

# Summary

FRN Norwegian Air Shuttle ASA Senior Secured Bond  
Issue 2017/2020

NO 001 0809940



Sole Manager:



13.03.2018

## Summary

ISIN NO 001 0809940

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

**Section A – Introduction and warnings**

<i>Element</i>	<i>Disclosure requirement</i>	<i>Comments</i>
A.1	Warnings	<p>This summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation in its Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or 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.</p>
A.2	Resale and final placement by financial intermediaries	Not applicable. No resale will take place. No financial intermediaries will be used for the final placement of the Bonds.

**Section B – Issuer**

<i>Element</i>	<i>Disclosure requirement</i>	<i>Comments</i>
B.1	Legal and commercial name of the Issuer	The legal name of the Issuer is Norwegian Air Shuttle ASA, and the commercial name is Norwegian.
B.2	Domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation	Norwegian Air Shuttle ASA is a Norwegian Public Limited Liability Company incorporated on 22 January 1993 and regulated by the Norwegian Companies Act and supplementing Norwegian laws and regulations.

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		The Company No is 965 920 358 and its registered business address Snarøyveien 36, 1336 Lysaker, Norway.
B.4b	Known trends affecting the issuer and the industries in which it operates.	Not applicable. There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year.
B.5	A description of the group and the Issuer's position within the group.	The Norwegian Group consists of the parent company, Norwegian Air Shuttle ASA, and its directly or indirectly owned subsidiaries in Norway, Sweden, Denmark, Finland, Ireland, Spain, United Kingdom and Singapore. 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. Norwegian has four main business areas: People and Services, Aircraft Operations, which includes the various Air Operator's Certificates (AOCs), Assets and Financing, and Other activities (including Brand and Norwegian Reward).
B.9	Profit forecast or estimate	Not applicable. No forecasts or estimates are made public.
B.10	Qualifications in the audit report	Not applicable. There are no qualifications in the audited financial reports.
B.12	Selected historical financial information, statement regarding no material adverse change and significant changes in the financial or trading position.	<p>In December 2017, the Company received a request for information from the Financial Supervisory Authority in Norway (Finanstilsynet / "FT") regarding certain items in the financial statements for 2016 and the half yearly report for the first half of 2017. Norwegian replied to the request and as a result, agreements have been reached on most of the topics raised by FT without significant impact on the financial reports published by the Company but with some agreed improvements and additional information to be provided in future financial reporting. The Company is still in dialogue with FT regarding the accounting treatment of the Company's investment in Norwegian Finans Holding ASA (NOFI), specifically whether Norwegian still has significant influence over the investee. This assessment is not finalized at the time of publishing this quarterly report.</p> <p>In our view, we do not have significant influence in NOFI. If, however, a final conclusion should be that such influence exists, the equity method of accounting according to IAS 28 would be applied to the investment. As of December 31, 2017, this would</p>

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	<p>result in a reduction of the recognized value of the investment by NOK 1,993 million with a corresponding decrease in end balance equity. Effects of a change back to IAS 28 would also reverse financial gains in net profits of NOK 1,657 million, reverse fair value changes recorded in other comprehensive income of NOK 498 million and increase share of profit from associated companies by NOK 163 million.</p> <p>In January 2018, Norwegian Air Shuttle ASA completed a tap issue of EUR 65 million in the outstanding EUR 185 million senior unsecured bonds issue with ISIN NO 001 0753437 and maturity in December 2019 (NAS07). Following the tap issue, the new outstanding amount in NAS07 will be EUR 250 million. Net proceeds from the tap issue will be used for general corporate purposes and further growth of the Group. In connection with the placement of the tap issue, the Company has repurchased bonds with nominal value of NOK 171.5 million in the existing bond issue NAS06 (ISIN: NO 001 0736549) with maturity in May 2018.</p> <p>Norwegian and Widerøe signed an interline agreement on January 26, 2018. The agreement includes all Widerøe's Public Service Obligation routes in Norway and Norwegian's domestic routes in Norway. Initially, the flights will only be available for purchase through Widerøe's channels, with an estimated launch during the first half of March.</p> <p>On January 27, 2018 Norwegian Air Argentina (NAA) received the Air Services Operator Certificate (AOC) from the National Government. The document recognizes the company as a commercial airline, and certifies that it complies with safety and quality standards to carry out aeronautical operations and activities, in accordance with the law of the Argentine Republic. Other than this there is no significant change in the financial or trading position of the Group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published.</p> <p>There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.</p>
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<b>Norwegian Air Shuttle ASA</b> <i>(consolidated)</i>					
<b>INCOME STATEMENT</b>					
<i>(Amounts in NOK million )</i>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>	<b>Full year 2017</b>	<b>Q4 2017</b>	<b>Q4 2016</b>
	<i>audited</i>	<i>audited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>
Total operating revenue	26 054.5	22 491.1	30 948.3	7 844.4	6 026.7
Total operating expenses excl leasing, depreciation and amort.	24 234.1	22 143.4	26 998.7	7 457.2	4 669.6
Profit (loss) before tax (EBT)	1 508.3	75.0	(1 067.1)	(1 431.4)	299.7
<b>Net profit (loss)</b>	<b>1 135.0</b>	<b>246.2</b>	<b>(298.6)</b>	<b>(918.5)</b>	<b>197.2</b>
<b>BALANCE SHEET</b>					
<i>(Amounts in NOK million )</i>					
Total non-current assets	31 969.3	26 525.1	33 502.9	33 502.9	31 969.3
Total current assets	5 793.3	5 109.0	12 196.3	12 196.3	5 793.3
<b>Total Assets</b>	<b>37 762.7</b>	<b>31 634.1</b>	<b>45 699.3</b>	<b>45 699.3</b>	<b>37 762.7</b>
Total equity	4 049.0	2 965.3	4 091.0	4 091.0	4 049.0
Total non-current liabilities	20 303.0	17 935.8	25 026.5	25 026.5	20 303.0
Total short term liabilities	13 410.7	10 733.0	16.581.8	16.581.8	13 410.7
<b>Total equity and liabilities</b>	<b>37 762.7</b>	<b>31 634.1</b>	<b>45 699.3</b>	<b>45 699.3</b>	<b>37 762.7</b>
<b>CASH FLOW STATEMENT</b>					
<i>(Amounts in NOK million )</i>					
Net cash flow from operating activities	3 046.5	2 356.7	2 901.3	(852.5)	205.7
Net cash flow from investing activities	(6 512.4)	(5 189.2)	(3 428.1)	(2 213.4)	(1 112.0)
Net cash flow from financial activities	3 302.8	3 828.3	2 291.1	1 523.0	980.9
Net change in cash and cash equivalents	(130.5)	443.0	1 716.1	(1 527.4)	90.4
<b>Cash and cash equivalents in end of period</b>	<b>2 323.6</b>	<b>2 454.2</b>	<b>4 039.8</b>	<b>4 039.8</b>	<b>2 323.6</b>
Earnings per share (NOK) - Basic	31.75	6.99	(8.4)	(25.9)	5.5
Earnings per share (NOK) - Diluted	31.47	9.92	(8.4)	(25.9)	5.4
B.13	Recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.	There are no recent events particular to the Issuer which is to a material extent relevant to the evaluation of the Issuer's solvency.			
B.14	Description of dependencies upon other entities within the group	Norwegian Air Shuttle ASA is not dependent upon other entities within the group.			
B.15	A description of the issuer's principal activities.	<p>Norwegian has four main business areas:</p> <p><i>People and Services</i> Norwegian Group's crew, airline and crew support and administrative functions are mainly organized within or through companies in the business area People and Services, and provide services across the Group's business areas.</p> <p><i>Aircraft operations</i> The Group's commercial airline activities are today organized in the parent company Norwegian Air Shuttle ASA (NAS) based in Fornebu, Norway. The fully owned subsidiaries, Norwegian Air International Ltd. (NAI) based in Dublin, Ireland, Norwegian UK Ltd. (NUK) based in London, United Kingdom and</p>			

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		<p>Norwegian Air Norway AS (NAN) based in Fornebu, Norway, each hold an AOC in their respective locations. Norwegian's commercial airline activities are operated through 23 bases globally in the following geographical locations: Norway, Sweden, Denmark, Finland, United Kingdom, Spain, Thailand, United States, Italy and French Caribbean.</p> <p><i>Asset and Financing</i></p> <p>The Group's asset companies are organized in a group of subsidiaries based in Dublin, Ireland. Arctic Aviation Assets DAC. is the parent company. The business area handles aircraft financing, leases and ownership.</p> <p><i>Other business areas</i></p> <ul style="list-style-type: none"> <li>• Norwegian Brand Ltd. (Dublin, Ireland) has the responsibility of developing and maintaining the Norwegian Group's brand across all business areas.</li> <li>• Norwegian Reward, Norwegian's loyalty program, is a separate business unit with its own management. Reward is growing rapidly – it surpassed five million members in 2016 – and has a presence in the airline's major markets. Members earn CashPoints when booking Norwegian flights and buying products or services from partner companies. Reward members can then use those CashPoints as full or partial payment on all Norwegian flights or other products and services without restrictions, such as seat reservations.</li> <li>• Norwegian Cargo AS (Fornebu, Norway) is carrying out the Group's commercial cargo activities.</li> <li>• Norwegian Holidays AS (Fornebu, Norway) provides holiday packages to customers in the end market through the Group's web booking.</li> <li>• Bank Norwegian AS is an online bank for private customers in Norway. Norwegian Air Shuttle ASA owns 16.4 percent of the shares in the bank through the associated company Norwegian Finans Holding ASA.</li> </ul>
B.16	Description of ownership of the company.	

<b>The 20 largest shareholders in Norwegian Air Shuttle ASA per 31.12.2017:</b>			
<b><u>Shareholder</u></b>	<b><u>Country</u></b>	<b><u>Number of shares</u></b>	<b><u>Percent</u></b>
HBK Invest AS*	Norway	9,598,873	26.8 %
Folketrygdfondet	Norway	2,169,790	6.1 %
J.P. Morgan Securities plc	United Kingdom	1,809,096	5.1 %
Danske Capital (Norway)	Norway	1,779,467	5.0 %
Ferd AS	Norway	1,500,000	4.2 %
DNB Asset Management AS	Norway	1,158,911	3.2 %
Pareto Nordic Investments AS	Norway	691,000	1.9 %
KLP Forsikring	Norway	658,965	1.8 %
Ålandsbanken Sverige AB	Sweden	531,437	1.5 %
Watrium AS	Norway	459,000	1.3 %
Catella Bank S.A.	Luxembourg	352,926	1.0 %
Svenska Handelsbanken AB	Sweden	330,214	0.9 %
Nordnet Bank AB.	Norway	316,450	0.9 %
Storebrand Kapitalforvaltning AS	Norway	297,262	0.8 %
SAFE Investment Company Limited	Hong Kong	294,256	0.8 %
Nordnet Livsforsikring AS	Norway	282,063	0.8 %
Saxo Bank A/S	Denmark	255,819	0.7 %
Skagen AS	Norway	248,136	0.7 %
Nordea Funds Oy	Denmark	223,903	0.6 %
UBS Zuerich	Switzerland	220,313	0.6 %
<b>Top 20 shareholders</b>		<b>23,177,881</b>	<b>64.8 %</b>
Other shareholders		12,581,758	35.2 %
<b>Total number of shares</b>		<b>35,759,639</b>	<b>100.0 %</b>
HBK Invest AS is the largest shareholder, currently holding 26.8 per cent of the shares. Its majority owner is Mr Bjørn Kjos, CEO of Norwegian.			
B.17	Credit ratings	Not Applicable – Neither the Company nor the Bonds have been rated.	

**Section C – The Bonds**

<i>Element</i>	<i>Disclosure requirement</i>	<i>Comments</i>
C.1	Type and class of securities being offered / security identification numbers	Norwegian Air Shuttle ASA Senior Secured Bond Issue 2017/2020 ISIN NO 001 0809940
C.2	Currency	NOK
C.5	Restrictions on free transferability	Bondholders located in the United States will not be permitted to transfer the Bonds except (a) subject to an effective registration statement under the Securities Act, (b) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) outside the United States in accordance with Regulation S under the Securities

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		<p>Act in a transaction on the Oslo Børs, and (d) pursuant to an exemption from registration under the Securities Act provided by Rule 144 there under (if available). The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the date the Bonds were originally issued.</p>
C.8	<p>A description of the rights including ranking and limitations to those rights attached to the Bonds.</p>	<p>The Bond Agreement has been entered into between the Issuer and the Bond Trustee. The Bond Agreement regulates the Bondholder's rights and obligations in relations with the issue. The Bond Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Agreement.</p> <p>The Bonds shall be senior secured debt of the Issuer. The Bonds shall rank at least pari passu with all other senior debt of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt.</p> <p>The Bonds, including accrued but unpaid interest, costs and expenses, shall be secured by the Security Interest.</p> <p>Security Interests means:</p> <ul style="list-style-type: none"> <li>(a) a first priority pledge granted by the Issuer over the Ground Lease Agreement, including for the avoidance of doubt buildings and other plants and fixtures on the Property; and</li> <li>(b) a right of co-insurance (medforsikringsrett) to the insurances relating to the Property (fullverdiforsikring).</li> </ul> <p>The Issuer undertakes not to create any additional security interest (negative pledge) over the Ground Lease Agreement (including, for the avoidance of doubt, any buildings and other plants and fixtures on the Property). In relation to the negative pledge, the Issuer has entered into an addendum to the Ground Lease Agreement with Avinor AS whereby a bank guarantee - as for debtors own debt - (Norw.: "selvskyldnergaranti") shall be issued as a substitute for the statutory security in favor of Avinor AS for due payment of three years of ground lease payments.</p> <p>The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over any</p>



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		<p>shares in Arctic Aviation or any other direct Subsidiary of the Issuer.</p> <p>Upon the occurrence of a Change of Control Event, a De-Listing Event or a Material Disposal Event, each Bondholder shall have the right to require that the Issuer redeems its Bonds (a "Put Option") at a price of 101 % of par plus accrued interest unless the settlement date for such Put Option occurs three Business Days before Maturity Date or later.</p>
C.9	Information on the interest rate, interest payment dates, installments and representative of the bondholders	<p>The Bonds are issued with a Floating Rate: 3 months NIBOR + a Margin of 3.95 percentage points per annum.</p> <p>21 February, 21 May, 21 August and 21 November each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention.</p> <p>Interest payments shall be made in arrears on the Interest Payment Dates each year, the first Interest Payment Date being 21 February 2018.</p> <p>The relevant interest payable amount shall be calculated based on a period from, and including, the Issue Date to, but excluding, the next following applicable Interest Payment Date, and thereafter from, and including, that Interest Payment Date to, but excluding, the next following applicable Interest Payment Date.</p> <p>The applicable Floating Rate on the Bonds is set/reset on each Interest Payment Date by the Bond Trustee commencing on the Interest Payment Date at the beginning of the relevant calculation period, based on the Bond Reference Rate two Business Days preceding that Interest Payment Date.</p> <p>The Bonds shall mature in full on the Maturity Date, and shall be repaid at par (100%) by the Issuer.</p> <p>The Bond trustee is Nordic Trustee AS.</p>
C.10	In case the Bonds have a derivative component in the interest payment, a description of potential impacts on the Bonds value is affected by the value of the underlying instrument.	<p>The coupon payments, which depend on the NIBOR interest rate and the Margin, will vary in accordance with the variability of the NIBOR interest rate. The interest rate risk related to this bond issue will be limited, since the coupon rate will be adjusted quarterly according to the change in the reference interest rate (NIBOR 3 months) over the 3 year tenor.</p>
C.11	An indication whether the Bonds will be	<p>An application for listing will be sent Oslo Børs.</p>

	listed on a regulated market.	
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**Section D – Risks**

<i>Element</i>	<i>Disclosure requirement</i>	<i>Comments</i>
D.2	Key information on the key risks that are specific to the issuer.	<p><u>Market Risk</u> The airline industry is undergoing a challenging time as a consequence of Brexit and strong competition. Future demand is dependent on sustained consumer and business confidence in Norwegian's key markets. Risk of changes in market prices, such as foreign exchange rates, jet fuel prices and interest rates which will affect the Group's income or value of its holdings of financial instruments.</p> <p><u>Credit risk</u> 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.</p> <p><u>Risk of losses from aviation accidents</u> Norwegian 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</p> <p><u>Operational disruptions and interruptions</u> Operational disruptions and interruptions range from delays to canceled flights and impose extra costs on airlines and adversely impact passengers.</p> <p><u>Competiton</u> Norwegian may experience competition on routes they operate from new and existing low-price airlines. Any changes in Norwegian's competitiveness may effect the Company's operating result and financial position.</p>
D.3	Key information on the key risks that are specific to the Bonds.	Liquidity risk - No market-maker agreement is entered into in relation to this bond issue, and the liquidity of bonds will at all times depend on the market participants view of the credit quality of the Issuer as

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		<p>well as established and available credit lines, and in general investors' funding and liquidity situation.</p> <p>Interest rate risk is the risk borne by the Bond Issue due to variability of the NIBOR interest rate. The coupon payments, which depend on the NIBOR interest rate and the Margin, will vary in accordance with the variability of the NIBOR interest rate.</p> <p>Credit risk the risk that the Issuer fails to make the required payments under the Bond Issue (either principal or interest).</p> <p>Market risk is the risk that the value of the Bond Issue will decrease. The price of a single bond issue will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, and the liquidity of the bond issue in the market.</p>
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**Section E – Offer**

<i>Element</i>	<i>Disclosure requirement</i>	<i>Comments</i>
E.2b	Use of proceeds.	The net proceeds of the Bonds shall be applied towards refinancing of the outstanding bond with ticker "NAS05" (ISIN NO0010724313) and maturity 21 November 2017 and for general corporate purposes.
E.3	Terms and conditions of the offer	Not Applicable – The Bonds have not been subject to a public offer, it is already issued and settled.
E.4	Material interests in the offer	<p>The involved persons in Norwegian Air Shuttle ASA have no interest, nor conflicting interests that is material to the Issue.</p> <p>Norwegian Air Shuttle ASA has mandated Arctic Securities AS as Sole Manager for the issuance of the Bonds. The Sole Manager has acted as advisor to Norwegian Air Shuttle ASA in relation to the pricing of the Bonds.</p> <p>The Sole Manager and/or any of its affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Securities Note, and may perform or seek to perform financial advisory or banking services related to such instruments. The Sole Manager corporate finance department may act as manager or co-manager for this Issuer in private and/or public placement and/or resale not publicly available or commonly known.</p>
E.7	Estimated expenses charged to the	Not Applicable – The investor of the Bonds were not

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	investor	charged any expenses due to the issuance of the Bonds.
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