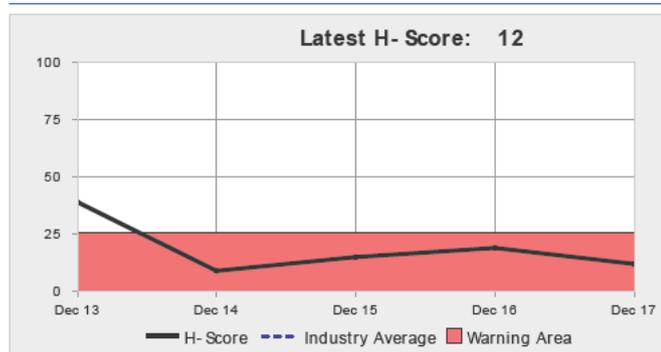


Overview

Results to Dec 17

Financial Health Profile

Health Profile



The H-Score is the overall measure of the company's financial health. Companies in the Warning Area (H-Score 25 or less) may be vulnerable and should be viewed with care. So long as any company remains outside the Warning Area, it has very little likelihood of financial distress.

Health Scores	Dec 13	Dec 14	Dec 15	Dec 16	Dec 17
H-Score	39	9	15	19	12
Risk Rating	6	10	9	8	9

Factor Profile



This chart reveals where the company's strengths and weaknesses lie, showing the contribution to the company's financial health from the strength of the Profits in relation to the balance sheet, the Management of the assets (liquidity, working capital etc.), and the Management of the funding (equity base, debt, current liabilities).

Probability of Distress (within 3 years) = 22.1%

Credit Limit = NOK 20,000,000

Refer to the LEGAL & INFO section for more information about the credit limit

Financial Profile (000's NOK)

Period	Sales	Earnings Before Tax	Total Assets	Net Worth
Dec 17	30,948,264	-2,562,200	43,522,668	2,098,405
Dec 16	26,054,525	1,508,333	37,762,651	4,048,975
Dec 15	22,483,544	75,038	31,634,113	2,965,312

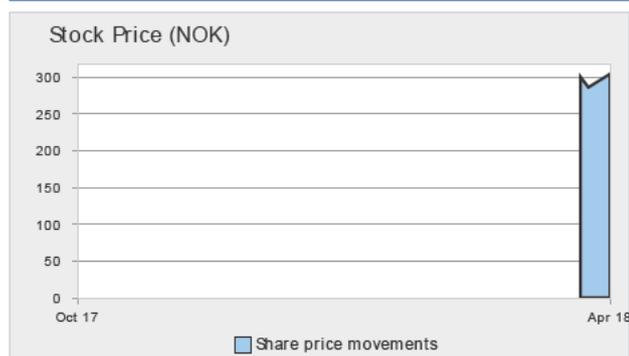
Activity

The Company is a low-fare, point-to-point airline. The Company has been registered on the Oslo Stock Exchange. It was founded in 1993, the low-fare operations started in 2002. Today, the Company has 22 aircrafts and operates in total 85 routes, 10 domestic and 75 international.

Corporate Information

<b>Company Type</b>	Publicly Quoted	<b>Status</b>	Active
<b>Industry</b>	Air Transportation, Nonscheduled	<b>Address</b>	OKSENOYVEIEN 3, PO BOX 115, FORNEBU, Norway, NO-1330
<b>Website</b>	http://www.norwegian.no	<b>Telephone</b>	+47 67 59 30 00
<b>Country of Incorporation</b>	Norway		

Equity Profile



Stock Fundamentals (NOK)

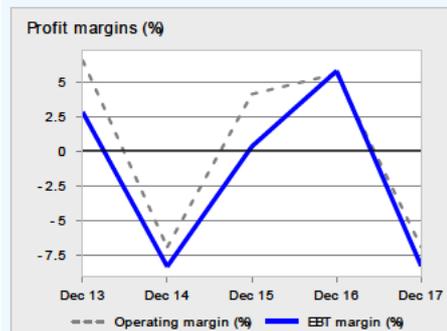
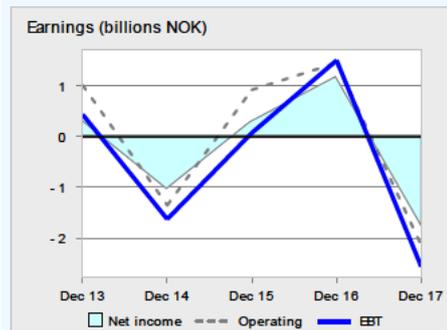
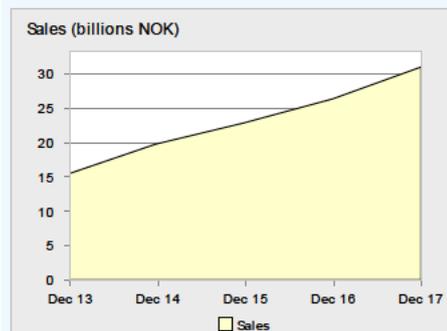
30 Apr 2018

<b>Symbol</b>	NAS	<b>Div per Share</b>	
<b>Exchange</b>	Oslo Bors	<b>Dividend Yield %</b>	
<b>Market Cap (m)</b>	10,814.1	<b>52 Week high</b>	302.41
<b>Share Price</b>	302.41	<b>52 Week low</b>	167.50
<b>PE Ratio</b>		<b>EPS</b>	

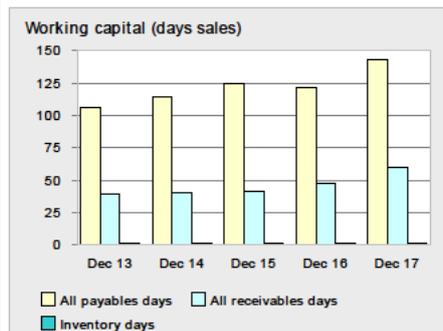
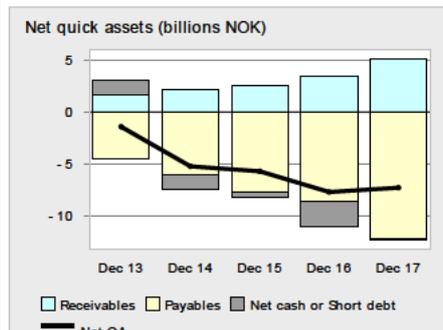
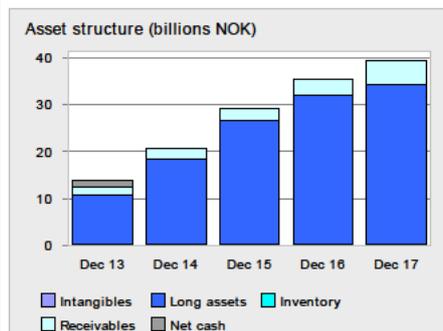
## Financial Trends

Financial Health Profile

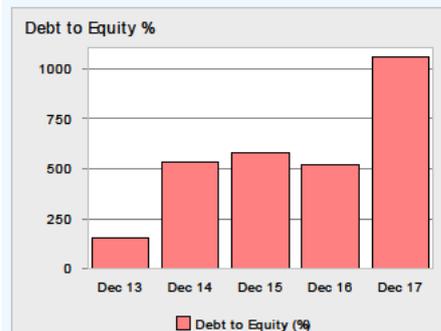
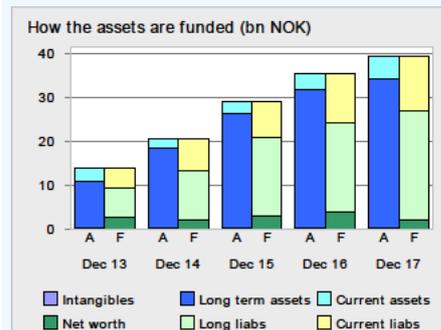
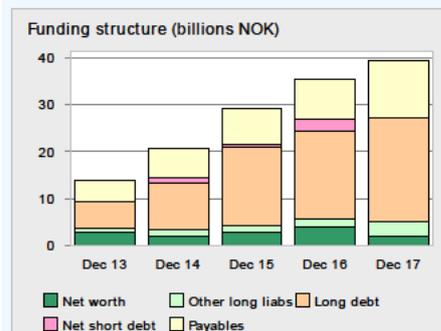
### Income



### Assets



### Funding



## Look out for

### Sales

- Deteriorating sales
- Sales rising sharply – How have the sales been funded? Has there been an acquisition? Has the balance sheet been weakened?
- Rising sales and falling margins – Often a warning of a weakening balance sheet

### Earnings

- Low or deteriorating earnings
- Low retentions - Are they sufficient to fund the growth? If not, has the balance sheet weakened?
- Big gaps between operating earnings and earnings before tax

### Profit margins

- Weak margins or weakening margins

### Asset structure

- Sharp increases - Have they made an acquisition, or large investment in fixed or other assets? Has this been well funded?
- Sharp decreases - Have they made a significant disposal? Has there been a material change in the business?
- High fixed assets - Have they been appropriately funded long term?
- High or new levels of intangibles. Usually signals an acquisition. Has this been well funded? What effect has this had on the business?

### Net quick assets

- Weak or deteriorating net quick assets - Is liquidity becoming a problem?

### Working capital

- High creditor days - Is there too much dependence on creditor finance?
- High debtor days - Is there a problem?
- High or rising stock days - Is there a risk of stock obsolescence?

### Funding structure

- Sharp changes
- Low level of net worth
- Deterioration in the proportion of funding from net worth or from other long term funding
- High or rising current liabilities
- High levels of debt, especially short term

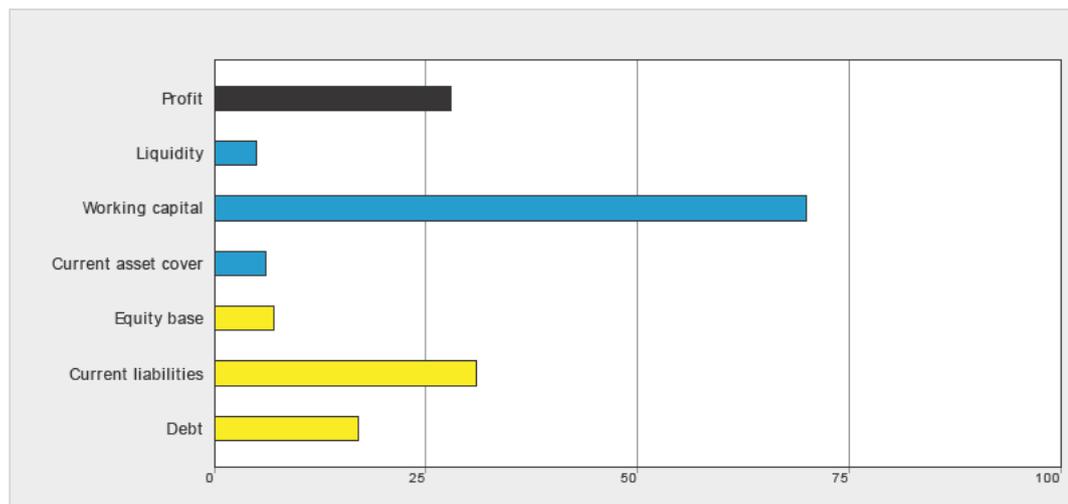
### How the assets are funded

- Have intangibles absorbed a high proportion of net worth?
- Have the fixed assets all been funded long term?
- Is there a good proportion of long term funding supporting the current assets?

### Debt to Equity

- High or rising debt to equity

## Strengths and Weaknesses Profile



The above measures score the company simultaneously from seven points of view. Together they are the basis of the calculation of the H-Score, the measure of a company's overall financial health. Individually they reveal where the company is strong and where it is weak. In each case the higher the score the better.

### Profit

This is the contribution that profits in the latest period have made to diminish the risk arising from the company's need to meet its immediate commitments, its current liabilities. The higher the current liabilities, the greater the need for high profits to make an impact on the score on this measure.

### Liquidity

How much cash and other liquid assets (like debtors) are available after meeting all immediate commitments of current liabilities to meet the ongoing expenditure of the business? The greater the excess of liquid assets over current liabilities, the higher the score.

### Working capital

How much support does the investment in debtors and stocks receive from the more secure long-term funding of the business? The greater the long-term funding, the higher the score.

### Current asset cover

How much cover is there over the total liabilities of the business from its current assets. The greater the cover, the higher the score.

### Equity base

What proportion of the funding of the business arises from its capital base? The greater the capital base, the higher the score.

### Current liabilities

What proportion of the funding of the business is from current liabilities? The higher the current liabilities, the lower the score.

### Debt

What proportion of the funding of the business is from debt? The higher the debt the lower the score.

## Diagnosis - 2

Financial Health Profile

Currency : NOK Units: 000's

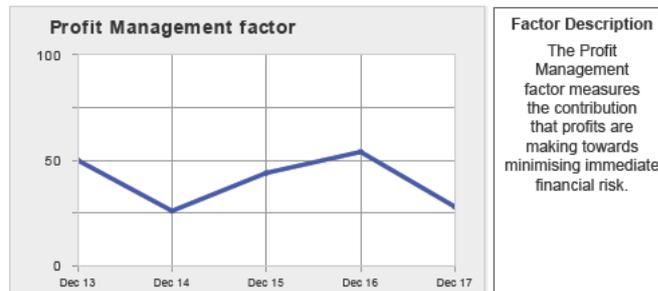
The H-Score model reviews any company from 7 points of view simultaneously in order to obtain a comprehensive evaluation of its financial health.

The company's strengths and weaknesses on each of these 7 Factors is displayed here within the key management groupings: Profit Management, Asset Management, and Funding Management. The Factor Scores are measured from 0 (worst) to 100 (best).

The power that any Factor has to materially affect the H-Score will vary from company to company depending on the company's nature and financial structure.

The financial data items contributing to each Factor are indicated below each graph. (H) indicates that the higher the better, (L) indicates the lower the better.

### Profit Management

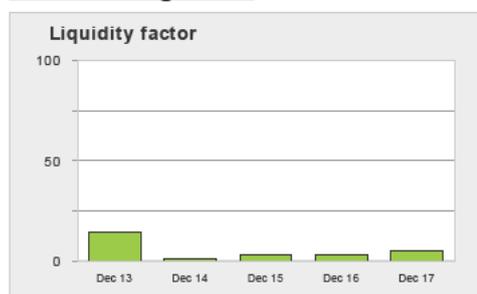


#### Factor Description

The Profit Management factor measures the contribution that profits are making towards minimising immediate financial risk.

Period	Dec 13	Dec 14	Dec 15	Dec 16	Dec 17
Factor Score	50	26	44	54	28
EBT + amortisation - 6 (H)	492,302	-1,576,887	121,051	1,547,609	-2,525,556
Current liabilities - 1 (L)	4,516,213	7,426,289	8,278,869	11,087,018	12,358,035

### Asset Management

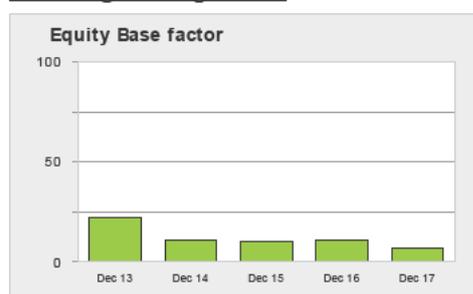


#### Factor Description

The Liquidity factor reviews the liquid assets of debtors and cash against the immediate demand on those from the current liabilities, in relation to the rate of expenditure.

Period	Dec 13	Dec 14	Dec 15	Dec 16	Dec 17
Factor Score	14	1	3	3	5
Quick assets - 3 (H)	3,069,351	2,173,522	2,550,716	3,367,225	5,053,278
Current liabilities - 1 (L)	4,516,213	7,426,289	8,278,869	11,087,018	12,358,035
Expenses - 4,6 (L)	15,073,837	21,167,086	22,408,506	24,546,192	33,510,464

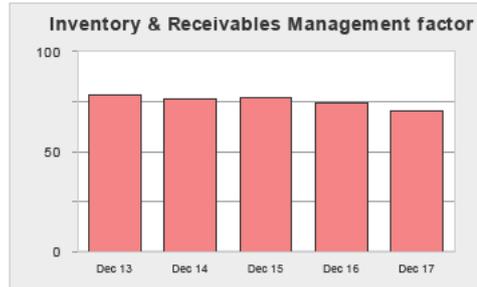
### Funding Management



#### Factor Description

The Equity Base factor measures the adequacy of the equity base.

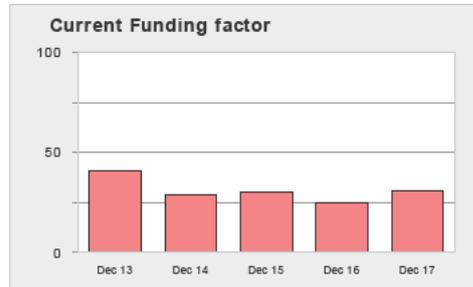
Period	Dec 13	Dec 14	Dec 15	Dec 16	Dec 17
Factor Score	22	11	10	11	7
Total liabilities - 1 (L)	11,244,516	18,586,958	26,214,641	31,390,029	37,384,487
Net worth - 2 (H)	2,524,557	1,901,426	2,758,637	3,850,715	1,897,021



#### Factor Description

The Inventory and Receivables Management factor measures the degree to which the investment in working capital is supported by long term funding (net of intangibles).

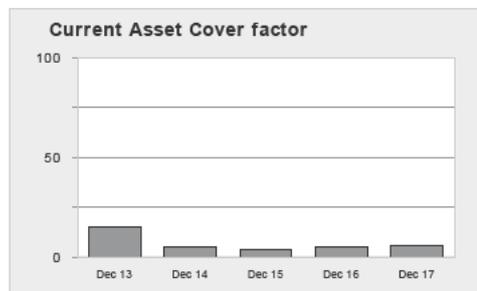
Period	Dec 13	Dec 14	Dec 15	Dec 16	Dec 17
Factor Score	78	76	77	74	70
Inventory & other (L)	74,135	82,851	104,141	102,465	101,890
Receivables (L)	1,660,468	2,173,522	2,550,716	3,367,225	5,053,278
Long term funding - 5 (H)	9,252,860	13,062,095	20,694,409	24,153,726	26,923,473



#### Factor Description

The Current Funding factor measures the dependence of the company on its current liabilities for the funding of its tangible assets. The greater the dependence on current liabilities, the lower the score.

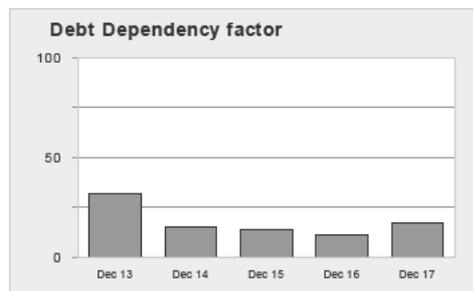
Period	Dec 13	Dec 14	Dec 15	Dec 16	Dec 17
Factor Score	41	26	30	25	31
Current liabilities - 1 (L)	4,516,213	7,426,289	8,278,869	11,087,018	12,358,035
Total tangible assets - 2 (H)	13,769,073	20,488,384	28,973,278	35,240,744	39,281,508



#### Factor Description

The Current Asset Cover factor measures the amount of cover the liabilities of the company receive from its current assets.

Period	Dec 13	Dec 14	Dec 15	Dec 16	Dec 17
Factor Score	15	5	4	5	6
Current assets - 1 (H)	3,143,486	2,256,373	2,654,857	3,469,690	5,155,168
Total liabilities - 1 (L)	11,244,516	18,586,958	26,214,641	31,390,029	37,384,487



#### Factor Description

The Debt Dependency factor measures the dependence of the company on debt for the funding of its tangible assets. The greater the dependence on debt, the lower the score.

Period	Dec 13	Dec 14	Dec 15	Dec 16	Dec 17
Factor Score	32	15	14	11	17
Short term debt - 1 (L)	0	1,319,248	587,228	2,445,166	204,710
Long term debt (L)	5,743,756	9,953,455	16,543,404	18,706,062	22,080,271
Total debt (L)	5,743,756	11,272,703	17,130,632	21,151,228	22,284,981
Total tangible assets - 2 (H)	13,769,073	20,488,384	28,973,278	35,240,744	39,281,508

#### Explanatory notes

- 1 - Cash (incl. Short term investments) and Debt due within a year are netted off
- 2 - Net of Intangibles
- 3 - Receivables & Cash (1)
- 4 - Sales less Earnings before tax

- 5 - Net worth (after netting off Intangibles) + Long term liabilities
- 6 - In cases where the financial year is shorter or longer than 12 months these data items have been annualised

**Results**

Financial Health Profile

**Income Statement (000's NOK)**

	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13
Months in period	12	12	12	12	12
Exchange Rate	N/A	N/A	N/A	N/A	N/A
Sales	30,948,264	26,054,525	22,483,544	19,540,039	15,511,218
Cost of sales	0	0	0	0	0
<b>Gross profit</b>	<b>30,948,264</b>	<b>26,054,525</b>	<b>22,483,544</b>	<b>19,540,039</b>	<b>15,511,218</b>
Other operating income/costs	-33,388,468	-24,597,891	-21,558,179	-20,309,196	-14,494,963
Special items	297,845	0	0	-583,751	0
<b>Operating profit</b>	<b>-2,142,359</b>	<b>1,456,634</b>	<b>925,365</b>	<b>-1,352,908</b>	<b>1,016,255</b>
Interest income & other	538,774	742,072	-373,465	178,129	-323,280
Interest expense	-958,615	-690,373	-476,862	-452,268	-255,594
<b>Earnings before tax</b>	<b>-2,562,200</b>	<b>1,508,333</b>	<b>75,038</b>	<b>-1,627,047</b>	<b>437,381</b>
Tax	768,495	-373,352	171,114	557,284	-115,817
Earnings after tax	-1,793,705	1,134,981	246,152	-1,069,763	321,564
Other	-846	282	0	0	0
<b>Net income</b>	<b>-1,794,551</b>	<b>1,135,263</b>	<b>246,152</b>	<b>-1,069,763</b>	<b>321,564</b>
No. of employees (heads)	7,845	5,796	4,576	4,375	3,507

**Additional items which impact the H-Score (000's NOK)**

Amortisation & impairment of intangibles	-36,645	-39,276	-46,013	-50,160	-54,921
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**Balance sheet (000's NOK)**

	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13
Cash and equivalents	4,039,776	2,323,647	2,454,160	2,011,139	2,166,126
Short term investments	0	0	0	0	11,158
Accounts receivable - trade	495,311	318,248	349,994	327,071	1,386,712
Other current receivables	4,557,967	3,048,977	2,200,722	1,846,451	273,756
Inventory	101,890	102,465	104,141	82,851	74,135
Other non-liquid assets	0	0	0	0	0
<b>Current assets</b>	<b>9,194,944</b>	<b>5,793,337</b>	<b>5,109,017</b>	<b>4,267,512</b>	<b>3,911,887</b>
Intangible assets	201,384	198,260	206,675	206,825	225,270
Property, plant & equip.	31,451,175	30,099,674	24,812,169	16,985,753	10,150,769
Other long term assets	2,675,165	1,671,380	1,506,252	1,246,258	474,818
<b>Total long term assets</b>	<b>34,327,724</b>	<b>31,969,314</b>	<b>26,525,096</b>	<b>18,438,836</b>	<b>10,850,857</b>
<b>Total assets</b>	<b>43,522,668</b>	<b>37,762,651</b>	<b>31,634,113</b>	<b>22,706,348</b>	<b>14,762,744</b>
Debt - due within 1 year	4,244,486	4,768,813	3,041,388	3,330,387	768,401
Accounts payable	1,754,997	990,859	780,626	888,926	632,921
Other current payables	10,398,328	7,650,993	6,911,015	5,218,115	3,883,292
<b>Current liabilities</b>	<b>16,397,811</b>	<b>13,410,665</b>	<b>10,733,029</b>	<b>9,437,428</b>	<b>5,284,614</b>
Long term debt	22,060,271	18,706,062	16,543,404	9,953,455	5,743,756
Other long liabilities	2,966,181	1,596,949	1,392,368	1,207,214	984,547
<b>Long term liabilities</b>	<b>25,026,452</b>	<b>20,303,011</b>	<b>17,935,772</b>	<b>11,160,669</b>	<b>6,728,303</b>
Minority interest	12,328	10,770	0	0	0
Shareholders' equity	2,086,077	4,038,205	2,965,312	2,108,251	2,749,827
<b>Net worth</b>	<b>2,098,405</b>	<b>4,048,975</b>	<b>2,965,312</b>	<b>2,108,251</b>	<b>2,749,827</b>
<b>Total liabilities &amp; Net worth</b>	<b>43,522,668</b>	<b>37,762,651</b>	<b>31,634,113</b>	<b>22,706,348</b>	<b>14,762,744</b>

## Results

Financial Health Profile

### Financial Ratios

Profitability	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13
Operating margin (%)	-6.9	5.6	4.1	-6.9	6.6
EBT margin (%)	-8.3	5.8	0.3	-8.3	2.8
Return on net worth (%)	-122.1	37.3	2.5	-77.2	15.9
Return on assets (%)	n/a	5.8	1.7	n/a	4.7
Interest cover (%)	-1.7	3.2	1.2	-2.6	2.7
Tax rate (%)		24.8	-228.0		26.5

### Trade/Funding

Sales:Tangible long assets	1.0	0.9	0.9	1.2	1.5
Sales:Net worth	14.7	6.4	7.6	9.3	5.6
Debt to Equity (%)	1,061.0	522.4	577.7	534.7	157.6

### Liquidity

Current ratio (%)	0.6	0.4	0.5	0.5	0.7
Acid test ratio (%)	0.6	0.4	0.5	0.4	0.7

### Working capital:sales

Inventory days	1.2	1.4	1.7	1.5	1.7
Accounts receivables days	5.8	4.5	5.7	6.1	32.6
All other receivables days	53.8	42.7	35.7	34.5	6.4
Accounts payables days	20.7	13.9	12.7	16.6	14.9
All other payables days	122.6	107.2	112.2	97.5	91.4

### Staff (000's NOK)

Sales per head	3,945.0	4,495.3	4,913.4	4,466.3	4,422.9
Earnings before tax per head	-326.6	260.2	16.4	-371.9	124.7

### Shareholders' equity (000's NOK)

	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13
Months in period	12	12	12	12	12
Common / ordinary capital	3,576	3,576	3,576	3,516	3,516
Share capital - other					
Participation right certificates	0	0	0	0	0
Capital surplus / share premium reserve	1,873,068	2,004,743	2,202,186	1,635,870	1,155,191
Revaluation reserve					
Retained earnings	81,666	1,919,266	759,550	468,865	1,591,120
Unappropriated net profit					
Equity reserves - other	0	0	0	0	0
Cumulative translation adjustment					
Treasury stock - total (all capital)	0	0	0	0	0
Shareholders' equity - other/unallocated	127,767	110,620	0	0	0
Shareholders' equity	2,086,077	4,038,205	2,965,312	2,108,251	2,749,827

### Cash flow statement (000's NOK)

	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13
Months in period	12	12	12	12	12
Operating activities	2,901,340	3,046,473	2,356,707	287,104	2,378,855
Investing activities	-3,428,089	-6,512,425	-5,189,153	-4,931,386	-2,127,833
Financing activities	2,291,090	3,302,834	3,282,288	4,478,431	184,174
Other	-48,212	32,605	-6,821	10,864	35
Net change in cash	1,716,129	-130,513	443,021	-154,987	435,231

## Key Descriptions - Health Profile

The **H-Score** is a measure of the overall financial health of a company. It is based on a statistical evaluation of a company's publicly available financial results, an evaluation which reviews a company from several different angles simultaneously in order to determine its overall financial health.

Displayed graphically over several years, it is a ranking of all companies on a scale of 0 (worst) to 100 (best). Companies in the **Warning Area** (H-Score of 25 or less) share the characteristics of previously failed companies and may be vulnerable. It is rare for companies to fail or experience major distress as long as their H-Score remains outside the Warning Area.

The **Risk Rating** places the company into one of ten risk categories, with 1 indicating the lowest Probability of Distress and 10 the highest. Each successive step in the Risk Rating scale indicates a doubling of the degree of risk.

The **PoD (Probability of Distress)** gives the statistical likelihood of a company failing or undergoing a major financial reconstruction in the next 3 years. The PoD is calculated from a combination of the H-Score and the current economic outlook.

The **Factor Profile** shows the company measured on the three key financial management areas contributing to its overall financial health. The three key financial management areas are:

**Profit management** - The contribution of profits to minimising immediate financial risk.

**Asset management** - Focuses on liquidity, working capital and cover from the current assets.

**Funding management** - Focuses on the strength of the funding, - the capital base, debt and the current liabilities.

## Credit Limit

The Credit Limit is a benchmark unsecured trade limit that could be used as a starting point when considering the amount of credit that should be extended to this company by a single supplier of goods, services or finance.

The Credit Limit is only a benchmark guide (not a rigid specification) and a supplier should always carry out additional research, particularly when considering extending credit in respect of relatively larger sums and/or extending credit to companies in the Warning Area.

The calculation gives consideration to the company's size, level of trading activity, the degree to which it is already exposed short term to its creditors, its ability to repay them and its working capital position. It uses the H-Score, the measure of the company's financial strength including cash flow measures and the Probability of Distress. The Credit Limit assumes average circumstances, for example a 60-day period before payment is received. It has not been specifically customised, nor does it address a supplier's own circumstances such as its ability to bear losses, its profit margins and its appetite for risk.

The maximum Credit Limit is capped at GBP 50m.

The Credit Limit is not calculated in the following circumstances:

- (1) Balance Sheet not in balance
- (2) Total tangible assets = 0
- (3) Financial Industry (such as banks & insurance, unless specifically allowed through for evaluation)
- (4) Bankruptcy or other distressed documents filed
- (5) Financials out of date
- (6) Sales is negative
- (7) Company is 'inactive'

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