

NORWEGIAN AIR SHUTTLE ASA

Result announcement for the three-month period ended on 31 March 2021

29 April 2021

Norwegian Air Shuttle ASA reports on its consolidated pre-tax results for the three-month period that ended on 31 March 2021. The Company is currently in an examinership process in Ireland and a reconstruction process in Norway. As a part of this process, the Company decided to substantially reduce its short-haul operation and discontinuation of the Company's long-haul operation. The Company is planning to obtain necessary additional working capital and equity through share offerings including the Rights Issue, private placement(s) and the offering of a New Capital Perpetual Bond, aiming to raise gross proceeds of minimum NOK 4,500 million up to NOK 6,000 million. Such offerings are expected to take place during the second quarter of 2021 and the examinership and reconstruction processes are expected to be concluded at the same time.

As expected, the results were still heavily impacted by COVID-19 and travel restrictions in all markets. The examinership process in Ireland and the reconstruction process in Norway initiated in the fourth quarter of 2020, are on track and the Company remains hopeful that the process will succeed. Assuming completion of the Examinership and Reconstruction processes, the Company expect the financial effects to be booked/effective in the second quarter 2021.

From December 2020, and due to the continuous travel restrictions, Norwegian has been operating a fleet of around 9 aircraft focused on a core short-haul network serving predominantly Norway domestic routes. Once travel restrictions lift, Norwegian plans to ramp-up operations to a peak of around 50 short-haul aircraft in 2021 and around 70 short-haul aircraft in 2022. Norwegian's long-haul operations will not resume. It is not expected that demand for short-haul travel in Europe will return to 2019 levels before 2023 or 2024 and so Norwegian will deploy capacity back into the market at

a pace that matches this. When conditions normalise, Norwegian will serve its four core source markets of Norway, Denmark, Sweden and Finland with a balance of intra-Nordic and domestic routes and routes to key cities and popular leisure destinations across Europe.

"The impact on our business as a result of international travel restrictions, that have continued throughout this quarter, are as expected. However, during this difficult period Norwegian has continued to reach a number of milestones that will secure our future and ensure that the airline remains a key competitor in the European market. As European vaccination programs gain momentum and travel restrictions begin to ease, a new Norwegian, with a solid financial foundation, will be ready for our customers as they look to once again take to the skies," said CEO Jacob Schram.

TRAFFIC FIGURES AND RATIOS

<i>(unaudited ratios in NOK)</i>	Q1 2021	Q1 2020	Change	Full Year 2020
Yield	0.89	0.41	116 %	0.47
Unit revenue	0.34	0.33	5 %	0.36
Unit cost	3.95	0.53	643 %	0.94
Unit cost excl fuel	3.78	0.41	822 %	0.83
Ancillary revenue per passenger	212	229	-7 %	223
Share of sale own channels	86 %	82 %	4 pp	83 %
ASK (million)	369	15,226	-98 %	18,168
RPK (million)	142	12,005	-99 %	13,680
Passengers (million)	0.21	5.08	-96 %	6.87
Load factor	38.4 %	78.9 %	-40.5 pp	75.3 %
Average sector length (km)	566	1,745	-68 %	1,385
Fuel consumption (1,000 mt)	9	294	-97 %	362
CO ₂ per RPK	190	77	146 %	83

* Year-to-date ASK and load factor are adjusted for blocked mid seats following regulation in the domestic market in Norway in the second quarter of 2020.

Traffic figures continues to be severely affected by the COVID-19 pandemic, with travel restrictions and decreasing demand forcing the Company to continue the significantly reduced operations.

210,000 passengers traveled with Norwegian in the first quarter of 2021, compared to 5.08 million in the first quarter of 2020. Production (ASK) decreased by 98 percent and passenger traffic (RPK) decreased by 99 percent. The load factor was 38.4 percent, a decrease of 40.5 p.p. compared to the first quarter of 2020.

The punctuality, share of flights departing on schedule, was 92.3 percent in the first quarter of 2021, an increase of 6.1 percentage points compared to 86.2 percent in the same quarter last year.

The regularity, share of scheduled flights taking place, was 97.6 percent in the first quarter compared to 92.3 percent in the same quarter of 2020.

CONSOLIDATED FINANCIAL KEY FIGURES

<i>(unaudited in NOK million)</i>	Q1 2021	Q1 2020	Change	Full Year 2020
Operating revenue	255.3	6,505.3	-96 %	9,095.7
EBITDAR	-1,113.0	-412.8	170 %	-4,755.2
EBITDAR excl other losses/(gains)	-853.2	82.2	NM	-1,750.5
Operating profit (EBIT)	-1,461.8	-2,084.1	-30 %	-23,768.4
EBIT excl other losses/(gains)	-1,202.0	-1,589.0	-24 %	-20,763.7
Profit (loss) before tax (EBT)	-1,189.0	-3,281.7	-64 %	-22,133.0
EBITDAR margin	-436.0 %	-6.3 %		-52.3 %
EBIT margin	-572.6 %	-32.0 %		-261.3 %
EBT margin	-465.7 %	-50.4 %		-243.3 %

CONSOLIDATED PRE-TAX RESULTS

<i>(unaudited in NOK million)</i>	Q1 2021	Q1 2020	Full Year 2020
Passenger revenue	127.1	4,979.1	6,455.3
Ancillary passenger revenue	43.9	1,161.6	1,535.1
Other revenue	84.3	364.6	1,105.3
Total operating revenue	255.3	6,505.3	9,095.7
Personnel expenses	307.8	1,518.2	2,921.2
Aviation fuel	63.8	1,852.1	2,006.7
Airport and ATC charges	115.0	611.3	772.5
Handling charges	103.3	814.7	1,392.2
Technical maintenance expenses	246.4	621.5	1,791.8
Other operating expenses	272.2	1,005.3	1,961.9
Other losses/(gains)	259.8	495.1	3,004.7
Total operating expenses excl lease, depr. and amort.	1,368.3	6,918.1	13,850.9
Operating profit excl lease, depr. and amort. (EBITDAR)	-1,113.0	-412.8	-4,755.2
Aircraft lease, depreciation and amortization	348.8	1,671.3	6,197.5
Impairment assets held for sale	0.0	0.0	12,815.7
Operating profit (EBIT)	-1,461.8	-2,084.1	-23,768.4
Interest income	0.0	65.7	68.2
Interest expense	335.1	858.6	2,690.7
Other financial income (expense)	607.9	-396.9	4,265.7
Net financial items	272.8	-1,189.8	1,643.2
Profit (loss) from associated companies	0.0	-7.8	-7.8
Profit (loss) before tax (EBT)	-1,189.0	-3,281.7	-22,133.0

FINANCIAL REVIEW

In the first quarter of 2021, Norwegian carried 210,000 customers, a decrease of 96 percent compared to the same period in 2020. Production capacity (ASK) was down 98 percent and passenger traffic (RPK) decreased by 99 percent. The load factor was 38.4 percent, a decrease of 40.5 percentage points compared to the first quarter of 2020.

EBITDAR excl other losses/(gains) was negative NOK 853 million in the first quarter (positive NOK 82 million).

Other losses/(gains) amounted to a net loss of NOK 260 million in the first quarter, compared to a net loss of NOK 495 million in 2020.

Operating profit (EBIT) for the first quarter was negative by NOK 1,462 million (negative 2,084). EBIT excluding other gains /(losses) improved by NOK 387 million to negative NOK 1,202 million (negative 1,589). Profit (loss) before tax (EBT) was negative NOK 1,189 million (negative 3,282) in the quarter.

REVENUE

Total revenue in the first quarter was NOK 255 million (6,505), a decrease of 96 percent compared to the same quarter last year. Norwegian achieved an increase in unit revenue by 5 percent following a yield increase of 116 percent and a decreased load factor by 40.5 percentage points. Average sector length decreased by 68 percent.

Passenger revenue was NOK 127 million (4,979). Ancillary revenue was NOK 44 million (1,162) in the first quarter, and ancillary revenue per passenger decreased by 7 percent to NOK 212 (229). Other revenue of NOK 84 million (365) includes governmental support to uphold certain domestic routes, cargo revenue, commissions and third-party products as well as revenue from the loyalty program Norwegian Reward.

OPERATING EXPENSES

Unit cost excluding fuel was NOK 3.78, compared to NOK 0.41 in the same quarter in 2020.

Total operating expenses excluding depreciation and aircraft lease decreased by 80 percent to NOK 1,368 million (6,918) this quarter. Adjusted for other losses/(gains) the decrease was NOK 5,315 million and 83 percent compared with the same quarter last year.

Other losses/(gains) include effects from foreign currency contracts, forward fuel contracts, losses or gains on translation of working capital in foreign currency, net losses or gains on sale of fixed assets as well as specific restructuring effects. Other losses of NOK 260 million in the first quarter of 2021 (loss NOK 495 million), consisted primarily of currency loss on working capital of NOK 195 million.

Net financial items were positive by NOK 273 million (negative by 1,190) in the first quarter. Other financial income (expenses) include net currency gains of NOK 387 million in the first quarter of 2021, compared to net currency loss of NOK 805 million in the same

quarter last year. Currency effects are mainly related to the revaluation of borrowings denominated in currencies other than functional currencies of the companies in the Group. In addition, debt to equity conversions had a positive effect of NOK 218 million during the first three months of 2021.

BASIS OF PREPARATION

This result announcement for the three-month period ended on 31 March 2021 is prepared on the basis of the Company's accounting principles, as described in the Financial Statements for 2020. A full set of interim financial statements in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting will be published for the half-yearly report of 2021.

RECENT DEVELOPMENTS

On 12 April 2021, Norwegian announced that the Norwegian Reconstructor, Håvard Wiker at Ro Sommernes advokatfirma DA, has conducted a voting process in Norway on the NAS reconstruction proposal, and together with the Examinership. On 10 April the Reconstructor reported that the Reconstruction proposals were approved by a majority of the creditors of the Company. The judge of the Oslo Byfogdembete has approved the scheme for an exit of the Reconstruction of the Company.

On 14 April 2021, the Board of Directors of Norwegian announced that the Capital Raise will be increased to a minimum NOK 4.5 billion up to NOK 6.0 billion, including a New Capital Perpetual Bonds with gross proceeds of up to NOK 1,875 million and a Rights Offering directed to the shareholders as of the record date with gross proceeds of up to NOK 400 million. The blended issue price in the Capital Raise will be set to maximum NOK 6.99 per share. The Company expect the Capital Raise to commence on or about 10 May 2021 after approval of the Prospectus by NFSA with a target closing on or about 26 May 2021.

On 23 April, the Board of Directors of Norwegian approved and released the Annual Report for 2020.

On 26 April the judge of the Irish High Court formally approved the scheme of arrangements following the expiration of the appeal period.

On 28 April 2021 the United States Bankruptcy Court of the Southern District of New York granted the recognition motion of Norwegian Air Shuttle ASA and Arctic Aviation Assets DAC pursuant to chapter 15 of the US Bankruptcy Code. Both companies are hereby entitled to protection afforded under the Bankruptcy code and the order recognizes the Examinership Proceedings and Reconstruction Proceedings in Ireland and Norway.

OUTLOOK

Given the uncertainty and ongoing impact on overall demand for air travel, Norwegian does not provide guidance for 2021.

In the fourth quarter of 2020, the Company entered into an examinership process in Ireland and a reconstruction process in Norway. As a part of this process, the Company decided to substantially reduce its short-haul operation and discontinuation of the Company's long-haul operation. The Company is planning to obtain necessary additional working capital and equity through share offerings including the Rights Issue, private placement(s) and the offering of a New Capital Perpetual Bond, aiming to raise gross proceeds of minimum NOK 4,500 million up to NOK 6,000 million. Such offerings are expected to take place during the second quarter of 2021 and the examinership and reconstruction processes are expected to be concluded at the same time.

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