



Reykjavík, 27.11.2018

Dear WOW air bondholder,

Since the closing of our bond offering in September a number of external and internal events have unfortunately worsened significantly and we are now working hard on securing the long term funding of WOW air.

During and following our bond offering we had significant bad publicity about the financial health of WOW air which ended up having a more negative impact on our sales and credit position than anticipated. As a result, our Q4 results are materially worse than originally anticipated.

Secondly when Primera air collapsed in October the negativity escalated which has further worsened an already challenged situation. We were making with finalizing a sale lease back agreement which has since been cancelled resulting in USD25m less inflow than originally planned.

Thirdly and due to the continuous negative events all our lessors, creditors and authorities have been monitoring the situation even closer and demanding stricter payment terms then before further putting pressure on our cash flow.

Last but not least oil surged to new heights in the weeks and months after our offering which at that time also put pressure on our financial outlook. While this has since retreated the impact on our position during these weeks has not recovered accordingly.

With the above in mind we have been working diligently to seek additional funding and have received interest from a number of parties including Icelandair as has been publicly announced.

Timing is a consideration as the situation described above has resulted in these funding initiatives becoming a necessity for the business.

While this is not a situation that any of us envisioned in September and I personally invested EU 5.5m cash in the bond as I was convinced the funding would be sufficient to take us to and IPO in the next 18 months. So having to write this note is not taken lightly by any means and I can ensure you that we are taking every step possible to ensure the continuous operation of WOW air.

This is however where we are and hopefully we can together finalise an acceptable solution.

Regards,
Skuli Mogensen

