# NORWEGIAN TO FOCUS ON A STRONG EUROPEAN NETWORK

**News / Airlines**

**Board of Directors of Norwegian Air has outlined a simplified business structure and dedicated short-haul route network. With this plan, Norwegian can build a robust and solid company that will attract investors and continue to serve new and existing customers.**

**Norwegian has long been recognized as an industry leader in low-cost travel, winning numerous awards. The company will build on this foundation, focusing on its core Nordics business, operating a European short-haul network with narrow-body aircraft. The airline will continue to meet its customers' needs by offering competitive fares across a broad range of domestic routes in Norway, across the Nordics, and to key European destinations.**

**"Our short-haul network has always been the backbone of Norwegian and will form the basis of a future resilient business model," said Jacob Schram, CEO of Norwegian.**

**The current plan is to serve these markets with around 50 narrow-body aircraft in operation in 2021 and to increase that number to around 70 narrow-body aircraft in 2022. Furthermore, Norwegian targets to reduce its debt significantly to around NOK 20 billion and to raise NOK 4 - 5 billion in new capital through a combination of a rights issue to current shareholders, a private placement, and a hybrid instrument. The company has**

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**received concrete interest in participation in the private placement. Norwegian has recently reinitiated a dialogue with the Norwegian government about possible state participation based on the new business plan.**

“I am pleased to present a robust business plan today, which will provide a new start for the company. By focusing our operation on a short-haul network, we aim to attract existing and new investors, serve our customers and support the wider infrastructure and travel industry in Norway and across the Nordics and Europe,” said Schram.

The COVID-19 pandemic has profoundly affected the entire aviation industry. Travel restrictions and changing government advice continue to negatively influence demand for long haul travel, and Norwegian’s entire Boeing 787 Dreamliner fleet has been grounded since March 2020. Future demand remains highly uncertain. Under these circumstances, a long-haul operation is not viable for Norwegian and these operations will not continue. The consequence of this decision is that the board of directors of the legal entities employing primarily long-haul staff in Italy, France, the UK, and the US have contacted insolvency practitioners. Norwegian will continue to assess profitable opportunities as the world adapts and recovers from the impact of COVID-19.

“Our focus is to rebuild a strong, profitable Norwegian so that we can safeguard as many jobs as possible. We do not expect customer demand in the long haul sector to recover in the near future, and our focus will be on developing our short-haul network as we emerge from the reorganization process, said Schram. “It is with a heavy heart that we must accept that this will impact dedicated colleagues from across the company. I would like to thank each one of our affected colleagues for their tireless dedication and contribution to Norwegian over the years.”

Customers with bookings affected by the future changes in our route network will be contacted directly and will be refunded. The examinership and reconstruction processes undertaken in Ireland and Norway will continue as planned, and the plan presented today is subject to approval by the Examiner and Reconstructor, support from the creditors and subsequently court approval.

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