

13 May 2020

DP Aircraft I Limited (the “Company”)

Company Update

Further to the Company’s announcement of 9 April, the Board of DP Aircraft I Limited provides the following update regarding its discussions with its two lessees, Thai Airways and Norwegian Air Shuttle, and its lending banks.

Thai Airways

As adverted to in the Chairman’s Statement contained in the Annual Report for the year ended 31 December 2019, which was published at the end of last month, the Company has agreed a rent deferral arrangement with Thai, commencing on 29 April 2020. Pursuant to this arrangement, lease rental payments representing approximately US\$3.4m in aggregate are being deferred, with the deferred amounts to be paid back in twelve equal monthly instalments, along with interest accruing thereon, by November 2021. This is subject to signing of final documentation. The Company’s debt repayment obligations in respect of the assets leased to Thai remain unchanged; and the Company’s lending banks in relation thereto have given their approval to this deferral arrangement.

Thai Airways made its first lease repayment for the adjusted amount in respect of April on its due date.

Norwegian Air Shuttle

As has been widely reported, Norwegian Air Shuttle has been offered financial support by the Norwegian government in an amount worth up to NOK3bn (approximately £230m) subject to certain pre-conditions, among them agreement from Norwegian’s bondholders and lessors to swap their debt and lease payment rights for equity in Norwegian. The Board and its advisers have been in negotiations with Norwegian regarding this proposal, and have agreed to the equity swap on the following basis:

- All of Norwegian’s payment obligations until 30 June 2020 are to be waived to the extent that they have not already been met; and from July 2020 to March 2021 a ‘power by the hour’ arrangement will instead apply. Under this arrangement, Norwegian will only pay lease rentals in respect of the two assets which it has leased from the Company to the extent that they actually operate them.
- The ‘power by the hour’ arrangement will come to an end on 31 March 2021. Thereafter Norwegian will make monthly lease payments to the Company again, at a reduced rate to that which has applied to date, reflecting the downward pressure on market rates for lease rentals that is widely anticipated in the aftermath of the Covid-19 crisis.
- In addition to monthly lease rental payments the Company will receive equity in Norwegian, with the number of shares to be calculated by reference to the monies which are being waived and/or forborne by the Company as a result of the ‘power by the hour’ arrangement and the reduced monthly rental amount from April 2021. The shares are to be provided to the Company in two tranches over the coming twelve months, with the

first tranche expected to be allotted later this month and the second tranche in April 2021. The first tranche of shares will have lock-up dates attached allowing partial sales in August and October 2020, with the Company free to dispose of all such shares on any date falling on or after 9 December 2020.

- The shares in Norwegian will be pledged to the lending banks for as long as loan deferrals are outstanding, and accordingly any sale of shares during that time will require the prior consent of the banks.

Norwegian is now in the process of finalising approval from its shareholders, bondholders and lessors for implementation of the proposed debt for equity swap. Norwegian received formal approval from three of its four bondholder groups for the proposal at a bondholder meeting held on 1 May, and has subsequently reached agreement with the other group; a further and final bondholder meeting is now expected to be held on 18 May. Norwegian has also confirmed that it has received sufficient support from lessors for the swap to satisfy the condition relating thereto in its proposal to bondholders. An extraordinary general meeting of Norwegian's shareholders on 4 May overwhelmingly supported the debt to equity proposition, with over 95 per cent. of votes cast in favour of the proposal. The arrangements agreed between the Company and Norwegian as described above will not come into effect until final bondholder approval has been given on 18 May.

The Company's lending banks in respect of the assets leased to Norwegian have given their approval to the arrangements described above subject to documentation being finalised, and at the same time have agreed to certain adjustments to the Company's repayment obligations in relation thereto. Repayments of principal due during the period from May 2020 to March 2021 will be deferred, and the profile of debt service for the period starting from 1 April 2021 will be adjusted to reflect the proposed reduction in Norwegian's monthly lease payments. All deferred amounts must be repaid by 30 June 2025 at the latest (with prepayment permissible without charge); and interest on deferred amounts will be payable on a floating rate base calculated as 1-Month Libor plus cost of funds plus increased margin.

The Board will continue to monitor the situation with regard to its lessees, and will provide a further update to shareholders as and when there are any further material developments. Shareholders should note that the Board's decision to suspend dividend payments remains unchanged. This position is unlikely to be reviewed until there is greater clarity as to both the ongoing financial position of its two lessees and the broader macroeconomic backdrop in the context of the Covid-19 crisis; and will need to be agreed in consultation with the Company's lending banks.

For further information please contact:

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