;
- Drammensfjorden Leasing Limited;
- Geirangerfjorden Limited;
- Boknafjorden Limited;
- DY1 Aviation Ireland Limited;
- DY2 Aviation Ireland Limited;
- DY3 Aviation Ireland Limited;
- DY4 Aviation Ireland Limited;
- DY5 Aviation Ireland Limited;
- DY6 Aviation Ireland Limited;
- DY7 Aviation Ireland Limited;
- DY9 Aviation Ireland Limited;
- Fedjefjorden Limited;
- Larviksfjorden Limited;
- Larviksfjorden II Limited;
- Torskefjorden Leasing Limited;
- Torefjorden DAC;

- Lysakerfjorden Leasing Limited;
- Arctic leasing No.1 Limited;
- Arctic leasing No.4 Limited;
- Arctic leasing No.5 Limited;
- Hardangerfjorden Limited;
- Sognefjorden Limited;
- Ofotfjorden Limited;
- Tysfjorden Limited;
- Stogofjorden Limited;
- Slidrefjorden Limited;
- Ullsfjorden Limited;
- Fiskefjorden Limited;
- Vindafjorden Limited;
- Lysefjorden Limited;
- Nordfjord Limited;
- Trollfjorden Limited;
- Tufjorden Limited; and
- Ilfjorden Limited

On 24 October 2019, the Company announced the formation of a new joint venture with CCB Leasing (International) Corporation DAC ("**CCBLI**"). CCBLI is a wholly owned subsidiary of China Construction Bank Corporation (CCB), an industry leader in banking, financial services and leasing, and the world's second largest bank by asset value. CCBLI will be the majority owner of the joint venture with a 70 percent share, with the Company, through its wholly owned subsidiary AAA, holding the remaining 30 percent. The purpose of the joint venture will be to finance, own and lease aircraft which are part of the Company's aircraft orderbook. Under the terms of the agreement, the joint venture will purchase from AAA an initial 27 Airbus A320neo aircraft to be delivered from 2020 to 2023. CCBLI has committed to provide senior debt financing to the joint venture for all of the 27 aircraft. In addition to a positive equity effect, the joint venture reduces the Company's committed capital expenditure by approximately USD 1.5 billion based on the initial 27 aircraft.

People & Services

The Group's crew, airline and crew support and administrative functions are mainly organized within or through companies in the business area "People & Services" and provide services across the Group's business areas.

In line with legal developments in Europe, fully owned country specific resource "People and Services" companies have been established, with the intention of offering permanent local employment to hired pilots, etc.

The resource ("People & Services") companies include:

- Norwegian Air Resources Limited (Fornebu, Norway) (100%);
- Norwegian Air Resources Shared Service Center AS (Fornebu, Norway) (100%);
- Norwegian Air Resources Shared Service Center US AS (Maryland, USA) (100%);
- Norwegian Pilot Services Norway AS (Fornebu, Norway) (100%);
- Norwegian Pilot Services Sweden AB (Stockholm, Sweden) (100%);
- Norwegian Pilot Services Denmark ApS (Copenhagen, Denmark) (100%);

- Norwegian Cabin Services Norway AS (Fornebu, Norway) (100%);
- Norwegian Cabin Services DK ApS (Hellerup, Denmark) (100%)
- Norwegian Air Resources Sweden AB (Stockholm, Sweden) (100%);
- Norwegian Air Resources Denmark ApS (Hellerup, Denmark) (100%);
- Norwegian Air Resources DK LH ApS (Hellerup, Denmark) (100%);
- Norwegian Air Resources Ireland Ltd (Dublin, Ireland) (100%);
- Norwegian Training Academy AS (Fornebu, Norway) (100%);
- Norwegian Air Resources 1 AS (Fornebu, Norway) (100%);
- AB Norwegian Air Resources Finland Ltd (Helsinki, Finland) (51%);
- Norwegian Air Resources Spain S.L. (Madrid, Spain) (51%); and
- OSM Aviation UK Limited (London, England) (51%)

in addition to OSM Aviation Group Limited, a company in which NAS owns 50 percent of the shares through Norwegian Air Resources Limited.

On 20 April 2020, Norwegian's pilot and cabin crew companies in Sweden and Denmark filed for bankruptcy due to the drop in demand following the COVID-19 outbreak. While almost all of the Company's flight operations have been canceled, costs for air crew remained due to the inefficient furlough opportunities in Sweden and Denmark, coupled with the lack of significant financial support from the same governments. The boards of the following companies were therefore left with no choice but to apply for bankruptcy in order to reduce costs during the unprecedented crisis:

- Norwegian Pilot Services Sweden AB
- Norwegian Pilot Services Denmark Aps
- Norwegian Cabin Services DK Aps
- Norwegian Air Resources DK LH ApS

Due to the extraordinary situation (force majeure), the Company also notified OSM Aviation that it has canceled the crew provision agreements with several of its jointly owned OSM Aviation subsidiaries. These companies have crew based in Spain, U.K, Finland, Sweden and the US.

The above actions affect 1,571 pilots and 3,134 cabin crew. The process of the subsidiaries filing for bankruptcy is now being managed by bankruptcy courts and bankruptcy trustees in the respective countries.

Other business areas

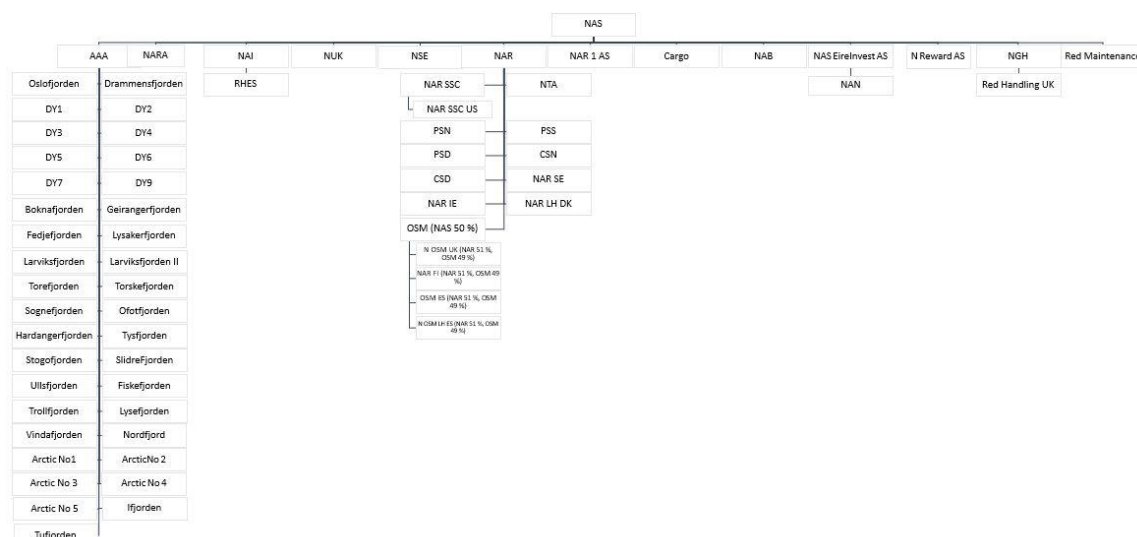
- Norwegian Brand Limited (Dublin, Ireland) (100%) has the responsibility of developing and maintaining the Group's brand and marketing activities across all business areas.
- Norwegian Reward AS (Fornebu, Norway) (100%), which operates the Group's loyalty program, is a separate business unit with its own management. Norwegian Reward is growing rapidly – it surpassed ten million members in September 2019 – and has a presence in the airline's major markets. Members earn CashPoints when booking flights with the Group and buying products or services from partner companies. Reward members can then use those CashPoints as full or partial payment on all Group flights or other products and services without restrictions, such as seat reservations.
- NAS Invest AS (Fornebu, Norway) (100%) has the responsibility for the Group's investment activities
- Norwegian Cargo AS (Fornebu, Norway) (100%) is carrying out the Group's commercial cargo activities.
- Red Handling UK Limited (100%) and Red Handling Spain S.L. (100%) carry out ground handling services and are established in the UK and Spain, respectively. Red Handling UK Limited provides ground handling services at London Gatwick (LGW) to the Group's airline companies, and Red Handling Spain S.L provides ground handling services at Barcelona Airport (BCN), Alicante Airport (ALC), Palma de Mallorca Airport (PMI), Malaga Airport (AGP)

and Las Palmas Airport (LPA) to the Group's airline companies.

9.4 LEGAL STRUCTURE

The following legal structure aligns with the Group's model as of January 2020:

24.03.2020



9.5 BRIEF HISTORY AND DEVELOPMENT

Date	Historic events and development
22 January 1993	<ul style="list-style-type: none"> The Company was incorporated.
1993-2002	<ul style="list-style-type: none"> The Company operated as a subcontractor to the regional activities of Braathens S.A.F.E. on the west coast of Norway with a fleet of Fokker F-50 aircraft.
September 2002	<ul style="list-style-type: none"> Following SAS' acquisition of Braathens S.A.F.E, and the termination of the Company's west coast operation, the Company started its low-cost operations through the launch of domestic routes in Norway with a fleet of six Boeing 737-300 aircraft.
18 December 2003	<ul style="list-style-type: none"> The Company listed the shares on Oslo Børs and raised NOK 250 million through the issuance of 7,812,500 new shares. The offering was oversubscribed.
2004	<ul style="list-style-type: none"> The Company initiated codeshare agreements with each of FlyNordic and Sterling. The codeshare agreement with FlyNordic involved the Stockholm – Oslo route, whereas the agreement with Sterling involved codeshare agreements on thirteen of the Company's European routes from Norway.
2004-2006	<ul style="list-style-type: none"> The codeshare agreement with FlyNordic involved the Stockholm – Oslo route, whereas the agreement with Sterling involved codeshare agreements on thirteen of the Company's European routes from Norway.
2005	<ul style="list-style-type: none"> The Company reached a milestone with the first year in profit. The Company showed a revenue growth of 63 percent, growing its annual revenue to NOK 1,972 million from NOK 1,210 million in

Date	Historic events and development
	2004.
2006	<ul style="list-style-type: none"> The Company continued its focus on expanding its business activities further, among others with the establishment of a Polish subsidiary and base in Warsaw, and with the commencement of flights from Warsaw to five European cities in 2006.
2007	<ul style="list-style-type: none"> The Company acquired FlyNordic from Finnair in order to strengthen its position in the Nordic and European markets. The Company decided to locate its Swedish base in Stockholm. In order to obtain emission reductions and significant bottom line savings, the Company placed an order with Boeing in the third quarter of 2007 to buy 42 737-800 aircraft. The aircraft was considerably more environmentally friendly than the existing fleet of the Group at that time.
October 2007	<ul style="list-style-type: none"> The online bank, Bank Norwegian AS ("Bank Norwegian"), was established, and the frequent flyer program Norwegian Reward was launched. Norwegian Reward enabled the customers to earn so called cash points on Bank Norwegian credit card transactions, which could be used to purchase plane tickets.
2008	<ul style="list-style-type: none"> The Company increased its footprint as an environmentally conscious airline through delivery of its first Boeing "Next Generation" (NG) 737-800 aircraft. The new aircraft reduced Fuel Consumption and emissions by more than 20 percent, while passenger capacity increased from 148 to 186/189. The Company's operation was further expanded through the launch of a new base at Rygge, outside Oslo, with 14 routes in service. Following the bankruptcy of Sterling, the Company entered the Danish market through the opening of its Copenhagen base.
2009	<ul style="list-style-type: none"> The Company took delivery of the first Company-owned Boeing 737-800, and the aircraft commenced commercial operation in September 2009. The Group also expanded extensively in Denmark by launching 39 new routes, while the number of Copenhagen-based planes increased from seven to nine. 2009 also marked the best year since the Company was established, and the Company presented an annual profit after tax exceeding NOK 446 million, while passenger figures showed a considerable growth; approximately 10.8 million passengers flew with the airline in 2009, up 18 percent compared to 2008.
2010	<ul style="list-style-type: none"> The Group further continued its fleet growth and confirmed an order of an additional 15 737-800s from Boeing for delivery between 2014 and 2016. The order was added to the Group's existing order of 48 737-800s from Boeing that was delivered up until 2014. The Company was voted the second-best airline in Northern Europe and the third best low-cost airline in Europe, according to a SkyTrax survey. More than 18 million travelers from 100 different countries participated in the survey in the period July 2009 – April 2010.
2011	<ul style="list-style-type: none"> The Company began to offer in-flight WiFi on European routes, being the first airline to offer such service. The free-of-charge offer was well received by the passengers, and by the end of 2012, the entire fleet of 737-800s had WiFi. The Company continued its expansion plans further by the

Date	Historic events and development
	<p>opening of a new base at the Helsinki Airport, and a launch of domestic routes and eleven international routes in Finland. Approximately one million Finnish passengers travelled with the Group in 2011.</p> <ul style="list-style-type: none"> The Group's fleet renewal program continued in 2011, with the agreement to purchase three Boeing 787-8 Dreamliners, the lease of one additional Dreamliner and the purchase of 15 737-800s from Boeing, in addition to the existing order of 63 737-800s.
2012	<ul style="list-style-type: none"> The Group signed one of the largest ever agreements in European aviation history, through an order of 222 aircraft from Boeing and Airbus. The order comprised 22 Boeing 737-800, 100 Boeing 737 MAX 8 and 100 Airbus A320neo. The Group further secured an additional two Boeing 787-8 Dreamliners for its long-haul operations, which secured a delivery of a total of eight 787-8 Dreamliners.
2013	<ul style="list-style-type: none"> The Group officially launched its long-haul offering in 2013, through the launch of routes between Oslo – New York and Oslo – Bangkok, in addition to Fort-Lauderdale – Copenhagen, Oslo and Stockholm and Bergen – New York. All routes are operated with the Dreamliner. To add on its long-haul strategy, the Group signed a contract to lease two new 787-9 Dreamliner for delivery in the first quarter of 2016. NAS was further awarded "Best European Low-Cost Carrier" by Skytrax¹⁵, and "Best Inflight Connectivity and Communications" by APEX (Airline Passenger Experience Association)¹⁶ for its free WiFi on board.
2014	<ul style="list-style-type: none"> The Group was granted an Irish AOC for its subsidiary NAI, which is based in Dublin. The Group further continued its expansion through the establishment of four new bases, Barcelona and Madrid in Spain and Fort Lauderdale and New York in North America. The Company took delivery of 18 new aircraft during the year, including 14 new 737-800s and four 787-8 Dreamliners. For the second year in a row, the Company was awarded "Best Low-Cost airline in Europe" by Skytrax¹⁷.
2015	<ul style="list-style-type: none"> The Group further took delivery of ten new aircraft and signed a letter of intent to lease out twelve of its new Airbus A320neos for twelve years, which were delivered from 2016 and will continue to be delivered in the coming years. In September 2015, the Group added 19 new 787-9 Dreamliners to its order book, increasing the number of Dreamliners ordered in 2015 to 21 and the total fleet of Dreamliners to 38 when all are delivered. The Group launched several new routes, including domestic routes in Spain, winter routes in the Caribbean as well as direct flights from London to Boston. In addition, the Company received two international awards, including "Best Low-Cost airline in Europe" (three years in a row) and "World's best Long-Haul Low-Cost airline", both from SkyTrax.¹⁸

¹⁵ <http://www.worldairlineawards.com/>

¹⁶ <https://connect.apex.aero/page/prevpassengerchoice>

¹⁷ <http://www.worldairlineawards.com/>

¹⁸ <http://www.worldairlineawards.com/>

Date	Historic events and development
2016	<ul style="list-style-type: none"> • The Group added 17 new 737-800 aircraft and four 787-9 Dreamliners to operations. Further, the Group took delivery of the first two Airbus A320neos which were to be leased out. In terms of aircraft orders, the Company converted orders of 30 A320neo into A321LR (long range) aircraft. • The long-haul expansion continued, with start-up of routes between the US and Paris and several other routes. • Norwegian Air Resources AS entered into a joint venture with OSM Aviation to form a leading, full-service crew management company. • Again, the Group was approved by its customers by being awarded the "World's Best Long-Haul Low-Cost Airline" from Skytrax¹⁹.
2017	<ul style="list-style-type: none"> • 17 new Boeing 737-800, six 737 MAXs and nine 787-9 Dreamliners were delivered in 2017. Additionally, three new Airbus A320neos were delivered for leasing to HK Express. The Group divested eleven Boeing 737-800s on sale leaseback, took delivery of six Boeing 737 MAX 8s, four Boeing 787-9 aircraft and two Airbus A320neos. • Recognized as the prestigious "Best Low-Cost Long-Haul Airline" for the third time and the "Best Low-Cost Airline in Europe" for the fifth consecutive year, both by Skytrax²⁰. • The US Department of Transportation approved NUK's application for a foreign carrier permit. • Entered into a total return swap agreement for a portion of its share in Norwegian Finans Holding ASA (the parent company of Bank Norwegian) as part of its strategy to eventually reduce its exposure toward the bank. • Some services were affected in summer 2017 as long-term planning and crewing issues created challenges, but these were thoroughly addressed to ensure the Group was in a stronger position for the summer of 2018. • Norwegian Pilot Services and the Norwegian Pilot Union agreed locally on the framework for a new three-year collective labor agreement. The agreement will provide the Group with predictability and stability during the period.
Q1 2018	<ul style="list-style-type: none"> • The Company successfully completed a tap issue of EUR 65 million in the outstanding EUR 185 million senior unsecured bond issue "NAS07". The Company also completed a private placement of new shares raising NOK 1.3 billion and a subsequent offering of NOK 200 million. • The Company and Widerøe signed an interline agreement, including all Widerøe's Public Service Obligation routes in Norway and the Company's domestic routes in Norway. The flights are available for purchase through Widerøe's channels. • NAA received the AOC from the National Government of Argentina. The Argentine Government granted NAA concessions to operate more than 150 domestic and international routes, opening the door to considerable future growth in South America. • The Company took delivery of its last Boeing 737-800 and six 787-900s. • The Company was made aware that the European aviation group International Airlines Group had acquired 4.61 percent of the Shares in NAS, and that IAG was considering making an offer for

¹⁹ <http://www.worldairlineawards.com/>

²⁰ http://www.worldairlineawards.com/Awards/worlds_best_lowcost_airlines.html

Date	Historic events and development
	all the Shares in the Company.
Q2 2018	<ul style="list-style-type: none"> • Two Boeing 737 MAX 8s and three Boeing 787-9s were added to the Company's operations. • The license agreement between the Company and Bank Norwegian AS was extended to ten years. • The Company was awarded multiple awards, including inter alia; World Travel Awards: "Europe's best low-cost carrier", US Ambassador's Award for strengthening bilateral relations between Norway and the US, three recognitions under the prestigious Passenger Choice Awards.
Q3 2018	<ul style="list-style-type: none"> • The Company announced the sale of six Boeing 737-800 aircraft. • Four Boeing 737 MAX 8s and one Boeing 787-9 were added to the Company's fleet.
Q4 2018	<ul style="list-style-type: none"> • Six Boeing 737 MAX 8s and one Boeing 787-9 were added to the Company's fleet. • The Company announced the sale of two Boeing 737-800 aircraft and five Airbus A320neo aircraft. • The Company announced that it had launched an extensive cost reduction program, #Focus2019. The Company is aiming on a cost reduction of minimum NOK 2 billion in 2019. Furthermore, capital expenditure will be reduced through aircraft divestment, joint venture ("JV") establishment and postponement of aircraft deliveries. • The Company announced that it had reached an agreement with Rolls-Royce regarding compensation for the disruptions for the Company's long-haul operation caused by challenges with the Rolls-Royce engines on the Company's Dreamliners. • The Company enters into a letter of intent ("LOI") related to the formation of a JV for aircraft ownership with an Asian company.
24 January 2019	<ul style="list-style-type: none"> • IAG announced that it does not intend to make an offer for the Company and that, in due course, it will be selling its shareholding in the Company.
29 January 2019	<ul style="list-style-type: none"> • The Company strengthened its balance sheet through a fully underwritten rights issue of NOK 3 billion.
5 February 2019	<ul style="list-style-type: none"> • The Company announced that it had signed an agreement for the sale of two A320neo aircraft with expected delivery during February 2019.
12 March 2019	<ul style="list-style-type: none"> • The Company grounded 18 Boeing 737 MAX 8 following recommendations by European aviation authorities. See Section 9.7 (Certain significant factors affecting the business performance - Grounding of Boeing 737 MAX and Dreamliner engine issues) for more information.
15 March 2019	<ul style="list-style-type: none"> • The share capital increase pertaining to the rights issue was registered. The Company's new share capital is NOK 13,630,837.70, divided into 136,308,377 shares.
18 March 2019	<ul style="list-style-type: none"> • Mr. Bjørn H. Kise notified the election committee that he will resign as Chairman of the Group following the Annual General Meeting on 7 May 2019.

Date	Historic events and development
3 April 2019	<ul style="list-style-type: none"> The Company announced the sale of two Boeing 737-800 aircraft with delivery in late Q3 and early Q4 2019.
8 April 2019	<ul style="list-style-type: none"> The Company appointed chief financial officer (“CFO”) Geir Karlsen as deputy chief executive officer (“CEO”, while also remaining Group CFO.
2 May 2019	<ul style="list-style-type: none"> The Company entered into an agreement with Norwegian Finans Holding ASA (“NOFI”) for NOFI’s right to use the Norwegian brand and the airline’s logo outside the Nordics. In addition, NOFI will transfer NOFI shares to the Company.
7 May 2019	<ul style="list-style-type: none"> Mr. Niels Smedegaard is elected new Chairman of the Board at the Company’s annual general meeting.
Q2 2019	<ul style="list-style-type: none"> During Q1 and Q2 2019, the Company restructured the orderbook with both Boeing Commercial Airplanes and Airbus S.A.S. A total of 26 737 MAX aircraft originally due for delivery in 2020 and 2021 was pushed out in time, in addition to restructured delivery plan for an unspecified number of A320neos and A321LRs. Consequently, total capital expenditures in 2019 and 2020 have been reduced by approximately NOK 22.0 billion. For the sixth year in a row, the Company was named “Best Low-Cost Airline in Europe” by passengers and the “Best Low-Cost Long-Haul Airline” for five consecutive years.
11 July 2019	<ul style="list-style-type: none"> Founding partner, Mr. Bjørn Kjos, stepped down after 17 years as CEO of the Company. CFO Geir Karlsen was appointed interim CEO.
19 August 2019	<ul style="list-style-type: none"> The Company entered into an agreement to sell its entire shareholding in NOFI. The sale generated gross proceeds of NOK 2.2 billion and a cash release of NOK 0.9 billion.
2 September 2019	<ul style="list-style-type: none"> The Company requested an extension of NAS07 and NAS08 until November 2021 and February 2022, respectively. In exchange, bondholders were offered, inter alia, security in the Company’s take-off and landing slots at London Gatwick Airport. The bondholders voted in favor of the proposal on 16 September 2019.
Q4 2019	<ul style="list-style-type: none"> Over three announcements, the Company announced sales of additional twelve aircraft over the course of Q4 2019 and Q1 2020. The sales are part of the strategy to change focus from growth to profitability and capitalize on the scale built up over the years. Following these sales, the Company has sold a total of 24 aircraft with delivery in 2019 and 2020. The net liquidity effect resulting from these sales is NOK 2.2 billion.
17 October 2019	<ul style="list-style-type: none"> The Company signed a letter of intent for an interline agreement with JetBlue, allowing customers to combine low fares in a convenient single booking for connecting flights between the Americas and Europe. The partnership is planned to launch in early Summer 2020.
24 October 2019	<ul style="list-style-type: none"> The Company established a joint venture with CCB Leasing (International) Corporation DAC for an initial 27 Airbus A320neo aircraft. The joint venture is expected to reduce the Company’s committed capital expenditure by approximately USD 1.5 billion. The Company met the cost reduction target of NOK 2.0 billion in #Focus2019 year to date, and raised the full-year target to NOK

Date	Historic events and development
	2.3 billion.
5 November 2019	<ul style="list-style-type: none"> The Company announced a contemplated private placement of 27,250,000 shares and a convertible bond issue of USD 150 million. The transaction secured NOK 2.5 billion in gross proceeds. Furthermore, the Company announced a subsequent offering of up to 7,000,000 shares directed toward Shareholders that were not allocated shares in the private placement. Norwegian Reward launched credit card in the US.
20 November 2019	<ul style="list-style-type: none"> Mr. Jacob Schram was appointed as the Company's CEO. Mr. Schram started his new role as CEO 1 January 2020. Interim CEO Geir Karlsen will continue as the Company's Chief Financial Officer and Deputy CEO.
27 November 2019	<ul style="list-style-type: none"> The capital raise in three transactions, a private placement, a potential offering of new shares and a convertible bond issue, was approved at the Company's Extraordinary General Meeting.
4 December 2019	<ul style="list-style-type: none"> Norwegian announced the sale of its Argentinian subsidiary (NAA) to JetSMART Airlines. JetSMART assumed the NAA operation with immediate effect.
10 March 2020	<ul style="list-style-type: none"> Norwegian canceled approximately 3,000 flights and implemented temporary layoffs due to the effects of COVID-19.
16 March 2020	<ul style="list-style-type: none"> Norwegian canceled 85 percent of planned flights and announced temporary layoffs of approximately 7,300 employees.
8 April 2020	<ul style="list-style-type: none"> The Board of Directors of the Company proposed actions and implementations that aim to fulfill the requirements of the second and third tranches of the government guarantee offered to the Norwegian airline industry and called for an Extraordinary General Meeting on 4 May 2020.
14 April 2020	<ul style="list-style-type: none"> The Company summoned bondholders to meetings on 30 April 2020 to amend terms and convert bonds into equity – as subsequently changed and amended.
20 April 2020	<ul style="list-style-type: none"> Norwegian's pilot and cabin crew companies in Sweden and Denmark filed for bankruptcy.
4 May 2020	<ul style="list-style-type: none"> EGM in the Company approving, inter alia, on certain terms and conditions share capital increases related to Conversion of Debt and the Offering

9.6 BUSINESS OVERVIEW

9.6.1 Introduction

The Company was founded in 1993 but began operating as a low-cost carrier with Boeing 737 aircraft in 2002. Historically the Group has constantly introduced brand new aircraft to its fleet, launched new routes and established new bases in Europe, Asia and the US.

The Group is one of the largest low-cost carriers in the world²¹ with a vast domestic route network in Norway, Sweden, Denmark and Finland, as well as a wide range of routes between Scandinavia and the European continent, Thailand, the Middle East and the US. In 2019, the Group's long-haul business comprised more than 60 intercontinental routes to 20 destinations.

²¹ Source: CAPA – Centre for Aviation, airline company traffic reports (<https://centreforaviation.com/analysis/reports/europe-airline-groups-2018-ranking-lufthansa-group-still-at-the-top-456098>)

The Group's fleet of 147 aircraft as of Q1 2020 is very modern and environmentally friendly. As per the date of this Prospectus, the Group also has 190 aircraft on firm order plus 90 purchase options for delivery in the coming years, which secures the Group flexibility of owning its own aircraft and the benefits of having a young fleet.

The Group has implemented a customer loyalty program (Norwegian Reward) in cooperation with the online bank, Bank Norwegian AS. Customers earn "CashPoints" for purchasing airline tickets with the Group or for staying at a hotel or shopping at one of the partners of the program. Norwegian Reward surpassed ten million members in September 2019.

9.6.2 Fleet

The Group has one of the youngest and most modern aircraft fleets globally, with an average aircraft age of 4.6 years.

The airline operates an all-Boeing fleet with four aircraft types – the 787-8 Dreamliner and the 787-9 Dreamliner for all long-haul operation and the 737-800 and 737 MAX for the short-haul operation. Since the grounding of the 737 MAXs in March 2019, the routes normally operated by 737 MAXs have been operated by a mix of 737-800s and wet-leased aircraft. The three 737-800s that the Group operated in Argentina prior to the sale of NAA to JetSMART Airlines will return to the Company's European fleet.

At the end of Q1 2020, the Group's fleet comprised of 147 aircraft of which 55 are owned and 92 are leased. Of the leased aircraft, two aircraft are on short-term lease until May 2020. The Group has 190 aircraft on order (including the 27 aircraft to be included in the joint venture with CCBLI) plus 90 purchase options as per the date of this Prospectus. The order book includes Boeing 737 MAX 8s, Boeing 787-9 Dreamliners, Airbus A321 Long Ranges and Airbus A320neos. A large portion of the new aircraft will replace older planes, demonstrating the Group's commitment to operate a modern and environmentally friendly fleet.

As part of the Group's change in strategic focus from growth to profitability, the Group will continue selling aircraft not needed for its own business. This includes sale of aircraft from the current fleet to accommodate fleet renewal, as well as aircraft that is not needed for the Company's operations. Several aircraft have already been phased out to accommodate newer, more fuel-efficient and environmentally friendly aircraft. In 2019, the Group sold a total number of 24 aircraft with delivery and net liquidity effect of NOK 2.2 billion in 2019 and Q1 2020. Following restructurings of the Group's order book with both Boeing and Airbus in Q1 and Q2 2019, total capital expenditures in 2019 and 2020 have been reduced by approximately NOK 22.0 billion.

In addition to numerous other awards, the Group has been awarded the "World's best low-cost long-haul airline" for five consecutive years at the SkyTrax World Airline Awards as well as being named "Airline of the Year " at the CAPA Aviation Awards for Excellence in 2017. In 2015 and 2018, the Group was named the most fuel-efficient airline on transatlantic routes by The International Council on Clean Transportation ("**ICCT**").

The aircraft fleet is pledged as security for the Company's secured debt.

Boeing 787 Dreamliner

The 787 Dreamliner is the most technologically advanced aircraft in the skies today. It is also the most environmentally friendly option available, with 20 percent less emissions than other comparable aircraft.

The 787 Dreamliner also features a number of innovations that benefit passengers, such as larger windows and a more silent cabin. In conventional planes, the pressure in the cabin is set to simulate an altitude of 2,400 meters. The 787 Dreamliner is set at 1,800 meters. In turn, this reduces typical "jet lag" symptoms such as headaches and muscle pain.

Facts about the Group's Boeing 787 Dreamliner:

- 37 aircraft per year-end 2019
- The 787-8 has 291 seats (32 in the Premium cabin and 259 in the Economy cabin), while the 787-9 is operated in two different configurations, either 344 seats (35 in the Premium cabin and 309 in the Economy cabin) or 338 seats (56 in the Premium cabin and 282 in the Economy cabin)

- Min. two pilots and eight cabin crew, for extended flights max. four pilots and twelve cabin crew
- Two Rolls-Royce Trent 1000 engines
- Max. start weight: 227,930kg (787-8) 252,650kg (787-9)
- Length: 57m (787-8) 63m (787-9)
- Height: 17m
- Wingspan: 60,17m
- Thrust: 67,000lbs per engine (787-8) 74,000lbs per engine (787-9)
- Cruise speed: 913kph

Boeing 737-800

The Boeing 737-800 serves the routes in the Company's short-haul network. The fleet of Boeing 737-800 aircraft offers good legroom for the passengers, while most of the aircraft feature the sleek Boeing Sky Interior, free in-flight WiFi and live TV.

Facts about the Group's Boeing 737-800:

- 101 aircraft per year-end 2019
- 186 / 189 seats
- Two pilots and four cabin crew members
- Two CFM 56-7B26 engines
- Max start weight: 78,999kg
- Length: 39.5m
- Height: 12.5m
- Wingspan: 35.8m
- Thrust: 26,400lbs per engine
- Cruise speed: 858kph
- Winglets

Boeing 737 MAX 8

The Company took delivery of its first two Boeing 737 MAX 8 aircraft in June 2017. The state-of-the-art and fuel-efficient aircraft boasts a longer range than the Boeing 737-800 aircraft. 737 MAX uses 20 percent less fuel per seat than the original 737-800s and up to 40 percent less fuel than older aircraft still in service. Passengers will be able to travel in a sleek and modern single-class economy cabin with Sky Interior to further destinations than existing single-aisle aircraft is capable of, even transatlantic flights. The 737 MAX incorporate the latest quiet engine technology to reduce the operational noise footprint of the airplane by up to 40 percent.

Facts about the Group's Boeing 737 MAX 8:

- 18 aircraft per year-end 2019
- Advanced technology winglets
- CFM International LEAP-1B engines
- 189 seats
- Two pilots and four cabin crew members
- Length: 39.5m
- Height: 12.3m
- Wingspan: 35.9m

- Cruise speed: Mach 0.79

The Group's 737 MAXs have been grounded since March 2019. It has not yet been determined when the 737 MAXs will be cleared to operate in Europe or the US.

9.6.3 Flight operations

The Group's organizational model is continuously being developed to support the delivery of the long-term strategy.

Allocating aircraft on a commercially attractive route network relies heavily on traffic rights. To be competitive in the dynamic nature of the industry, the Group must have broad market access and flexibility to reallocate. However, a vast number of bilateral and multilateral transportation agreements regulate commercial airlines' right to fly between different countries.

The solution to this obstacle is a multiple airline model within the same Group, where each airline holds a national AOC. An AOC is an operational and technical approval issued by a country's Civil Aviation Authority; the approval grants the holder the right to conduct commercial flights.

The decision to establish several airlines within the Group was made in 2013 and the restructuring to this new business model is still ongoing due to its complexity. Currently, the Group consists of five different airlines each holding a national AOC that form an internal alliance and together ensures a much broader market access than with only a single AOC. This allows for optimization of the location of each AOC to get access to needed traffic and overflying rights.

The Group has been granted two AOCs by the Civil Aviation Authority in Norway. One is for NAN, and the other is for the Company.

The Group has also been granted an Irish AOC for its subsidiary NAI, which is based in Dublin. The Group's UK subsidiary based in London, NUK, holds a UK AOC. Finally, the Swedish subsidiary, NSE, was granted a Swedish AOC in November 2018.

The abovementioned AOCs are valid for as long as the company holding the AOC complies with the conditions for holding the AOC. The holder of the AOC is subject to regular review and inspection from the national civil aviation authority. The costs to obtain and maintain an AOC are substantial, but the Group is organized and equipped to ensure compliance with the conditions for its AOCs.

In addition, the Group has agreements with all relevant airports for the operation of its routes.

As of the date of the Prospectus, the existing AOCs are sufficient to cover the Company's existing business plan. A continuous assessment of the need for new AOCs is conducted as part of the management of the Company.

9.6.4 Aircraft maintenance

The Boeing 737 fleet is operated by the Company (NAS) and its wholly owned subsidiaries NAN, NAI, NAA and NSE. The Company (NAS) and NUK operate the Boeing 787 fleet.

Each individual operator has its own AOC with its respective civil aviation authority oversight and approval. Each AOC must have a civil aviation authority approved maintenance organization (CAMO) and maintenance program (AMP).

Continuing airworthiness activities – activities that keep the aircraft suitable for safe flights – for the 787 fleet are sub-contracted to Boeing Fleet Technical Management ("**Boeing FTM**"). Control and oversight of the activities is performed by Norwegian Air Shuttle Maintenance operations in addition to civil aviation authorities.

Major airframe as well as workshop maintenance is performed by external sources subject to approval by the European Aviation Safety Agency ("**EASA**") and by the national aviation authorities.

Airframe (base) maintenance for the 737 fleet is currently carried out by Lufthansa Technik in Budapest, Hungary. Lufthansa Technik and Boeing are undertaking engine and component workshop maintenance.

Airframe maintenance for the fleet of 787-9 is currently carried out by NAS and external parties.

Rolls Royce UK currently carries out engine maintenance.

All maintenance, planning and follow-up activities, both internally and externally, are performed according to both the manufacturers' requirements and additional internal requirements, and are in full compliance with international authority regulations. The Group carries out initial quality approval, as well as continuously monitoring all maintenance suppliers.

All supplier contracts are subject to approval and monitoring by the national aviation authorities.

9.6.5 Traffic development

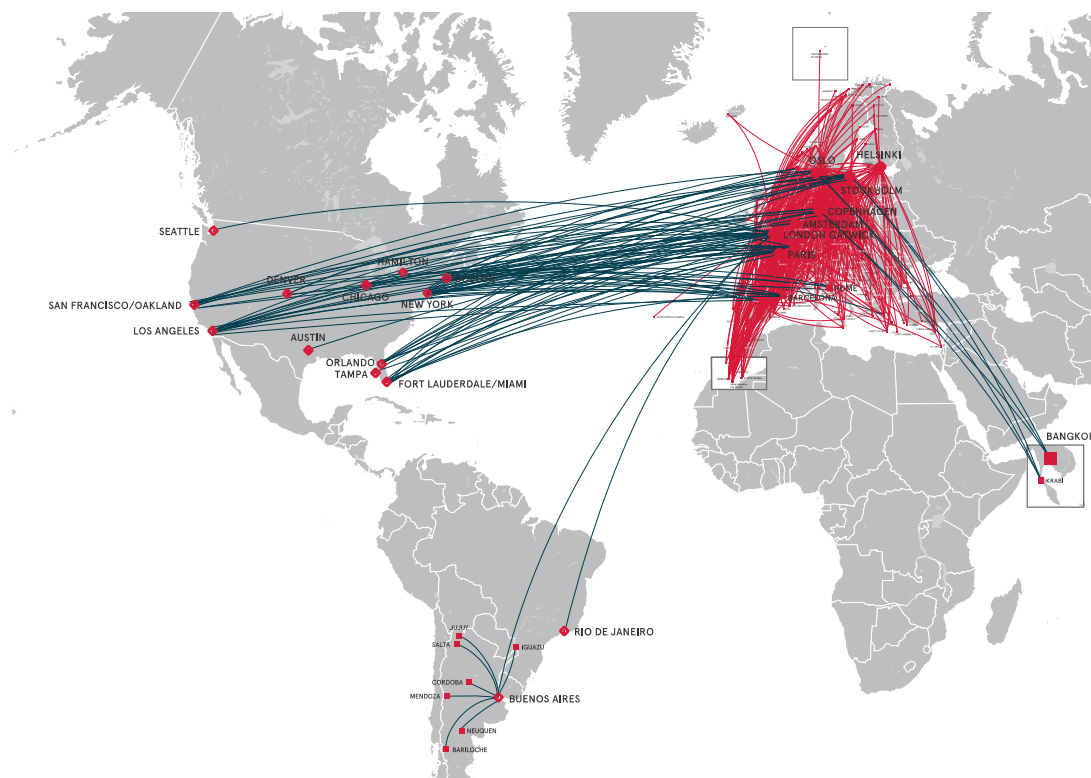
In 2019, 36.3 million passengers travelled with the Group, compared to 37.3 million in 2018. The 1.0 million decrease in passengers represent a relative decrease of 3 percent. Production (ASK) increased by 1 percent and passenger traffic (RPK) increased by 2 percent. The Load Factor in 2019 was 86.6 percent, a 0.8 percentage points increase compared to 2018. The Group utilized every operational aircraft on average 12.4 Block Hours per day, compared to 12.5 during 2018. The Company expects a 10 percent decline in ASK in 2020 compared to 2019.

The capacity reduction in December 2019 of 25 percent (ASK) is in line with the communicated strategic change from growth to profitability. In December 2019, the Company achieved a significant increase in unit revenue and an improved Load Factor compared to December 2018. The unit revenue increased with 21 percent and the Load Factor was 83.5 percent, up by 4.9 percentage points. A total of 2.3 million passengers chose to fly with the Group in December.

Traffic development			
December	Dec-19	Dec-18	chg
ASK (mill)	6,429	8,606	-25 %
RPK (mill)	5,369	6,762	-21 %
Load factor	83.5 %	78.6 %	4.9 p.p
Passengers	2,255,109	2,771,135	-19 %
Traffic 12 mth rolling	Dec-19	Dec-18	chg
ASK (mill)	100,150	99,220	1 %
RPK (mill)	86,706	85,124	2 %
Load factor	86.6 %	85.8 %	0.8 p.p
Passengers	36,279,912	37,344,134	-3 %

The planned capacity reduction continued into 2020 with a reduction of 29 percent in January and 22 percent in February. As a result, unit revenue grew year on year for eleven months in a row prior to the outbreak of COVID-19, and also led to increased Load Factors and improved punctuality.

In 2019, the Group operated more than 500 routes to more than 150 destinations:



9.6.6 Ground handling

Ground handling is the servicing of an aircraft and its passengers while the aircraft is on the ground and parked at terminal gate of an airport. This includes, e.g., ramp services, passenger services, catering, cleaning, screening and safety costs, etc.

The Company's wholly-owned subsidiaries Red Handling UK Ltd. and Red Handling Spain S.L. provide ground handling services for the Group at (i) London Gatwick Airport (LGW) and (ii) Barcelona Airport (BCN), Alicante Airport (ALC), Palma de Mallorca Airport (PMI), Málaga Airport (AGP) and Las Palmas Airport (LPA).

Ground handling services at all other airports are purchased by the Group from third-party providers. The Group's handling charges have risen during the past years, largely as a result of the Group's growth, but have remained stable in terms of unit cost.

The Group uses Menzies Aviation for the provision of a large part of its ground handling services at a number of the airports from which the Group operates. The Group is not however dependent on any single ground handling service provider (including Menzies Aviation), and the Group purchases handling services from a number of different providers at each airport from which it operates.

9.7 CERTAIN SIGNIFICANT FACTORS AFFECTING THE BUSINESS PERFORMANCE

Introduction

Through considerable growth and investments, Norwegian has laid the foundation for a sustainable business for years to come. Following the strategic change from growth to profitability, the Group's financial performance has improved, and the Company was well underway to deliver on a positive net profit for 2020 prior to the outbreak of COVID-19. Please see separate Sections 8.4 and 9.12 for the impact of the COVID-19 outbreak.

However, the Group's business and financial performance as well as results of operations have been and will continue to be affected by various factors and trends that affect airlines and their markets generally and also the specific markets and customer bases that the Company targets more specifically.

Generally, the Group's results of operations have been and will continue to be affected by general global economic conditions, and any adverse developments in global economic markets could cause its revenues to decline.

The below significant factors have, as examples, during the periods under review affected the Group's business and financial performance and the Company expects that they will continue to do so. The list is not exhaustive and similar and other factors which may affect the Group's business are described in Section 2 "Risk factors" of this Prospectus. Aviation fuel prices

Aviation fuel is a significant variable cost which has had a material impact on the Group's results during the period under review and will continue to do so in the future. Fuel costs were the Group's largest single operating expense in each of 2015, 2016, 2017 and 2018, accounting for 30 percent of the Group's operating costs (before depreciation) in 2018. In 2018, the Group used more than 1,956,000 metric tons of aviation fuel. By the end of Q3 2019, year-to-date Fuel Consumption had increased by 5 percent compared to the first three quarters of 2018. Efficiency gains from adding new fuel-efficient aircraft to the fleet, increased sector length and several #Focus2019 initiatives to reduce Fuel Consumption have had positive impact on Fuel Consumption. However, some of these positive impacts have been offset by negative impacts from wet leases resulting from the 737 MAX grounding. Because of the expected decrease in capacity (ASK), Fuel Consumption is expected to decrease going forward.

A variety of external factors, such as the global economic and political environment, changes in supply and demand for oil and oil-related products, war, hostilities or civil unrest in oil-producing nations and the increasing role of speculators and funds in the futures markets have been instrumental in making fuel prices highly volatile and this directly impacts the Company's financial performance.

The Group uses the technologically-advanced Boeing 787 Dreamliner on its intercontinental routes. The Dreamliner consumes less than 80 percent of the fuel that its predecessors do. Furthermore, the Boeing 737 MAX 8 consumes 14 percent less fuel than the 737-800 it will replace on short-haul routes once back in service. As with the 787 Dreamliner and 737 MAX, the Group's Airbus A320neo and Airbus A321 Long Range on order are significantly more fuel efficient than their predecessors, providing up to 20 percent less fuel burn per seat. With a pending order of five 787 Dreamliners, 92 737 MAXs, 63 A320neos and 30 A321 Long Ranges at the end of 2019, the Company will continue to be one of the most environmentally friendly airlines in the world.

Competition and competitive position

The airline industry is highly competitive. Airlines compete principally in terms of ticket price, service, frequency, punctuality, safety, brand recognition, passenger loyalty and other service-related issues. Norwegian competes with a number of other airlines, principally SAS on domestic routes in Norway and Sweden, and other operators including but not limited to KLM, British Airways, and Ryanair on international routes from Norway and Sweden. Many of these competitors are larger companies and have both greater resources and enjoy stronger brand recognition internationally. The Company has a strong market position, being one of the largest low-cost carriers in the world with significantly lower costs than many competitors. For more information about Norwegian's competitive position, please refer to Section 8.1 "The airline market", Section 8.2 "Market Segmentation" and Section 9.12 "Strategy and Return to Service".

Grounding of Boeing 737 MAX and Dreamliner engine issues

Boeing's 737 MAX aircraft have been grounded since March 2019. It has not yet been determined when the 737 MAXs will be cleared to operate in Europe or the US.

On 21 January 2020 Boeing's issued a statement regarding the return to service of the 737 MAX: "As we have emphasized, the FAA and other global regulators will determine when the 737 MAX returns to service. However, in order to help our customers and suppliers plan their operations, we periodically provide them with our best estimate of when regulators will begin to authorize the ungrounding of the 737 MAX. We are informing our customers and suppliers that we are currently estimating that the ungrounding of the 737 MAX will begin during mid-2020. This updated estimate is informed by our experience to date with the certification process. It is subject to our ongoing attempts to address known schedule risks and further developments that may arise in connection

with the certification process. It also accounts for the rigorous scrutiny that regulatory authorities are rightly applying at every step of their review of the 737 MAX's flight control system and the Joint Operations Evaluation Board process which determines pilot training requirements.

Returning the MAX safely to service is our number one priority, and we are confident that will happen. We acknowledge and regret the continued difficulties that the grounding of the 737 MAX has presented to our customers, our regulators, our suppliers, and the flying public. We will provide additional information about our efforts to safely return the 737 MAX to service in connection with our quarterly financial disclosures next week."

As a result of the 737 MAX grounding, the Company's operational and financial performance have been affected. The Company estimates that its 2019 reported operating profit was negatively affected by approximately NOK 1.0 billion as a result of the 737 MAX grounding. The negative effect on operating profit is caused by loss of revenue, increased fuel burn, crew inefficiencies and increased care and compensation expenses. As of the date of this Prospectus, the Company has not reached a solution with Boeing in terms of settlement. It is unclear when or if the Company will be able to fully utilize its 737 MAXs. Until the Company is able to fully utilize its 737 MAXs, the Company's operating profit will continue to be negatively affected by the grounding.

In addition, the Company has experienced several issues with its engines on the Boeing 787 Dreamliner fleet, and the Company estimates that its 2019 reported operating profit was negatively affected by NOK 750 million because of this.

Seasonal fluctuations

The Group's results of operations, like those of most other airlines, vary significantly from quarter to quarter within the financial year and are expected to continue to do so. Historically, the Group has had higher passenger revenue during the summer season in comparison to the winter season (except for the period around Christmas, the New Year and Easter) as this is the period during which many Europeans tend to take their annual holiday.

Ancillary revenue

The Company's strategy is to unbundle traditional flight services into separate services in order to offer customers very low ticket prices and a variety of add-on services for additional fees. Strong ancillary revenue generation is important to the Group as this revenue is typically associated with low marginal costs, resulting in higher profit margins. In addition, average ancillary revenue per passenger also tends to be less exposed to seasonal fluctuations and, therefore, more stable than ticket prices which vary significantly throughout the year.

The Company plans to continue developing its ancillary products and expanding its service offering to meet the needs of the Group's customer base.

Fixed operating cost base

Although the Group employs a low-cost business model, the airline industry is generally characterized by high fixed operating costs and low profit margins. Fixed operating costs relate predominantly to aircraft financing, head office expenses, part of crew salaries, depreciation and amortization, insurance and maintenance. Fixed costs will generally develop in line with the growth or decline of the Group's operations and capacity. As a result, changes in the Group's operating expenses may not correspond to changes in its revenue.

Foreign currency exposure and exchange rate effects

The Company reports its financial results in NOK. However, it transacts and holds assets and liabilities in currencies other than NOK. A significant proportion of the Company's costs are incurred in euros and US dollars, including aviation fuel, aircraft leases, a significant part of technical maintenance expenses and insurance.

Extraneous events

Both the historical and future results of the Group's operational and financial performance are influenced by the effects of extraneous events over which the Company has no control. Terrorist incidents or other major incidents involving aircraft may affect customers' willingness to fly.

Epidemics, adverse weather conditions and other natural events can adversely affect the Group's operations and financial performance.

General macroeconomic conditions and drivers of air travel

The Company develops its route network for each particular country in response to general macroeconomic conditions and other drivers of air travel, which can change over time. Each of the markets in which the Group operates will be subject to different drivers of air travel and, as travel reasons develop, the Group utilizes its flexible structure to evolve its network to meet the needs of that particular market.

9.8 SALES AND DISTRIBUTION

Marketing

From the start-up in 2002, the Company has focused on serving three major distribution channels to cover the entire market: Internet, Travel Agents and call centers.

The Company has cutting-edge information technology making the solutions offered to customers the best in the market, both in terms of completing a booking and being able to access 'Lavpriskalenderen', the low-cost calendar, so customers will be able to get the pricing for all flights to selected destinations for a given period, something that has proved hugely popular with the customers.

In line with the strategy and leading principles of the Group, to achieve an efficient organization and ensure a unified customer experience all these functions within marketing, sales and distribution are currently centralized within NAS. All marketing, sales and distribution are performed in compliance with the licensed rights from Norwegian Brand Limited ("**NAB**") for the use of the Norwegian Brand, and is executed in line with the brand book and other guidelines provided by NAB for the use of the brand and for operating the airlines as a whole.

The campaigns are published locally on television, in newspapers, in digital channels, with content that is relevant to each local market. Promotions and content of the website are also adapted to the local market and product. Marketing activities benefitting the airlines NAI and NAS will be largely influenced by the local route network, competition, and local customs. The marketing department works closely with several external consulting firms to develop the marketing strategy and campaigns. The marketing department uses, amongst others, the below listed channels for marketing.

- Direct marketing
- Third-party marketing
- Campaign management
- E-commerce

All work performed by the marketing department are in line with the Norwegian Brand book developed by NAB. Larger campaigns must be approved by NAB prior to launch, to ensure consistency and compliance with the license agreement, and the values of the Norwegian Brand.

Sales

Above 70 percent of the Group's tickets are sold through own channels, resulting in low administration costs per ticket sold as well as giving Norwegian the tool to conduct active revenue management by increasing Load Factors through active use of its website for flights where there is a large number of seats available. The remaining tickets are sold through other channels, such as travel agencies / group and charter travel and through corporate agreements with large businesses.

9.9 DEPENDENCY ON LICENSES AND PERMITS, ETC.

AOCs

The Group currently holds five AOCs. An AOC is an operational and technical approval issued by a country's Civil Aviation Authority; the approval grants the holder the right to conduct commercial flights and is valid as long as the holder complies with the terms of the AOC.

Norwegian Air Shuttle ASA AOC NO.AOC.028 granted by the Civil Aviation Authority of Norway ("**NCAA**") and the operating license by the NCAA necessary to be able to operate its aircraft and carry passengers, goods and/or mail.

Norwegian Air Norway AS AOC NO.AOC.085 granted by the NCAA and the operating license by the NCAA necessary to be able to operate its aircraft and carry passengers, goods and/or mail.

Norwegian Air International Limited AOC IE 63/14 granted by the Aviation Authority of Ireland ("**IAA**") and the operating license by the Irish Commission for Aviation Regulation necessary to be able to operate its aircraft and carry passengers, goods and/or mail.

Norwegian Air UK Limited AOC GB 2434 granted by the Civil Aviation Authority of the United Kingdom ("**UK CAA**") and an Operating and Scheduled Route License granted by the UK CAA necessary to be able to operate its aircraft and carry passengers, goods and/or mail.

Norwegian Air Sweden AB AOC 0085 granted by the Swedish Transport Agency ("**STA**") necessary to be able to operate its aircraft and carry passengers, goods and/or mail.

Agreements with airports and landing permissions

In addition, the Group has agreements with all relevant airports for the operation of flights that are material to the Group's business and profitability.

As of the date of the Prospectus, the existing AOCs are sufficient to cover the Company's existing business and expansion plans. A continuous assessment of the need for new AOCs is conducted as part of the management of the Company.

Foreign Air Carrier permits (US)

In order to operate aircraft and carry passengers, goods and/or mail between points in EU/Norway and points in the United States under the US-EU, Norway and Iceland Air Transport Agreement, an authorization in form of a Foreign Air Carrier Permit from the US Department of Transport is required. Five of the Group's carriers holds a Foreign Air Carrier Permit from US Department of Transport, these are:

- Norwegian Air Shuttle ASA
- Norwegian Air International Limited
- Norwegian Air UK Limited
- Norwegian Air Norway AS
- Norwegian Air Sweden AB

Foreign Air Carrier permits (Other countries)

Similar authorizations may be required in order to start operations to other countries under existing bilateral treaties. The Company holds the requisite authorizations from foreign governments to operate to all its current destinations.

9.10 ENVIRONMENTAL MATTERS AND REGULATIONS

The Group is committed to operate its business in an environmentally responsible manner. To achieve this, the Group strives to comply with all applicable rules and regulations with its best efforts in aviation operation as well as in the daily working environment to minimize any adverse impact on the environment. The environmental impact of the Group's operations may, *inter alia*, include air and noise pollution as well as consumption of fuel and glycol for aircraft de-icing and runway de-icing.

Environmental regulations such as emission quotas and passenger taxes could affect cost of operations or demand for air travels, which could in turn lead to reduced utilization of aircraft. Please refer to Section 13.6.2 "Environmental regulations".

As one of the largest low-cost airlines in the world with more than 500 routes in operation in 2019 and servicing more than 150 destinations in Europe, North America, South America, Asia, and the

Middle East²², the Company has potential to make significant impacts on the environment. The Company's current initiatives and ambitions on the environmental field aim to contribute to the UN's SDG #13: "Take urgent action to combat climate change and its impacts". The Company is committed to actively engage in and support a sustainable environmental policy and believes that, until there is a greener alternative that is commercially available, the single most important action an airline can take to reduce its environmental footprint is to invest in new aircraft, which reduces fuel burn and hence emissions considerably. The Company encourages the development of biofuel and is fully committed to replace traditional jet fuel with a greener alternative when it becomes commercially available and sustainable. However, as the availability is currently limited, the use of biofuel has insignificant environmental impact.

The continuous fleet renewal has not only benefited the environment but also contributed to increasing passenger comfort, lower fares and lower operating cost. The Company's investment in new aircraft has improved carbon efficiency (CO₂ per RPK) by over 30 percent over the last eleven years and the fleet generate up to 60 percent less noise footprint than comparable older aircraft types. In total, the Company's carbon efficiency is 20 percent better than the world average for airlines.²³

In addition, the fleet renewal program has led the Company to become an industry leader in terms of fuel efficiency. Based on performance in 2018, the Company was named the world's most fuel-efficient airline on transatlantic routes by the ICCT for the second time. An analysis of fuel efficiency of the 20 largest airlines operating between Europe and the United States proved that the Company was 33 percent more fuel efficient than the industry average, with a Fuel Consumption of 44 passenger kilometers per liter.

The ambition is to continue reducing CO₂ emissions and help make aviation carbon neutral by 2050. During the fourth quarter of 2019, the Company's CO₂ per RPK were 71 grams – down 7 percent from the same period previous year. The passenger climate impact will be reduced going forward as more new aircraft enter the fleet.

There have not been any material changes to the Group's regulatory environment since 31 December 2019. Please see Section 13 for a summary of certain significant regulatory matters affecting the Group's activities.

Current initiatives

The Company has partnered with AVTECH Sweden AB, allowing pilots to receive high quality weather data (including wind and temperature) which reduces fuel burn and enable fuel-efficient descents with less speed deviations (i.e. noise reduction). Norwegian has saved as much as 22 kilos of fuel on each flight by using weather data, adding up to 5,000 metric tons fuel per year or 16,000 metric tons in reduced CO₂ emissions.

In 2019, the Company beta tested SkyBreathe, a fuel saving tool for pilots. SkyBreathe analyzes the entire flight operation, making it possible to optimize each flight and further reduce Fuel Consumption and hence lower emissions. The mobile phone application uses big data algorithms to automatically process information from aircraft sensors and has been developed in cooperation with the EU-funded Clean Sky project. Initial testing has shown that SkyBreathe has potential to reduce entire fleet Fuel Consumption by approximately 2 percent, equaling 44,000 metric tons JetA1 per annum. That amounts to a reduction in CO₂ emissions of approximately 140,000 metric tons. The reduced Fuel Consumption can also deliver cost savings of approximately USD 27 million per annum, assuming a fuel price as guided in the Company's third quarter 2019 report.

The Company is focused on reducing the amount of waste generated from operations and to improve the recycling processes. The Company are also looking at changing several products on board (i.e. bowls, meal boxes, coffee mugs and cutlery packs) to more environmentally friendly materials. The pre-ordering of food, which is available on longer flights, contributes to less food waste. IT equipment is retrieved by the organization Fare, which deletes and formats old computers for reuse.

²² Source: CAPA – Centre for Aviation, airline company traffic reports (<https://centreforaviation.com/analysis/reports/europe-airline-groups-2018-ranking-lufthansa-group-still-at-the-top-456098>)

²³ Source: The International Council on Clean Transportation (ICCT) Working Paper 2019-16: CO₂ emissions from commercial aviation, 2018 (https://theicct.org/sites/default/files/publications/ICCT_CO2-commercl-aviation-2018_20190918.pdf)

9.11 DEVELOPMENTS FOLLOWING THE COVID-19 OUTBREAK IN 2020

The Company reported on 13 February 2020 that it was targeting a positive net profit for 2020 after taking significant actions in 2019 to optimize the route network, cut costs and create financial headroom. The guidance was withdrawn in a stock market notice on 6 March 2020 due to the drop in demand and government-imposed travel restrictions following the COVID-19 outbreak.

The first week of March, the Company started experiencing reduced demand on future bookings as a result of the COVID-19 outbreak. As a consequence, the Company announced 3,000 cancellations and temporary layoffs of employees on 10 March 2020, for travel from mid-March to mid-June. The number of cancellations was gradually ramped up as demand stagnated and travel restrictions were enforced by governments across the world. On 16 March 2020, the Company canceled 85 percent of planned flights and announced temporary layoffs of approximately 7,300 employees. In the first weeks thereafter, Norwegian maintained as many scheduled flights as possible to help customers return to their home destinations. The Company also worked closely with the authorities to arrange rescue flights.

On 19 March 2020, the Norwegian government proposed a guarantee scheme for the aviation industry, of which NOK 3 billion would be available to the Company upon the fulfillment of certain conditions set out by the government, of which NOK 300 million has already been provided. Under the guarantee scheme, the government will guarantee 90 percent of the loans granted to Norwegian and the private sector will have to support the remaining 10 percent.

The Board of Directors of the Company therefore proposed actions that aim to fulfill the requirements of the Norwegian government guarantee program. These requirements involve, among other things, that the Company must make improvements to its balance sheet such 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. Furthermore, the Company believes that the creation of a sustainable platform going forward will require a substantial improvement of the solidity of the Company, sufficient to attract liquidity through 2021. Hence, the Company is targeting a book equity ratio well above the 8 percent level stipulated under the government guarantee program. These actions will strengthen the Company's solidity and financial position enabling it 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.

On 20 April 2020, Norwegian's pilot and cabin crew companies in Sweden and Denmark filed for bankruptcy due to the drop in demand following the COVID-19 outbreak. While almost all of the Company's flight operations have been canceled, costs for air crew remained due to the inefficient furlough opportunities in Sweden and Denmark, coupled with the lack of significant financial support from the same governments. The boards of the four companies were therefore left with no choice but to apply for bankruptcy in order to reduce costs during the unprecedented crisis.

Due to the extraordinary situation (force majeure), the Company also notified OSM Aviation that it has canceled the crew provision agreements with several of its jointly owned OSM Aviation subsidiaries with crew based in Spain, U.K, Finland, Sweden and the US. The process of the subsidiaries filing for bankruptcy is now being managed by bankruptcy courts and bankruptcy trustees in the respective countries.

Norwegian's operations are at the date of this Prospectus reduced by 95 percent and only seven aircraft are in operation offering a reduced state-subsidized schedule domestically in Norway. Around 7,650 employees (equaling approximately 80 percent of the workforce) have been temporarily laid off and 1,571 pilots and 3,134 cabin crew have been affected by cancellation of the OSM crew agreements. The Company has as such entered hibernation phase with focus on cash preservation and planning for a strong return to the skies.

9.12 STRATEGY AND RETURN TO SERVICE

Norwegian is an award-winning airline that has built a leading position in the European short-haul point-to-point market, with a stronghold in the Nordics, and a recognized position in the long-haul market with a clear competitive advantage on cost efficiency, particularly over the transatlantic. Since 2018, Norwegian has been well on-track with shifting the strategic focus from growth to profitability and taken major operational and financial measures that allowed the Company to guide on a positive net profit in 2020.

As society, and in particular the aviation industry, suffers from the consequences of the COVID-19 pandemic, Norwegian has gone into hibernation after taking drastic measures to preserve liquidity. The Company has seized this time as an opportunity to restructure and develop a new strategy and business plan for a strengthened airline to re-emerge. This new airline is built on the pillar of delivering attractive returns to investors supported by plan "New Norwegian" with the following core elements:

- A complete financial restructuring to ensure a robust capital structure for the long-term that is critical to allow the Company to access the State Aid Package. The restructuring will additionally seek to lower financial and ownership costs and create a sustainable platform for the Company for the benefit of all stakeholders.
- An economic rightsizing of the network and fleet consolidating to a portfolio of proven routes with implications on the future fleet requirements.
- The short-haul network is optimized based on already re-engineered network over the past two years and is focused around a core short-haul footprint in the Nordics. A more efficient and rationalized production but retaining scale to maintain clear cost advantage versus peers in primary markets.
- The long-haul network is much reduced on capacity to better match demand under the clear principle of retaining a strong position in the transatlantic market where Norwegian has established strength in terms of scale and recognition. To prioritize top-tier cities in Europe and the US to connect large demand flows with a more resilient, efficient and seasonality-focused operation.
- Lean operating model with less complexity, more cross-collaboration and, most importantly, a lower cost base with ability to scale costs efficiently in line with production and season. Focus in particular on improving efficiency and cost control within maintenance and ground handling area following full review of setup, processes and sourcing practices. Clear efficiency-gain expected in terms of asset and resource utilization from simpler network, new schedules and streamlined operational setup and governance.
- Increased labor efficiency following a re-designed, more crew-friendly network allowing a right-sized base structure, higher utilization and reduced operational costs. Opportunity to restart union relations and increase use of seasonal labor to manage winter trough.
- A new customer platform with a sharp focus on strengthening ancillary sales targeting industry-leading levels and designing for worry-free travel and increased conversion through a personalized, data-driven e-commerce engine. The Company targets to boost ancillary revenue to 25 percent of ticket revenue. New Norwegian will leverage the strength of the existing brand and customer perception in primary markets and continue to be the preferred option for those who seek an affordable alternative to the traditional legacy carriers without compromising on quality.
- In addition, the Company aims to develop a larger ecosystem in connection to the airline and its loyalty program to develop new, steady revenue streams through closer interaction with our customers on an everyday basis through partnerships and new service and product offerings.
- To strengthen the organization and management structure with a new executive team and redesigned management levels building on key performers and new talent. To support the new organization, a modernized and flexible backbone will boost productivity through selected IT investments, development of new captive business centers and rigorous supply chain management – target 35 percent reduction in overhead personnel costs.

Return to service

Norwegian aims to emerge from the crisis as a profitable and sustainable aviation company. However, normalization of operations will take time and the timing is highly uncertain. In addition, COVID-19 travel restrictions are looking to continue into the summer, removing the peak season in terms of cash generation for airlines. Consequently, there can be no assurance that Norwegian will succeed with such strategy.

The Company has taken a number of cost measures to preserve liquidity in the hibernation phase. In addition to a grounding of the majority of the fleet to keep cash burn at a minimum level and staff layoffs, only absolutely vital operational invoices are being paid. This relates to minimum operations, minimum salary, critical IT infrastructure and other critical operational payments. Other payments are halted, including (but not limited to) ground handling, payments to original equipment manufacturer ("OEM") hedges, debt and lease payments. No interest, leasing or debt service payments until July 2020.

Due to the high uncertainty, the Company has developed scenarios for recovery. The base case is built on a relatively slow recovery scenario where operations are kept at a minimum level until demand is picking up, with recovery during the high season in 2021 and operations expected to return back to normal during 2022. The Company is also preparing for a slower recovery as a contingency.

The plan allows flexibility to ramp-up the most profitable routes stepwise and restore operations earlier than in the base case upon sufficient demand from customers. Such ramp-up will be executed under strict cost-control.

The Company assumes a normalization of the airline markets from 2022 in its current planning, but there is high uncertainty due to the COVID-19 pandemic and the duration of global and regional travel restrictions. Once the demand for air travel and operations normalize, the Company's New Norwegian strategy will involve a reduction in capacity compared to 2019 and further focus on profitable routes. Under normalized market conditions, the Company targets normalized revenues in excess of NOK 30 billion per year. The focus on profitable routes is expected to result in higher unit revenue (RASK) compared to 2019. The unit cost (CASK) of the Company is expected to grow significantly lower than the unit revenue (RASK). Administration costs are expected to be reduced. The restructuring of the Company's outstanding bonds and lease obligations through the Conversion of Debt (as further detailed in Section 5) is expected to reduce the financial expenses with approximately USD 60 million per year, equivalent to NOK607 million based on USD/NOK of 10.2832.

9.13 TREND INFORMATION AND SIGNIFICANT CHANGES TO THE COMPANY'S FINANCIAL PERFORMANCE SINCE 31 DECEMBER 2019

The COVID-19 outbreak followed by government-imposed travel restrictions and drop in demand has led to the grounding of most of the Company's fleet and temporary lay-offs of a significant share of the Company's workforces as the Company has entered hibernation mode. The consequences for the Company and the airline industry are severe, and dependent on when travel restrictions are lifted and demand starts to pick up, certain significant accounting estimates could be affected. If the situation persists, that could impact the Company's impairment evaluations, the ability and timing of utilization of carry forward tax losses and the ability to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements. At the current date there is too much uncertainty to estimate the final effects of the COVID-19 pandemic outbreak.

The latest guidance provided by the Company was published together with its Q4 2019 report: The Company targeted a unit cost in the range of NOK 0.44 and 0.45 and a unit cost excluding fuel in the range of NOK 0.33 and 0.34 for 2020. Norwegian targeted a positive net profit for 2020. The guidance was withdrawn in a stock market notice on 6 March 2020 due to the drop in demand and government-imposed restrictions on travel following the COVID-19 outbreak. The Company guided on contractually committed capital expenditures of USD 1.5 billion in 2020, and 0.6 billion in 2021.

The initial impact of the COVID-19 outbreak could be seen in the Company's traffic figures for March 2020 which were heavily influenced by the government-imposed travel restrictions and drop in demand. In March, capacity was 40 percent lower than planned, while the flights that were operated had a load factor of 72 percent. The yield increased by 20 percent year on year, but due to the lower load factor the unit revenue (RASK) was up by just 1 percent.

Since February and up until the date of this Prospectus, the oil price has more than halved. While lower fuel prices are associated with lower costs for the airline industry, the impact for the Company is limited due to the significantly reduced operations. The Company had hedged 35 percent of its estimated fuel consumption for the first half of 2020 pre-COVID-19, and 25 percent of estimated fuel consumption for the full year using jet fuel swaps. The Company has reached an agreement with one party to terminate outstanding swap exposure and is in dialog with relevant

counterparties (including DNB Bank ASA) to find solutions for these positions. Negative market-to-market value of fuel hedges was approximately USD 83 million per mid-April.

The Norwegian krone ("NOK") has depreciated versus major currencies such as the US dollar and the euro since the end of February. The Company reports its financial results in NOK. However, it transacts and holds assets and liabilities in currencies other than NOK. A significant proportion of the Company's costs are incurred in euros and US dollars, including aviation fuel, aircraft leases, a significant part of technical maintenance expenses and insurance.

Given the current limited operations of the Company, the sensitivity of currency changes on operating expenses is smaller than outlined in the latest Interim Financial Statements. On the other hand, revaluation of the Company's working capital balances due to fluctuations in currency rates has a significant impact on operating profit. The Company has significant debt in foreign currencies such as bonds denominated in euro, the Swedish krone and US dollars and significant aircraft financing in US dollars and euros. Revaluation of debt denominated in foreign currencies has a negative impact on the Company's earnings, however limited currency exposure on aircraft financing in US dollars as the Company's aircraft are also denominated in the same currency.

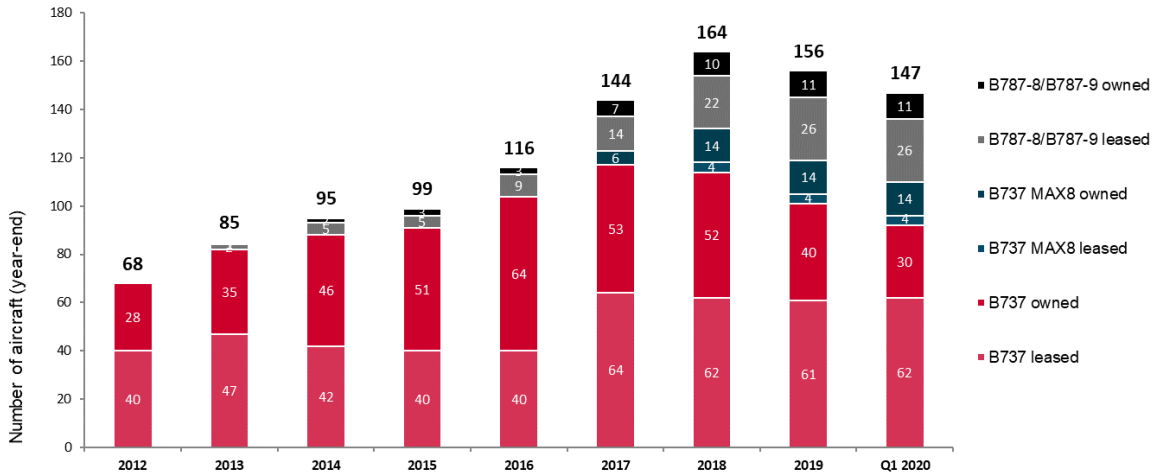
A large portion of the Company's assets is denominated in US dollars, which are now worth more translated to NOK, and thus have a positive currency impact on the Company's equity. The Company's capital commitments for future aircraft deliveries are also denominated in US dollars. Hence the NOK depreciation also increases the capital commitments measured in NOK.

Other than the COVID-19 pandemic outbreak and the consequences thereof for the Group and the restructuring of the Company's financial position through the Conversion of Debt, there have been no significant changes in the financial performance of the Group since the date of the Interim Financial Statements.

9.14 INVESTMENTS²⁴

9.14.1 Introduction

The figure below shows the number of aircraft operated by the Group from 2012 to 2019 as well as at the end of Q1 2020. There have been no material investments, and Norwegian has not taken delivery of any aircraft, in 2020.



9.14.2 Principal investments in progress

This section sets forth the Group's aircraft orders in line with the outlook shared with the financial market on 13 February 2020 in relation to the release of the Q4 2019 report. Due to the global grounding of the Boeing 737 MAX, the Group did not take delivery of any MAX aircraft in 2019 according to the agreed delivery schedule. The timing of such deliveries is highly uncertain and

²⁴ To be considered in line with revised strategy

subject to change based on the duration of the MAX grounding. Moreover, Boeing suspended operations temporarily on 8 April 2020 due to COVID-19, which also affects the scheduled deliveries of 787 aircraft. Boeing issued a press release on 27 April stating that it is planning to resume operations from 3 May or 4 May.

# of aircraft	2020	Deliveries from 2021 and onward until 2027	Total
Boeing 737 MAX 8	16	76	92
Boeing 787-9	4	1	5
Airbus A320neo	5	58	63
Airbus A321LR	0	30	30
Total commitments	25	165	190

USD 1,000	2020	Deliveries from 2021 and onward until 2027	Total
Total contractual commitments	1,500,000	8,200,000	9,550,000

The Company plans to right-size its operations and the fleet plan will be dependent on the market after COVID-19, with route profitability being key. Currently, the Company estimates a fleet of 110-120 aircraft in a normalized situation. The Company is in ongoing dialogs with OEMs, including both Airbus and Boeing regarding fleet orders. No material capital expenditure related to any aircraft deliveries will be incurred until Q2 2021, which require discussions and agreements with OEMs.

The Group will pursue financing of its deliveries of Boeing aircraft upon more clarity on the revised delivery schedule and according to the Group's financing strategy, subject to market conditions and delivery schedule. The Group's next 27 Airbus A320neo deliveries will be financed pursuant to the recently announced joint venture arrangement with CCBLI, which will cover all deliveries of Airbus aircraft from 2020 until 2023. The remaining A320neos are scheduled to be delivered in from 2024 to 2026 and the financing of those aircraft will be secured according to the Group's financing strategy at that time, subject to market conditions and delivery schedule. The A321LRs are scheduled to be delivered from 2025 to 2027, and the financing of those aircraft is expected to be secured according to the Group's financing strategy at that time, subject to market conditions and delivery schedule.

10. LIQUIDITY AND CAPITAL RESOURCES

10.1 CAPITALIZATION AND INDEBTEDNESS

10.1.1 Introduction

The section provides information about the Company's unaudited consolidated capitalization and net financial indebtedness on an actual basis as of 31 December 2019 and, in the "As adjusted" column, the Company's unaudited consolidated capitalization and net financial indebtedness as of the date of the Prospectus adjusted for the following significant transactions that happened between 31 December 2019 and the date of this Prospectus and that are not subject to the Listing and the Offering, and on an adjusted basis to show the estimated effects of the transactions as if they had happened as of the date of the Prospectus and assuming that the Company will qualify for the State Aid Package.

Adjustments for significant transactions between 31 December 2019 and the date of the Prospectus, not subject to the Offering and the Listing:

- Net proceeds of NOK 325.7 million, net of transactions costs of NOK 4.3 million (gross proceeds of NOK 330 million) related to the guarantee scheme provided by the Norwegian government (see section 5.1 "Background" and section 9.11 "Developments following the COVID-19 outbreak in 2020")
- Changes in the book value of lease liabilities and outstanding bonds issued debt between 31 December 2019 and the date of the Prospectus.

Adjustments for estimated effects of the following transactions as if they had happened as of the date of this Prospectus and assuming that the Company will qualify for the State Aid Package, that the Conversion of Debt has happened and that the Offering is fully subscribed and raising NOK 400 million in gross proceeds:

- The Offering (assuming that it is fully subscribed), as further described in Section 6.
- The Conversion of Lease Debt to Equity, as further described in Section 5.3.
- The Conversion of Bonds to Equity, as further described in Section 5.4.

Other than the abovementioned adjustments, the Company has not quantified and identified further adjustments until the date of the Prospectus, for the purpose of this Section 10.1 "Capitalization and Indebtedness".

10.1.2 Capitalization

	As of 31 December 2019 ^{a)}	Adjustment for transactions not subject to the Listing and the Offering ¹⁾	Adjustment for the Offering ²⁾ ⁵⁾	Adjustment for the Conversion of Lease Debt to Equity ^{3) 5)}	Adjustment for the Conversion of Bonds to Equity ^{4) 5)}	As Adjusted
<i>(In NOK million)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Indebtedness						
<i>Total current debt:</i>						
Guaranteed						
Secured ^{b)}	8,784.1	595.8		(4,790.2)	(249.7)	4,340.0
Unguaranteed / Unsecured ^{c)}	13,992.1	111.6			(140.8)	13,962.9
<i>Total non-current debt:</i>						
Guaranteed		293.1				293.1
Secured ^{d)}	52,593.5	5,307.7		(3,652.0)	(2,478.5)	51,770.5
Unguaranteed /Unsecured		32.6				32.6
Total indebtedness	75,369.6	6,340.8		(8,442.2)	(2,869.0)	70,399.1
Shareholder's equity						
Share capital	16.3		57.1	202.3	95.6	371.3
Share premium	6,664.1		323.7	10,093.1	4,747.6	21,828.5
Other equity ^{e)}	(2,555.5)			(2,651.7)	(2,025.1)	(7,232.3)
Total equity	4,124.9		380.8	7,643.6	2,818.1	14,967.5
Total capitalization	79,494.5	6,340.8	380.8	(798.6)	(51.0)	85,366.6

Notes to the Capitalization table:

- Figures are derived from Norwegian's Q4 2019 Interim Financial Statement. The definition of financial assets and liabilities provided by IAS 32 *Financial Instruments* has been applied. Accordingly, amounts related to tax liabilities, employee benefit obligations, other non-financial liabilities and receivables as well as provisions are not included in the amounts in the table above.
- Represents the financial line item Current debt of NOK 8,784.1 million. Includes the current part of lease liabilities of NOK 4,194.5 million which is secured on aircraft. Includes also the current part of the outstanding bond debt (comprising NAS09) with NOK 249.6 million secured on the Company's hangar at Gardermoen as well as aircraft financing of NOK 4,340.0 million secured in aircraft.
- Represents the financial line item Air traffic settlement liabilities of NOK 6,106.5 million and the financial line item Other current liabilities of NOK 9,135.6 million, less NOK 1,250 million that are not deemed as financial debt in accordance with IAS 32 and mainly consisting of tax liabilities, provisions for periodic maintenance and loyalty programs. Includes also accrued interests of NOK 29.2 million related to the NAS07, NAS08, NAS09 and the CB.
- Represents the financial line item Non-current debt of NOK 52,593.5 million. Includes the non-current portion of lease liabilities of NOK 30,079.8 million secured on aircraft. Includes also the non-current portion of the outstanding bond debt of NOK 4,547.2 million (comprising the NAS07, NAS08 and the CB) and aircraft financing of NOK 17,966.4 million,

and are secured in aircraft, slots at London Gatwick and shares in the subsidiary Arctic Aviation Assets DAC.

- e. Other equity comprises Other paid-in equity (NOK 149.2 million), Other reserves (NOK 1,085.5 million), Retained earnings (deficit of NOK 3,814 million) and non-controlling interest (NOK 23.8 million). No adjustment for transactions not subject to the Listing and the Offering are reflected in Other equity or for potential profit and loss reserve effects therein.

The adjustments in the table above have been made for the following significant events:

1. Transactions between 31 December 2019 to the date of the Prospectus not subject to the Listing and the Offering

The adjustments reflect:

- Net proceeds of NOK 325.7 million, net of transaction costs of NOK 4.3 million (gross proceeds of NOK 330 million) related to the guarantee scheme provided by the Norwegian government and presented as an increase in Guaranteed non-current debt with NOK 293.1 million and an increase in Unguaranteed/unsecured non-current debt with NOK 32.6 million;
- Changes in the book value of lease liabilities and outstanding bonds issued debt from 31 December 2019 to the date of the Prospectus mainly reflecting changes in foreign exchange rate, interests, value of convertible bond rights and down payments as followed:
 - increase of NOK 595.7 million in current lease liabilities to NOK 4,790.2 million, and increase of NOK 0.1 million in the NAS09 outstanding bond issued debt to NOK 249.7 million, totaling a net increase of NOK 595.8 million presented as Secured current debt;
 - increase of NOK 111.6 million in accrued interests on the NAS 07, NAS08, NAS09 and the convertible bond to NOK 140.8 million presented as Unguaranteed/unsecured current debt;
 - increase of NOK 4,986.3 million in non-current lease liabilities to NOK 35,066.1 million and increase of NOK 321.4 million in the NAS07, NAS08 and convertible outstanding bonds issued debt to NOK 4,868.6 million, totaling a net increase of NOK 5,307.7 million presented as Secured non-current debt.

2. The Offering

The effect is an increase in cash (NOK 380.8 million) with a corresponding increase in Share capital (NOK 57.1 million) and Share premium (NOK 323.7 million) based upon an assumption of 571.4 million number of Offer Shares at a subscription price per Offer Share of NOK 0.7 which is the minimum value for the Offer Price (for further information on the Offer Price, please see Sections 6.4.1 and 6.5.1.), net of estimated transaction cost of NOK 19.2 million and with nominal value per Share of NOK 0.1.

3. The Conversion of Lease Debt to Equity

The adjustment reflects the effect of the conversion to equity of the net book value of lease liabilities of NOK 7,703.5 million, net of the book value of deposits presented as Current financial receivables of NOK 738.7 million and the book value of lease liabilities of NOK 8,442.2 million (whereas of the NOK 8,442.2 million lease liabilities being converted to equity are NOK 4,790.2 million presented as current debt and NOK 3,652.0 million presented as non-current debt). The effect is a reduction in the net book value of lease liabilities in the amount of NOK 7,703.5 million (net of the book value of deposits presented as Current financial receivables of NOK 738.7 million, and the book value of lease liabilities of NOK 8,442.2 million) with a corresponding increase in equity.

The increase in Share capital (NOK 202.3 million) and Share premium (NOK 10,093.1 million), together an increase of NOK 10,295.4, being the assumed proceeds of NOK 10,355.3 million reduced for estimated transaction costs of NOK 59.9 million, are based upon an assumption of issuance of 2.023 billion number of Shares (see Section 5.3 "Conversion of Lease Debt to Equity") at an estimated price per share of NOK 5.12

corresponding to the last traded share price of the Company on the Oslo Stock exchange at 30 April 2020²⁵ prior to the EGM's approval (see Section 5.1 "Background"), and a par value of NOK 0.1 per Share and with estimated transaction costs of NOK 59.9 million reducing Share premium. The decrease in Other equity of NOK 2,651.7 million corresponds to the residual amount of the allocated increase in Share capital and Share premium before transaction costs, totaling NOK 10,355.3 million, and the book value of lease debt converted to equity, totaling NOK 7,703.5 million.

4. The Conversion of Bonds to Equity.

The adjustment reflects the reclassification of the book value of the NAS09 outstanding bond debt with NOK 249.7 million from Secured current debt to Secured non-current debt and the effect of the conversion of the book value of the outstanding bond debt in the amount of NOK 2,869.0 million to equity (whereas NOK 140.8 million in current debt related to the book value of all accrued interests of the NAS07, NAS08, NAS09 and the convertible bond, and NOK 2,728.2 million in non-current debt related to the conversion of 50 percent of the book value of the NAS 07 and NAS08 Bond and 77 percent of the book value of the convertible bond (assuming that the convertible bondholders commit themselves to subscribe for a total number of shares in the Offering with an aggregate subscription amount in excess of NOK 50 million).

The increase in Share capital (NOK 95.6 million) and Share premium (NOK 4,747.6 million), together an increase of NOK 4,843.2 million, being the assumed proceeds of NOK 4,894.1 million reduced for estimated transaction costs of NOK 51.0 million, are based upon an assumption of issuance of a total of 0.956 billion Shares (see Section 5.4 "Conversion of Bonds to Equity") at an estimated price per Share of NOK 5.12 corresponding to the last traded share price of the Company on the Oslo Stock exchange at 30 April 2020 prior to the EGM's approval (see Section 5.1 "Background"), and with par value of NOK 0.1 per Share and with estimated transaction costs of NOK 51.0 million reducing Share premium. The decrease in Other equity with NOK 2,025.1 million corresponds to the residual amount of the allocated increase in Share capital and Share premium before transaction costs, totaling NOK 4,894.1 million, and the book value of the bonds converted to equity, totaling NOK 2,869.0 million.

5. Successful subscription assumed

The adjustments assume that the Offering is fully subscribed, that the Conversion of Lease Debt to Equity and the Conversion of Bonds to Equity are consummated and that the Company qualifies for the State Aid Package as at the date of the Prospectus. It is assumed that all participants exercise their option for shares, rather than Perpetual Bonds, which are also available as described in Section 5. The issuance of Perpetual Bonds instead of Shares would give rise to a corresponding reclassification within Total Equity, and to the extent participants choose to receive a perpetual bond instead of a share, the amounts otherwise recorded within Share Capital and Share Premium will be recorded in Other Equity. No adjustments have been performed for potential use of aircraft subject to converted leases for any future use under the "power by the hour" provision (as further described in Section 5.3 "Conversion of Lease Debt to Equity"), due to the uncertainty surrounding expected fleet activity and the inherent high level of estimation this would require. Furthermore, no adjustment has been performed for the London Gatwick slot arrangement entered into in connection with the conversion of the NAS07 and NAS08 bonds (as further described in Section 5.4 "Conversion of Bonds to Equity"). The Company has estimated that given the high level uncertainty associated with the future supply of slots for flight operations and the current reduced demand for air passenger travel in and out of London Gatwick the value of this slot arrangement is both difficult to estimate reliably and is assumed not being of significant value as of the date of the prospectus. If the value of the Gatwick slots exceeds 105 percent of the remaining outstanding debt of the NAS07 and NAS08 bonds pr. any measurement date in the agreement, being 30 June 2021, 30 June 2022 and 30 September 2022, corresponding to approximately 52.5 percent of nominal amount outstanding under NAS07 and NAS08 prior to conversion, it will be beneficial for Norwegian to redeem the loans early (the bond indentures for the loans effectively allow for early redemption), to avoid slot

²⁵ <https://www.oslobors.no/markedsaktivitet/#/details/NAS.OSE/overview>

arrangement obligation. Based on this, Norwegian's obligation related to the slot values at London Gatwick is effectively capped at 2.5 percent of the nominal amount of the Loans.

10.1.3 Net financial indebtedness

	As of 31 December 2019 ^{a)}	Adjustment for transactions not subject to the Listing and the Offering ¹⁾	Adjustment for the Offering ^{2) 5)}	Adjustment for the Conversion of Lease Debt to Equity ^{3) 5)}	Adjustment for the Conversion of Bonds to Equity ^{4) 5)}	As Adjusted
<i>(In NOK million)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
(A) Cash ^{b)}	3,095.6	325.7	380.8	(59.9)	(51.0)	3,691.3
(B) Cash equivalents						
(C) Trading securities						
(D) Liquidity (A)+(B)+(C)	3,095.6	325.7	380.8	(59.9)	(51.0)	3,691.3
(E) Current financial receivables	10,132.9			(738.7)		9,394.2
(F) Current bank debt						
(G) Current portion of non-current debt ^{c)}	8,784.1	595.8		(4,790.2)	(249.7)	4,340.0
(H) Other current financial debt ^{d)}	13,992.1	111.6			(140.8)	13,962.9
(I) Current financial debt (F)+(G)+(H)	22,776.2	707.4		(4,790.2)	(390.5)	18,302.9
(J) Net current financial indebtedness (I)-(E)-(D)	9,547.7	381.8	(380.8)	(3,991.6)	(339.5)	5,217.4
(K) Non-current bank loans						
(L) Bond issued ^{e)}	4,547.2	321.4			(2,478.5)	2,390.1
(M) Other non-current debt ^{f)}	48,046.3	5,312.0		(3,652.0)		49,706.1
(N) Non-current financial indebtedness (K)+(L)+(M)	52,593.5	5,633.4		(3,652.0)	(2,478.5)	52,096.2
(O) Net financial indebtedness (J)+(N)	62,141.1	6,015.1	(380.8)	(7,643.6)	(2,818.1)	57,313.7

Notes to the Net financial indebtedness table:

- Figures are derived from Norwegian's Q4 2019 Interim Financial Statement. The definition of financial assets and liabilities provided by IAS 32 *Financial Instruments* has been applied. Accordingly, amounts related to tax liabilities, employee benefit obligations, other non-financial liabilities and receivables as well as provisions are not included in the amounts in the table above.
- Represents the financial line item Cash and cash equivalents totaling NOK 3,095.6 million and includes restricted cash of NOK 830.4 million.
- Represents the financial line item Current debt and includes the short-term part of outstanding bond debt (comprising NAS09), of aircraft financing and of lease liabilities.
- Represents the financial line item air traffic settlement liabilities of NOK 6,106.5 million and the financial line item Other current liabilities of NOK 9,135.6 million, less NOK 1,250 million that are not deemed as financial debt in accordance with IAS 32 and mainly consisting of tax liabilities, provisions for periodic maintenance and loyalty programs.

Includes also accrued interests of NOK 29.2 million related to the NAS07, NAS08, NAS09 and the CB.

- e. Represents the non-current portion of the outstanding bond debt (comprising the NAS07, NAS08 and the CB) presented within the financial line item Non-current debt.
- f. Represents the financial line item Non-current debt and excludes the non-current portion of the outstanding bond debt.

The adjustments in the table above have been made for the following significant events:

1. Transactions not subject to the Listing and the Offering

The net adjustments in Cash with NOK 325.7 million, Current portion of non-current debt with NOK 595.8 million, Other current financial debt with NOK 111.6 million, Bond issued with NOK 321.4 million and Other non-current debt with NOK 5,312 million, reflects the following transactions that happened between 31 December 2019 to 31 March 2020:

- Net proceeds of NOK 325.7 million, net of transaction costs of NOK 4.3 million (gross proceeds of NOK 330 million) related to the guarantee scheme provided by the Norwegian government and presented as an increase in cash with a corresponding amount presented as Other non-current debt;
- increase of NOK 595.7 million in current lease liabilities to NOK 4,790.2 million, and an increase of NOK 0.1 million in the NAS09 outstanding bond debt to NOK 249.7 million, totaling a net increase of NOK 595.8 million presented as Current portion of non-current debt;
- increase of NOK 111.6 million in accrued interests on the NAS 07, NAS08, NAS09 and the convertible bond to NOK 140.8 million presented as Other current financial debt;
- increase of NOK 321.4 million in the NAS07, NAS08 and convertible outstanding bond debt to NOK 4,868.6 million presented as Bond issued;
- increase of NOK 4,986.3 million in non-current lease liabilities to NOK 35,066.1 million presented as Other non-current debt.

2. The Offering

The effect is an increase in cash (NOK 380.8 million, net of estimated transaction costs of NOK 19.2 million) with a corresponding increase in Share capital (NOK 57.1 million) and Share premium (NOK 323.7 million) based upon an assumption of 571.4 million number of Offer Shares at a subscription price per Offer Share of NOK 0.7 which is the minimum value for the Offer Price (for further information on the Offer Price, please see Sections 6.4.1 and 6.5.1.), and with nominal value per Share of NOK 0.1.

3. The Conversion of Lease Debt to Equity

The adjustment reflects the effect of the conversion of the net book value of lease liabilities to equity in the amount of NOK 7,703.5 million, net of the book value of deposits presented as Current financial receivables of NOK 738.7 million, and the book value of lease liabilities of NOK 8,442.2 million (whereas of the NOK 8,442.2 in book value of lease liabilities being converted to equity are NOK 4,790.2 million in Current portion of non-current debt and NOK 3,652.0 million in Other non-current debt) with corresponding estimated transaction costs of NOK 59.9 million assumed paid in cash.

The effect is a reduction in Current financial receivables of NOK 738.7 million, a reduction of NOK 4,790.2 million in Current portion of non-current debt and a reduction of NOK 4,790.2 million in Other non-current debt.

The increase in Share capital (NOK 202.3 million) and Share premium (NOK 10,093.1 million), together an increase of NOK 10,295.4, being the assumed proceeds of NOK 10,355.3 million reduced for estimated transaction costs of NOK 59.9 million, are based upon an assumption of issuance of 2.023 billion number of Shares (see Section 5.3 Conversion of Lease Debt to Equity) at an estimated price per share of NOK 5.12 corresponding to the last traded share price of the Company on the Oslo Stock exchange at 30 April 2020 prior to the EGM's approval (see Section 5.1 Background), and a par value of NOK 0.1 per Share and with estimated transaction costs of NOK 59.9 million reducing Share premium. The decrease in Other equity of NOK 2,651.7 million corresponds to the

residual amount of the allocated increase in Share capital and Share premium before transaction costs, totaling NOK 10,355.3 million, and the net book value of net lease debt converted to equity, totaling NOK 7,703.5 million.

4. The Conversion of Bonds to Equity

The adjustment reflects the reclassification of the book value of the NAS09 outstanding bond issued debt with NOK 249.7 million from Current portion of non-current debt to Bond issued and the effect of the conversion of the book value of outstanding bond issued debt in the amount of NOK 2,869.0 million to equity (whereas NOK 140.8 million in Other current financial debt related to the book value of all accrued interests of the NAS07, NAS08, NAS09 and the convertible bond, and NOK 2,728.2 million in Bond issued related to the conversion of 50 percent of the book value of the NAS 07 and NAS08 bonds and 77 percent of the book value of the convertible bond (assuming that the convertible bondholders commit themselves to subscribe for a total number of shares in the Offering with an aggregate subscription amount in excess of NOK 50 million). Corresponding estimated transaction costs of NOK 51.0 million are assumed paid in cash.

The effect is a reduction in outstanding bond debt with a corresponding increase in equity.

The increase in Share capital (NOK 95.6 million) and Share premium (NOK 4,747.6 million), together an increase of NOK 4,843.2 million, being the assumed proceeds of NOK 4,894.1 million reduced for estimated transaction costs of NOK 51.0 million, are based upon an assumption of issuance of a total of 0.956 billion Shares (see Section 5.3 Conversion of Lease Debt to Equity) at an estimated price per Share of NOK 5.12 corresponding to the last traded share price of the Company on the Oslo Stock exchange at 30 April 2020 prior to the EGM's approval (see Section 5.1 Background), and with par value of NOK 0.1 per Share and with estimated transaction costs of NOK 51.0 million reducing Share premium. The decrease in Other equity with NOK 2,025.1 million corresponds to the residual amount of the allocated increase in Share capital and Share premium before transaction costs, totaling NOK 4,894.1 million, and the book value of the bonds converted to equity, totaling NOK 2,869.0 million.

5. Successful subscription assumed

The adjustments assume that the Offering is fully subscribed, that the Conversion of Lease Debt to Equity and the Conversion of Bonds to Equity are consummated and that the Company qualifies for the State Aid Package as at the date of the Prospectus. It is assumed that all participants exercise their option for shares, rather than Perpetual Bonds, which are also available as described in Section 5. The issuance of Perpetual Bonds instead of shares would give rise to a corresponding reclassification within Total Equity, and to the extent participants choose to receive a perpetual bond instead of a share, the amounts otherwise recorded within Share Capital and Share Premium will be recorded in Other Equity. No adjustments have been performed for potential use of aircraft subject to converted leases for any future use under the "power by the hour" provision (as further described in Section 5.3 ("Conversion of Lease Debt to Equity")), due to the uncertainty surrounding expected fleet activity and the inherent high level of estimation this would require. Furthermore, no adjustment has been performed for the London Gatwick slot arrangement (as further described in Section 5.4 "Conversion of Bonds to Equity") entered into in connection with the conversion of the NAS07 and NAS08 bonds. The Company has estimated that given the high level uncertainty associated with the future supply of slots for flight operations and the current reduced demand for air passenger travel in and out of London Gatwick the value of this slot arrangement is both difficult to estimate reliably and is assumed not being of significant value as of the date of the prospectus. If the value of the Gatwick slots exceeds 105 percent of the remaining outstanding debt of the NAS07 and NAS08 bonds pr. any measurement date in the agreement, being 30 June 2021, 30 June 2022 and 30 September 2022, corresponding to approximately 52.5 percent of nominal amount outstanding under NAS07 and NAS08 prior to conversion, it will be beneficial for Norwegian to redeem the loans early (the bond indentures for the loans effectively allow for early redemption), to avoid slot arrangement obligation. Based on this, Norwegian's obligation related to the slot values at London Gatwick is effectively capped at 2.5 percent of the nominal amount of the Loans.

10.1.4 Contingent and other liabilities

The following items are regarded as contingent and other liabilities:

- Operating leases and related commitments (see further information about leases in Section 15.2 "Material contracts which NAS is dependent on in its ordinary course of business" and 15.3.2 "Lease agreement with Fornebu Næringseiendom 1 AS").

In NOK thousands	2019	2018	2017
Within one year	12.6	5,110.9	4,623.2
Between 1 and 5 years	21.5	17,865.8	16,590.9
After 5 years	5.5	17,093.3	17,288.5
Total lease commitments	39.6	40,070.0	38,502.6

- The Company has significant aircraft purchase commitments from agreements entered into with Boeing and Airbus. An overview of these commitments is presented in Section 9.14 "Investments".
- Tax issues – see further information in Section 15.1.1 "Reassessment from the Norwegian Tax authorities".

Other than as stated above, the Company is not aware of any material liability, direct or indirect, actual or contingent.

10.1.5 Recent Developments – Financial Position of the Group

Other than the outbreak of the COVID-19 as further described in Sections 9.11 and 9.13, the Conversion of Debt and the Offering (assuming that it will be completed), there has not been any significant changes in the financial position of the Group since 31 December 2019.

10.2 WORKING CAPITAL STATEMENT

The Company is of the opinion that the working capital available to the Company is not sufficient for the Company's present requirements, for the period covering at least 12 months from the date of the Prospectus.

Considering the COVID-19 outbreak effects on travel restrictions and demand for air travel that has forced the Company to enter hibernation mode, the Company estimates that it will no longer have sufficient working capital during May 2020. The Company estimates that it needs approximately NOK 3 billion for the working capital to be sufficient until the end of the year 2020, assuming continued hibernation mode throughout 2020.

The Company expects to obtain such NOK 3 billion in loans provided that it qualifies for Tranche 2 and Tranche 3 of the State Aid Package as further described in section 5.

The Company's qualification for Tranche 2 and Tranche 3 of the State Aid Package are subject to certain conditions as described in Section 5.1. If any one of these conditions are not met, the Company will not qualify for the State Aid Package Tranche 2 and Tranche 3, and the Company will not get access to the NOK 3 billion. Further, the loan agreements for the NOK 3 billion loan have not yet been finalized and such agreements with the finance providers are a pre-condition for the Company's access to this liquidity.

The Debt Conversion and the Offering forms part of the Company's efforts to qualify for the State Aid Package Tranche 2 and Tranche 3. The settlement of the Debt Conversion and the Offering are expected to occur after the date of the Prospectus and before or around 19 May 2020 (see section 5.3 "Conversion of Lease Debt to Equity", section 5.4 "Conversion of Bonds to Equity" and section 6.1 "Overview of the Offering"). There is therefore uncertainty around the likelihood of all these events, the level of interest for the Offering and whether the Company will qualify for the State Aid Package.

The Company is optimistic that the Conversion of Debt, the Offering, and its qualification for the State Aid Package will be successful, thus securing sufficient working capital until the end of the year 2020, but no assurance can be given to this effect.

Assuming that the COVID-19 outbreak effects on travel restrictions and demand for air travel continue forcing the Company to maintain its current hibernation mode for a period beyond the end of 2020, the Company estimates that it will no longer have sufficient working capital during the first quarter of 2021, and will need between NOK 0.3 billion to NOK 0.5 billion per month thereafter, or approximately a further NOK 2 billion in additional working capital in order to have sufficient working capital for at least 12 months from the date of the Prospectus.

Further, although no assurance can be given, the Company expects to obtain this extra NOK 2 billion in additional working capital in order to have sufficient working capital for at least 12 months from the date of the Prospectus, through obtaining additional financing, additional private placement of shares, reconsidering the Company's business plan and scale of operations, selling and refinancing assets or pursuing other sources of finance.

The long-term impact from COVID-19 on the global airline industry and thus on the Company is highly uncertain and depends on various factors, inter alia, duration and magnitude of the outbreak, containment measures, consumer confidence and economic conditions. The situation is evolving rapidly, and it is unclear how the virus will continue to develop or when the airline industry, and thus the Company, will see a recovery to baseline levels. If travel restrictions are lifted and demand picks up, allowing the Company to gradually return to normal service, the need for additional working capital is assumed to be lower than in an extended hibernation case.

If the Company does not obtain this additional required working capital, the Company may enter into liquidation and/or bankruptcy proceedings.

10.3 TREASURY AND FUNDING POLICY

10.3.1 Treasury and funding policy

Financial control and cash management systems enable Norwegian to manage and monitor liquidity needs. Forecasts are maintained and regularly updated to estimate short- and long-term financial requirements. Funding options are evaluated based on longer-term capital needs and involve a review of optimal financing alternatives in conjunction with a targeted capital structure. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Management monitors rolling forecasts of the Group's liquidity reserve, cash and cash equivalents based on expected cash flow. The Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to monitor liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Company has historically utilized aircraft financing institutions, like the Export-Import Bank of the US, as its primary funding source in relation to aircraft acquisitions in addition to the US capital market by way of private placements of debt, European export credit agencies ("EETCs") and sale and leaseback arrangements. The Company is dependent on access to one of these or other financing forms to finance the delivery of aircraft. Deliveries in 2020 will be financed through export guaranteed financing, non-payment insurance product, in the US capital market or through other commercial sources of financing. The Group's financing policy includes sales-leasebacks transactions on several aircraft to diversify its aircraft fleet. In 2019, four aircraft were delivered and financed as sale-leaseback transactions (8 in 2018) and fourteen aircraft were sold (6 in 2018).

The Group's aircraft fleet consist of leased aircraft (Note 12) and owned aircraft (Note 11), whereof the Group has 190 aircraft on firm order with future delivery whereof 27 Airbus 320Neo is planned for in a JV arrangement with China Construction Bank as the senior lender. In accordance with airline industry market practice the total order is not fully financed. The financing will be secured on a periodic basis, the size and timing depending on the schedule of aircraft delivery and market conditions. Prepayments to aircraft manufacturers on future aircraft deliveries are financed by internal and external funds.

10.3.2 Hedging policy and financial risk management

Introduction

The Group's activities expose it to a variety of financial risks; market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall financial risk management program focuses on changes and fluctuations in financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain financial risk exposures.

Financial risk management is carried out by a central treasury department, the Group treasury, under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risk in close co-operation with the Group's operating units. The Board provides principles for overall risk management such as foreign currency risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

Management of foreign exchange risk

A substantial part of the Group's expenses is denominated in foreign currencies. The Group's leases, aircraft borrowings, maintenance, jet fuel and related expenses are mainly denominated in USD, and airplane operation expenses are partly denominated in EUR. The carrying amount of the Group's net investments in foreign entities and proceeds from these investments vary with changes in the foreign exchange rate. In order to reduce currency risk, the Management has a mandate to hedge up to 100 percent of its currency exposure for the following twelve months.

The Group manages its foreign exchange (FX) exposure using spot and forward contracts. There is no rolling FX hedge program in place for the Group as at the date of this Prospectus. Normal trade flows in foreign currencies are exchanged using spot contracts and forward contracts one month out. The Group might also hedge committed contracts (both financial and operating) giving rise to FX exposure. Finally, the Group might hedge a currency pair if it is deemed attractive compared to targets set in budgets and forecasts.

Management of jet fuel prices

Expenses for jet fuel represent a substantial part of the Group's operating costs, and fluctuations in jet fuel prices influence the projected cash flows. The objective of the jet fuel price risk management policy is to safeguard against significant and sudden increases in jet fuel prices whilst retaining access to price reductions. The Group manages jet fuel price risk using fuel derivatives. Management has a mandate to hedge 10 to 50 percent of its expected consumption over the next 12 months with forward contracts.

At the end of 2019, the Group did not have significant jet fuel forward contracts. The Company entered into fuel term contracts during the first quarter of 2020, covering approximately 35 percent of estimated Fuel Consumption in the first half of 2020 at an average price of USD 578 per metric ton and approximately 25 percent at USD 571 per metric ton for the full year.

Management of credit risk

Credit risk is managed on a Group-wide basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to travel agencies and commercial customers, including outstanding receivables and committed transactions. The utilization of credit limits is regularly monitored. The Group's policy is to maintain credit sales at a minimum level. Sales to private customers are settled in cash or using major credit card companies.

A portion of the Group's sales are paid for by the customers at the time of booking and the Company receives the actual payments from the credit card companies at a later point in time. Delayed payments from credit card companies vary between credit card brands. The risk arising from receivables on credit card companies are monitored closely.

Credit risk related to bank defaults is closely monitored and partly offset by diversifying the Group's deposit portfolio.

There is re-invoicing of maintenance costs on aircraft to leasing companies, and the Company regularly evaluates and assesses the value of these credits.

10.3.3 Overview of debt facilities and debt maturities

The table below sets forth an overview of the outstanding financial debt of the Company as per 31 December 2019.

	Outstanding amount per 31 Dec 2019 (NOK million)
Aircraft financing	22,896.1
Pre-delivery payment financing	382.5
Bonds	4,824.2
Securities financing	0.0
Lease liabilities	34,274.3
Total outstanding debt	62,377.2
Amortized financing costs	-999.6
Book value of outstanding debt	61,377.6

The Company uses various sources for aircraft financing. The table below sets forth an overview of the various sources that the Company currently uses as well as the outstanding amounts as per 31 December 2019.

Financing source	# of aircraft	Outstanding amount per 31 Dec 2019 (NOK million)
US Export Credit Financing	15	3,355.2
US Private Placement	15	2,994.3
Bank loans	3	814.0
Enhanced Equipment Trust Commitment	10	2,547.5
Aircraft Finance Insurance Consortium	14	6,021.0
U.K. Export Credit Financing (UKEF)	3	2,549.9
UKEF / Japanese Operating Lease Co.	3	3,403.4
Finance lease	2	710.5
Other		500.3
Amortized financing costs		-969.5
Aircraft financing	65	21,926.6
Aircraft lease liabilities	91	34,274.3
Total aircraft financing	156	56,200.9

The Company is also actively using the bond markets and has four outstanding bonds with a total outstanding amount of NOK 5,021 million as per 31 December 2019.

The table below sets forth an overview of the Company's borrowings as per 31 December 2019, including repayment schedule and anticipated interest payments in 2020, 2021, 2022 and thereafter, as well as expected interest payments and outstanding amounts for each period. Note that the table does not include anticipated new borrowings relating to the delivery of new aircraft.

Bonds:

In NOK million

Name of facility	NAS07	NAS08	NAS09	USD-CONV
Currency	EUR	SEK	NOK	USD
Interest rate type	Fixed	Floating	Floating	Floating
Outstanding at year-end 2019:	2,499.1	955.2	250.0	1,317.0
Down payments 2020	0.0	0.0	250.0	0.0
Interest payments 2020	172.6	45.5	13.3	84.0
Outstanding at year-end 2020:	2,499.1	955.2	0.0	1,317.0
Down payments 2021	2,499.1	0.0	0.0	0.0
Interest payments 2021	158.2	45.5	0.0	84.0
Outstanding at year-end 2021:	0.0	955.2	0.0	1,317.0
Down payments 2022	0.0	955.2	0.0	0.0
Interest payments 2022	0.0	12.0	0.0	84.0
Down payments after 2022	0.0	0.0	0.0	1,317.0

Long-term aircraft financing and pre-delivery payment financing ("PDP Financing"):

In NOK million

Name of facility	Aircraft financing	PDP Financing
Currency	USD/EUR	USD
Outstanding at year-end 2019:	21,927	380
Down payments 2020	4,245	95
Interest payments 2020	588	25
Outstanding at year-end 2020:	17,682	285
Down payments 2021	2,001	285
Interest payments 2021	521	12
Outstanding at year-end 2021:	15,681	0
Down payments 2022	2,011	-
Interest payments 2022	476	-
Outstanding at year-end 2022:	13,670	0

**Down payments 2020 include down payments of approximately NOK 1,796 million in relation to sale of aircraft*

The table below sets forth an overview of the Company's bonds as per 31 December 2019, including repayment schedule and anticipated interest payments in 2020, 2021, 2022 and thereafter, as well as expected interest payments and outstanding amounts for each period under the assumption that the Bonds are partially converted into equity as described in Section 5.

Bonds:

In NOK million

Name of facility	NAS07	NAS08	NAS09	USD-CONV
Currency	EUR	SEK	NOK	USD
Interest rate type	Fixed	Floating	Floating	Floating
Outstanding at year-end 2019:	2,499.1	955.2	250.0	1,317.0
Down payments 2020	0.0	0.0	0.0	0.0
Conversion of debt to equity 2020**	1,249.6	477.6	0.0	1,014.1
Interest payments 2020	0.0	11.9	3.7	0.0
Outstanding at year-end 2020:	1,249.6	477.6	250.0	302.9
Down payments 2021	0.0	0.0	250.0	0.0
Interest payments 2021	43.1	22.9	7.3	9.7
Outstanding at year-end 2021:	1,249.6	477.6	0.0	302.9
Down payments 2022	1,249.6	0.0	0.0	0.0
Interest payments 2022	0.0	12.0	0.0	19.3
Down payments after 2022	0.0	477.6	0.0	302.9

** Conversion shown in nominal amounts at conversion rates at 31 December 2019

Long-term aircraft financing has for the most part fixed interest rate.

PDP Financing is always done using floating interest rate.

The Group manages its interest rate risk by choosing fixed and floating interest rates on its facilities in order to get the preferred portfolio mix of interest rate exposure.

The Company expects to repay the respective debt facilities that are not subject to the Conversion of Debt upon their maturity by means of available cash on hand and by refinancing in the bank or bond market, depending on the financial situation and available alternatives at the time of such maturity, however, no assurance can be given that the Company will be able to repay such debt. Repayments are made at par value.

10.3.4 Status on covenants

The Company is in a process of financial restructuring as described in Section 5. Assuming that the Conversion of Debt, the Offering, and its qualification for the State Aid Package will be successful, the Company and the Group are in compliance with all its debt covenants.

Subject to the bondholder resolutions for NAS07, NAS08 and CB pertaining to the Conversion of Bonds to Equity becoming effective, the Company will be subject to inter alia the following financial covenants:

- The Group shall maintain minimum liquidity of NOK 100 million until 1 July 2021 and thereafter NOK 500 million.
- The Group shall maintain book equity of minimum NOK 1,500 million.

The Bonds will contain several other covenants, including negative pledge provisions and restrictions on dividends. In the event of a breach of one or more debt covenants, creditors may be entitled to accelerate their claims against the Company.

10.4 PROPERTY, EQUIPMENT, AND OTHER ASSETS

The aircraft owned by the Company comprise its principal assets, and a description of the fleet, the number of aircraft, etc. is included in Section 9.6.2 "Fleet".

The Company operates out of leased premises in the municipality of Bærum, just outside the city limits of Oslo. The Group's head offices at Oksenøyveien 3 are 11,802 sq. m. For more information about the lease agreement, see Section 15.3.2 "Lease agreement with Fornebu Næringseiendom 1 AS".

The Company owns a hangar at Oslo Airport measuring 11,088 square meters. In addition to the hangar, the Company owns a repair shop measuring 1,100 square meters and an office building measuring 1,350 square meters.

10.5 INSURANCE

The Group maintains aviation insurance covering liability to passengers and crew, third-party liability, terrorist incidents and aircraft loss or damage and general insurance including property, general employer and tenant liability, accident and life insurance, travel insurance and crew related loss of license and directors' and officers' cover, in each case in amounts that are consistent with industry standards and that meet the Group's obligations under applicable laws and regulations.

11. BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES

11.1 THE BOARD

11.1.1 Overview of the Board and its responsibilities

In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of its business, ensuring proper organization of its business, preparing plans and budgets for its activities, ensuring that its activities, accounts and asset management are subject to adequate controls, and undertaking investigations necessary to perform its duties.

11.1.2 The Board

The following table sets forth, as the date of this Prospectus, the members of the Company's Board of Directors as of the date of this Prospectus.

<u>Name</u>	<u>Position</u>	<u>Has served since</u>	<u>Term expires</u>
Niels Smedegaard	Chair	2019	2021
Liv Berstad	Deputy chair	2005	2021
Christian Fredrik Stray	Director	2015	2021
Ingrid Elvira Leisner	Director	2019	2021
Sondre Gravir	Director	2018	2020
Geir Olav Øien	Director	2016	2021
Eric Holm	Director	2019	2021
Katrine Gundersen	Director	2019	2021

11.1.3 Brief biographies of the directors of the Board

Set out below are brief biographies of the directors of the Board (the "**Directors**"), including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Director is or has been a member of the administrative, management or supervisory bodies or partner the previous five years.

Niels Smedegaard, Chair of the Board

Mr. Niels Smedegaard (born 1962) was the President and CEO of DFDS Group from 2007 to 2019. He has previously held positions in companies such as Gate Gourmet Group, Swissair and SAS. Mr. Smedegaard is a Danish citizen and holds a master's degree from Copenhagen Business School.

Mr. Smedegaard also holds a number of board appointments in various European companies. Mr. Smedegaard was elected as Chair in 2019 and has been elected for the period 2019-2019. The business address is c/o Oksenøyveien 3, 1336 Lysaker, Norway.

<u>Description</u>	<u>Information</u>
Current directorships and management positions.....	Norwegian Air Shuttle ASA (Chair); The Bikuben Foundation (Chair); Kollegiefonden Bikuben (Chair); TT Club (board member); Falck A/S (board member); FrederiksbergFonden (board member); Nikolai og Felix Fonden (board member); UKP&I (board member); Royal Greenland (board member)
Previous directorships and management positions last five years	DFDS Group (President and CEO); Danish Shipping (Chair); ECSA (Chair); Interferry (board member)

Liv Berstad, Deputy Chair of the Board

Ms. Liv Berstad (born 1961) is today the Managing Director for the clothing company KappAhl in Norway. Ms. Berstad has extensive experience from retail trade in the Nordic region, mainly from construction material, fashion and cosmetics. She joined KappAhl as their financing manager in 1990 and in 1996 she was made the Managing Director. She is a Business Economist from BI Norwegian Business School.

Ms. Berstad has had several board appointments for companies in both Norway and Scandinavia. Ms. Berstad has been a board member since 2005. She has been elected for the period 2019-2021 and is an independent board member. The business address is c/o Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (Deputy Chair); KappAhl A/S (chief executive officer and board member)
Previous directorships and management positions last five years	N/A

Christian Fredrik Stray, Board Member

Mr. Christian Fredrik Stray (born 1978) has been CEO of Hy5Pro AS since 2015. Prior to this, he has several years of experience from the global medical device company, Biomet. From 2008-2011, he held the position as CEO of Biomet Norge, and from 2011-2014 as CEO of Biomet Nordic. Mr. Stray holds a Bachelor of Science in Biomedical Engineering and an executive MBA from ESCP-EAP (Paris) and BI Norwegian Business School.

Mr. Stray holds several board appointments for companies both in Norway and Scandinavia, primarily within the medical and digital industry. Mr. Stray has been elected for the period 2019-2021 and is an independent board member. The business address is c/o Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (Director); Hy5Pro AS (CEO); Apriori Group AS (Chair and chief executive officer); Styret.com – in the box AS (board member); WeOrder Hospitality Technologies AS (board member); Defigo AS (board member); Biral Lubricants AS (deputy)
Previous directorships and management positions last five years	Biomet Norge AS (board member); Biomet Nordic (CEO); Medtech Norway (Board member); Bank Norwegian; (supervisory board member); Norwegian Finance Holding (supervisory board member); Snappit AS (Chair); Joint Biomed AS (board member); Styret-com – In the box AS (board member)

Ingrid Elvira Leisner, Board member

Ms. Ingrid Elvira Leisner (born 1968) has long experience as head of audit committees and member of a number of boards, including Self Storage Group, Techstep, Maritime & Merchant and Spectrum Geo. Over several years, she has held several positions with Statoil (now Equinor), including Head of Portfolio Management Electric Power, Portfolio Manager and Trader. Ms. Leisner has a Bachelor of Business Administration from University of Texas in Austin, USA.

Ms. Leisner has been elected for the period 2019-2021 and is an independent board member. The business address is c/o Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (Director); Self Storage Group (board member); Techstep (board member); Maritime & Merchant Bank (board member)
Previous directorships and management positions last five years	Spectrum Geo (board member); Vistin Pharma (board member); Hunter Group (board member); Fortuna Mare (board member); Bionor Pharma (board member); Aurora LPG Holding (board member); Aega ASA (board member)

Sondre Gravir, Board member

Mr. Sondre Gravir (born 1977) is the CEO of SATS, a position he has held since 2018. Prior to this, he was CEO of Schibsted Marketplaces, Executive Vice President of Schibsted Established Markets, as well as CEO of Finn.no, Aftenposten and Bergens Tidende. He has also worked as a management consultant in McKinsey. Mr. Gravir holds a Master of Science in Economics and Business Administration from the Norwegian School of Economics (NHH) and selected MBA courses in international finance and business from the National University of Singapore. Mr. Gravir has experience from several Schibsted boards internationally both as chairman and board member, and has also had board appointments in Frende Forsikring, Fædrelandsvennen, and Finn.no.

Mr. Gravir has been elected for the period 2018-2020 and is an independent board member. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (Director); SATS (CEO)
Previous directorships and management positions last five years	Schibsted Marketplaces (CEO), Schibsted Established Markets (Executive Vice President); Finn.no (CEO); Aftenposten (CEO); Bergens Tidende (CEO)

Geir Olav Øien, Board member (employee representative)

Mr. Geir Olav Øien (born 1972) joined the Company's Technical Department in 1998. He has been working in the aviation industry since 1991 and has extensive experience within technical operations. Mr. Øien has previously worked for SAS Heavy Maintenance Oslo and as a civil employee for the Norwegian Air Force in Bodø and Kjeller. From 2014-2015 he was the leader of the Company's Technical Union.

Mr. Øien has been a Director since 2016 and has been elected for the period 2019-2021. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (Director)
Previous directorships and management positions last five years	Norwegian's Technical Union (Leader)
.....	

Eric Holm, Board member (employee representative)

Mr. Eric Holm (born 1967) joined the Group in March 2010 and is currently employed in Norwegian Cabin Services Norway AS. Mr. Holm holds a Master of Arts in International Security Studies from the University of Leicester.

Mr. Holm has been Deputy Board Member at Norwegian Cabin Services Norway, Chairman at Parat Luftfart and Board Member (employee representative) at Lufthansa Service Group Norway. He has been elected for the period 2019-2021. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (Director)
Previous directorships and management positions last five years	Deputy Board Member at Norwegian Cabin Services Norway

Katrine Gundersen, Board member (employee representative)

Ms. Katrine Gundersen (born 1974) holds the position as Crew Tracker at the Company's Integrated Operational Control Centre (IOCC). She started working in the airline industry in the late 1990s and has been with the Group since August 2002. She holds a bachelor's degree in Economics from BI Norwegian Business School.

Ms. Gundersen was Deputy Director of the Board from 2016-2018. She is elected for the period 2019-2021. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (Director)
Previous directorships and management positions last five years	Norwegian Air Shuttle ASA (Deputy Director)

11.2 MANAGEMENT

11.2.1 Overview

The names, positions, and current term of the members of the Management at the date of this Prospectus are presented in the table below:

Name	Position	Executive manager since
Mr. Jacob Schram	Chief Executive Officer	2020
Mr. Geir Karlsen	Chief Financial Officer	2018
Mr. Tore Jenssen	Chief Operating Officer	2015
Ms. Anne-Sissel Skånvik	Chief Communications Officer	2009
Mr. Marty St. George	Interim Chief Commercial Officer	2019
Mr. Brede Huser	EVP Loyalty & Managing Director of Norwegian Reward	2020
Mr. Knut Olav Irgens Høeg	SVP Procurement / IT / Customer Care	2020
Mr. Kei Grieg Toyomasu	SVP Marketing	2020
Ms. Guro H. Poulsen	SVP Crew Management	2020
Ms. Sarah Louise Goldsbrough	EVP Human Resources	2020

11.2.2 Chief Executive Officer

Introduction

The CEO is responsible for the day-to-day management of a Norwegian public limited liability company ("PLLC") and operates in accordance with the instructions set out by the Board of Directors. Among other things, the CEO of a PLLC is obligated to ensure that the company's accounts are kept in accordance with existing Norwegian legislation and regulations, and that the assets of the company are managed responsibly. In addition, at least once a month the CEO of a PLLC must brief the Board of Directors about the company's activities, position and operating results.

Brief biography of Jacob Schram, the Company's Chief Executive Officer

Mr. Jacob Schram (born 1962) joined the Company as Chief Executive Officer in January 2020. He has several years of experience from large international companies, including 22 years in Circle K (previously Statoil Fuel & Retail (SFR)), where he was Group President for Europe for 14 years until he stepped down in 2018. As CEO, he led the process of publicly listing SFR on the Norwegian Stock Exchange in 2010. Previously, he has also held managing roles in McDonalds and McKinsey. During the last year he has worked with private investments, start-ups and presentations related to his book "The Essence of Business", in addition to holding the position as Senior Advisor at McKinsey. Mr. Schram has a Master of Science in Economics from Copenhagen Business School. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (Chief Executive Officer); Møller Mobility Group AS (board member); Blacksheep Coffee (board member); Oslo Mobility Company AS (Chair and co-founder)
Previous directorships and management positions last five years	Circle K Europe (Group President); Hovedorganisasjonen Virke (Chair)

11.2.3 Brief biographies of the other members of the Group's Management

Introduction

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Geir Karlsen, Chief Financial Officer

Mr. Geir Karlsen (born 1965) has held the position as Chief Financial Officer since April 2018. From July 2019 to December 2019, he was Acting CEO in Norwegian. He has extensive experience from listed companies within shipping and offshore. Mr. Karlsen has over the last twelve years held various CFO positions with international companies such as Golden Ocean Group and Songa Offshore. Before Norwegian, he held the position Group CFO at London-based Navig8 Group, the world's largest independent pool and management company. Geir Karlsen has a degree in Business Administration from BI Norwegian Business School. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (Chief Financial Officer);
Previous directorships and management positions last five years	Norwegian Air Shuttle ASA (Acting Chief Executive Officer); Navig8 Group (Chief Financial Officer); Songa Offshore SE (Chief Financial Officer); Golden Ocean Group (Chief Financial Officer)

Tore Jenssen, Chief Operating Officer

Mr. Tore Jenssen (born 1978) is the Company's Chief Operating Officer. He was previously the Managing Director of the Company's wholly owned asset company AAA. He has been at the Group since 2007, when he was hired as cost controller for the Company's technical department. From 2010, Mr. Jenssen worked as Asset Manager, and in 2013 he moved to Ireland to become Chief Operating Officer for AAA. Before he started his career at the Company, he worked for Grilstad. Mr. Jenssen has a business degree from Bodø Graduate School of Business. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (Chief Operating Officer)
Previous directorships and management positions last five years	Norwegian Air International (Chief Executive Officer); Arctic Aviation Assets (Managing Director)

Anne-Sissel Skånvik, Chief Communications Officer

Ms. Anne-Sissel Skånvik (born 1959) joined the Company in 2009 from a position as Senior Vice President at Telenor ASA, where she was responsible for corporate communications and governmental relations. Ms. Skånvik was the Deputy Director General in The Norwegian Ministry of Finance between 1996 and 2004. She also has years of experience from Statistics Norway (SSB) and various media. Ms. Skånvik has a master's degree in political science ("Cand. Polit") from the University of Oslo, a degree in journalism from Norwegian College of Journalism and the Executive Management Course at the Norwegian Defense University College. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (Chief Communications Officer); Statistics Norway (board member); NHO luftfart (board member and Deputy Chair)
Previous directorships and management positions last five years	N/A

Marty St. George, Interim Chief Commercial Officer

Mr. Marty St. George (born 1964) was appointed interim Chief Commercial Officer (CCO) at Norwegian in December 2019. Before his move to Norwegian, he held the position as CCO of Jet Blue Airways, where he has held several positions since 2006. Mr. St. George has more than 30 years of experience from the aviation industry. He has also held key positions at United Airlines and US Airways, including responsibilities for revenue-generating activities, network management and innovation. He holds a SB in Civil Engineering from Massachusetts Institute of Technology. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (Interim Chief Commercial Officer)
Previous directorships and management positions last five years	JetBlue Airways (Chief Commercial Officer); The Ad Council (board member); Long Island City Partnership (board member); United States Travel and Tourism Advisory Board (board member)

Brede Huser, EVP Loyalty and Managing Director of Norwegian Reward

Mr. Brede G. Huser (born 1971) was appointed Managing Director of Norwegian Reward, the Norwegian Group's loyalty program in January 2015. He joined Norwegian in its start-up year in 2002, first as a consultant and as an employee since 2006. He was part of the Company's financial management team from 2006 until 2015. Prior to joining Norwegian, Mr. Huser has ten years of experience from finance and management consulting with Orkla, Arthur Andersen and EY. Mr. Huser holds a Master of Science in Financial Economics from BI Norwegian Business School. business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (EVP Loyalty and Managing Director of Norwegian Reward)
Previous directorships and management positions last five years	Norwegian Air Shuttle ASA (Chief Sales and Marketing Officer); Norwegian Finans Holding ASA (board member)

Knut Olav Irgens Høeg, SVP Procurement / IT / Customer Care

Mr. Knut Olav Irgens Høeg (born 1973) has held the position as SVP Procurement since August 2019 and acting in the role as SVP IT and Customer Care from February 2020. Mr. Høeg has extensive experience in procurement and IT from several large operations, like Circle K, TINE, Storebrand and Skandia. He has also been a management consultant at Deloitte. Mr. Høeg has been driving several different change and cost-out projects and in addition building up organizations both locally and near-shore. Mr. Høeg has a Master of Science in Economics from BI Norwegian Business School and an MBA from the Norwegian School of Economics (NHH). The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (SVP Procurement and Acting SVP IT and Customer Care); Mack Øst AS (board member)
Previous directorships and management positions last five years	TINE SA (SVP Procurement); Circle K (Head of Procurement Europe)

Kei Grieg Toyomasu, SVP Marketing

Mr. Kei Grieg Toyomasu (born 1970) joined Norwegian in May 2019 from the Nordic advertising agency Schjærven Reklamebyrå, where he was CEO. Mr. Toyomasu started his career founding a digital agency that was acquired by the international advertising agency BBDO. Following a few years at BBDO Oslo, he moved to Tokyo to manage global marketing for several Japanese brands. He was also head of Opera Software's global B2C marketing department for almost three years. Mr. Toyomasu has a bachelor's degree in Economics from the University of Oslo. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (SVP Marketing)
Previous directorships and management positions last five years	Schjærven Reklamebyrå (CEO)

Guro H. Poulsen, SVP Crew Management

Ms. Guro H. Poulsen (born 1975) is Norwegian's SVP Crew Management. She has been with Norwegian since 2010, starting as a financial controller and later working as the finance manager for Norwegian Air Resources, the Group's wholly owned Crew Services subsidiary. She has several years of experience from large international companies, including Goodyear Dunlop and Wrigley as business controller. Ms. Poulsen holds a Master of Business Administration within Marketing from Griffith University in Australia and a Bachelor of Business Administration within Travel and Tourism Management from BI Norwegian Business School. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (SVP Crew Management)
Previous directorships and management positions last five years	Norwegian Air Shuttle ASA (Group Controller & Finance Manager Norwegian Air Resources)

Sarah Louise Goldsbrough, EVP Human Resources

Ms. Sarah L. Goldsbrough joined Norwegian in January 2019 initially as Vice President Global HR Shared Services. In June 2019, she took on the role as Executive Vice President HR, HSE and Payroll. Ms. Goldsbrough joined Norwegian from Kongsberg Automotive AS, where she held the position of VP HR for several divisions with a global presence. Most of her HR career has been spent in the automotive manufacturing industry, where she has also had responsibility for quality and HSE. Ms. Goldsbrough has a degree in Human Resource Management and is a Fellow of the Chartered Institute of Personnel & Development in the UK. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions.....	Norwegian Air Shuttle ASA (EVP Human Resources)
Previous directorships and management positions last five years	Kongsberg Automotive AS (VP Human Resources)

11.3 SHARES AND OPTIONS HELD DIRECTLY OR INDIRECTLY BY MEMBERS OF THE BOARD OF DIRECTORS, CEO AND MANAGEMENT

11.3.1 Overview of Shares

Name	Title	Shares
Niels Smedegaard	Chair	50,000
Liv Berstad	Deputy Chair	7,500
Christian Fredrik Stray	Director	7,517
Ingrid Elvira Leisner	Director	6,875
Sondre Gravir	Director	15,575
Geir Olav Øien	Director, elected by the employees	-
Eric Holm	Director, elected by the employees	1,083
Katrine Gundersen	Director, elected by the employees	-

Jacob Schram	Chief Executive Officer	-
Geir Karlsen	Chief Financial Officer	-
Tore Jenssen	Chief Operating Officer	-
Anne-Sissel Skånvik	Chief Communications Officer	1,000
Marty St. George	Interim Chief Commercial Officer	-
Brede Huser	EVP Loyalty & Managing Director of Norwegian Reward	1,413
Knut Olav Irgens Høeg	SVP Procurement / IT / Customer Care	2,136
Kei Grieg Toyomasu	SVP Marketing	3,442
Guro H. Poulsen	SVP Crew Management	358
Sarah Louise Goldsbrough	EVP Human Resources	-

11.3.2 Overview of Options

Options program

The Company has an options program that is approved by the annual general meeting of the Company (the "AGM") for one year at the time. The options program applies to the Management and key personnel and the criteria for 2019 were as follows:

- The number of options was limited to 1,200,000 share options, entitling optionees to buy one share per option, i.e. limited to 1,200,000 shares, at a fixed price per share (exercise price).
- The options are to be offered in the second quarter of 2019 and granted in May 2019 at the latest.
- The exercise price per share corresponds to the average price of the NAS share on trading days during the first ten calendar days after presentation of Norwegian's first quarter 2019 financial results plus 15 percent (rounded to the nearest NOK 1).
- Options granted may be exercised at the earliest after three years. The exercise period shall be four years.
- Any calendar year, each optionee's aggregated gross profit from exercise of options under all share option programs shall not exceed three years' gross base salary.
- If an optionee leaves the Company, the non-vested options will be forfeited. Outstanding options exercisable at the date of such termination shall be exercisable no later than the first exercise period thereafter.

Share savings program

In addition to the options program for the Management and key personnel, the Company has implemented a share purchase savings program for the employees, whereby the employees purchase shares in the parent company by way of salary deductions, and the Company will fund up to 50 percent of the purchased shares, limited to NOK 6,000 per year. Employees are not permitted to sell the shares in a period of twelve months after date of acquisition. The Company will also distribute one bonus share per ten shares kept by the employee for two years after acquisition date.

Options issued in 2019

On 7 May 2019, the Annual General Meeting of the Company adopted a share option program limited to 1,200,000 share options. 1,200,000 options under this program were granted to ten executives in May 2019. Options may be exercised in 2022 at the earliest, and any remaining options in 2026 at the latest. The exercise price is NOK 43, which was the average price of the NAS

share on trading days during the first ten calendar days after the presentation of the Company's first quarter 2019 financial results plus 15 percent (rounded to the nearest NOK 1). On the date of this Prospectus, there were 1,050,000 outstanding share options.

In relation to the appointment of Jacob Schram as new Chief Executive Officer of the Company in November 2019, Jacob Schram and Geir Karlsen were awarded 300,000 share options each. The share options were given on similar terms as the 1,200,000 options adopted at the 2019 Annual General Meeting.

Options issued in 2018

On 8 May 2018, the Annual General Meeting of the Company adopted a share option program limited to 400,000 share options. 380,000 options under this program were granted to eleven executives in September 2018. Options may be exercised in 2021 at the earliest, and any remaining options in 2025 at the latest. The exercise price was NOK 278, which was the average price of the NAS share on trading days during the first ten calendar days after the presentation of the Company's second quarter 2018 financial results plus 15 percent. To maintain the incentive of the plan, the Board approved an adjustment to the strike price from NOK 278 to NOK 43 on 24 September 2019. On the date of this Prospectus, there were 200,000 outstanding share options with strike price NOK 43 and 80,000 outstanding share options with strike price NOK 278.

The below table sets forth the outstanding share options held by the Company's management team:

Options issued in year	2018	2019
Strike price, NOK	43.00	43.00
Expiry year	2025	2026

Name	Title	Outstanding	
Jacob Schram	Chief Executive Officer		300,000
Geir Karlsen	Chief Financial Officer	50,000	450,000
Tore Jenssen	Chief Operating Officer	20,000	150,000
Anne-Sissel Skånvik	Chief Communications Officer	20,000	50,000
Brede Huser	EVP Loyalty & Managing Director of Norwegian Reward	20,000	
Sarah Louise Goldsbrough	EVP Human Resources		50,000

11.4 BOARD SUB-COMMITTEES

11.4.1 The nomination committee

The nomination committee's task is to nominate candidates to the General Meeting for the shareholder-elected Directors' and deputy members' seats. The Articles of Association state that the nomination committee shall have four members who shall be shareholders or representatives of shareholders. To ensure that nominees meet the requirements for expertise, capacity and diversity set forth by the members of the Board of Directors, the Chair of the Board is a permanent member of the committee. The remaining three members are elected by the General Meeting for two years at a time.

The guidelines for the nomination committee are included in the Company's Annual Corporate Governance Statement.

As described in the guidelines, the nomination committee should have contact with shareholders, the Board of Directors and the Company's executive personnel as part of its work on proposing candidates for election to the Board of Directors.

The nomination committee currently consists of three shareholder representatives and one employee who is also a Shareholder. The current composition of the committee was elected by the Annual General Meeting on 7 May 2019 and consists of;

- Mr. Bjørn H. Kise, shareholder in the Company;
- Mr. Sven Fermann Hermansen, pilot and shareholder in the Company;
- Mr. Nils Bastiansen, Chief Investment Director Folketrygdfondet; and
- Mr. Finn Øystein Bergh, Chief Investment Director Pareto Asset Management AS.

The members of the nomination committee are elected for two years at a time. None of the members of the nomination committee represent the Management. The majority of the members are considered as independent of the Management and the Board. The composition of the nomination committee is regarded as reflecting the common interests of the community of Shareholders.

The business address of the nomination committee is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

At the Annual General Meeting on 7 May 2019, Article 8 of the Articles of Association of the Company was changed so that the Chair of the Board of Directors of the Company is no longer a permanent member of the committee.

11.4.2 The audit committee

The audit committee was established by the Annual General Meeting in 2010. The composition of the audit committee was changed in 2019 to comply with the Norwegian Code of Practice for Corporate Governance ("Den norske anbefalingen om eierstyring og selskapsledelse") (the "**Corporate Governance Code**") and consists of the following three members, who are also board members of the Company:

1. Ms. Liv Berstad
2. Ms. Ingrid Elvira Leisner
3. Mr. Christian Fredrik Stray

The change will be reflected in the Company's Articles of Association pending approval by the next Annual General Meeting.

The quarterly financial reports are reviewed by the audit committee prior to Board approval and disclosure. The auditor annually presents the main features of the audit plan for the Group to the audit committee. The auditor presents a review of the Group's internal control procedures at least once a year to the audit committee, including identified weaknesses and proposals for improvements. The auditor participates in meetings with the audit committee and presents the report from the auditor that addresses the Group's accounting policy, risk areas and internal control routines.

The business address of the audit committee is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

11.5 CONFLICT OF INTERESTS

There are currently no actual or potential conflicts of interest between the Group and the private interests or other duties of any of the members of the Board of Directors and the members of the Management.

11.6 CONVICTIONS FOR FRAUDULENT OFFENCES, BANKRUPTCY, ETC.

None of the members of the Board of Directors or members of the Management have during the last five years preceding the date of this Prospectus:

- Been presented with any convictions related to indictable offences or convictions related to fraudulent offences;
- Received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- Been declared bankrupt or been associated with any bankruptcy, receivership, liquidation or

companies put into administration in his capacity as a founder, director or senior manager of a company.

11.7 EMPLOYEES

Introduction

At the end 2019, the Group facilitated employment for a total 9,388 people, compared to 10,215 at the end of 2018, apprentices and staff employed in partner companies included. This includes 4,754 cabin crew and 2,377 pilots. Remaining employees are administration, ground handling and technical maintenance and warehouse.

The Company's successful apprentice program in Travel & Tourism continued in 2019 with apprentices from Norway. The program is approved by the Norwegian Educational Authorities and comprised of approximately 100 apprentices at the end of 2019. The program runs over a two to three-year period dependent on the apprentice's educational background and has year-round rolling admission. At graduation, the apprentices had successfully completed modules in Sales & Marketing, Customer Support & Booking and Ground Handling. They also had two international assignments over a longer period and had spent several months flying as cabin crew members across Scandinavia and Europe. The standard of Norwegian apprentices is at the highest level with a perfect pass rate in 2019.

The Company's human resources policy strives to be equitable, neutral and non-discriminatory. The airline industry has historically been male dominated, but NAS has a strong tradition of practicing equality since its inception in 2002. Norwegian has talented and highly competent staff and is committed to recruiting both women and men to key positions. In 2019, 44 percent of staff were female and 56 percent male. Most pilots are male, while women represent around a 5 percent share of pilots. Most cabin personnel are female, while males account for approximately 32 percent. Among administrative staff, there is roughly an equal ratio of male to female staff. Technicians and engineers have historically been men, but in the past few years, the number of female staff has been rising. The Board of Directors has 37.5 percent (3/8) female representation.

Active monitoring of HSE (Health, Safety and Environment) indicators, corporate health insurance policies and continued cooperation with protective services will help ensure that a reduction of sickness leave remains a priority. Several key HSE activities are conducted in compliance with labor laws and corporate guidelines. This includes risk assessments, audits, handling of occurrence reports, conflicts, work environment surveys and following up with Group processes on base meetings for crew and technical staff. Activities also include participation in ERM organization, and regular meetings with Fatigue Risk Manager, Non-SAG and in several HSE-related projects. HSE information is also provided in connection with the training of crew, pilots, and technical staff. HSE provides leader training and seminars focusing on positive work engagement. The Group HSE function also ensures HSE supervision, leads the work on preventing addiction and abuse problems, Work Environment committees (WEC) and safety representative meetings. A well-functioning safety representative organization has been established and there is ongoing work to create WECs throughout the organization, as part of implementing HSE aligned with global requirements.

The Company is a member of NHO Aviation, which is a member of NHO, the Confederation of Norwegian Enterprise. Salary reviews are conducted through local union negotiations or according to local laws, regulations and CBA (collective bargaining agreements). The salary development reflects the social situation and market requirements and in 2019 was moderate according to the consumer price index. People working at Norwegian are employed in the country they are based and follow the laws and regulations of their respective country. However, Norwegian's policies and guidelines are based upon a Scandinavian approach according to its legacy and organizational culture. Sickness leave for the Group across all units (not including agency staff) was 6.7 percent for 2019.

Number of man-labor years 2019-2016¹⁾

	2019²	2018	2017	2016
Norway	2,418	2,405	1,910	1,835
Spain	2,032	2,090	1,837	1,209
UK	1,700	1,790	1,637	945
Sweden	735	768	583	520
Singapore/Bangkok	186	205	212	246
Denmark	730	753	401	324
The US	514	610	621	391
Finland	357	373	269	204
Ireland	82	218	86	77
Italy	333	392	166	45
France	283	288	44	-
Netherlands	-	33	37	-
Caribbean	-	115	28	-
Argentina	18	175	14	-
Total	9,388	10,215	7,845	5,796

¹⁾ Including man-labor years related to hired crew personnel

²⁾ Headcount

12. SHARE CAPITAL AND SHAREHOLDER MATTERS

12.1 SHARE CAPITAL AND SHARES

The following description includes certain information concerning the Company's share capital, a brief description of certain provisions contained in the Company's Articles of Association and Norwegian law in effect as of the date of this Prospectus. Any change in the Articles of Association is subject to approval by a General Meeting. This summary does not intend to be complete and is qualified in its entirety by the Articles of Association and Norwegian law.

12.1.1 General

NAS is a public limited liability company organized under the laws of Norway and subject to the Norwegian Public Limited Liability Companies Act, with registered office at Oksenøyveien 3, 1366 Lysaker, Norway.

12.1.2 Share capital

As of the date of this Prospectus, the Company's registered share capital is NOK 16,355,837.70, divided into 163,558,377 shares each with a nominal value of NOK 0.10. All the Shares are issued and fully paid.

The Company has one class of shares, each Share carrying equal shareholder rights, including one voting right at the General Meeting. The Articles of Association do not provide for limitations on the transferability or ownership of Shares.

The existing Shares have been created, and the New Shares will be created, under the Norwegian Public Limited Liability Companies Act and registered in book-entry form with the VPS. The existing Shares are, and the Offer Shares will be, registered under ISIN NO 001 0196140. The registrar for the Shares is DNB Bank ASA. The Company has been listed on Oslo Børs since December 2003 under the ticker NAS.

The Company is in the process of issuing Bond Conversion Shares, Lease Conversion Shares and Perpetual Bonds, that are subject to lock-up as further described in Section 5. Such Lease Conversion Shares and Bond Conversion Shares are expected to be placed on separate ISINs applicable to each relevant lock-up period. Once the relevant lock-up period expires, the ISIN in question is expected to be merged with the Company's ordinary ISIN.

12.1.3 Warrants, convertible loans and authorizations to issue new Shares

The Company has not issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Shares in the Company, other than those options held by the members of Management as described in Section 11.3.2 "Overview of options" and the Convertible Bond Issue. It is expected that the Company shall issue Perpetual Bonds as further described in section 5.

Further, the Company has not issued subordinated debt or transferable securities other than the Shares and the Convertible Bond Issue, as well as the contemplated Perpetual Bonds, as further described in Section 5.

Authorization to the Board to adopt capital increases by way of share issue

At the EGM held on 4 May 2020, the Board of Directors was granted an authorization to increase the share capital. This has not been utilized as per the date of this Prospectus.

The authorization covers increases in the share capital by up to NOK 105,000,000. This authorization is valid until the AGM in 2021, but no longer than to 30 June 2021. The preferential rights of the existing Shareholders to subscribe to the new Shares pursuant to Section 10-4 of the Norwegian Public Limited Liability Companies Act may be deviated from. The authorization may be used connected to a merger resolution and covers potential share capital increases against contribution in kind.

The mandate to increase the share capital:

1. *The board of directors is granted an authorization to increase the share capital by up to NOK 105,000,000.*
2. *The authorization applies until the ordinary general meeting of the Company in 2021, but in any case no later than 30 June 2021.*
3. *The shareholders' preferential right pursuant to the Public Limited Companies Act § 10-4 may be deviated from.*
4. *The board of directors may determine that the new shares may carry a preferential right to distributions from the Company before the ordinary shares of the Company and/or that the new shares shall carry no or limited voting rights and be subject to transfer restrictions.*
5. *The authorization comprises capital increases against non-cash contributions and the right to incur special obligations, including mergers and demergers, cf. the Public Limited Companies Act § 13-5 and § 14-6 (2).*
6. *This authorization shall replace all previous authorizations to increase the capital that are registered with Foretaksregisteret.*

Authorization to issue convertible loans

At the EGM held on 4 May 2020, the Board of Directors has been granted an authorization to issue convertible loans. The aggregate amount of loans that may be borrowed is NOK 10 billion (or a corresponding amount in another currency). The share capital may be increased by up to NOK 105,000,000. This authorization is valid until the AGM in 2021, but no longer than to 30 June 2021. The preferential rights of the existing Shareholders to subscribe to the new Shares pursuant to Section 10-4 of the Norwegian Public Limited Liability Companies Act may be deviated from.

The mandate to issue convertible loans:

1. *The Board of Directors is authorized to adopt resolutions regarding borrowings as mentioned in the Public Limited Companies Act § 11-1.*
2. *The aggregate amount of loans that may be borrowed is NOK 10 billion (or a corresponding amount in another currency).*
3. *The share capital may in total be increased by up to NOK 105,000,000.*
4. *The authorization applies until the ordinary general meeting of the Company in 2021, but in any case no later than 30 June 2021.*
5. *The shareholders preferential rights upon subscription of the loans pursuant to the Public Limited Companies Act § 11-4 cf. § 10-4 and § 10-5, may be deviated from.*

12.1.4 Own Shares and mandate to acquire own Shares

As per the date of this Prospectus the Company owns 1,400 own Shares.

Authorization to acquire own Shares

At the AGM held on 7 May 2019, the Board of Directors has been granted authorization to repurchase the Company's own shares within a total par value of NOK 1,363,083.77, corresponding to 10 percent of the Company's share capital at the time of the resolution. This authorization is valid until the AGM in 2020, but no longer than to 30 June 2020.

The mandate to acquire own Shares:

"The General Meeting authorizes the Board of Directors to acquire treasury shares on the following conditions:

- a. The authorization shall be valid until the annual general meeting in 2020, however not beyond June 30, 2020.*
- b. The Company may at no time hold/own treasury shares with a nominal value in excess of 10 percent of the Company's registered share capital.*
- c. The highest price that may be paid per share is NOK 1,000.*
- d. The lowest price that may be paid per share is NOK 0.10.*
- e. The Board is free with regard to the manner of acquisition and any subsequent disposal of the shares."*

As of the date of this Prospectus, the Board of Directors has used the above authorization to acquire own Shares on one occasion.

The above authorization to acquire own shares was used on 14 May 2019, when the Company acquired 78,125 own shares with a total consideration of NOK 2,861,702. All 78,125 shares were granted to the Company's shareholder-elected board members on 15 May 2019.

12.1.5 Transferability and foreign ownership

There are no restrictions on trading in the Shares under Norwegian law, the Articles of Association or any shareholders agreement known to the Company. Lease Conversion Shares, Bond Conversion Shares and Perpetual Bonds, if issued, are however subject to various lock-up periods. Please see section 5 for more details regarding this lock-up.

There are no general restrictions on foreign ownership of the Shares, however, in accordance with articles 12 and 13 of the Articles of Association, the Board of Directors has a right to request or compel shareholders that are not being domiciled within EEA to sell shares or to redeem their shares in certain circumstances. Please refer to Section 12.4 "The Articles of Association and general shareholder matters" below for further description.

12.1.6 Legislation and rights attached to the Shares

Reference is made to the review of legislation and rights attached to the Shares in Section 12.4 "The Articles of Association and general shareholder matters".

12.2 HISTORICAL DEVELOPMENT IN SHARE CAPITAL AND NUMBER OF SHARES

Below is a table showing the development in the number of Shares and the share capital of the Company since 1 January 2016 until the date of the Prospectus (all figures in NOK), i.e. not including the New Shares:

<u>Date of registration</u>	<u>Type of change</u>	<u>Change in share capital</u>	<u>Subscription price</u>	<u>Total issued share capital</u>	<u>No of shares</u>
	Number of shares and share capital prior to 1 January 2016			3,575,963.90	35,759,639
23 March 2018	Capital increase (tranche 1 of a private placement)	295,096.30	155	3,871,060.20	38,710,620
18 April 2018	Capital increase (tranche 2 of a private placement)	543,613.40	155	4,414,673.60	44,146,730
5 July 2018	Capital increase and subsequent offering	129,032.30	155	4,543,705.90	45,437,059
15 March 2019	Capital increase (rights issue)	9,087,131.80	33	13,630,837.70	136,308,377
3 December 2019	Capital increase (private placement)	2,725,000.00	40	16,355,837.70	163,558,377
Total number of shares and share capital at the date of this Prospectus:				16,355,837.70	163,558,377

12.3 MAJOR SHAREHOLDERS

The 20 largest shareholders in Norwegian Air Shuttle ASA as recorded in the shareholders' register of the Company with the VPS as of 4 May 2020:

<u>#</u>	<u>Shareholder name</u>	<u>No. of Shares</u>	<u>% of shares</u>
1	Folketrygdfondet	13,434,688	8.21%
2	Nordnet Bank AB	11,485,328	7.02%
3	Avanza Bank AB	6,798,358	4.16%
4	Danske Bank A/S	6,315,371	3.86%
5	Saxo Bank A/S	5,582,136	3.41%
6	Clearstream Banking S.A.	4,666,434	2.85%
7	Nordea Bank Abp	4,612,882	2.82%
8	Swedbank AB	2,883,639	1.76%
9	The Bank of New York Mellon SA/NV	2,600,009	1.59%
10	The Bank of New York Mellon SA/NV	1,512,192	0.92%
11	UBS AG, London Branch	1,397,013	0.85%
12	UBS Switzerland AG	1,220,389	0.75%
13	Svenska Handelsbanken AB	987,474	0.60%
14	SIX SIS AG	971,085	0.59%
15	UBS Switzerland AG	950,839	0.58%
16	Bank of America, N.A.	819,895	0.50%

17	Stavanger Forvaltning AS	800,002	0.49%
18	Skandinaviska Enskilda Banken AB	790,030	0.48%
19	Morgan Stanley & Co. Int. Plc.	785,624	0.48%
20	BNP Paribas	779,019	0.48%
Top 20 holders of Shares		69,392,405	42.43%
	Other	94,165,972	57.57%
Total		163 558 377	100.00%

In accordance with the disclosure obligations under the Norwegian Securities Trading Act, where a shareholder's proportion of shares and/or rights shares reaches, exceeds or falls below 5 percent, 10 percent, 15 percent, 20 percent, 25 percent, 1/3, 50 percent, 2/3 or 90 percent of the share capital or voting rights of a company listed on Oslo Børs must notify Oslo Børs immediately. The table above shows the percentage held by each shareholder, and each shareholder with 5 percent or more of the Shares is subject to the disclosure requirement when such shareholder reaches, exceeds or falls below any of these thresholds.

There are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change in control of the Company, other than what follows from Conversion Shares as further described in Section 5 whereby it is expected that several parties may retain an ownership in the Company exceeding the above-mentioned ownership threshold upon completion of the Conversion of Lease Debt as further described in Section 5.3.

12.4 THE ARTICLES OF ASSOCIATION AND GENERAL SHAREHOLDER MATTERS

The Company is registered with the Norwegian Register of Business Enterprises, with business registration number (Norwegian: *organisasjonsnummer*) 965 920 358. The Articles of Association of the Company are incorporated by reference to this Prospectus, cf. Section 16.4 below.

According to article 3 of the Articles of Association, the Company's objective is to be engaged in aviation, other transport and travel related business activities as well as activities connected therewith. The Company may also directly or indirectly be engaged in other forms of internet-based provision of goods and services, including car-rental, hotel booking, payment services, financial services and services related to issuing of credit cards. Participation in such activities as mentioned may take place through co-operation agreements, ownership interests or by any other means.

According to article 12 and 13 of the Articles of Association, the Board of Directors has the right and duty to implement certain measures if there are circumstances that in the Board of Directors' opinion may cause the Company's or any of its subsidiaries' authorizations to carry out air traffic operations to be annulled or temporary revoked on the grounds of violation of provisions in bilateral civil aviation agreements or violation of statutory rules requiring the Company and/or its subsidiaries to be owned and controlled by shareholders who are EEA nationals. The Board of Directors has a duty to either:

- (a) request that shareholders not being domiciled within EEA to either sell shares or see to that such shares are owned and controlled by persons and/or companies domiciled within the EEA;
- (b) compel shareholders that (i) are non-EEA nationals and (ii) have acquired shares in the Company and (iii) by such acquisition cause the Company to violate provisions as mentioned in article 12 first paragraph, within a time-limit as further determined by the Board of Directors to sell shares in a portion sufficient to so as to ensure that the Company no longer violates the above mentioned provisions regarding ownership and control; or
- (c) decide that the Company shall acquire treasury shares in the Company from shareholders that (i) are non-EEA nationals and (ii) have acquired shares in the Company and (iii) by such acquisition conduce or cause the Company to violate provisions as mentioned in article 12 first paragraph of the Articles of Association (wherein such shareholders will be obliged to make such sale).

In addition to the measures included in (a) to (c) above, the Board of Directors may decide that shares that are owned by shareholders that (i) are non-EEA nationals and (ii) have acquired shares

in the Company and (iii) by such acquisition cause the Company to violate provisions as mentioned in article 12 first paragraph, shall be redeemed by reduction of the share capital of the Company, cf. the Norwegian Public Limited Liability Companies Act Section 12-7. The assessment as to whether a shareholder is an EEA national shall be based on the at any time prevailing guidelines applied by the Civil Aviation Authority.

12.4.1 **Voting rights and other shareholder rights**

The Company has one class of shares, and each Share carry equal voting rights at the General Meeting.

As a general rule, resolutions that shareholders are entitled to make pursuant to Norwegian law or the Articles of Association, require approval by a simple majority of the votes cast. In the case of election of directors to the Board, the person who obtains the most votes is elected to fill the vacant position.

However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights in connection with any issue of shares, convertible bonds, warrants etc., to approve a merger or demerger, to amend the Articles of Association, to authorize an increase or reduction in the share capital, to authorize an issuance of convertible loans or warrants or to authorize the Board to purchase own Shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast, as well as at least two-thirds of the share capital represented at a General Meeting.

Further, Norwegian law requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval of all the holders of such shares or class of shares as well as the majority required for amendments of the Articles of Association. Decisions that (i) would reduce any existing Shareholder's right in respect of dividend payments or other rights to the assets of the Company or (ii) restrict the transferability of the Shares require a majority vote of at least 90 percent of the share capital represented at the General Meeting in question as well as the majority required for amendments to the Articles of Association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amendments to the Articles of Association. The Articles of Association do not contain conditions that are more significant than required by the Norwegian Public Limited Liability Companies Act, including with regard to (i) what action is necessary to change the rights of holders of the Shares, and (ii) changes in capital.

In general, in order to be entitled to vote, a Shareholder must be registered as the beneficial owner of Shares in the share register kept by the VPS or provide proof of its beneficial ownership. Beneficial owners of Shares that are registered in the name of a nominee may not be entitled to vote under Norwegian law unless such Shares are re-registered in the name of the beneficial owner, nor are any persons who are designated in the register as holding such Shares as nominees entitled to vote such Shares.

Readers should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote nominee-registered shares. For example, Oslo Børs has in a statement on 21 November 2003 held that in its opinion "nominee-shareholders" may vote in general meetings if they prove their actual shareholding prior to the general meeting.

Under the Norwegian Public Limited Liability Companies Act, shareholders will have preferential rights to subscribe for new securities issued by the Company, unless such rights are departed from (such departure requires a majority of two-thirds of the votes present and represented at that General Meeting).

A Shareholder will have the right to a share in the profits of the Company that are distributed as dividend, as well as any surplus following liquidation of the Company. There is no time limit after which entitlement to dividends lapses under the Norwegian Public Limited Liability Companies Act or the Articles of Association. Furthermore, there are no dividend restrictions for non-resident shareholders. See Section 14.2.1 "Taxation of dividends" for a description of the Norwegian tax rules that apply to dividend paid to domestic and foreign shareholders of the Company. The Shares are not subject to redemption rights with the exemption provided for below under 12.5.9 "Compulsory acquisition". There are no conversion provisions applicable to the Shares.

12.4.2 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, its Articles of Association must be amended, which requires the same vote as other amendments to its Articles of Association. In addition, under Norwegian law, the shareholders have a preferential right to subscribe to issues of new Shares. The preferential rights to subscribe to an issue may be waived by a resolution in a General Meeting passed by the same vote required to approve amendments to the Articles of Association. A waiver of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding shares, irrespective of class.

The General Meeting may, with a vote as required for amendments to the Articles of Association, authorize the Board of Directors to issue new Shares, and to waive the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the par value of the shares to be issued may not exceed 50 percent of the registered nominal share capital when the authorization is registered.

Under Norwegian law, bonus shares may be issued, subject to approval by a General Meeting, by transfer from the Company's distributable equity or from its share premium reserve. Any bonus issues may be effectuated either by issuing shares or by increasing the par value of the shares outstanding.

To issue shares to holders who are citizens or residents of the United States upon the exercise of preferential rights, the Company may be required to file a registration statement in the United States under United States securities laws. If the Company decides not to file a registration statement, such holders may not be able to exercise their preferential rights and in such event would be required to sell such rights to eligible Norwegian persons or other eligible non-US holders to realize the value of such rights. See Section 2.3 "Risks related to the Shares".

12.4.3 Shareholder vote on certain reorganizations

A decision to merge with another company or to demerge requires a resolution of the shareholders passed by two-thirds of the aggregate votes cast at a General Meeting. A merger plan or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all shareholders at least one month prior to the General Meeting.

12.4.4 Legal constraints on the distribution of dividends

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Liability Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that the Company may distribute dividend to the extent that the Company's net assets following the distribution covers (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealized gains. The total nominal value of own shares which the Company has acquired for ownership or as security prior to the balance sheet date, as well as credit and security which, pursuant to Section 8-7 to Section 8-10 of the Norwegian Public Limited Liability Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.

The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorize the Board of Directors to declare dividend based on the Company's annual accounts. Dividend may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.

- Dividend can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

The Norwegian Public Limited Liability Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend

restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 14.3 "Foreign shareholders – Norwegian taxation".

12.4.5 Procedure for dividend payments

Any dividends on the Shares will be denominated in NOK. Any dividends or other payments on the Shares will be paid through the Company's registrar in the VPS, DNB Securities Services. Dividends and other payments on the Shares will be paid, on a payment dated determined by the Company, to the bank account registered in connection with the VPS account of the registered shareholder as of the record date for the distribution.

Dividends and other payments on the Shares will not be paid to shareholders who have not registered a bank account with their VPS account. Shareholders who have not received dividends for this reason will receive payment if they register a bank account with their account operator in the VPS and inform the VPS registrar of the details of such bank account.

Shareholders with a registered address outside of Norway may register a bank account in another currency than NOK with their VPS account. Shareholders who have done so will receive payment in the currency of such bank account. The exchange rate(s) applied will be the VPS registrar's rate on the date of payment.

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. Accordingly, a shareholder's right to receive dividends or other distributions will lapse three years after the payment date if bank account details have not been provided to the VPS registrar within such date. Following the expiry of the limitation period, any remaining dividend amounts will be returned from the VPS registrar to the Company.

There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 14 "Norwegian taxation".

The Company is expected to be subject to dividend restrictions in its loan agreement(s), including the Bond Loans and the loan facilities that the Company may qualify for under the State Aid Package (see Section 5.1 for more details).

12.4.6 Related party transactions

Please refer to Section 15.3 "Related party transactions" for a description of the Group's agreement with related parties.

12.4.7 Minority rights

Norwegian law contains a number of protections for minority shareholders against oppression by the majority, including but not limited to those described in this and preceding paragraphs. Any Shareholder may petition the courts to have a decision of its General Meeting declared invalid *inter alia* on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the Company itself. In certain circumstances, shareholders may require the courts to dissolve the company as a result of such decisions.

Shareholders holding 5 percent or more of the Company's share capital (individually or as a group) have the right to demand in writing that the Company holds an Extraordinary General Meeting to discuss or resolve specific matters. In addition, any Shareholder may in writing demand that the Company places an item on the agenda for any General Meeting if it is notified to the Board of Directors at least seven days before the deadline to call for that General Meeting together with a proposal for resolution or an explanation as to why the item is to be placed on the agenda. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if at least 21 days remain before the General Meeting is to be held.

12.4.8 Liability of Directors

Directors owe a fiduciary duty to the Company and the shareholders. Such fiduciary duty requires that each Director acts in the best interests of the Company when exercising his or her functions

and exercise a general duty of loyalty and care toward the Company. The Directors' principal task is to safeguard the interests of the Company.

Directors may each be held liable for any damage they negligently or willfully cause the Company. Norwegian law permits the General Meeting to exempt any such person from liability, but the exemption is not binding if substantially correct and complete information was not provided at the General Meeting when the decision was taken. If a resolution to grant such exemption from liability or not to pursue claims against such a person has been passed by a General Meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10 percent of the share capital or, if there are more than 100 shareholders, more than 10 percent of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds it receives as a result of the action. If the decision to grant an exemption from liability or not to pursue claims is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders cannot pursue the claim in the Company's name.

12.4.9 Indemnification of Directors and officers

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by the Company or the Board of Directors. However, as of the date of this Prospectus, the Company has a board of directors' and officers' liability insurance program.

12.4.10 Liquidation and dissolution, as well as public administration and winding up

According to the Norwegian Public Limited Liability Companies Act, the Company may be liquidated by a resolution in a General Meeting passed by a two-thirds majority of the aggregate votes cast as well as two thirds of the aggregate share capital represented at that General Meeting.

The Shares rank *pari passu* in the event of a return on capital by the Company upon a liquidation or otherwise.

In the event a resolution to liquidate the Company has been made, the Company's assets shall be transformed to cash in order to cover the Company's contractual obligations and for distribution to the shareholders as long as the shareholders have not accepted to receive the dividends in kind.

12.5 SECURITIES TRADING IN NORWAY

12.5.1 Introduction

As a company listed on Oslo Børs, NAS will be subject to certain duties to inform the market under the Oslo Børs Continuing obligations of stock exchange listed companies, and the insider trading rules in chapter 3 of the Norwegian Securities Trading Act. Furthermore, the Company is subject to Norwegian securities regulations and supervision by the relevant Norwegian authorities.

12.5.2 Trading and settlement

Trading of equities on Oslo Børs is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange as well as by the Borsa Italiana and the Johannesburg Stock Exchange.

Official trading on Oslo Børs takes place between 09:00 (CEST) and 16:20 (CEST) each trading day, with a pre-trade period between 08:15 (CEST) and 09:00 (CEST), a closing auction between 16:20 (CEST) and 16:25 (CEST) and a post-trade period from 16:25 (CEST) to 17:30 (CEST). Reporting of after exchange trades can be done until 17:30 hours (CEST).

The settlement period for trading on Oslo Børs/Oslo Axess is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Shares traded on Oslo Børs are cleared through a central counterparty (CCP). The three central counterparts currently authorized to clear trades in shares on Oslo Børs are Euro CCP, LHC and Six x-clear.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from a member state of the EEA, or investment firms from outside the EEA that have been licensed to operate in

Norway. Investment firms in another EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this under the Norwegian Securities Trading Act, or, in the case of investment firms in another EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. Such market-making activities do not as such require notification to the Norwegian FSA or Oslo Børs, except for the general obligation of investment firms that are members of Oslo Børs to report all trades in stock exchange listed securities.

12.5.3 Information, control and surveillance

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, having implemented the EU Market Abuse Directive, a company that is listed on a Norwegian regulated market, or that has filed an application for listing on such market, must promptly release any inside information (i.e., precise information about financial instruments, the issuer thereof, or other matters that are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and that are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

12.5.4 The VPS and transfer of Shares

The Company's Shareholder Register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized bookkeeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and Oslo Børs are both wholly owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being Norway's central bank), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third-party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, by the relevant company's general meeting, or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control, of which the VPS could not reasonably be expected to avoid or overcome the consequences. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

12.5.5 Shareholder register

Under Norwegian law, shares are registered in the name of the owner of the shares. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, shares may be registered with the VPS in the name of a depository (bank or other nominee) approved by the Norwegian FSA, to act as nominee for non-Norwegian shareholders. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In the case of registration by nominees, registration with the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote at general meetings on behalf of the beneficial owners. Beneficial owners must register with the VPS or provide other sufficient proof of their ownership to the shares in order to vote at general meetings.

12.5.6 Foreign investment shares listed in Norway

Non-Norwegian investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or non-Norwegian.

12.5.7 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of shares which are listed or in respect of which a listing application has been submitted or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in section 3-2 of the Norwegian Securities Trading Act.

The same applies to entry into, purchase, sale or exchange of option or futures/forward contracts or equivalent rights connected with such shares or incitement to such disposition.

12.5.8 Mandatory offer requirement

Pursuant to the Norwegian Securities Trading Act, any person or entity acting in concert that acquires shares representing more than 1/3 (with a repeated obligation at 40 percent and at 50 percent) of the voting rights of a Norwegian company whose shares are listed on Oslo Børs or Oslo Axess is obliged to make an unconditional general offer for the purchase of the remaining shares in the company within four weeks or, within the same period, dispose of a number of voting shares which brings the percentage of voting rights down to or below 1/3.

The shareholder must, immediately upon reaching any of the said thresholds, notify the company and Oslo Børs accordingly and of whether it will make a mandatory offer or perform a sell-down. A notice informing about a disposal can be altered to a notice of making an offer within the four-week period, while a notice stating that the shareholder will make an offer cannot be amended and is thus binding. The mandatory offer obligation ceases to apply if the person or entity notifies the company and Oslo Børs of its decision to sell down and then sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

An offer must be reflected in an offer document which is subject to approval by Oslo Børs before submission of the offer document to the shareholders or made public. The offer price per share must be at least as high as the highest price paid or agreed to be paid by the offeror in the six-month period prior to the date the 1/3 threshold was exceeded, but at least equal to the market price, if it is clear that the market price was higher when the mandatory offer obligation was triggered. Note, however, that the EFTA Court in a statement dated 10 December 2010 has concluded that the "market price" alternative is not in compliance with EU regulations. Consequently, there is currently doubt as to the legal validity of this alternative. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be unconditional and in cash (NOK), but it may contain a consideration alternative at least equivalent to the cash consideration offered. Until an offer has been made or a disposal completed, the shareholder will have no voting rights or other rights relating to the shares exceeding the offer threshold, apart from the right to receive dividends and pre-emption rights in the event of a share capital increase. In case of the failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction.

Any person or entity that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and that has, therefore, not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

As described in Section 9.5 "Brief history and development", it was announced on 12 April 2018 that IAG had acquired 4.61 percent of the Shares in NAS, and that IAG was considering to make an offer for all the Shares in the Company. Subsequently, the Company received enquiries from several parties who expressed interest for structural transactions, financing of the Company and various forms of operational and financial cooperation. Discussions with such parties have been ongoing on several levels and with different approaches. The Company has previously announced that it received two preliminary and non-binding conditional proposals from IAG to acquire all the shares in the Company, which were rejected by the Company on the basis that they undervalued the Company and its prospects. During Q4 2018 and through December 2018, the Company has been engaged in new, concrete and specific negotiations related to the acquisition of the Shares of the Company. On 24 January 2019, IAG announced that it does not intend to make an offer for the Company and that, in due course, it will be selling its shareholding in the Company. As of the date of this Prospectus, the Company is not in any discussions regarding Share acquisition/structural transactions.

12.5.9 Compulsory acquisition

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90 percent or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90 percent or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition, the majority shareholder becomes the owner of the remaining shares with immediate effect.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. Should any minority shareholder not accept the offered price, such a minority shareholder may, within a specified deadline not to be of less than two months' duration, request that the price be set by the Norwegian courts. Absent such request or other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the two-month deadline.

In event a shareholder, directly or through subsidiaries, exceeds the 90 percent threshold by way of a mandatory offer in accordance with the Norwegian Securities Trading Act, and a compulsory acquisition is resolved within three months, then the share price in the compulsory acquisition shall be equal to the price in the mandatory offer if no special circumstances call for a different price. Further, if the 90 percent threshold is exceeded by way of a voluntary offer, the compulsory acquisition may, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution according to the rules for mandatory offers.

12.5.10 Disclosure obligations

A person, entity or bank acting in concert that acquires shares, options for shares or other rights to shares (inter alia convertible loans or subscription rights) resulting in its beneficial ownership, directly or indirectly, in the aggregate meeting or exceeding the respective thresholds of 5 percent, 10 percent, 15 percent, 20 percent, 25 percent, 1/3, 50 percent, 2/3 or 90 percent of the share capital or the voting rights in the Company has an obligation under Norwegian law to notify Oslo Børs immediately. The same applies to disposal of shares, option for shares etc., resulting in a beneficial ownership, directly or indirectly, in the aggregate meeting or falling below said thresholds.

The reporting obligations will also apply if the thresholds are reached or passed as a result of events changing the relative ownership or voting stake by "passive" means e.g. if a company is

increasing its share capital and thereby causes an existing shareholder not participating in the capital increase to be diluted.

12.5.11 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

12.6 DIVIDEND POLICY

The Company aims to generate competitive returns to its shareholders. The Board has recommended not to distribute dividends but to retain earnings for investment in expansion and other investment opportunities as stated in the Articles of Association, thereby enhancing profitability and returns to shareholders. The Company has not paid dividends during the years that ended on 31 December 2019, 2018, 2017 and 2016, and has not paid dividends during 2020 until the date of this Prospectus.

12.7 SHAREHOLDER AGREEMENTS

To the extent known by the Company, there are no shareholders agreements in force between the shareholders of the Company.

12.8 CORPORATE GOVERNANCE

The principle behind good corporate governance is to establish and maintain a strong, sustainable and competitive company in the best interest of the shareholders, employees, business associates, third parties and society at large.

The Board of Directors acknowledges and has implemented the Corporate Governance Code and will use its guidelines as the basis for the Board's governance duties in all areas. The Board of Directors publishes an annual statement on how the Group complies with the Corporate Governance Code in the Group's annual report. The Group complies with the Corporate Governance Code.

13. REGULATORY OVERVIEW

13.1 INTRODUCTION

The Group is subject to extensive and complex rules and regulations, both on a domestic and international level, including numerous EU regulations applicable throughout the EEA. The influence of national governments over civil aviation in the EEA is decreasing as a result of new EU regulations. The implementation of EU regulations has also further harmonized the national regulations of the Scandinavian countries. A summary of certain significant regulatory matters affecting the Group's activities is set out below. The summary – which is divided into descriptions of the international regulatory framework, the European regulatory framework, the Norwegian regulatory framework, the regulation of non-EEA services and other legal and regulatory developments – is not intended to provide a comprehensive description of all such regulatory matters and should not be considered exhaustive.

Through the International Air Transport Association ("**IATA**"), the airline industry actively works toward influencing civil aviation regulation to benefit airlines' customers and the industry as a whole. IATA is the trade association for the world's airlines, representing some 280 airlines or 83 percent of the total air traffic. It has a pivotal role through its contact with governmental agencies.

13.2 INTERNATIONAL REGULATORY FRAMEWORK

The Chicago Convention and the ICAO

The regulatory system for international air transport is based upon principles set out in the Convention on International Civil Aviation of 1944 (the "**Chicago Convention**"). The Chicago Convention has since been revised eight times (in 1959, 1963, 1969, 1975, 1980, 1997, 2000 and 2006). The Chicago Convention, with 192 contracting states (including all member states of the United Nations, except for Dominica and Liechtenstein; however, the convention was extended to cover Liechtenstein by ratification of Switzerland), establishes the general principle that each state has sovereignty over its air space (Article 1) and has the right to control the operation of scheduled air services over its territory (Article 6). International air transport rights are based primarily on traffic rights granted by individual states to other states through bilateral air transport agreements which are founded on the Chicago Convention. Each state grants the rights it receives to its designated home air carriers.

As envisioned by the Chicago Convention, ICAO was established in 1947. The aims and objectives of ICAO, an agency of the United Nations, are to develop the principles and techniques of international air navigation and to foster the planning and development of international air transport. ICAO establishes standards and recommended practices covering, for example, aircraft operations, staff licensing, aviation safety, accident investigation, airport operations and environmental protection, all with a view to ensuring conformity among the rules and regulations of the 192 member states.

The Rome Convention

The primary aim of the Convention on Damage Caused by Foreign Aircraft to Third Parties on the Surface of 1952 (the "**Rome Convention**"), is to impose strict liability on the part of the airline operator in respect of damage to third parties on the ground caused by any of such airline's aircraft, regardless of any fault on its part. The Rome Convention has 49 signatory states, including Denmark, Norway and Sweden.

The Rome Convention incorporates certain limits on liability and only applies to damage caused on the ground of a signatory state by an aircraft in flight, registered in another signatory state. ICAO has set out to modernize the Rome Convention, principally prompted by the events of 11 September 2001 and the perceived inadequacy of the compensation mechanism and liability limits contained in the convention. This process resulted in two draft ICAO conventions (concerning damage arising out of general aviation risks and acts of unlawful interference, respectively). The objective of these two new conventions is to ensure equitable benefits for victims, while not unduly increasing the economic and regulatory burden on carriers. The conventions aim to modernize the existing system by addressing the perceived inadequacies of liability limits and provision of financial security for carriers and victims, as well as provide a more predictable compensation system.

A diplomatic conference to consider the two drafts was held from 20 April to 2 May 2009. The conference adopted the two new airline conventions. The first convention is the Convention on Compensation for Damage caused by Aircraft to Third Parties Resulting From Acts of Unlawful Interference Involving Aircraft (the "**First Convention**"), including acts of sabotage and terrorism. The First Convention aims to provide compensation for damage to third parties caused by acts of unlawful interference with aircraft. Central to the First Convention is the creation of an International Civil Aviation Compensation Fund that will potentially provide compensation to persons, who suffer physical injury or property damage, as a result of unlawful interference with an aircraft in flight. The second convention is the Convention on Compensation for Damage Caused by Aircraft to Third Parties (the "**Second Convention**"). The Second Convention covers damages caused as a result of matters, other than those involving unlawful interference and provides for victims to be compensated. It may still take years before the new conventions are ratified and come into effect.

The Montreal Convention

The Convention for the Unification of Certain Rules for International Carriage by Air of 1999 (the "**Montreal Convention**") establishes airline liability in the case of death or injury to passengers, damage or loss of baggage and cargo. It unifies all of the different international treaty regimes covering airline liability that had developed since 1929, and the Montreal Convention is designed to be a single, universal treaty to govern airline liability around the world. As of the end of 2017, there were 127 parties to the Montreal Convention, including all EU member states, Norway, the United States, China and Japan. Under Regulation (EC) No. 889/2002, amending Regulation (EC) No. 2027/97 on air carrier liability in the event of accidents, the rules of the Montreal Convention have been extended to apply to all flights, whether domestic or international, operated by airlines with operating licenses granted by EU member states. A number of fast-growing aviation markets in Asia, such as Thailand, and Vietnam, have yet to sign up. This means that a patchwork of liability regimes continues to exist around the world.

The EU-US Open Skies Agreement

The so-called "EU-US Open Skies Agreement" was signed on 30 April 2007 and became effective on 30 March 2008, replacing existing bilateral agreements between EU member states and the United States, creating an "open-skies" framework. Under the agreement, every EU and US airline is authorized to fly between any airport within the EU and the United States. US airlines are also allowed to fly between points in the EU. However, EU airlines are not allowed to operate domestic flights within the United States. On 17 December 2009, the Agreement was extended to include Norway and Iceland.

13.3 THE EUROPEAN REGULATORY FRAMEWORK

Air Services Regulation

Pursuant to Regulation (EC) No. 1008/2008 (the "**Air Services Regulation**"), air carriers that are subject to the air traffic regulation rules of the EU must have an operating license for the transportation of passengers, mail and/or freight in commercial air traffic. An operating license is granted only if the air carrier holds an AOC. Such an AOC specifies the types of aircraft that can be operated by the air carrier as well as compliance with other safety, operational and technical specifications.

The Air Services Regulation consolidates and updates the Third Aviation Liberalization Package, which established a single EU air transport market, effective from 1 January 1993. The Air Services Regulation is part of Annex XIII of the European economic area agreement establishing the EEA (the "**EEA Agreement**") and is therefore binding on nationals of Iceland, Liechtenstein and Norway.

The Air Services Regulation sets out the financial conditions that all EU airlines (which the Air Services Regulation refers to as "Community carriers") must fulfill, in order to obtain and maintain an operating license; clarifies the criteria for the granting and validity of operating licenses in the EU; introduces uniform standards for the review and monitoring of operating licenses in the EU Member States; simplifies the procedure for fulfilling public service obligations; clarifies the framework for relations with third countries and requires that traffic rights for non-EU airlines to operate between European cities be negotiated on an European level. The Air Services Regulation also lays down the conditions for the leasing of aircraft.

The principal features of the regulatory regime established in the Air Services Regulation are as follows:

Operating licenses

The Air Services Regulation provides that an operating license may be granted to an undertaking by the EU Member State in which it has its principal place of business, subject to such undertaking having a valid AOC; demonstrating to the relevant licensing authority that it can meet its actual and potential obligations for a period of 24 months from the start of operations; and demonstrating that it can meet its fixed and operational costs for a period of three months from the start of operations, without taking account of revenue from its operations, and subject to the conditions mentioned in the next paragraph below.

Under the Air Services Regulation, an EU airline must (a) have its principal place of business in the EU Member State from which it obtained its license, (b) have air services as its main occupation and (c) be more than 50 percent owned and be effectively controlled by Qualifying Nationals and continue to be so owned and controlled. A "**Qualifying National**" includes (i) EEA nationals, (ii) Nationals of Switzerland and (iii) in respect of any undertaking, an undertaking which satisfies the conditions as to nationality of ownership and control of undertakings granted an operating license contained in Article 4(f) of the Air Services Regulation. An EU airline must also comply with insurance requirements, provide proof of good repute of its management, if required by its licensing authority and have at least one aircraft available to it through ownership or lease.

An EU airline must notify the licensing authority in advance of changes in its activities, such as the operation of certain new services, or a substantial change of scale in its activities, of a merger or acquisition, and within 14 days of a change of ownership of any single shareholding, which represents ten percent or more of its total share capital or that of its parent or ultimate holding company. The licensing authority may request a revised business plan or resubmission of approval for the license.

The license is suspended if the carrier cannot meet its obligations during a twelve-month period, although a temporary license may be issued, pending financial reorganization. The license is also suspended if the carrier furnishes false information on an important point, if the AOC is suspended or revoked, or if the carrier no longer complies with any good repute requirements.

Access to routes

The Air Services Regulation enables all EU/EEA airlines to operate any routes within the EEA and Switzerland, including routes within those states, with no restrictions on capacity and frequency.

Subject to the approval of the European Commission and certain conditions, an EU Member State may make rules distributing traffic between airports serving the same city or conurbation. Such rules cannot be discriminatory.

EU Member States may also enter into agreements with airlines for the operation of services on "public service obligation" routes to ensure standards of continuity, regularity, capacity and pricing of a scheduled service to peripheral or development regions in their territories, following consultations with other EU Member States concerned and after having informed the European Commission and air carriers operating on the relevant routes.

Pricing

The Air Services Regulation allows EU airlines to fix their own fares on services provided within the EU, subject to EU competition law and to fares agreed for public services obligations. The Air Services Regulation also specifies that the published price for a service shall include the fare and all applicable taxes, charges, surcharges and fees that are unavoidable and foreseeable at the time of publication. In addition, details must be given of the different components of the price (fares, taxes, airport charges and other costs).

Airport slot allocation

The rules for the allocation of slots at coordinated airports in the EEA and Switzerland are contained in Council Regulation (EEC) No. 95/93 (as amended by Regulation (EC) No. 793/2004) (the "**Slot Regulation**"). The principal objective of the Slot Regulation is to facilitate competition between airlines and to encourage and support new entrants in the EU air transport market. The

Slot Regulation is part of the EEA Agreement (Annex XIII) as well as of the EU-Switzerland Air Transport Agreement and is therefore binding on Iceland, Liechtenstein, Norway and Switzerland.

The Slot Regulation provides for the designation by EU Member States of congested airports for coordination by independent coordinators, whose appointment must be ensured by the EU Member States concerned. The Slot Regulation draws a distinction between "coordinated" airports and "schedules-facilitated" airports.

A schedules-facilitated airport is an airport where there is potential for congestion during some periods of the day, week or year, which is amenable to resolution by voluntary co-operation between air carriers and where a schedules facilitator has been appointed to facilitate the operations of air carriers, operating services or intending to operate services at that airport.

A coordinated airport means an airport where, in order to land or take off, it is necessary for an air carrier or any other aircraft operator to have been allocated a slot by a coordinator. EU Member States are obliged to carry out a thorough capacity analysis of an airport (a) when they consider it necessary, (b) when requested to do so either by air carriers representing more than half of the operations at the airport in question, or the airport's managing body or (c) upon request of the European Commission. The EU Member State will make its decision whether to designate an airport as coordinated, on the basis of this capacity report and consultation with the managing body of the airport, the air carriers, their representatives and representatives of general aviation and air traffic control.

The main principles of the Slot Regulation affecting slot allocation are the following:

- g. Provision for the long established principle of historical precedence, under which an airline, holding and using a series of slots for a particular industry scheduling period (winter or summer) shall be entitled to that series of slots in the next equivalent period, subject primarily to the "use-it-or-lose-it" rule. The "use-it-or-lose-it" rule means that in order to claim such historical precedence the airline must have operated the series of slots for at least 80 percent of the time during the scheduling period, for which they were allocated. Otherwise, all the slots constituting the series are placed in the slot pool.
- h. The creation of a slot pool into which newly-created slots (created through increases in hourly scheduling limits or new runway capacity) are placed, together with slots returned, either voluntarily or under the "use-it-or-lose-it" rule and slots otherwise unclaimed under historical precedence. 50 percent of the pool slots must be allocated to new entrants, unless they request a lesser number. A new entrant is defined as (i) an airline requesting, as part of a series of slots, a slot at an airport on any day on which that airline holds or has been allocated fewer than five slots or (ii) an airline which requested a series of slots for a non-stop service between two airports in the EU, where at most two other carriers operate a direct service between those airports or airport systems on that day and where the applicant airline holds or has been allocated fewer than five slots on that day for that service or (iii) any air carrier requesting a series of slots at an airport for a non-stop service between that airport and a regional airport, where no other air carrier operates an air service between those airports on that day, where the applicant holds or would hold fewer than five slots at that airport on that day for that service. Any airline with more than five percent of all slots at an airport or more than four percent of slots at an airport system (being two or more airports grouped together and serving the same city or conurbation, as listed in Annex II to Council Regulation (EEC) 2408/92) cannot qualify as a new entrant.
- i. Recognition of additional rules. Airport coordinators are required to take into account additional rules and guidelines established by the air transport industry worldwide (such as the IATA Worldwide Slot Guide) or in the EU, as well as any local guidelines approved by the relevant EU Member State for the airport in question, provided that such rules and guidelines do not affect the independent status of the coordinator.

Slots are not route-specific or aircraft-specific and may be used by an airline for any aircraft, type of service or destination. Slots may be exchanged one for one with other airlines. This has given rise to a mechanism for the secondary trading of slots. A practice developed, mainly at London Heathrow airport, whereby airlines exchange a valuable slot for a less valuable one (which may have been obtained from the coordinator for this purpose and is returned to the slot pool after the exchange). Payment is made by the airline receiving the more valuable slot. This has allowed airlines to receive payments of millions of pounds for trading series of valuable slots. The English

High Court ruled that this practice is compatible with the Slot Regulation in *R v Airport Coordination Limited ex parte States of Guernsey Transport Board* 1999 EULR 745. Subsequently, in a communication on the application of the Slot Regulation dated 30 April 2008 (COM(2008)227 final), the European Commission stated: "The text of the Slot Regulation is silent on the question of exchanges with monetary and other consideration to reflect differences in value between slots at different times of day and other factors. Given that there is no clear and explicit prohibition of such exchanges, the Commission does not intend to pursue infringement proceedings against EU Member States, where such exchanges take place in a transparent manner, respecting all the other administrative requirements for the allocation of slots set out in the applicable legislation". Slot trading has continued at London Heathrow airport and has been practiced at London Gatwick airport and possibly, to a limited extent, at some other coordinated airports.

In December 2011, the European Commission adopted a package of measures containing a proposed revised regulation on common rules for the allocation of slots to address capacity shortages at European airports and improve the quality of services offered to passengers (the "**Better Airports Package**").

The proposed regulation has the aim of maximizing use by airlines of available capacity. In particular, under the proposed regulation:

- a. airlines will be able to trade slots with each other at airports anywhere in the EU in a transparent way and under clear conditions. Slot trading will be supervised by national authorities;
- b. the rules requiring airlines to demonstrate that they have used their slots sufficiently during the season will be tightened, by increasing the slot utilization threshold from 80 percent to 85 percent and the length of the slot series from the current five to ten for the winter season and 15 for the summer season. The tightening of the so-called "use-it-or-lose-it" rule should ensure that airlines who wish to keep slots for the coming season fully utilize the capacity; and
- c. there will be additional safeguards for the independence of the slot coordinator and increased level of transparency on slots transactions.

The Better Airports Package falls under the ordinary legislative procedure of the EU; both the European Parliament and the Council are co-legislators and need to approve the same final text of the regulation. On 12 December 2012, the plenary session of the European Parliament adopted legislative resolutions at first reading, introducing amendments to the proposed regulation on slots allocation. The amendments maintain the current slot utilization thresholds at 80 percent and strengthen the penalty system to discourage airlines from holding slots without using them. The proposed revised regulation still awaits final approval by the Council of the EU.

Air carrier liability

Regulation (EC) No. 2027/97 (as amended by Regulation (EC) No. 889/2002) imposes provisions equivalent to the Montreal Convention with respect to the carriage of passengers and their baggage by air. The regulation is part of the EEA Agreement and is therefore binding on nationals of Iceland, Liechtenstein and Norway. The Montreal Convention imposes strict liability on airlines in the event of death or injury to passengers up to a maximum of the equivalent of 113,100 Special Drawing Rights (approximately USD 158,340 per passenger). Thereafter, liability is unlimited, but an airline can escape liability if it proves either that it was not negligent or guilty of a wrongful act or omission, or that the accident was caused by the fault of a third-party. The airline is also required to compensate passengers, or their survivors, for their expenses in the immediate aftermath of an accident within 15 days. Liability for loss, damage or delay to baggage is limited to 1,131 Special Drawing Rights (approximately USD 1,583).

Regulation (EC) No. 785/2004 on insurance requirements for air carriers and aircraft operators (as amended by Regulation (EC) No. 1137/2008 and Commission Regulation (EU) No. 287/2010) sets out the minimum insurance requirements for liability linked to passengers, baggage, cargo and third parties for air carriers and air traffic operators flying within, into, out of or over the territory of an EU Member State. The regulation is part of the EEA Agreement as well as the EU-Switzerland Air Transport Agreement and is therefore binding on Iceland, Liechtenstein, Norway and Switzerland and their nationals.

Passenger rights and compensation (the Flight Compensation Regulation)

Regulation (EC) No. 261/2004 (the "**Flight Compensation Regulation**") establishes common rules on compensation and assistance to passengers in the event of denied boarding, cancellation or a long delay of flights.

The rights apply to any flights, including charters, from an EU airport or to an EU airport from an airport outside the EU when operated by an EU airline. The regulation is part of the EEA Agreement as well as the EU-Switzerland Air Transport Agreement and is therefore also applicable to flights to or from an airport in Iceland, Liechtenstein, Norway and Switzerland. Where a passenger is denied boarding against his will, the airline must offer compensation and assistance, together with a choice of reimbursement of the full cost of the ticket and a return flight to the point of first departure or re-routing to the passenger's final destination, except where there are reasonable grounds to deny the passenger boarding, such as reasons of health, safety, security or inadequate travel documentation.

The compensation amount payable depends upon the length of the flight: EUR 250 for all flights of 1,500 km or less (type 1 flight); EUR 400 for all intra-EU flights of more than 1,500 km and non-intra-EU flights between 1,500 and 3,500 km (type 2 flight); and EUR 600 for all other flights (type 3 flight).

The regulation also imposes obligations with regard to care and assistance of passengers in the case of delays that exceed certain defined durations, ranging from two to four hours depending on the length of the delayed flight. A right of reimbursement also arises if a flight is delayed by more than five hours.

Where a flight is canceled, the airline must offer passengers care and assistance together with the choice of a refund of the passenger's ticket and a return flight to the first point of departure or re-routing to the passenger's final destination. In the case of cancellation, compensation may also be payable at the same amounts as are applicable to denied boarding, unless the airline can prove that the cancellation was caused by extraordinary circumstances, which could not have been avoided, even if all reasonable measures had been taken.

A revision of Regulation (EC) No. 261/2004 is currently being considered and the European Commission has put forward a proposal creating new passenger rights and facilitating and strengthening enforcement. On 5 February 2014, the European Parliament adopted a legislative resolution on the European Commission proposal. The proposed regulation falls under ordinary legislative procedure, meaning the European Parliament and Council, as co-legislators, need to adopt the same final text. The Council may now accept the European Parliament's position or adopt its own position for further discussions with the European Parliament. On 22 May 2014, a Presidency progress report was published in the Council Register outlining major outstanding issues with the revised regulation, which it is hoped the Council will take note of in future discussions.

Ground handling

Access to the market for ground handling at EU airports has been liberalized under Directive 96/67/EC (as updated and amended by Regulation (EC) No. 1882/2003). The aim of this directive is to provide open access to the ground handling market at European airports. EU Member States are obliged to ensure that access to the ground handling market is granted by the airport authorities, under a transparent and impartial procedure that prevents airport authorities or airlines from maintaining certain barriers to market entry. This directive is part of the EEA Agreement as well as the EU-Switzerland Air Transport Agreement and is therefore binding on airport authorities in Iceland, Liechtenstein, Norway and Switzerland.

The Better Airports Package adopted by the Commission in December 2011 includes a proposal for a new regulation on ground handling services that would repeal Directive 96/67/EU. The proposed regulation intends to improve the quality and efficiency of ground handling services at airports by:

- increasing the minimum choice of ground handlers for restricted services (baggage handling, ramp handling, refueling and oil, freight and mail services) at large airports from two to three;
- creating a new role for the airport managing body as the "ground coordinator" with overall responsibility for the coordination of ground handling services (including minimum quality standards);

- allowing EU Member States to impose a requirement on companies that win ground handling contracts in restricted markets to transfer the staff from the previous contract holder with their full existing conditions; and
- allowing mutual recognition of national approvals for ground handlers issued by EU Member States, so that a handler approved by one EU Member State would be able to provide the same services in another EU Member State.

The Better Airports Package falls under the ordinary legislative procedure of the EU; both the European Parliament and the Council are co-legislators and need to approve the same final text of the regulation. On 16 April 2013, the plenary session of the European Parliament adopted a legislative resolution at first reading, introducing amendments to the proposed regulation on ground handling services. The European Commission supports the amendments. The proposed regulation still awaits final approval by the Council of the EU.

Rights for disabled passengers

Regulation (EC) No. 1107/2006 strengthening the rights of disabled air passengers and passengers with reduced mobility ("disabled passengers") was formally adopted on 5 July 2006 and entered into force on 15 August 2006. This regulation is binding on all EU airlines. The regulation is part of the EEA Agreement as well as the EU-Switzerland Air Transport Agreement, and is therefore also binding on airlines from Iceland, Liechtenstein, Norway and Switzerland.

The regulation bans air carriers from refusing reservations or boarding to disabled passengers on the grounds of their disability. All assistance to disabled passengers must be provided free of charge. Wheelchairs and recognized assistance dogs must be accommodated on aircraft.

Reservations and boarding by disabled passengers may be refused on safety grounds or where the size of the aircraft makes embarkation or carriage physically impossible. If a disabled passenger is refused boarding, he must either be re-routed on another flight or be reimbursed. The passenger must be informed in writing of the reasons why his reservation or boarding was refused.

Airlines are responsible for all assistance on-board aircraft. Airport managing bodies are responsible for all assistance in airports but may recover the ensuing costs from airlines, which may be asked to pay a charge proportional to the total number of passengers the airport managing body embarks and disembarks at the airport, irrespective of the number of passengers with reduced mobility, which the airline carries.

Noise restrictions at EU airports

On 16 April 2014, the European Parliament adopted at second reading, under the co-decision procedure, Regulation (EU) No. 598/2014 of the European Parliament and of the Council on the establishment of rules and procedures with regard to the introduction of noise-related operating restrictions at Union airports within a Balanced Approach. The Regulation repeals Directive 2002/30/EC and leaves the responsibility for concrete decisions about noise-related operating restrictions with national and local authorities that have to follow an EU-harmonized process. The Commission will review the quality of the process and, if necessary, take action before restricting measures are implemented. The new Regulation entered into force on 13 June 2016. The Regulation does not set out noise quality goals, which will continue to derive from Directive 2002/49/EC of the European Parliament and of the Council of 25 June 2002, relating to the assessment and management of environmental noise, and other relevant Union rules or legislation within each Member State. This regulation is part of the EEA Agreement and is therefore binding on airport authorities in Iceland, Liechtenstein and Norway.

Security

According to Regulation (EC) No. 300/2008, an air carrier is required to demonstrate specific security measures as set out in, and in compliance with, a security program appropriate to meet the requirements of the national civil aviation security program, approved by the national civil aviation authority.

Within the EU, there is an ongoing effort to develop a detailed implementation plan, including the possible simplification and streamlining of the current regulations for aviation security, introduced as a direct consequence of the events of 11 September 2001. Work is also ongoing to harmonize

EU regulations with corresponding rules in non-EU countries, such as those with respect to the carriage of liquids and tax-free items in cabin baggage.

Air safety

The Group's operations are subject to a wide range of safety standards. Annex III to Regulation (EEC) No. 3922/91, as amended, ("**EU OPS**") details common technical requirements, as well as safety and related procedures, applicable to commercial transportation by aircraft. The EU OPS requirements and procedures relate to, among other things, certification and supervision, flight operations, weather conditions, aircraft performance and equipment, maintenance, flight crew, cabin crew and transportation of dangerous goods.

EASA is an EU agency created under Regulation (EC) No. 1592/2002 (subsequently repealed by (EC) No. 216/2008). Under (EC) No. 216/2008 EASA's responsibilities include provision of expert advice to the EU for the purpose of new legislation, implementation and surveillance of safety rules, type-certification of aircraft and components, authorization of non-EU aircraft operators and safety analysis and research. EASA works with the national civil aviation authorities of EEA member states and has assumed certain of their functions, in the interest of aviation safety standardization across the EEA.

Implementing regulations extending EASA powers to safety certification of airports in the EU are currently under discussion and are likely to come into force in the near future.

Insurance

Regulation (EC) No. 785/2004 prescribes insurance requirements for air carriers and aircraft operators regarding their liability in respect of passengers, luggage, cargo and third parties. Each of the air carrier and aircraft operator is responsible for obtaining sufficient cover, as prescribed by this regulation. For further information about the Company's insurance coverage, see Section 10.5

Competition

Airlines operating in the EU must observe EU competition rules, in particular Articles 101 and 102 of the FEU Treaty, which seek to address anti-competitive behavior. Article 101(1) prohibits agreements, decisions by associations of undertakings and concerted practices that restrict competition, whereas Article 102 is directed toward the unilateral conduct of firms with a dominant market position, that act in an abusive manner.

An agreement that falls within Article 101(1) is not necessarily unlawful. Agreements, decisions or concerted practices, that satisfy certain conditions, may qualify for an individual exemption under Article 101(3) or fall under a so-called bloc exemption. In principle, individual entities must assess for themselves whether their agreements, concerted practices and decisions are compatible with Article 101 of the FEU Treaty.

Regulation (EC) No. 487/2009, which codifies Regulation (EC) No. 3976/87, authorizes the European Commission to apply the exemptions of Article 101(3) to certain categories of agreements and concerted practices in the air transport sector, in respect of traffic within the EU, as well as in respect of traffic between the EU and non-member states. While this authority has been used in the past, there are currently no bloc exemptions in force under Regulation (EC) No. 487/2009 or the previous Regulation (EC) No. 3976/87. It should nevertheless be noted that the European Commission has adopted general bloc exemptions for certain types of horizontal and vertical agreements that apply also to the air transport sector.

13.4 NORWEGIAN REGULATORY FRAMEWORK

Aviation laws and regulations of Norway have been harmonized as a result of, and are to a large extent based on, international standards and EU regulations.

The principal national civil aviation law in Norway is the Norwegian Aviation Act of 1993 ("luftfartsloven") with detailed regulations issued by the national aviation regulator, the Norwegian Civil Aviation Authority ("Luftfartstilsynet").

13.5 REGULATION OF NON-EEA SERVICES

The Group's services that involve airports located in non-EEA countries are subject to regulation under international air services agreements. These are agreements between states or between a

state and a group of states (such as the EU) that establish how airlines are authorized to serve routes between the territories of the parties to the agreement, what routes can be served, regulation of pricing (if any) and conditions for operations and sales in the territory of one party for airlines authorized by the other party. Historically, many bilateral air services agreements contained provisions regarding the designation of airlines by the bilateral partners to operate air services that permitted only the designation of airlines which were owned and controlled by nationals of the relevant country. For EU airlines, the ownership and control requirements in international air services agreements have changed substantially as a result of the *Open Skies* judgment of the European Court of Justice of 5 November 2002 which ruled that the maintenance of restrictive ownership and control provisions in air services agreements with non-EU countries breached EU law.

13.6 OTHER LEGAL AND REGULATORY DEVELOPMENTS

13.6.1 Flight time limitations

Council Regulation (EEC) 3922/91 on EU civil aviation rules (as last amended by Regulation (EC) No. 859/2008 of 20 August 2008) imposes restrictions on maximum total duty time, duty block time and daily flight duty periods for crew members and stipulates rest periods. The regulation is part of the EEA Agreement, and is therefore binding on nationals of Iceland, Liechtenstein and Norway.

On 29 January 2014, the European Commission Regulation 83/2014 amending Regulation 965/2012 was published in the Official Journal. It has more than 30 provisions aimed at improving safety rules on pilot and crew fatigue, such as a reduction of flight duty time at night by 45 minutes. It became effective as of 18 February 2016. The regulation is part of the EEA Agreement, and is therefore binding on nationals of Iceland, Liechtenstein and Norway.

13.6.2 Environmental regulations

Commercial aviation uses aircraft that are internationally approved according to ICAO certification standards. Environmental approval is an integral part of national registrations of aircraft. Environmentally-based national and/or local permits, rules and regulations provide a framework for aircraft use. The current trend is toward stricter environmental framework conditions for the airline industry.

Airlines need no separate environmental licenses or permits for their operations, but rely on permits that airport operators have, such as for handling of fuel and glycol for aircraft de-icing, runway de-icing, and threshold levels for noise and emissions. There is an exemption for the use of the hazardous gaseous fire suppression agent halon in fire extinguishers on board aircraft. Halon use is heavily restricted under the Montreal Protocol on Substances that Deplete the Ozone Layer of 1987, as amended, and airline operators must submit annual reports to the authorities on the use and storage thereof.

Emissions trading

In February 2009, Directive 2008/101/EC came into force, amending Directive 2003/87/EC and bringing the aviation industry within EU ETS. EU ETS is a cap and trade scheme established in 2003 by Directive 2003/87/EC, as a means of securing compliance with its obligations to reduce greenhouse gas emissions under the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

All flights departing from, and arriving at, EU airports were to have been included within EU ETS from 2012. The legislation applies to EU and non-EU airlines alike. Emissions from flights to and from Iceland, Liechtenstein and Norway are also covered under the EEA Agreement. Incoming flights may be exempted from the EU ETS if the EU recognizes that the country of origin is taking measures to limit aviation emissions from departing flights.

EU ETS delivers a market price for carbon, capping total emissions to a fixed limit with operators required to surrender allowances for each reporting year to cover their total emissions. Under the legislation, airlines are granted a certain number of allowances free of charge based on historical emissions in designated benchmark years and their share of the total aviation market; further allowances are auctioned by EU Member States.

The inclusion of the aviation sector in EU ETS is likely to have a substantial negative effect on the European aviation industry, including the Group, despite the young age of its aircraft fleet. In addition to the financial impact, inclusion in EU ETS imposes administrative burdens (in particular, monitoring and reporting obligations) on participants.

While a challenge to the inclusion of the aviation industry in EU ETS on the grounds of international law was rejected by the European Court of Justice in 2011 (Case C-366/10), a number of non-EU countries, including China, India, Russia and the United States, remain strongly opposed to the inclusion of international aviation in EU ETS.

In April 2013, the Council of the EU adopted a decision temporarily deferring enforcement of the obligations of aircraft operations in respect of incoming and outgoing international flights under EU adoption ETS for 2012 ("stop the clock"). This derogation temporarily exempted airlines from the EU ETS requirement to report carbon emissions for flights between EU airports and third countries and sanctions will not be imposed for failure to report. It applied from 24 April 2013. EU ETS continues to apply in full for intra-EU flights. In October 2013, the European Commission published guidance (2013/C 289/01) clarifying how authorities in Member States should implement this decision, including its geographical extent and how aviation allowances should be allocated and returned for 2012.

The EU ETS Aviation Amending Regulation came into force on 30 April 2014 (Regulation (EC) No. 421/2014 amending Directive 2003/87/EC). It established a scheme for greenhouse gas emission allowance trading within the Community, in view of the implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions. The Regulation amends the EU ETS by extending the effect of the Stop the Clock Decision of 2013 until 31 December 2016, exempting small non-commercial aircraft operators from 2013 to 2020 (and postponing obligations to report emissions for flights within the EEA?).

Following adoption by ICAO of a global Market-Based Mechanism (CORSIA), the EU in 2017 again renewed the reduction in geographical scope, which will be reviewed at the end of 2023.

In December 2018, the EU Commission adopted implementing regulation 2018/2066 pursuant to Directive 2003/87/EC and amending Commission Regulation 601/2012. The regulation shall apply to emissions and activity data occurring from 1 January 2021.

13.6.3 Taxes and charges on air travel

Air travel is subject to numerous taxes and charges, which are typically levied on the basis of national legislation and thus vary among countries. Examples of traffic charges paid by carriers and included in air fares are take-off and landing charges, emission charges, noise charges, terminal navigation charges and en route charges. Additional passenger charges are paid by every customer on top of the fare to cover, for example, the cost of airport terminals, facilities and air travel-related security. In addition, certain countries impose a special air passenger tax to travelers who depart from airports within such countries. Tickets may also be subject to a separate ticket tax as well as value added tax. Charges and taxes that are not included in an air carrier's fare must be included in the total amount shown, when the carrier advertises to the public.

In accordance with a policy issued by ICAO in the 1950s, jet fuel for international commercial aviation is untaxed. The European Commission has been advocating within ICAO to introduce a global carbon tax on jet fuel. However, there has been considerable opposition to such a tax among ICAO members and, as of the date of this Offering Memorandum, no such measures have been introduced or are planned to be introduced.

Norway levies both a carbon tax and a tax on nitrogen oxide (NOx) on aviation.

In addition, Norway levies a passenger tax on all commercial flights departing from Norwegian airports with passengers. The passenger tax is progressive depending on the length of the flight: NOK 75 per passenger on flights with final destination within Europe and NOK 200 per passenger on flights with final destination outside Europe.

13.6.4 Other legislation

The airline industry is highly regulated and airlines cannot always pass on to their customers the costs associated with regulation. Regulatory changes can have an adverse impact on airlines' costs, flexibility, marketing strategy, business model and ability to expand.

14. NORWEGIAN TAXATION

14.1 INTRODUCTION

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on Norwegian laws, rules, and regulations in force in Norway as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. The summary does not address foreign tax laws.

The following summary is of a general nature and does not purport to be a comprehensive description of all Norwegian tax considerations that may be relevant for a decision to acquire, own or dispose of Shares. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers, as the tax legislation in Norway and, if different, in the jurisdiction in which the Shareholder is resident for tax purposes may have an impact on the income received from the Shares. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or Non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

14.2 NORWEGIAN SHAREHOLDERS

14.2.1 Taxation of dividends

14.2.1.1 Norwegian Individual Shareholders

Dividends received by shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Individual Shareholders**") are taxable as ordinary income for such shareholders at a flat rate of currently 31.68 percent (the nominal rate is 22 percent but the taxable income is multiplied with a factor of 1.44) to the extent the dividend exceeds a tax-free allowance.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate after tax of interest on treasury bills ("statskasseveksler") with three months' maturity. The allowance is calculated for each calendar year, and it is allocated solely to Norwegian Individual Shareholders holding shares at the expiration of the relevant income year.

Norwegian Individual Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("**Excess Allowance**") may be carried forward and set off against future dividends received on, or gains upon realization of, the same share. Any excess allowance will also be included in the basis for calculating the allowance on the same share in the following years.

Norwegian Individual Shareholders may hold their shares through a share savings account (Norwegian: Aksjesparekonto). Dividends and capital gains related to shares held through a share savings account are not taxed until withdrawn from the account. Withdrawals from the account are only subject to tax to the extent that the withdrawal amount exceeds the amount deposited into the account by the Shareholder. The exceeding amount is taxed as ordinary income at a flat rate of currently 31.68 percent. The rules regarding tax-free allowance also apply to shares held through a share savings account.

14.2.1.2 Norwegian Corporate Shareholders

Dividends received by shareholders that are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are effectively taxed at a rate of 0.66 percent (3 percent of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and subject to tax at a flat rate of currently 22 percent). For Norwegian Corporate Shareholders that are considered to be financial institutions (e.g. banks etc.) the applicable effective tax rate is 0.75 percent (3 percent of

dividend income is subject to tax at the flat tax rate for financial institutions of currently 25 percent).

14.2.2 Taxation of capital gains on realization of shares

14.2.2.1 Norwegian Individual Shareholders

Sale, non-proportionate redemption, or other disposals of shares is considered as realization for Norwegian tax purposes. A capital gain or loss derived by a Norwegian Individual Shareholder through realization of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the shareholder's ordinary income in the year of disposal and taxable at an effective rate of 31.68 percent (the nominal rate is 22 percent but the taxable income or deductible loss is multiplied with a factor of 1.44).

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share, as the difference between the consideration for the share and the Norwegian Individual Shareholder's cost price of the share, including any costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Individual Shareholders are entitled to deduct any Excess Allowance, cf. Section 14.2.1.1 above. Any Excess Allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e., any Excess Allowance exceeding the capital gain upon the realization of a share will be annulled.

If the Norwegian Individual Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Individual Shareholders may hold their shares through a share savings account (Norwegian: Aksjesparekonto). Dividends and capital gains related to shares held through a share savings account are not taxed until withdrawn from the account. Withdrawals from the account are only subject to tax to the extent that the withdrawal amount exceeds the amount deposited into the account by the Shareholder. The exceeding amount is taxed as ordinary income at a flat rate of currently 31.68 percent. The rules regarding tax-free allowance also apply to shares held through a share savings account. A loss upon realization of shares held through the account is not in itself tax deductible, but the loss will affect the amount, if any, subject to tax upon closing of the account (i.e. any withdrawal amount exceeding the amount deposited into the account).

14.2.2.2 Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares qualifying for participation exemption, including shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purpose.

14.2.3 Taxation of Subscription Rights

14.2.3.1 Norwegian Individual Shareholders

A Norwegian Individual Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares.

Sale and other transfer of subscription rights are considered as realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Individual Shareholders through a realization of subscription rights is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for the computation of ordinary income in the year of disposal. The ordinary income is taxable at an effective rate of 31.68 percent (the nominal rate is 22 percent but the taxable income or deductible loss is multiplied with a factor of 1.44).

Capital gains related to subscription rights granted to employees as a consequence of their employment will be regarded as employment income and thus taxable at a marginal (maximum) rate of 46.4 percent. The employer will be required to calculate and pay employer's social security contributions at a (maximum) rate of 14.1 percent.

14.2.3.2 Norwegian Corporate Shareholders

A Norwegian Corporate Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares.

Sale and other transfer of subscription rights are considered a realization for Norwegian tax purposes. Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of subscription rights qualifying for the Norwegian participation exemption. Losses upon the realization and costs incurred in connection with the purchase and realization of such subscription rights are not deductible for tax purposes.

14.2.4 Net wealth tax

The value of shares and subscription rights held by Norwegian Individual Shareholders as at 1 January in the year of assessment (i.e. the year following the relevant fiscal year) is included in the basis for the computation of net wealth tax imposed on such shareholders. Currently, the marginal wealth tax rate is 0.85 percent of the value assessed. The value for assessment purposes for listed shares is equal to 75 percent of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

14.3 FOREIGN SHAREHOLDERS – NORWEGIAN TAXATION

14.3.1 Taxation of dividends

14.3.1.1 Non-Norwegian Individual Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Individual Shareholders**") are, as a general rule, subject to withholding tax at a rate of 25 percent. The withholding tax rate of 25 percent is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation. Documentation requirements apply to Non-Norwegian Shareholders who claim entitlement to a reduced withholding tax rate. Non-Norwegian Individual Shareholders may be required to provide a Certificate of tax residence, which cannot be older than three years at the time of the dividend resolution, in order to benefit from a reduced withholding tax rate.

Non-Norwegian Individual Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance in respect of each individual share (please see Section 14.2.1.1 "Norwegian Individual Shareholders" above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25 percent calculated on the gross dividend less the tax-free allowance.

If a Non-Norwegian Individual Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Individual Shareholder, as described above.

Non-Norwegian Individual Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply individually to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

14.3.1.2 Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders that are limited liability companies not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**") are, as a general rule, subject to withholding tax at a rate of 25 percent. The withholding tax rate of 25 percent is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian tax provided that the shareholder is the beneficial owner of

the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If the Non-Norwegian Corporate Shareholder holds the shares in connection with business activities in Norway, the shareholder will be subject to the same taxation as a Norwegian Corporate Shareholders, as described above.

Documentation requirements apply to Non-Norwegian Shareholders who claim entitlement to a reduced withholding tax rate or a withholding tax exemption. These documentation requirements vary depending on whether the Shareholders claims a reduced withholding tax rate in accordance with an applicable tax treaty or whether the Shareholder claims a tax exemption based on being a tax resident in another EEA country and depending on whether the Non-Norwegian Corporate Shareholder has previously qualified for a reduced rate for, or an exemption from, the withholding tax. Thus, Non-Norwegian Corporate Shareholders should consult with their own tax advisers in order to determine the documentation required. The documentation requirements apply equally to nominee registered shares.

Non-Norwegian Corporate Shareholders who have suffered to a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax withheld. The same applies to Non-Norwegian Corporate Shareholders within the EEA that are exempt from Norwegian tax on dividends, pursuant to participation exemption.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

14.3.2 Taxation of capital gains on realization of shares

14.3.2.1 Non-Norwegian Individual Shareholders

Gains from the sale or other disposals of shares in the Company by a Non-Norwegian Individual Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Individual Shareholder holds the shares in connection with business activities carried out in or managed from Norway. In such cases the shareholder will be subject to the same taxation as Norwegian Individual shareholders.

14.3.3 Non-Norwegian Corporate Shareholders

Capital gains derived from the sale or other type of realization of shares in the Company by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway

14.3.4 Taxation of Subscription Rights

A Non-Norwegian Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway.

Capital gains derived by the sale or other transfer of subscription rights by Non-Norwegian Shareholders are not subject to taxation in Norway unless the Non-Norwegian Shareholder holds the subscription rights in connection with business activities carried out or managed from Norway. In such cases the shareholder will be subject to the same taxation as Norwegian shareholders. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

14.3.5 Net wealth tax

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax.

Non-Norwegian Individual Shareholders may, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

14.3.6 Inheritance tax

Effective 1 January 2014, there is no inheritance tax in Norway.

14.4 VAT AND TRANSFER TAXES

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

14.5 INHERITANCE TAX

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

15. LEGAL MATTERS

15.1 LEGAL AND ARBITRATION PROCEEDINGS

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the Company and/or group's financial position or profitability, except from those described below in this Section 15.1.

15.1.1 Reassessment from the Norwegian tax authorities

In March 2017 and June 2018, the Norwegian Tax Authorities made a reassessment pertaining to an EEC cross-border restructuring 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 ruling indicates increased tax payable for the years in question with up to NOK 571 million, a reduction in prepaid taxes of NOK 166 million and interests estimated to a maximum of NOK 119 million up to 31 December 2019. The maximum total potential cost increase would be NOK 856 million, with a corresponding reduction in equity. The Tax Appeal Board ruled that part of the payment should be deferred, and the timing of the tax collection is not finally determined. Further, a negative outcome of the case could lead to a reduction in not recognized deferred tax assets of NOK 376 million with no immediate change to tax cost or equity. 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 Interim Financial Statements.

15.1.2 Reassessment from Irish Revenue

In December 2019, Irish Revenue made an assessment for the period 2014 – 2018 to the company of EUR 18.5 million pertaining to withholding income tax (PAYE) on non-resident crew exercising their employment on an aircraft in international traffic where the enterprise has its place of effective management in Ireland. The crew in scope is non-Irish residents and their employment is not exercised in Ireland. The company, supported by its tax advisors, are of the opinion that Irish Revenue's application of the provision is overly broad and is contrary to the EU law and have concluded that it is more likely than not that the assessment will be reversed.

The assessment is appealed.

15.1.3 Customer claims and claims based on Regulation (EC) 261/2004

The Group is, from time to time, subject to litigation, arbitration and administrative proceedings in the jurisdictions in which it operates. Many of these proceedings relate to claims arising in the ordinary course of business including, but not limited to, litigation relating to service interruption, flight delays, cancellations and lost or damaged luggage.

Claims for care and compensation as per Regulation (EC) 261/2004 (the EU regulation establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights) account for a significant proportion of the Group's exposure to litigation and administrative proceedings and are also a significant cost component. The Group complies with Regulation (EC) 261/2004 where it applies.

The Group's potential liability is not only determined in litigation to which itself is a party, but also in litigation involving other carriers, as decisions issued by higher courts of EU member states and the European Court of Justice may create precedence to which the Group seeks to comply. Such precedents can potentially both widen or narrow the scope of liability for carriers under Regulation (EC) 261/2004, and may also affect claims retrospectively.

The Group aims to resolve all claims from passengers for Regulation (EC) 261/2004 compensation in an expedited manner without resorting to dispute resolution procedures, however, because of e.g. processing delays or disagreement concerning the eligibility, claims are sometimes also

escalated to national enforcement bodies within the EU/EEA (NEBs), alternative dispute resolution bodies (ADRs) or to the courts of the relevant EU/EEA member state. Such proceedings will be ongoing in the ordinary course of business.

Norwegian Air Shuttle has recently been named defendant in *Daversa-Evdyriadis et. al. v. Norwegian Air Shuttle and Kiwi.com, Ltd.*, a class action filed in the United States District Court for the Central District of California in April 2020. The plaintiffs allege, *inter alia*, breach of contract relating to delayed refunds for canceled flights. The Company is currently evaluating the complaint and the company's response to the complaint is due on 6 May 2020.

15.2 MATERIAL CONTRACTS WHICH NORWEGIAN IS DEPENDENT ON IN ITS ORDINARY COURSE OF BUSINESS

Aircraft purchase commitments

The Group has several aircraft purchase commitments from agreements entered into with Boeing and Airbus. An overview of these agreements is presented in Section 9.14 "Investments".

Operating leases

As outlined above, Norwegian has adopted the new accounting standard IFRS 16 Leases from 1 January 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases from a lessee point of view. Instead, all leases are treated in a similar way to finance leases under IAS 17. From 1 January 2019, all external aircraft lease contracts in the Group are presented as ROU assets.

Norwegian has chosen to apply the recognition exemptions under IFRS 16 for all property and car lease agreements meeting the requirements for such exemptions. Those leases as well as variable payments for the lease of technical equipment are accounted for in the same way as operating leases under IAS 17.

Obligations from such lease contracts are presented in the table below and include 21 (2018: 14) cars and 116 (2018: 126) properties in Oslo, Dublin and London, in addition to properties in all the operating bases worldwide. Leasing costs related to cars, properties and technical equipment expensed in other operating expenses in 2019 was NOK 172.8 million (2018: NOK 228.9 million).

Leasing costs expensed on aircraft leases within operational expenses were NOK 4,351.4 million in 2018. Included in leasing costs were wet lease and operating lease costs on aircraft from sale-and-leaseback transactions. Please see Section 5 for more details on the restructuring of Norwegian's operating leases contemplated by the Refinancing.

Annual minimum rent on non-cancellable operating lease agreements per 31 December is as follows:

In NOK million	Nominal value 2019					Nominal value 2018				
	Aircraft	Cars	Property	Technical equipment	Total	Aircraft	Cars	Property	Technical equipment	Total
Within 1 year	0.0	1.6	10.9	0.1	12.6	5,035.9	1.3	83.7	123.1	5,244.1
Between 1 and 5 years	0.0	2.6	18.9	0.0	21.5	17,656.9	3.8	205.2	492.6	18,358.4
After 5 years	0.0	0.0	5.5	0.0	5.5	16,912.4	0.0	180.9	593.9	17,687.2

Current estimates of maintenance reserves payments over the lease agreements at 31 December 2019: NOK 8,905.4 million (2018: NOK 10,499.6 million).

Other contracts

On 24 October 2019, the Company announced the formation of a new JV with CCB Leasing (International) Corporation DAC (CCBLI), which is a wholly owned subsidiary of China Construction Bank Corporation (CCB), an industry leader in banking, financial services and leasing, and the world's second largest bank by asset value. CCBLI will be the majority owner of the joint venture with a 70 percent share, with the Company, through its wholly owned subsidiary AAA, holding the

remaining 30 percent. The purpose of the joint venture will be to finance, own and lease aircraft which are part of the Company's Airbus A320 family aircraft order book. Under the terms of the agreement, the joint venture will purchase from AAA an initial 27 Airbus A320 NEO aircraft to be delivered from 2020 to 2023. Aircraft deliveries into the joint venture will start from Q1 2020. CCBLI has committed to provide senior debt financing to the joint venture for all of the 27 aircraft. In addition to a positive equity effect, the joint venture reduces the Company's committed capital expenditure by approximately USD 1.5 billion based on the initial 27 aircraft.

The Company has selected the Rolls-Royce Trent 1000 engine to power all new 787 Dreamliner aircraft. The contract, signed with Rolls-Royce, includes "Total Care" long-term support agreements which include all maintenance, spare parts and other support services. The contract value quoted at list price is USD 450 million when comprising 18 engines.

The Company has entered into a maintenance agreement with Boeing comprising all long-haul aircraft on order. The agreement secures cost efficient maintenance and has a duration of twelve years.

On 18 December 2015, the Group signed an agreement to lease out twelve Airbus A320neo aircraft to airline HK Express. The first seven aircraft were delivered from December 2016 to May 2018, and then sold to another lessor at a profit. The Group expects to deliver the remaining five aircraft into its joint venture with CCBLI in 2020.

Bond agreements and other loan agreements

For further information on the bond agreements and other loan agreements, please refer to Section 5.

15.3 RELATED PARTY TRANSACTIONS

15.3.1 Introduction

Currently under Norwegian law, an agreement between the Company and certain categories of affiliated parties, which involves consideration from the Company in excess of 2.5 percent of the Company's total assets based on the latest available audited financial statements of the Company at the time of such agreement is not binding on the Company unless the agreement has been approved by a General Meeting. Certain exemptions may apply, e.g. business agreements in the normal course of the Company's business containing pricing and other terms and conditions which are normal for such agreements, as well as the purchase of securities at a price which is in accordance with the official quotation. Any performance of an agreement which is not binding on the Company must be reversed, renewed or extended, but the material terms have remained the same from time to time.

15.3.2 Lease agreement with Fornebu Næringseiendom 1 AS

The Group leases its property at Fornebu from Fornebu Næringseiendom 1 AS, which is a fully owned subsidiary of HBK Holding AS. HBK Holding AS was until recently the largest shareholder of the Company. HBK Holding AS is majority owned and controlled by the former CEO of Norwegian, Bjørn Kjos, while the former Chairman of the Board, Bjørn Kise, owns approximately 9.56 percent of HBK Holding AS. The leasing agreement entitles the Group to lease Oksenøyveien 3 at Fornebu until 2030, with an option to extend the lease for another five years. The lease agreement is exempted from the requirements for approval by the General Meeting since it is entered into in the Company's ordinary course of business and contains pricing and other terms which are normal for such agreements. Bjørn Kise resigned as the Chairman of the Board on 7 May 2019 and Bjørn Kjos stepped down as the CEO of NAS on 11 July 2019. The summary presented in Section 15.3.6 below includes all transactions between the Group and Fornebu Næringseiendom 1 AS until 11 July 2019.

15.3.3 Agreements related to Lilienthal Finance Limited

NAS and NAB have on 2 May 2019 entered into an agreement with Lilienthal Finance Limited ("**Lilienthal**"), which at the time was wholly-owned by HBK Holding AS, under which Lilienthal acquired from NAS and NAB corresponding rights in Europe outside the Nordic countries and on corresponding terms, to the rights acquired by Bank Norwegian from NAS and NAB in the Nordic countries on which Bank Norwegian has based, and bases, its use of, inter alia, Norwegian's name and brand, cooperation related to Norwegian's Reward program, etc. The rights acquired by Lilienthal under the said agreement are exclusive and Lilienthal must commence utilization of the

rights within three years. The parties' intention is that Lilienthal shall apply for a banking license in Ireland and start banking business there without delay. The consideration payable by Lilienthal to NAB for the said license is an upfront fee of NOK 150 million for the first five years of the license. After such initial five years, the annual fee for the license shall be NOK 30 million.

Simultaneously, NAS acquired from the sole shareholder of Lilienthal, HBK Holding AS, 40 percent of the shares in Lilienthal for a total consideration of NOK 4 million and sold the 40 percent shares to NOFI for a cash consideration of NOK 28.24 million plus shares in NOFI at a market value at the time of NOK 150 million. On the same date, NOFI acquired the remaining 60 percent of the shares in Lilienthal from HBK, after which Lilienthal became 100 percent owned by NOFI.

The said agreements are exempted from the requirements for approval by the General Meeting since they are entered into in the Company's ordinary course of business and contain pricing and other terms which are normal for such agreements.

15.3.4 IT services purchased from Infocom Group AS

The Norwegian Group purchases IT services from Infocom Group AS. Kurt Erik Simonsen, Norwegian's former Chief Customer & Digital Officer, has ownerships interest below 50 percent in Infocom Group AS.

15.3.5 Agreements related to Norwegian Block Exchange AS

In 2018, Norwegian sold IT services to Norwegian Block Exchange AS (NBX). On 31 May 2019, Norwegian Air Shuttle ASA entered into an agreement to convert outstanding receivables from Norwegian Block Exchange AS into equity. Norwegian was awarded 2,446,400 shares at NOK 1.5 per share. NBX is controlled by the former CEO of Norwegian, Bjørn Kjos.

15.3.6 Summary

The following transactions were carried out with related parties (in NOK million):

Sales (-) and purchases (+) of goods and services (excl VAT)	2019	2018	2017	2016
- Simonsen Vogt Wiig AS (legal services) *	2.7	15.2	15.1	11.4
- Fornebu Næringseiendom (property rent) **	9.7	18.9	13.5	15.6
- OSM Aviation Ltd. (incl. subsidiaries; crew management services)	1,741.8	1,876.7	1,660.2	746.8
- Purchase of shares in Lilienthal Finance Limited from HBK Holding AS	4.0	0.0	0.0	0.0
- Infocom Group AS (IT services)	8.3	13.9	0.0	0.0
- Norwegian Block Exchange (IT services)	0.0	-3.8	0.0	0.0
Year-end balances arising from sales/purchases of goods/services (incl VAT)	2019	2018	2017	2016
Payables to related parties				
- Simonsen Vogt Wiig AS (legal services)	1.4	0.8	0.9	0.3
- Fornebu Næringseiendom (property rent)	0.0	6.1	0.0	4.8
- OSM Aviation Ltd. (incl. subsidiaries; crew management services)	637.6	197.7	191.0	37.2
- Infocom Group (IT services)	0.0	1.5	0.0	0.0
- Norwegian Block Exchange AS (IT services)	0.0	-3.8	0.0	0.0

* Bjørn Kise, a partner at Simonsen Vogt Wiig AS, resigned as Chairman of the board 7 May 2019. NAS does not consider SVW to be a related party under IAS24, cf. IAS 28, but has chosen to include the transactions with SVW for precautionary reasons. Values reflect the period from 1 January until 7 May 2019.

** Bjørn Kjos resigned as CEO on 11 July 2019. Values reflect the period 1 January until 11 July 2019.

16. ADDITIONAL INFORMATION

16.1 DOCUMENTS ON DISPLAY

For twelve months from the date of this Prospectus, copies of the following documents will be available for inspection at the Company's website www.norwegian.no:

- The Articles of Association of the Company.
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus.

16.2 ADVISERS

The Company has engaged ABG Sundal Collier ASA (Munkedamsveien 45, 0250 Oslo), Danske Bank (Bryggetorget 4, P.O. Box 1170 Sentrum, N-0107 Oslo, Norway) and DNB Markets, a part of DNB Bank ASA (Dronning Eufemias gate 30, P.O. Box 1600 Sentrum, N-0021 Oslo, Norway) as Joint Bookrunners for the Offering.

Advokatfirmaet BAHR AS (Tjuvholmen Allé 16, 0252 Oslo, Norway) is acting as legal counsel to the Company.

16.3 INDEPENDENT AUDITOR

The Company's independent auditors are Deloitte AS ("**Deloitte**") which has their registered business address is at Dronning Eufemias gate 14, 0103 Oslo, Norway. Deloitte has served as the Company's independent auditors since 2013. Deloitte is member of the Norwegian Institute of Public Accountants ("Den norske Revisorforening").

Deloitte has not audited, reviewed or produced any report on any other information provided in this Prospectus.

16.4 DOCUMENTS INCORPORATED BY REFERENCE

For the life of this Prospectus the following documents (or copies thereof), where applicable, is incorporated by reference, and may be found at the website of the Company:

Section in Prospectus	Disclosure requirements of the Prospectus	Reference document and link	Page (P) in reference document
Section 12.4	Articles of Association	Articles of Association: https://www.norwegian.no/om-oss/selskapet/investor-relations/corporate-governance/articles-of-association/	All
Section 4.3.1	Audited historical financial information	Norwegian Air Shuttle ASA, Annual report 2016: https://www.norwegian.no/om-oss/selskapet/investor-relations/reports-and-presentations/	P23-P78
		Norwegian Air Shuttle ASA, Annual report 2017: https://www.norwegian.no/om-oss/selskapet/investor-relations/reports-and-presentations/	P21-P80
		Norwegian Air Shuttle ASA, Annual report 2018: https://www.norwegian.no/om-oss/selskapet/investor-relations/reports-and-presentations/	P24-P84

Section 4.3.1	Audit reports	Norwegian Air Shuttle ASA, Annual report 2016: https://www.norwegian.no/om-oss/selskapet/investor-relations/reports-and-presentations/	P79
		Norwegian Air Shuttle ASA, Annual report 2017: https://www.norwegian.no/om-oss/selskapet/investor-relations/reports-and-presentations/	P81
		Norwegian Air Shuttle ASA, Annual report 2018: https://www.norwegian.no/om-oss/selskapet/investor-relations/reports-and-presentations/	P85
Section 4.3.1	Unaudited historical financial information	Norwegian Air Shuttle ASA, Interim report Q4 2019: https://www.norwegian.no/om-oss/selskapet/investor-relations/reports-and-presentations/	All

16.5 REGULATORY DISCLOSURE

Companies listed on the Oslo Stock Exchange are subject to disclosure requirements according to the Norwegian Securities Trading Act. Below is an overview of the disclosures published by Norwegian Air Shuttle ASA pursuant to the Norwegian Securities Trading Act on its ticker "NAS" on www.newsweb.no during the last twelve months prior to the date of this Prospectus.

Inside Information

Date	Title	Description	Prospectus cross reference
05.05.2020	Norwegian Air Shuttle ASA announces the terms of the public equity offering, pre-commitments in excess of NOK 100 million in subscriptions received	The Company announced the terms of the Offering and other Offering details as described in this Prospectus	6
04.05.2020	Norwegian Air Shuttle ASA – Number of shares after conversion of debt and implied conversion price	The Company announced that a total of 2,978,402,828 new shares would be issued to bondholders and lessors as part of the debt conversion, and that the total number of shares in the Company after the debt conversion hence would be 3,141,775,135. The implied conversion price for the new shares was NOK 3.8 per share based on the announced conversion of the bonds and the current commitments at the date from lessors, however, made subject to any additional conversions committed from lessors before the registration of the share capital.	5
04.05.2020	Norwegian Air Shuttle ASA – EGM voted in favor of the proposed resolutions	The Company announced that the EGM voted in favor of all proposed resolutions, including resolutions pertaining to the Conversion of Debt and the Offering.	5
04.05.2020	Norwegian Air Shuttle ASA – Recapitalization process nearly complete – agreement securing additional debt conversion commitments from lessors	The Company could announce that it had received strong support from lessors for a minimum conversion to equity of USD 730 million (excluding conversion under the so-called power-by-the-hour arrangement), up from the previously announced USD 550 million.	5

Inside Information

Date	Title	Description	Prospectus cross reference
04.05.2020	Norwegian Air Shuttle ASA (NAS) – Board of Directors updates proposed resolutions for the extraordinary general meeting	The Company that it had received strong support from both its bondholders and lessors, and that the Board of Directors therefore had updated the proposed resolutions for the EGM to reflect these agreements and narrowed the potential outcomes for its shareholders.	5
03.05.2020	Norwegian Air Shuttle ASA – Summons of Bondholder Meeting NAS07	The Company published the summons of a new Bondholder Meeting in NAS07 to be held on 18 May 2020, and also informed that it had reached an agreement (in writing) with the largest NAS07 bondholders. The Company said that it would get re-confirmation from the CB bondholders and that the NAS08 will get the same improvement as NAS07, while no new bondholder meeting will be summoned for NAS09.	5
01.05.2020	Norwegian Air Shuttle ASA – Results from the bondholders’ meetings	The Company announced the results from the bondholders’ meetings whereby 3 out of 4 bondholder groups had approved the Company’s proposal. NAS07 bondholders did not approve and was needed to be re-summoned.	5
30.04.2020	Norwegian Air Shuttle ASA – revised offer to bondholders	The Company announced a further revised offer to the bondholders to convert Bonds into equity in the Company. The bondholders meeting was also extended until 23:00 CEST on 30 April 2020.	5
28.04.2020	Norwegian Air Shuttle ASA – Revised offer to bondholders	The Company announced revised terms of the offer to its bondholders to convert Bonds to equity on the Company.	5
27.04.2020	Norwegian Air Shuttle ASA announces the details of the restructuring plan and its intention to launch a public equity offering of up to NOK 400 million	The Company announced its proposed terms for the Refinancing and the Offering.	5
14.04.2020	Norwegian Air Shuttle ASA (NAS) – Summons to bondholders’ meetings with proposal to amend terms and convert bonds into equity	The Company announced that it had requested Nordic Trustee as the trustee for the outstanding bonds NAS07, NAS08, NAS09 and the USD 150m convertible bond to summon bondholders’ meetings on 30 April 2020 with the aim to approve a proposal to amend terms and convert full or in parts the bonds into equity.	5
08.04.2020	Norwegian Air Shuttle ASA (NAS) - Notice of Extraordinary General Meeting	The Company announced its intention to convert its debt to equity in order to, inter alia, meet the requirements of the Norwegian state guarantee program, and the Board of Directors summoned to an Extraordinary General Meeting to be held on 4 May 2020.	5
25.03.2020	Update regarding the Norwegian government proposal of guarantees and loans in connection with the COVID-19 travel restrictions	Announcement in respect of the Company’s launch of a forbearance request to its financial creditors necessitated in order to attract tranche 2 of the contemplated loan guarantee package from the Norwegian Government.	5.1
25.03.2020	HBK Holding AS – redelivery of lending shares in Norwegian Air Shuttle ASA	HBK Holding AS requested redelivery to HBK of the shares in the Company currently which had been lent in the market by HBK.	9.5
24.03.2020	Norwegian fulfills criteria for initial NOK 300 million in guarantee from the	With reference to the press release from the Norwegian Government on 19 March 2020 regarding the financial measures to support	5.1

Inside Information

Date	Title	Description	Prospectus cross reference
	Norwegian Government	Norwegian airline industry, the Company announced that it had met the criteria to receive the first tranche of NOK 300 million.	
19.03.2020	Update regarding government measures for Norwegian aviation	Notice regarding the Norwegian government's announcement of a guarantee package to limit some of the damage to air transportation due to the COVID-19.	5.1
16.03.2020	Norwegian to cancel 85 percent of its flights and temporarily layoff approximately 7,300 colleagues	The Company announced that it would cancel most of its flights and temporarily lay off a major share of its workforce due to the COVID-19 situation.	9.11
12.03.2020	Norwegian to suspend more than 4,000 flights and implement layoffs	Following the US ban on travel from most of Europe and the escalating COVID-19 situation, the Company announced its decision to ground 40 percent of its long-haul fleet and cancel up to 25 percent of its short-haul flights until the end of May. The changes applied to the company's entire route network.	9.11
10.03.2020	Norwegian to cancel approximately 3,000 flights and implement temporary layoffs due to the effects of COVID-19	Due to the COVID-19 situation, the Company announced that it was preparing to cancel approximately 3,000 flights between mid-March and mid-June. This represented approximately 15 percent of the total capacity for this period. The Company also announced several other measures it had put in place, including temporary layoffs of a significant share of its workforce.	9.11
04.02.2020	Norwegian Air Shuttle ASA: Cancellation of subsequent repair offering	The Company announced that it canceled the contemplated private placement and the potential subsequent repair offering due to the shares trading at a similar price to or below the subscription price in the private placement.	N/A
06.11.2019	Norwegian Air Shuttle ASA (NAS) – Terms of the convertible bonds	Announcement of the key terms relating to the USD 150 million convertible bond issue.	N/A
05.11.2019	Norwegian Air Shuttle ASA (NAS) – Successfully completed private placement and convertible bond issue securing NOK 2.5 billion in gross proceeds	The Company announced that it had raised approximately NOK 2.5 billion in gross proceeds through a private placement of 27,250,000 new shares, at a price per share of NOK 40 and a convertible bond issue of USD 150 million. In addition, 5,078,752 existing shares (the "Hedging Shares") were allocated in the Private Placement at the same price.	9.5
05.11.2020	Norwegian Air Shuttle ASA (NAS) announces a contemplated private placement and convertible bond issue creating financial headroom to execute on the strategic transformation of the company	The Company announced that it was contemplating a private placement, including up to 27,250,000 new shares, and a convertible bond issue of up to USD 175 million, in order to be fully funded the coming year.	9.5
05.11.2019	Norwegian Air Shuttle ASA - Sale of six Boeing 737-800 aircraft	The Company announced that its subsidiary Arctic Aviation Assets had signed an agreement for the sale of six Boeing 737-800 aircraft to Pembroke Aircraft Leasing 5 Limited.	N/A
01.11.2019	Norwegian Air Shuttle ASA - Sale of one Boeing 737-800 aircraft	The Company announced that its subsidiary Arctic Aviation Assets had signed an agreement for the sale of one Boeing 737-800 aircraft.	9.5

Inside Information

Date	Title	Description	Prospectus cross reference
29.10.2019	Closing of the sale of shares in Norwegian Finans Holding	Notification that Sampo plc had obtained regulatory approval to acquire the remaining shares in Norwegian Finans Holding ASA from the Company.	N/A
24.10.2019	Norwegian Air Shuttle ASA to establish a joint venture with CCB Leasing (International) Corporation DAC	Announcement of the formation of a new joint venture with CCBLI for the purpose of financing, owning and leasing aircraft which are part of Norwegian's Aircraft orderbook.	9.3 and 9.5
18.10.2019	Norwegian Air Shuttle ASA - Sale of five Boeing 737-800 aircraft	The Company announced that its subsidiary Arctic Aviation Assets had signed an agreement for sale of five Boeing 737-800 aircraft with ARI.	9.5
17.10.2019	Norwegian and JetBlue Announce Intent for Partnership	Announcement that the Company and JetBlue had signed a Letter of Intent for an interline agreement.	9.5
16.09.2019	Bondholders vote in favor of Norwegian Air Shuttle's ("NAS" or "The Company") proposed amendments to its two unsecured bonds NAS07 and NAS08	Separate bondholders' meetings were held in NAS07 and NAS08 and both meetings voted in favor for the proposed amendments to the bonds.	9.3 and 9.5
10.09.2019	Norwegian Air Shuttle ("NAS" or the "Company") proposes certain amendments to its two unsecured bonds NAS07 and NAS08	In connection with that the Company had requested to extend the maturity dates of NAS07 and NAS08 to November 2010 and February 2020 respectively, the Company had received certain requests from the bondholders to change the premium payable in connection with a voluntary repayment of the bond (call). Amendments were proposed to be approved at bondholder meeting.	9.3 and 9.5
02.09.2019	Norwegian Air Shuttle offers bondholders security in exchange for amended bond maturities	To ensure successful operations and adequate liquidity headroom, the Company requested the bondholders to extend the maturity dates of its two unsecured bonds NAS07 and NAS08 in exchange of a security package backed by the attractive take-off and landing slots at London Gatwick Airport.	9.3 and 9.5
19.08.2019	Norwegian Air Shuttle sells its shareholding in Norwegian Finans Holding for NOK 2,218 million	The Company announced its agreement to sell its entire shareholding in NOFI for NOK 2,218 million to Cidron Xingu Limited.	9.5

Major Shareholding Disclosure

Date	Title	Description	Prospectus cross reference
04.05.2020	Flagging i Norwegian Air Shuttle ASA (disclosure of shareholding)	Folketrygdfondet announced that its shareholding in the Company was reduced to 0.4% due to the conversion of debt to equity in connection with the refinancing of the Company.	N/A
31.03.2020	Disclosure of large shareholding – HBK Holding AS	Announcement regarding HBK Holding AS' sale of 617,269 shares in the Company, equal to approx. 0.38% of the shares. HBK Holding AS' holding following the sale was 7,581 127 shares, equal to approx. 4.64% of the shares in the Company.	N/A

Share Capital and voting rights

Date	Title	Description	Prospectus cross reference
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04.12.2019	Norwegian Air Shuttle ASA – update regarding the amendments to its two unsecured bonds NAS07 and NAS08	Announcement of changes being made to the Bond Issues NAS07 and NAS08 following the resolution from the Board of Directors and in accordance with the bondholder vote in favor of the proposed amendments.	N/A
03.12.2019	Norwegian Air Shuttle ASA – New share capital registered	Announcement of registration of new share capital with the Norwegian Register of Business Enterprises (Nw. Foretaksregisteret) following a private placement. The Company's new share capital was NOK 16,355,837.70 divided into 163,558,377 shares.	12.1.2

Financial Reporting

<u>Date</u>	<u>Title</u>	<u>Description</u>	<u>Cross reference to section in this prospectus</u>
13.02.2020	Norwegian Air Shuttle reports fourth quarter 2019 results	Publication of Q4 2019 financial report.	16.4
24.10.2019	Norwegian Air Shuttle reports third quarter 2019 results	Publication of Q3 2019 financial report.	N/A
11.07.2019	Norwegian Air Shuttle reports second quarter 2019 results	Publication of the Company's Q2 results, which were characterized by reduced growth and improved profitability, in line with the company's strategy.	N/A

Additional regulatory information required to be disclosed

<u>Date</u>	<u>Title</u>	<u>Description</u>	<u>Cross reference to section in this prospectus</u>
27.04.2020	Norwegian Air Shuttle ASA (NAS) – Notice to shareholders planning on attending the extraordinary general meeting 4 May 2020	Practical information to shareholders planning to attend the EGM, whereby the Company announced that it had decided that the EGM would be held as a digital meeting with electronic voting.	
20.04.2020	Norwegian's pilot and cabin crew companies in Sweden and Denmark file for bankruptcy	Due to the ongoing COVID-19 crisis, the Company announced that four of its crew subsidiaries in Sweden and Denmark had filed for bankruptcy.	9.3 and 9.11
05.03.2020	Mandatory notification of trade	Primary insider Guro Halvorsen Poulsen announced her purchase of 245 shares at a price of NOK 17.00 per share.	N/A
28.02.2020	Mandatory notification of trade	Primary insider Lasse Sandaker-Nielsen announced his purchase of 2,881 shares in the Company at a price of NOK 17.83 per share and Primary insider Kei Grieg Toyomasu announced that he bought 2,500 shares in the Company at a price of NOK 19.89 per share.	N/A
14.02.2020	Mandatory notification of trade - Employee Share Saving Plan	Notice in respect of the purchase of a total of 72,208 shares on behalf of employees in Norwegian Air Shuttle ASA participating in the company's employee share saving program. The average purchase price was NOK 39.85 per share.	11.3
27.11.2019	Norwegian Air Shuttle ASA - Three-tier capital raising approved by the Extraordinary General Meeting	Notice regarding the Extraordinary General meeting's approval of private placement, convertible bond issue and a potential subsequent offering of new shares in the company.	N/A
20.11.2019	Grant of employee share options in Norwegian Air	Company had granted the newly appointed CEO Jacob Schram 300,000	11.3

Additional regulatory information required to be disclosed

Date	Title	Description	Cross reference to section in this prospectus
	Shuttle ASA	share options and CFO Geir Karlsen 300,000 share options.	
20.11.2019	Jacob Schram appointed new CEO of Norwegian	Announcement that Jacob Schram was appointed as CEO of Norwegian from 1 January 2020, and that Geir Karlsen would continue as CFO and Deputy CEO.	9.5
06.11.2019	Norwegian Air Shuttle ASA (NAS) – Notice of Extraordinary General Meeting – Private Placement, Convertible Bond Issue and potential Subsequent Offering	The Board of Directors of the Company had resolved to propose that the Company carries out a capital raise of up to approximately NOK 2.75 billion through a private placement with gross proceeds of NOK 1.09 billion, a convertible bond issue in the amount of USD 150 million and a potential subsequent offering of up to 7,000,000 new shares.	N/A
06.11.2019	Norwegian Air Shuttle ASA (NAS) – Key information related to the Subsequent Offering	Company published key information relating to the planned subsequent offering, including ex. Date, record date, date of approval, maximum number of shares and subscription price.	N/A
05.11.2019	Norwegian Reward launches credit card in the US	Announcement that Norwegian Reward had partnered with Synchrony and Mastercard to offer a credit card in the US.	N/A
24.09.2019	Norwegian Air Shuttle ASA - Adjustment of strike 2018 stock option plan	Board of Directors approved an adjustment to the strike price from NOK 278.00 to NOK 43.00, for certain optionees.	11.3
11.07.2019	CFO Geir Karlsen appointed interim CEO of Norwegian as Bjørn Kjos steps down	Bjørn Kjos leaves his position after 17 years as the CEO in the Company. Until the appointment of a new CEO, CFO Geir Karlsen was announced to act as interim CEO.	9.5
29.05.2019	Grant of employee share options in Norwegian Air Shuttle ASA	Company's employees were granted 1,200,000 share options, of which 1,050,000 to primary insiders, in accordance with the terms resolved by NAS' Annual General Meeting on 7 May 2019.	11.3
15.05.2019	Grant of shares in Norwegian Air Shuttle ASA	The Company's shareholder elected board members were granted 78,125 restricted shares, of which 78,125 to primary insiders.	11.3
14.05.2019	Norwegian Air Shuttle ASA: Purchase of treasury shares	The Company purchased 78,125 shares in the Company at an average price of NOK 36.63 per share, which implies a total consideration of NOK 2,861,702. Following the transaction NAS holds a total of 79,525 treasury shares, constituting approximately 0.029 per cent of the Company's shares and votes. The purpose of the share buyback was to use the shares as a part of the remuneration to shareholder elected board members.	12.1.4

17. DEFINITIONS AND GLOSSARY

AAA	Arctic Aviation Assets DAC
Annual Financial Statements	The Group's consolidated financial statements as of, and for the years ended, 31 December 2018, 2017 and 2016.
AGM	The Annual General Meeting in NAS
Air Services Regulation	Pursuant to Regulation (EC) No. 1008/2008
Airbus GMF	Airbus Global Market Forecast
Allocation Rights	Technical allocation rights expected to be issued to Eligible Shareholders in the VPS system to seek to facilitate preferential allocation of Offer Shares to Eligible Shareholders on a pro rata basis based on their shareholding in the Company as shown in the VPS on the Record Date
Annual General Meeting(s)	"Annual General Meetings" mean the annual general meetings of shareholders in the Company; and "Annual General Meeting" means any one of them
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulation
AOC	Air Operator's Certificate
Application Form	The application form for the Retail Offering attached as Appendix A hereto
Application Period	From and including 9:00 hours (CEST) 6 May 2020 to 16:30 hours (CEST) on 14 May 2020
ARI	Aircraft Recycling International Limited
Articles of Association	NAS' articles of association
ASK	Available Seat Kilometers
Bank Norwegian	Bank Norwegian AS, business reg. no. 991 455 671
Better Airports Package	A package of measures containing a proposed revised regulation on common rules for the allocation of slots to address capacity shortages at European airports and improve the quality of services offered to passengers adopted by the European Commission in December 2011
Block Hours	Average number of hours per day every operational aircraft is utilized (time of block off to block on – industry standard measure to aircraft utilization)
Board of Directors or Board	The board of directors of Norwegian Air Shuttle ASA
Boeing FTM	Boeing Fleet Technical Management
Bond Conversion Shares	The Shares issued as part of the Conversion of Bonds to Equity.
Bond Loans	NAS07, NAS08, NAS09 and the CB

CAGR	Compound annual growth rate
CASK	Unit cost or Cost per available seat-kilometer
CCBLI	CCB Leasing (International) Corporation DAC
CEO	Chief executive officer
CEST	Central European Summer Time
CFO	Chief financial officer
Chicago Convention	The Convention on International Civil Aviation of 1944
CO ₂ per RPK	Amount of CO ₂ emissions divided by RPK
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance ("Den norske anbefalingen om eierstyring og selskapsledelse")
Company, NAS or Norwegian Air Shuttle	Norwegian Air Shuttle ASA, business reg. no. 965 920 358
Company Register	The Norwegian Register of Business Enterprises
Conversion of Lease Debt to Equity	The conversion of lease debt to new Shares or Perpetual Bonds in the Company as further set out in Section 5.3.
Conversion of Bonds to Equity	The conversion of bonds under the Bond Loans to new Shares or Perpetual Bonds in the Company as set out in Section 5.4.
Conversion Shares	The Lease Conversion Shares and the Bond Conversion Shares
Conversion Subscription Price	The subscription price per Conversion Share as set out in Section 5.2.
Convertible Bond Issue or CB	The USD 150 million Norwegian Air Shuttle ASA Senior Unsecured Convertible Bonds 2019/2024 with ISIN NO 001 0868284 issued in November 2019
COVID-19	The corona disease cause by the coronavirus SARS-CoV-2
Danske Bank	Danske Bank, Norwegian Branch
Deloitte	Deloitte AS, business reg. no. 980 211 282
DNB Markets	DNB Markets, a part of DNB Bank ASA
Director(s)	The members of the Board
EASA	The European Aviation Safety Agency
EEA	European Economic Area
EEA Agreement	The agreement with the European Union regarding the EEA
EETCs	European export credit agencies
EFTA	European Free Trade Association

EGM	The Extraordinary General Meeting in the Company held on 4 May 2020.
Eligible Shareholders	Shareholders as of 30 April 2020 as documented by the shareholders register in the VPS on 5 May 2020, who are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway, would require any prospectus, filing, registration or similar action.
Equity Ratio	Book equity divided by total assets
EU	European Union
EU ETS	The EU emissions trading system
EU OPS	Annex III to Regulation (EEC) No. 3922/91, as amended
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act
EUR	Euro
Excess Allowance	Any part of the calculated allowance one year exceeding the dividend distributed on the share
Excess Slot Value	The difference between (i) the sum of the value ascribed to the Group's slots at Gatwick airport and cash proceeds resulting from disposals of slots and (ii) the combined principal amount of bonds then outstanding under NAS07 and NAS08.
Existing Shareholders	The shareholders of the Company as of 30 April 2020 as registered in VPS on the Record Date
Extraordinary General Meeting(s)	"Extraordinary General Meetings" mean the extraordinary general meetings of shareholders in the Company; and "Extraordinary General Meeting" means any one of them
Financial Statements	The Interim Financial Statement and the Annual Financial Statements
First Convention	The Convention on Compensation for Damage caused by Aircraft to Third Parties Resulting From Acts of Unlawful Interference Involving Aircraft
Flight Compensation Regulation	Regulation (EC) No. 261/2004
Forward-looking statements	Projections and expectations regarding the Group's future financial position, business strategy, plans and objectives
FSMA	The Financial Services and Markets Act 2000 (UK)
Fuel Consumption	Aviation fuel consumed
GDP	Gross Domestic Product
General Meeting(s)	"General Meetings" mean the Annual General Meetings and Extraordinary General Meetings in the Company; and "General

	Meeting" means any one of them
GLEIF	The Global Legal Entity Identifier Foundation
Group or Norwegian	Norwegian Air Shuttle ASA, business registration number 965 920 358, and its Subsidiaries
Group Company/-ies	Norwegian Air Shuttle ASA and its Subsidiaries
IAG	International Airline Group, the owner of British Airways and Spanish carrier Iberia
IATA	The International Air Transport Association
ICAO	Assembly of the International Civil Aviation Organization
ICCT	The International Council on Clean Transportation
IFRS	International Financial Reporting Standards, issued by the International Financial Reporting Interpretations Committee (IFRIC) (formerly, the "Standing Interpretations Committee" (SIC))
Ineligible Jurisdictions	Member States of the EEA that have not implemented the EU Prospectus Regulation, Australia, Canada Hong Kong, the United States or Switzerland or any other jurisdiction in which it would not be permissible to offer the Offer Shares
Ineligible Persons	Ineligible Shareholders or other persons in an Ineligible Jurisdiction
Ineligible Shareholder(s)	Shareholders registered with the VPS as at the Record date who are residents in an Ineligible Jurisdiction
Institutional Offering	The part of the Offering consisting of a private placement to (a) institutional investors in Norway, (b) institutional investors outside Norway and the United States of America (the "US" or the "United States"), subject to applicable exemptions from applicable prospectus and registration requirements, and (c) QIBs in the United States as defined in, and in reliance on, Rule 144A or another available exemption under the US Securities Act
Interim Financial Statements	The Group's unaudited consolidated interim financial statements for the three and twelve months' period ending 31 December 2019.
IAA	Aviation Authority of Ireland
ISIN	International Securities Identification Number
Investor's Representations and Warranties	Shall have the meaning ascribed to it in Section 7 "Selling and Transfer restrictions"
JV	Joint Venture
LCC	Low Cost Carrier
Lease Conversion Shares	The Shares issued as part of the Conversion of Lease Debt to Equity.

Lease Debt	The Company's liabilities pursuant to certain aircraft operating lease agreements as further set out in section 5.
LEI	Legal Entity Identifier
Lilienthal	Lilienthal Finance Limited
Listing	The listing of the New Shares on the Oslo Stock Exchange
Lock-up Period	The lock-up period in respect of Conversion Shares as set out in Section 5.2.
Lock-up Release Number	The number of Conversion Shares subject to lock-up that shall be released following 15 June 2020 if Offer Shares are allocated to a Bondholder, which is equal to 1.6 times the number of Offer Shares allocated to that Bondholder (subject to rounding).
Load Factor	RPK divided by ASK. Describes the utilization of available seats
LOI	Letter of Intent
LOU	Local Operating Units
Management	The executive management of the Group
Managers	ABGSC, Danske Bank and DNB Markets
MiFID II Product Governance Requirements	Shall have the meaning ascribed to it in Section 7.2 "Product Governance"
Montreal Convention	The Convention for the Unification of Certain Rules for International Carriage by Air of 1999
Moratorium	The requirement under Tranche 2 that existing creditors of the Company 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 (3) months, commencing on disbursement of the guaranteed loans.
NAA	Norwegian Air Argentina
NAB	Norwegian Brand Limited
NAI	Norwegian Air International Limited
NAN	Norwegian Air Norway AS, business reg. no. 912 084 949
NAS or Company	Norwegian Air Shuttle AS, business reg. no. 965 920 358
NAS07	EUR 250,000,000 Norwegian Air Shuttle ASA Senior Secured Bond Issue 2015/2019 (" NAS07 ") with ISIN NO 001 0753437
NAS08	SEK 963,500,000 Norwegian Air Shuttle ASA Senior Secured Bond Issue 2017/2020 (" NAS08 ") with ISIN NO 001 0783459
NAS09	NOK 250,000,000 Norwegian Air Shuttle Senior Secured Bond Issue 2017/2020 (" NAS09 ") with ISIN NO 001 0809940
NCAA	Civil Aviation Authority of Norway
New Shares	The Conversion Shares and the Offer Shares

NOFI	Norwegian Finans Holding ASA
NOK	Norwegian Kroner, the lawful currency of the Kingdom of Norway
Non-Norwegian Corporate Shareholders	Shareholders that are limited liability companies not resident in Norway for tax purposes
Non-Norwegian Individual Shareholders	Shareholders who are individuals not resident in Norway for tax purposes
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Norwegian FSA	Financial Supervisory Authority of Norway (No.: <i>Finanstilsynet</i>)
Norwegian Individual Shareholders	Shareholders who are individuals resident in Norway for tax purposes
Norwegian Securities Trading Act	The Securities Trading Act of 29 June 2007 no. 75 (No.: <i>verdipapirhandelloven</i>)
NPV	Net present value.
NSE	Norwegian Air Sweden AB
NUK	Norwegian UK Limited
OEM	Original equipment manufacturer
Offering	The offering of up to 571,428,571 Offer Shares at the Offer Price per Offer Share, as further described in Section 6 "The terms of the Offering".
Offer Price	The price for the Offer Shares, being NOK 1.00 per Offer Share (subject to any adjustment as set out in Section 6)
Offer Share(s)	The Share(s) offered in the Offering
Order	The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
Oslo Børs or Oslo Stock Exchange	Oslo Børs ASA (translated "the Oslo Stock Exchange")
Other losses/(gains)-net	Gains and losses from foreign currency contracts, forward fuel contracts, adjustment of market value for total return swaps, translation of working capital in foreign currency and net gain or loss from sale of fixed assets
Payment Date	19 May 2020
PDP Financing	Financing of aircraft pre-delivery
Perpetual Bonds	Means the zero coupon perpetual subordinated convertible bonds issued pursuant to the Conversion of Lease Debt to Equity
PLLC	A Norwegian Public Limited Liability Company (No. " <i>allmennaksjeselskap</i> "), as regulated by the Norwegian Public Limited Liability Companies Act
Private Sector Involvement	The requirement under the State Aid Package as described in

	section 5.1
Prospectus	This Prospectus dated 5 May 2020
Public Limited Liability Companies Act	The Norwegian Public Limited Liability Companies Act dated 13 June 1997 no. 45
QIB	A qualified institutional buyer as defined in Rule 144A under the US Securities Act
Qualifying National	EEA nationals, Nationals of Switzerland and in respect of any undertaking, an undertaking which satisfies the conditions as to nationality of ownership and control of undertakings granted an operating license contained in Article 4(f) of the Air Services Regulation
RASK	Unit revenue or Ticket revenue per available seat kilometer
Record Date	5 May 2020
Refinancing	Refinancing of the Company, including the Conversion of Debt, the Offering and the State Aid Package.
Regulation S	Regulation S under the US Securities Act
Relevant Member State	Each member state of the EEA other than Norway
Retail Offering	The part of the Offering which is made as a retail offer to the public in Norway
Rome Convention	The Convention on Damage Caused by Foreign Aircraft to Third Parties on the Surface of 1952
RPK	Revenue Passenger Kilometers
Rule 144A	Rule 144A under the US Securities Act
Second Convention	The Convention on Compensation for Damage Caused by Aircraft to Third Parties
Settlement Agent	DNB Markets, acting as settlement agent in the Offering
Share(s)	"Shares" mean the existing and new shares in the Company; and "Share" means any one of them
Shareholder Register	NAS' shareholder register
Shareholder(s)	"Shareholders" mean the Company's existing shareholders, from time to time; and "Shareholder" means any one of them
Slot Regulation	Council Regulation (EEC) No. 95/93 (as amended by Regulation (EC) No. 793/2004)
STA	Swedish Transport Agency
State Aid Package	The proposal of a state guarantee scheme in the amount of NOK 3 billion as further described in Section 5.1
Tranches	Tranche 1, Tranche 2 and Tranche 3

Tranche 1	The first tranche of the State Aid Package
Tranche 2	The second tranche of the State Aid Package
Tranche 1 Loan	The single currency term facility in the aggregate amount of NOK 330 million in relation to Tranche 1.
Tranche 2 and 3 Loan	The loan agreement to which the Company expects to enter into in connection with Tranche 2 and Tranche 3 of the State Aid Package.
Target Market Assessment	Shall have the meaning ascribed to it in Section 7.2 "Product governance"
Total operating expenses excl leasing, depreciation and amortization	Total operating expenses not including aircraft lease expenses, depreciation, amortization and impairment
Total operating expenses excl depreciation and amortization	Total operating expenses not including depreciation, amortization and impairment
US Securities Act	The US Securities Act of 1933, as amended
UK	The United Kingdom
UK CAA	Civil Aviation Authority of the United Kingdom
Unit cost	Total operating expenses excl depreciation and amortization, excluding other losses/(gains)-net, divided by ASK
Unit cost excl depreciation ex fuel	Total operating expenses excl depreciation and amortization, excluding other losses/(gains)-net and aviation fuel expense, divided by ASK
Unit cost excl depreciation	Total operating expenses excl depreciation and amortization and excluding other losses/(gains)-net, divided by ASK
Unit cost incl depreciation	Total operating expenses, excluding impairment and other losses/(gains)-net, divided by ASK
Unit cost incl depreciation ex fuel	Total operating expenses, excluding impairment, other losses/(gains)-net and aviation fuel expense, divided by ASK
Unit Revenue	Passenger revenue divided by ASK (as defined above)
US	United States of America
USD	US dollar, the lawful currency of the United States of America
VPS	Verdipapirsentralen (Norwegian Central Securities Depository), which organizes a paperless securities registration system
VPS account	An account with VPS for the registration of holdings of securities
Vueling	Vueling Airlines S.A.
Yield	Passenger revenue divided by RPK, being a measure of average fare per kilometer

APPENDIX A

APPLICATION FORM FOR THE RETAIL OFFERING

APPLICATION FORM

General information: The terms and conditions of the Retail Offering by Norwegian Air Shuttle ASA (the "Company") are set out in the Prospectus dated 5 May 2020. All capitalised terms not defined herein shall have the meaning as assigned to them in the Prospectus. The resolution to increase the share capital in the Company adopted by the extraordinary general meeting on 4 May 2020 is included in the Prospectus. All announcements referred to in this application form will be made through Oslo Børs' information system under the Company's ticker NAS.

Application procedures: Correctly completed application forms must be received by one of the application offices set out below before the expiry of the Application Period, at 16:30 hours (CEST) on 14 May 2020 (subject to any shortening or extension of the Application Period):

ABG Sundal Collier ASA
Munkedamsveien 45A
P.O. Box 1444 Vikta
N-0115 Oslo
Norway
E-mail: subscription@abgsc.no
www.abgsc.no

Danske Bank
Bryggetorget 4
P.O. Box 1170 Sentrum
N-0107 Oslo
Norway
E-mail: emisjoner@danskebank.no
www.danskebank.no/nas

DNB Markets
Dronning Eufemias gate 30
P.O. Box 1600 Sentrum
N-0021 Oslo
Norway
E-mail: retail@dnb.no
www.dnb.no/emisjonere

The applicant is responsible for the correctness of the information filled in on this Application Form. Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the end of the Application Period, and any application that may be unlawful, may be disregarded at the discretion of the Managers on behalf of the Company without further notice to the applicant. **Applicants who are Norwegian residents with a Norwegian personal identification number are urged to apply for Offer Shares through the VPS online application system by following the link on the following websites: www.abgsc.no, www.danskebank.no/nas and www.dnb.no/emisjonere (which will redirect the applicant to the VPS online application system).** Applications made through the VPS online application system must be duly registered before the expiry of the Application Period (as shortened or extended if applicable). Neither the Company nor any of the Managers may be held responsible for postal delays, internet lines or servers or other logistical or technical problems that may result in applications not being received in time or at all by one of the application offices. Applications are irrevocable and binding upon receipt and cannot be withdrawn, cancelled or modified by the applicant after having been received by an application office, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any extension of the Application Period.

Eligible Creditors are required to complete the Additional Information Form annexed hereto in addition to this Application Form and submit both forms to either of the Managers' e-mail addresses as set out therein before the expiry of the Application Period.

Offer Price: The price per Offer Share in the Offering is NOK 1.0. Notwithstanding the foregoing, the Board of Directors reserves the right to, in consultation with the Managers, at any time prior to allocation of the Offer Shares to reduce the Offer Price, provided that the reduced Offer Price shall in no event be lower than NOK 0.70. Any reduction of the Offer Price will be announced by the Company through the Oslo Stock Exchange's information system under the ticker code "NAS". The application will be binding regardless of whether the Offer Price is reduced as set out in this paragraph.

Application and Allocation: To participate in the Retail Offering, applicants must have a VPS account. The Retail Offering is subject to a maximum application amount of NOK 1,999,999 for each applicant. Multiple applications are allowed. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. If two or more identical Application Forms are received from the same investor, the Application Form will only be counted once unless otherwise explicitly stated on one of the Application Forms. In the case of multiple applications through the VPS online application system or applications made both on a physical Application Form and through the VPS online application system, all applications will be counted. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Existing shareholders applying for Offer Shares in the Retail Offering shall apply in the same name(s) as registered in the Company's shareholder register at 5 May 2020 (as defined below) in order to benefit from preferred allocation (if applicable).

Allocation of Offer Shares: The Offer Shares will be allocated to the applicants based on the allocation criteria set out in the Prospectus. The Company will not allocate fractional Offer Shares. Allocation of fewer Offer Shares than subscribed for does not impact on the applicant's obligation to pay for the Offer Shares allocated. Notification of conditional allocated Offer Shares and the corresponding amount to be paid by each applicant is expected to be distributed in a letter from the VPS on or about 15 May 2020. Applicants who have access to investor services through an institution that operates the applicant's VPS account should be able to see how many Offer Shares they have been allocated from 09:00 hours (CET) on or about 18 May 2020.

Payment: The payment for the Offer Shares allocated to an applicant falls due on 19 May 2020. By completing this application form, or registering an application through the VPS online application system, applicants irrevocably authorise DNB Markets (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount payable for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Application Form. Accounts will be debited on or about the Payment Date, 19 May 2020, and there must be sufficient funds in the stated bank account from and including 18 May 2020. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date. Details and instructions can be obtained by contacting one of the Managers. DNB Markets (on behalf of the Managers) is only authorised to debit each account once, but reserves the right (but has no obligation) to make up to three debit attempts through 26 May 2020 if there are insufficient funds on the account on the Payment Date. Should any applicant have insufficient funds in his or her account, should payment be delayed for any reason, if it is not possible to debit the account or if payments for any other reasons are not made when due, overdue interest will accrue and other terms will apply as set out under the heading "Overdue Payments" below. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 20 May 2020 (or such later date upon the successful debit of the relevant account).

PLEASE SEE PAGE 2 OF THIS APPLICATION FORM FOR OTHER PROVISIONS THAT ALSO APPLY TO THE APPLICATION

DETAILS OF THE APPLICATION

Applicant's VPS account (12 digits):	I/we apply for Offer Shares for a total of NOK (max. NOK 1,999,999):
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IRREVOCABLE AUTHORISATION TO DEBIT ACCOUNT (MUST BE COMPLETED BY APPLICANTS WITH A NORWEGIAN BANK ACCOUNT)

Norwegian bank account to be debited for the payment for Offer Shares allocated.	<div style="border-bottom: 1px solid black; width: 90%; margin-left: auto; margin-right: auto;"></div> <p style="text-align: right; font-size: small;">(Norwegian bank account no.)</p>
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I/we hereby irrevocably (i) apply for the number of Offer Shares allocated to me/us, at the Offer Price (subject to any reduction if applicable), up to the aggregate application amount as specified above subject to the terms and conditions set out in this Application Form and in the Prospectus, (ii) authorise and instruct each of the Managers (or someone appointed by them) acting jointly or severally to take all actions required to purchase and/or subscribe the Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Application Form, and to ensure delivery of such Offer Shares to me/us in the VPS, on my/our behalf, (iii) authorise DNB Markets to debit my/our bank account as set out in this Application Form for the amount payable for the Offer Shares allocated to me/us, and (iv) confirm and warrant to have read the Prospectus, that I/we are aware of the risks associated with an investment in the Offer Shares and that I/we are eligible to subscribe for Offer Shares under the terms set forth therein.

Place and date
must be dated in the Application Period

Binding signature
The applicant must have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney must be enclosed.

INFORMATION ON THE APPLICANT – ALL FIELDS MUST BE COMPLETED

First name	
Surname/company	
Street address	
Post code/district/ country	
Personal ID number/ organisation number	
Nationality	
E-mail address	
Daytime telephone number	
Legal Entity Identifier ("LEI")/National Client Identifier ("NID"):	

Please note: If the Application Form is sent to the Managers by e-mail, the e-mail will be unsecured unless the applicant takes measures to secure it. The Application Form may contain sensitive information, including national identification numbers, and the Managers recommend the applicant to secure all e-mails with Application Forms attached.

ADDITIONAL GUIDELINES FOR THE APPLICANT

Regulatory Matters: Legislation passed throughout the European Economic Area (the "EEA") pursuant to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ("MiFID II") implemented in the Norwegian Securities Trading Act, imposes requirements on intermediaries in securities markets. In this respect, the Managers must categorise all new clients in one of three categories: Eligible counterparties, Professional clients and Non-professional clients. All applicants applying for Offer Shares in the Offering who/which are not existing clients of one of the Managers will be categorised as Non-professional clients. The applicant can by written request to the Managers ask to be categorised as a Professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act and ancillary regulations. For further information about the categorisation, the applicant may contact one of the Managers. **The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.**

Selling Restrictions: The attention of persons who wish to subscribe for Offer Shares is drawn to Section 7 "Selling and transfer restrictions" of the Prospectus. The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction other than Norway. Receipt of the Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, the Prospectus is for information only and should not be copied or redistributed. Persons outside Norway should consult their professional advisors as to whether they require any governmental or other consent or need to observe any other formalities to enable them to subscribe for Offer Shares. It is the responsibility of any person wishing to apply for Offer Shares under the Retail Offering to satisfy himself as to the full observance of the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Offer Shares will only be offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act and cannot be sold to U.S. persons as defined in Regulation S. The Offer Shares have not been registered under the U.S. Securities Act and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. This application form does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. An application of Offer Shares in contravention of the above restrictions may be deemed to be invalid. By subscribing for the Offer Shares, persons effecting applications will be deemed to have represented to the Company that they, and the persons on whose behalf they are subscribing for the Offer Shares, have complied with the above selling restrictions.

Execution Only: The Managers will treat the Application Form as an execution-only instructions, as the Managers are not required, nor in a position, to determine whether an investment in the Offer Shares is appropriate or not for the applicant. Hence, the applicant will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The applicant acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Commercial Banks Act and foreign legislation applicable to the Managers there is a duty of secrecy between the different units of each of the Managers as well as between the relevant Manager and the other entities in the relevant Manager's group. This may entail that other employees of the Managers or the relevant Manager's respective group may have information that may be relevant to the applicant and to the assessment of the Offer Shares, but which the relevant Manager will not have access to in its capacity as Manager for the Retail Offering.

Information Barriers: Each of the Managers is securities firm that offer a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from the relevant Manager's corporate finance department by information walls. Consequently the applicant acknowledges that the relevant Manager's analysis and stock broking activity may conflict with the applicant's interests with regard to transactions in the Shares, including the Offer Shares.

VPS Account and Mandatory Anti-Money Laundering Procedures: The Retail Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulation of 14 September 2018 no. 1324 (collectively, the "Anti-Money Laundering Legislation"). Applicants who are not registered as existing customers of one of the Managers must verify their identity to the relevant Manager in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the application form are exempted, unless verification of identity is requested by a Manager. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period will not be allocated Offer Shares. Participation in the Retail Offering is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the Application Form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Financial Supervisory Authority of Norway.

Personal data: The applicant confirms that it has been provided information regarding the Managers' processing of personal data, and that it is informed that the Managers will process the applicant's personal data in order to manage and carry out the Offering and the application from the applicant, and to comply with statutory requirements. The data controllers who are responsible for the processing of personal data are the Managers. The processing of personal data is necessary in order to fulfil the application and to meet legal obligations. The Norwegian Securities Trading Act and the Anti-Money Laundering Legislation require that the Managers process and store information about clients and trades, and control and document activities. The applicant's data will be processed confidentially, but if it is necessary in relation to the purposes, the personal data may be shared between the Managers, the company(ies) participating in the offering, with companies within the Managers' group, the VPS, stock exchanges and/or public authorities. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it. If the Managers transfer personal data to countries outside the EEA, that have not been approved by the EU Commission, the Managers will make sure the transfer takes place in accordance with the legal mechanisms protecting the personal data, for example the EU Standard Contractual Clauses. As a data subject, the applicants have several legal rights. This includes inter alia the right to access its personal data, and a right to request that incorrect information is corrected. In certain instances, the applicants will have the right to impose restrictions on the processing or demand that the information is deleted. The applicants may also complain to a supervisory authority if they find that the Managers' processing is in breach of the law. Supplementary information on processing of personal data and the applicants' rights can be found at the Managers' website.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Prospectus.

Terms and Conditions for Payment by Direct Debiting: Securities Trading: Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions apply:

- The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
- Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given in another appropriate manner. The bank will charge the indicated account for costs incurred.
- The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank that in turn will charge the payer's bank account.
- In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
- The payer cannot authorise payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.
- The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited to the beneficiary's account between one and three working days after the indicated date of payment/delivery.
- If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

Overdue Payments: Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 9.50% p.a. If an applicant fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Liability Companies Act, not be delivered to the applicant and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allocate or, from the third day after the Payment Date, otherwise dispose of or assume ownership of the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit therefrom). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding. Pursuant to a pre-funding agreement entered into by the Managers and the Company, the Managers will, subject to the terms and conditions of the pre-funding agreement, pre-fund payment for any Offer Shares not paid by the applicants when due. The non-paying applicants will remain fully liable for payment of the Offer Shares allocated to them, irrespective of any payment by the Managers under the pre-funding agreement. The Offer Shares allocated to such applicants will be transferred to a VPS account operated by DNB Markets on behalf of the Managers and will be transferred to the non-paying applicant when payment of the amount for the relevant Offer Shares is received. The Managers reserve the right to, at any time and at the risk and cost of the applicant, re-allocate, cancel or reduce the application and the allocation of the allocated Offer Shares, or if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares in accordance with applicable law. If Offer Shares are sold on behalf of the applicant, such sale will be for the applicant's account and risk and the applicant will be liable for any loss, costs, charges and expenses suffered or incurred by the Company and/or the Managers as a result of, or in connection with, such sales. The Company and/or the Managers may enforce payment for any amounts outstanding in accordance with applicable law.

National Client Identifier and Legal Entity Identifier: In order to participate in the Offering, subscribers will need a global identification code. Physical persons will need a so-called National Client Identifier ("NCI") and legal entities will need a so-called Legal Entity Identifier ("LEI").

NCI code for physical persons: Physical persons will need a NCI code to participate in a financial market transaction, i.e. a global identification code for physical persons. For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID (Nw: "fødselsnummer"). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Subscribers are encouraged to contact their bank for further information.

LEI code for legal entities: Legal entities will need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorized LEI issuer, and obtaining the code can take some time. Subscribers should obtain a LEI code in time for the subscription. For more information visit www.gleif.org. Further information is also included in Section 6.19 ("LEI number") of the Prospectus.

ADDITIONAL INFORMATION TO BE PROVIDED BY ELIGIBLE CREDITORS

General information: This additional information form ("Additional Information Form") must be completed by Eligible Creditors in order to be allocated Offer Shares in the Offering.

The terms and conditions of the Offering by Norwegian Air Shuttle ASA (the "Company") are set out in the Prospectus dated 5 May 2020. All capitalised terms not defined herein shall have the meaning as assigned to them in the Prospectus. The resolution to increase the share capital in the Company adopted by the extraordinary general meeting on 4 May 2020 is included in the Prospectus. All announcements referred to in this Additional Information Form will be made through Oslo Børs' information system under the Company's ticker NAS.

Eligible Creditors subscribing for Offer Shares must complete the Application Form as appended to the Prospectus in addition to this Additional Information Form.

THE ELIGIBLE CREDITOR OWNS THE FOLLOWING PRINCIPAL AMOUNT(S) IN THE BONDS REGISTERED IN VPS AS OF 30 APRIL 2020

NAS07 NO0010753437 (EUR million)	EUR:	I/we apply for Offer Shares for a total of NOK
NAS08 NO0010783459 (SEK million)	SEK:	I/we apply for Offer Shares for a total of NOK
NAS09 NO0010809940 (NOK million)	NOK:	I/we apply for Offer Shares for a total of NOK
USD 150 million convertible bond (USD million)	USD:	I/we apply for Offer Shares for a total of NOK

THE ELIGIBLE CREDITOR HAS AGREED TO CONVERT THE FOLLOWING AMOUNT(S) OF THE LEASE DEBT OF THE COMPANY

Leasing Agreement	Amount	I/we apply for Offer Shares for a total of NOK

It is required that the Eligible Creditor provides proof for holdings of Bonds and other relevant documentation for holdings of Lease Debt together with this Additional Information Form.

The Application Form and this Additional Information Form must be submitted to nas@abgsc.no, emisjoner@danskebank.no or norwegian2020@dnb.no within the expiry of the Application Period, which expires at 16:30 hours (CEST) on 14 May 2020 (subject to any shortening or extension of the Application Period). The Eligible Creditor is responsible for the correctness of the information filled out in on this Additional Information Form. Additional Information Forms that are incomplete or incorrectly completed, or that are received after the end of the Application Period, may be disregarded at the discretion of the Managers or the Company without further notice to the Eligible Creditor. Neither the Company nor any of the Managers may be held responsible for internet lines or servers or other logistical or technical problems that may result in Additional Information Forms not being received in time.