norwegian

Presentation of third quarter 2023

2 November 2023

Highlights

Best-in-class operations during peak summer
– regularity close to 100% and highest in close to two years
– punctuality 80.1% with 97% arriving within one hour
– top three on-time European airline in Europe (Cirium)

Operating result (EBIT) NOK 2,170 million in the quarter
– earnings (EBT) NOK 2,050 million
– strongest operating result in 21-year history after Q3 2019
– record high unit revenue
– CASK ex. fuel NOK 0.41 – focusing on efficiency
– fuel cost hedged at levels considerably below current market

Preferred travel partner throughout Nordics
– over 300 routes across attractive network
– serving customers solely with own operation
– attracting new corporates and leisure contracts – awarded Norwegian Defence contract and increased charter contract with TUI

Capturing opportunities for the future
– Widerøe acquisition – sound industry rationale
– creating loyalty programme ecosystem with attractive partners

Number of passengers this quarter
6,484,756

Load factor

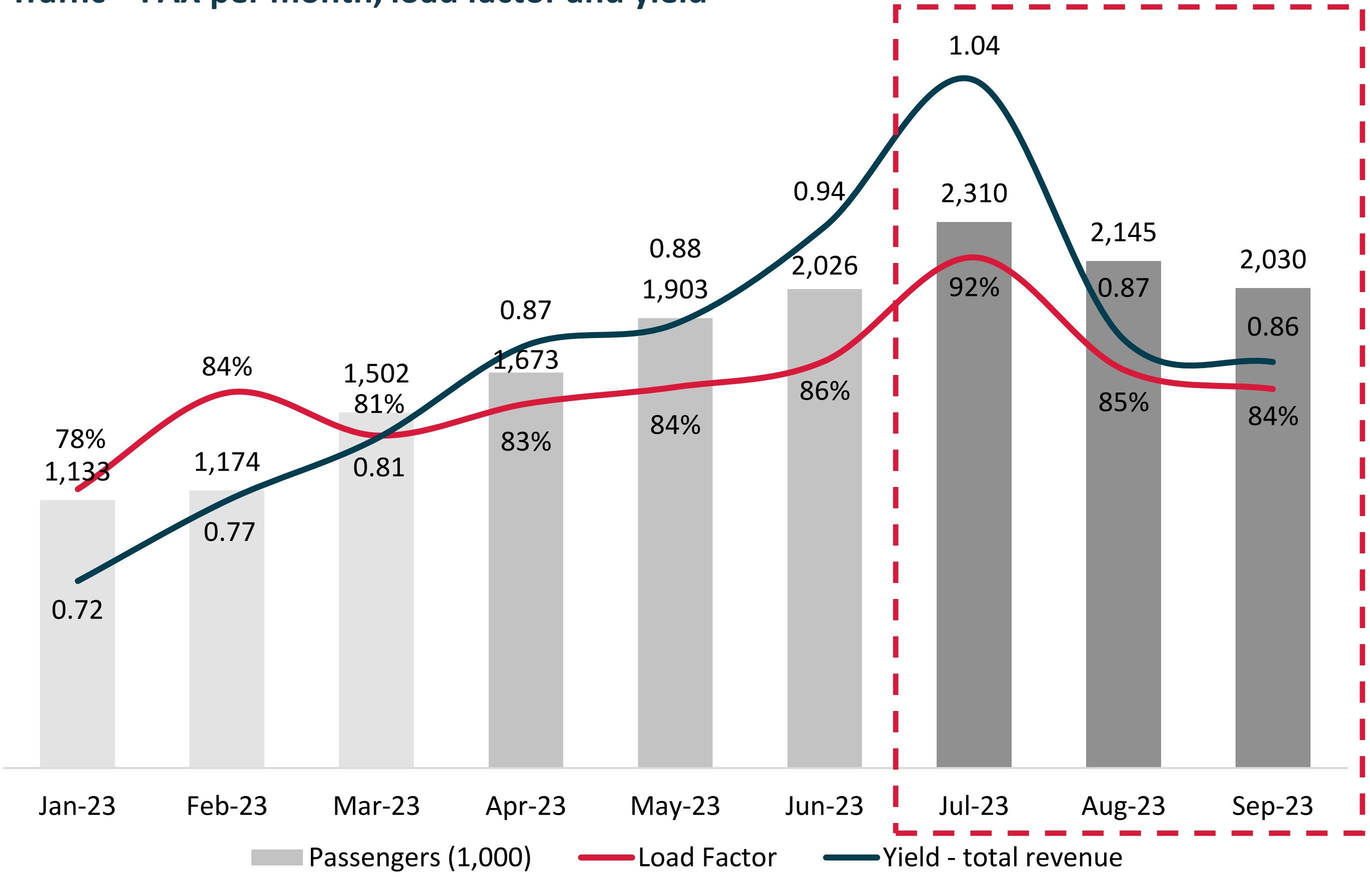
Capacity (ASK)

+20% (QoQ)

Q2 2023	8,702m
Q3 2023	10,446m

Delivering on record strong summer

Traffic – PAX per month, load factor and yield



- **Delivering successful** operations in busiest travel season
  – serving customers solely with attractive Norwegian product
- Strong load and **record high unit revenue**
- **October traffic** overall robust demand
  – accentuated by autumn holidays

Satisfactory booking momentum into winter season

Bookings stabilising after holiday season

- Momentum slightly lower, as expected into low season
- **Satisfactory bookings** from corporate travelling and Christmas holiday planning
- Booked fares remain significantly above previous years – **avg. Nov-Dec fares 15-20%** vs. same time last year

Booking visibility improved vs. last year

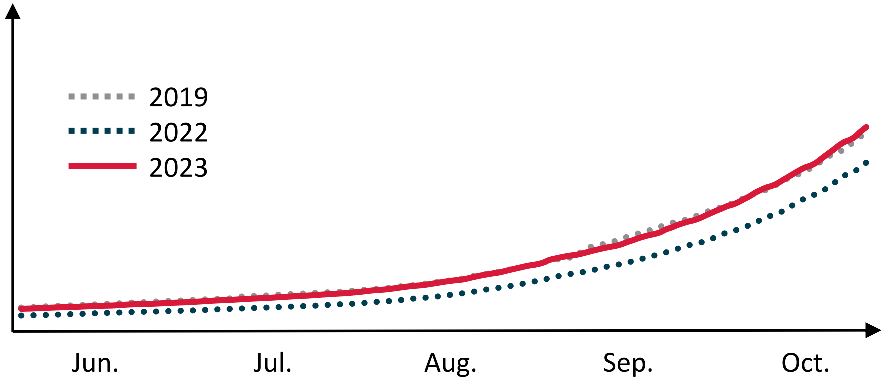
- **Good visibility for rest of year**, limited from January onwards
- Mindful of customers facing higher interest rates and inflation – budget friendly city destinations increasing in popularity

Preferred travel partner

- **Brand** – most **loved** airline Norway and second in rest of Nordics[1)] – all-time high Brand Power Scores
- Strong and improving **customer satisfaction** (Net Promoter Score)
- Danish travel awards – **best low-cost airline**
- **Numerous awards** for service, product and innovations

7-day rolling sales figures (abs) – All markets[2)]

Booked Revenue – travel rest of year (Nov.-Dec.)[3)]



1) Norwegian Brand Tracker Survey managed by Kantar for Q3 2023

2) Travel anytime, anywhere as of 31 October 2023

3) 2019 adjusted for comparable route network

Delivering market-leading operations

Top European airline

- Ranked **top three most on-time airlines in Europe** in Q3 (Cirium)
- **Regularity close to 100%**, the highest in almost two years
- Punctuality significantly improved from last year
  – 80.1% in busiest travel season, 97% arrival within one hour
- **Red Handling** – improving operations at largest airport OSL
  – Widerøe Ground Handling (WGH) becomes new key ground handler

Operations is key for bottom-line

- Supporting **brand** perception and customer **loyalty**
- Reducing costs related to claims and compensation (EU261)
- **Improved crew efficiency** with fewer "time outs"

On-time performance key for business travellers

- Continues to **capture market share in corporate market**
  – PAX increasing and revenue significantly up from previous year
- **Onboarded multi-country large corporates** during the quarter
- **Norwegian defence contract** with start-up in Q1 2024
  – re-establishing large presence in Bardufoss and Lakselv

THE ON-TIME PERFORMANCE MONTHLY REPORT - AIRLINES SEPTEMBER 2023

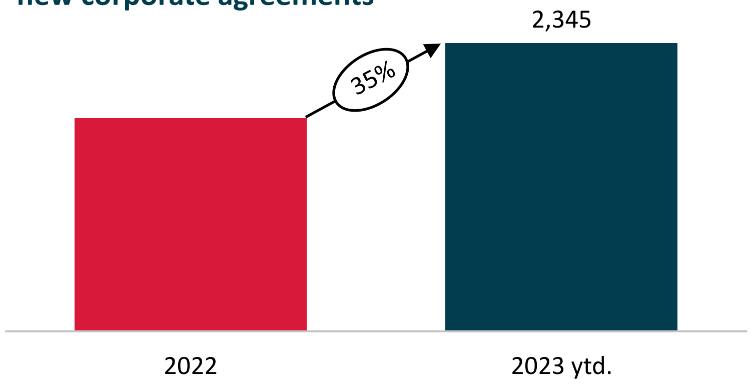
The most on-time
Europe Airlines

	On-Time Ranking	On-Time Arrival	Tracked Flights	Completion Factor	Total Flights
Norwegian Air Shuttle (DY)	1	87.98%	96.60%	99.74%	7,932
Austrian (OS)	2	85.47%	100.00%	99.25%	11,104
Iberia Express (I2)	3	82.95%	99.86%	99.64%	3,626
Iberia (IB)	4	82.95%	98.70%	99.08%	14,939
Finnair (AY)	5	82.88%	94.19%	99.24%	8,467
Vueling (VY)	6	81.16%	99.89%	99.30%	19,709
Icelandair (FI)	7	80.12%	99.94%	97.95%	3,276
Norwegian Air Sweden (D8)	8	78.55%	96.42%	99.77%	5,965
LOT - Polish Airlines (LO)	9	77.66%	98.77%	99.02%	8,613
Air Europa (UX)	10	77.27%	99.93%	99.86%	5,672

Summary of Top Performers

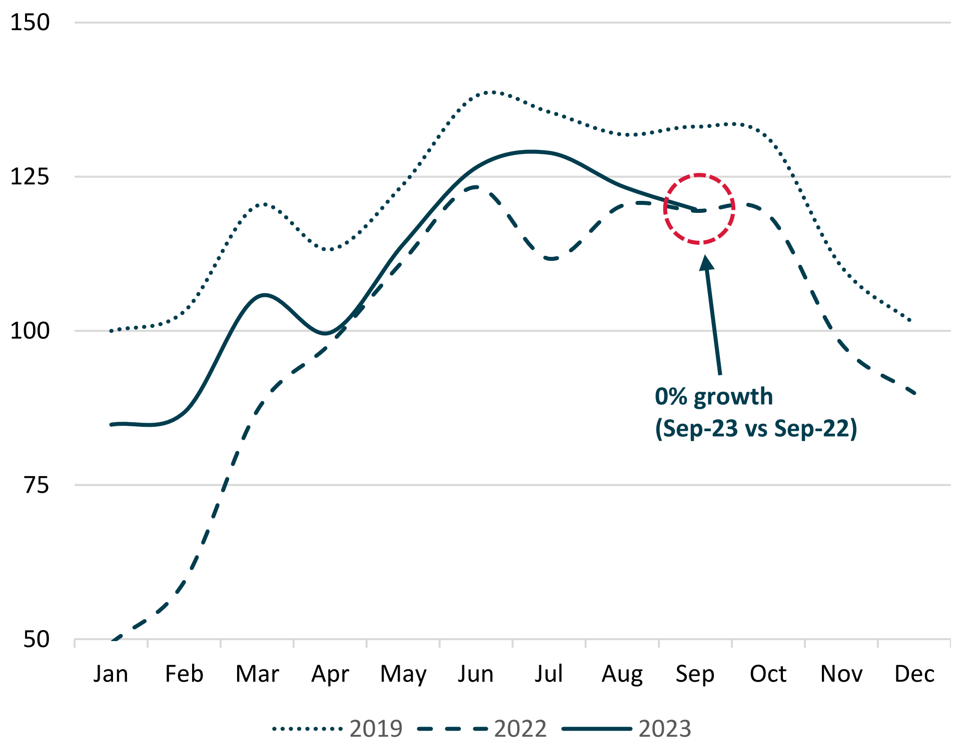
Summary of Top Performers	
Total On-Time Arrivals	81.70%
Total Tracked Flights	98.43%
Total Flights	89,303

Increasingly recruiting new corporates – new corporate agreements

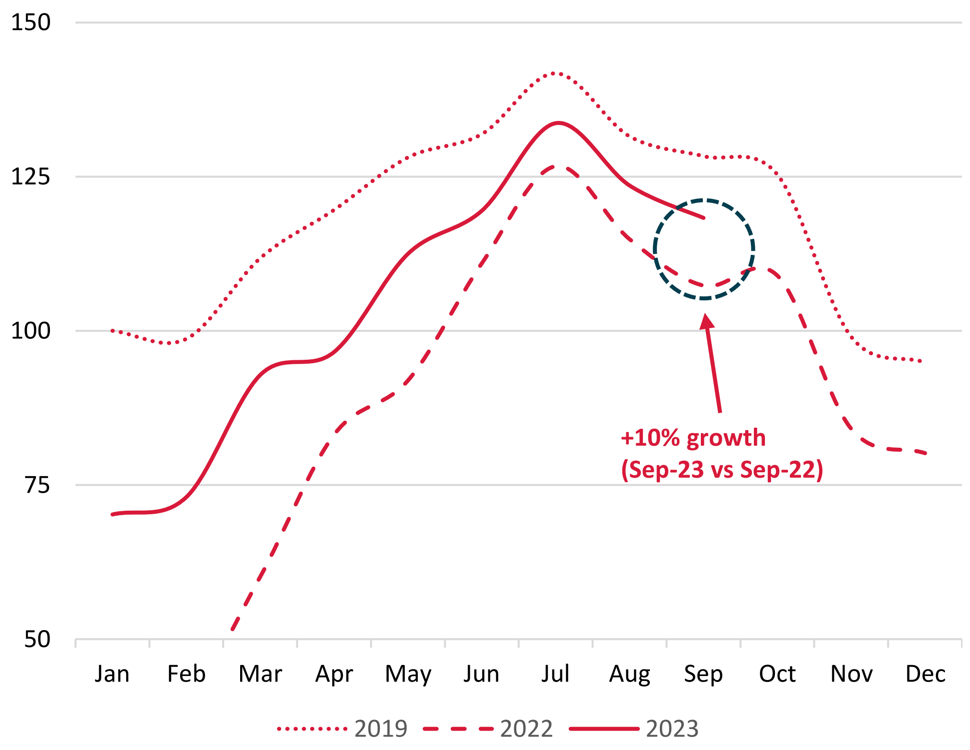


Best-in-class operations driving market share

Avinor terminal PAX – Norway int. & domestic (Jan-19 indexed)



Norwegian flown PAX – Norway int. & domestic (Jan-19 indexed)

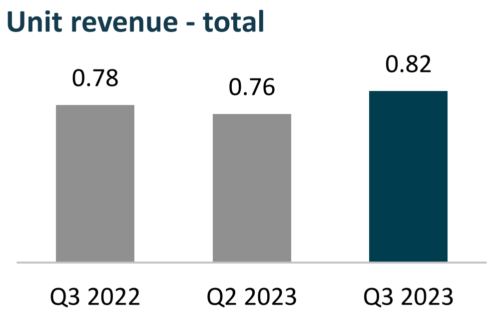


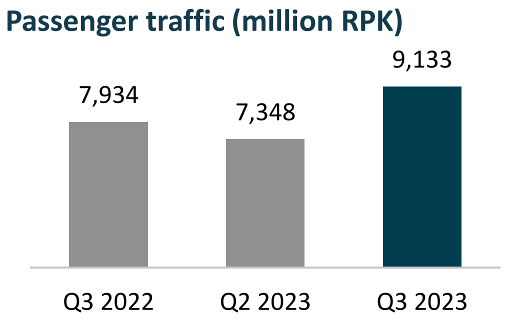
Financial results for Q3 2023

Quarterly financial highlights

Revenues

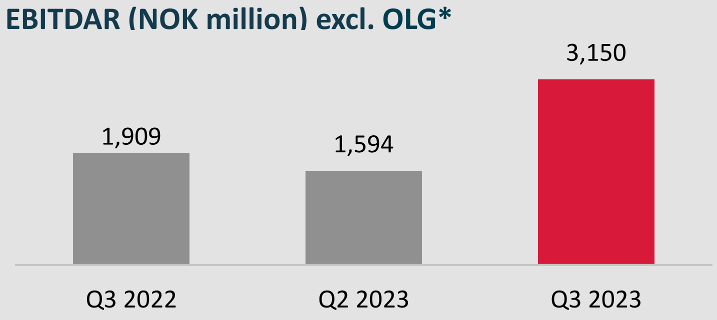
- **Unit revenue** all-time high
  – up 4% from record-high Q3 2022
- Ancillary NOK 198 per pax
  – up from NOK 172 last year





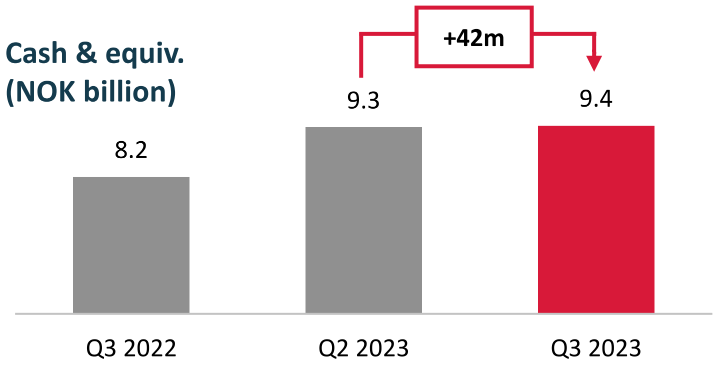
Profits

- **Operating profit (EBIT) NOK 2,170 million**
  – second highest in company history
  – operating margin 25%
- **CASK ex. fuel** NOK 0.41 in quarter



Balance sheet

- **Strong liquidity position** into winter season
- Redemption of NOK 450 million NAS13 bond
- **Equity ratio 19.6%**
  – increase from 12.2% previous quarter



**Other losses/(gains)*

Q3 earnings – Historically high operating profit

NOK million	Q3 2023	Q3 2022	Chng. (YoY)	
Passenger revenue	7,229	5,936		
Ancillary passenger revenue	1,285	1,047		
Other revenue	261	133		
Total operating revenue	8,776	7,116	+23%	→ Unit revenue up 4%, capacity up 20%
Personnel expenses	1,001	687		
Aviation fuel	2,308	2,598	-11%	→ Fuel price lower yoy incl. hedging gain
Airport and ATC charges	892	682		
Handling charges	663	562		→ Cost items impacted by negative currency effects and inflation
Technical maintenance expenses	170	162		
Other operating expenses	591	515		
EBITDAR excl other losses/(gains)	3,150	1,909		→ Significant improvement in underlying earnings
Other losses/(gains)	9	43		
EBITDAR	3,141	1,866		
Aircraft lease, depreciation and amortization	971	835		
Operating profit (EBIT)	2,170	1,032	+110%	→ Operating margin 25%
Net financial items	-121	-122		
Profit before tax (EBT)	2,050	910		

Robust balance sheet into winter season

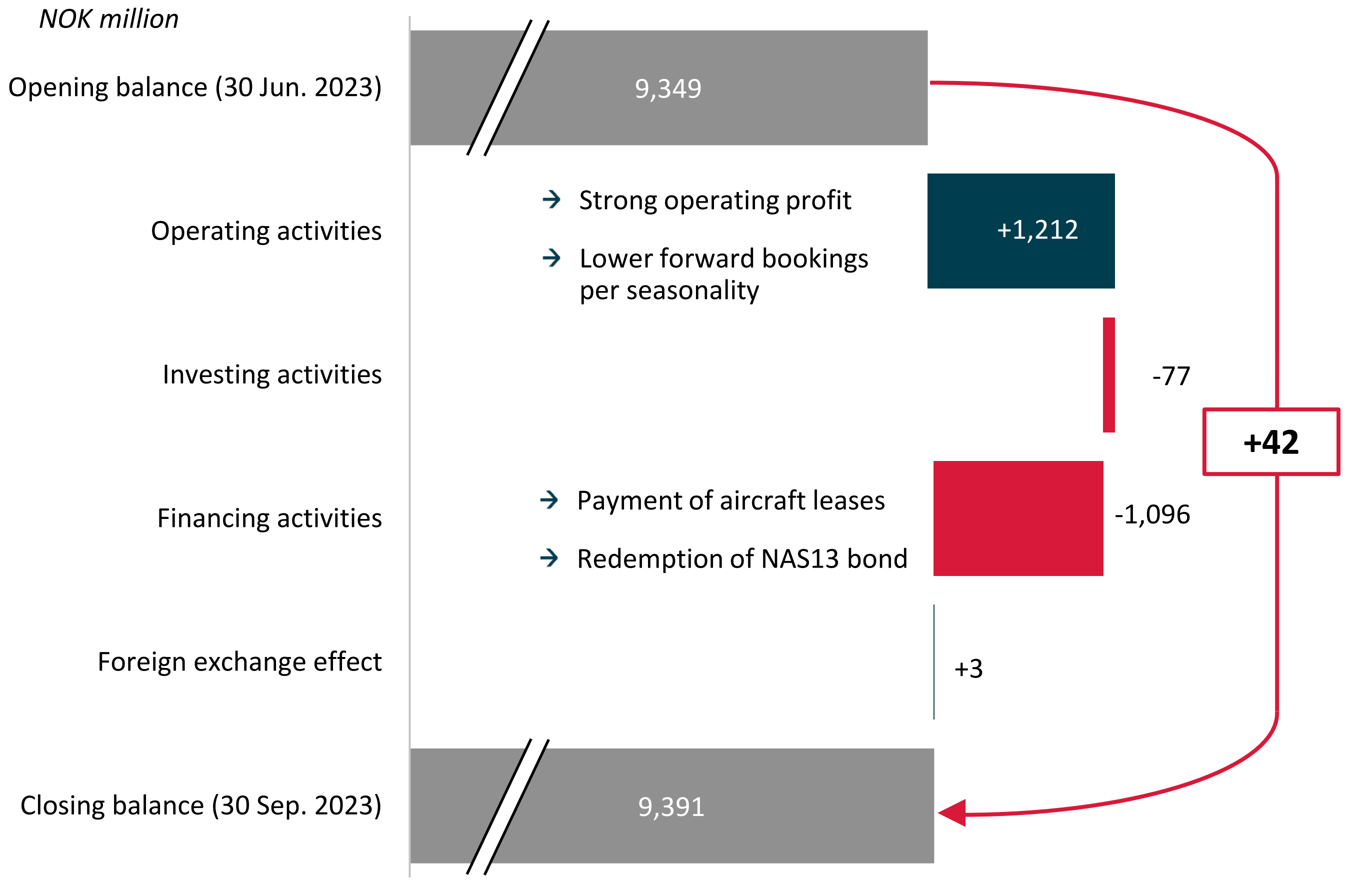
NOK million	30 Sep. 2023	30 Jun. 2023	Chng. (QoQ)	
Intangible assets	2,125	2,113		
Tangible assets	14,765	13,669		
Total non-current assets	**17,596**	**16,450**	+7%	→ Four new leased aircraft
Receivables	4,305	4,322		→ Holdback 38%
Cash and cash equivalents	9,391	9,349		
Total current assets	**13,924**	**13,870**		
Assets	**31,520**	**30,320**		
Equity	**6,178**	**3,707**	+67%	
Non-current debt	11,984	11,185		
Other non-current liabilities	3,215	2,863		
Total non-current liabilities	**15,199**	**14,048**		
Air traffic settlement liabilities	3,888	6,416	-39%	→ Bookings reflecting third quarter seasonal low-point
Current debt	1,726	1,832		
Other current liabilities	4,529	4,317		
Total current liabilities	**10,142**	**12,565**		
Liabilities	**25,341**	**26,613**		
Equity and liabilities	**31,520**	**30,320**		
Equity ratio (%)	**19.6**	**12.2**	7 p.p.	→ Strong quarterly net profit

Net interest-bearing debt

NOK million	30 Sep. 2023	30 Jun. 2023	Chng. (QoQ)
Cash & equiv.	9,391	9,349	+42
Aircraft financing	11,036	9,954	+1,083
NAS13	0	441	-441
Other IB debt	111	121	
Retained Claims Bonds	2,562	2,502	
NIBD	4,318	3,668	+650

- → **NIBD increase** with added lease obligations for four latest-technology aircraft
- → 85 aircraft at quarter-end, up from 81 last quarter
- → **Optimising and simplifying capital structure**
  – redemption of NOK 450m NAS13 bond
  – NOK 935m in principal bond repayments during 2023

Cash flow – improved liquidity position into winter



- **Holdback at 38%**
  – down from 56% at Q3 2022
  – increase from previous quarter with normal seasonality
- **Excess liquidity** on deposits and money-market funds
  – rate-of-return 5%
- **Limited aircraft prepayments** to Boeing in 2024
  – prepayment balance NOK 3.2bn
- **Widerøe anticipated acquisition**
  – planned for NOK 1,125bn cash settlement*

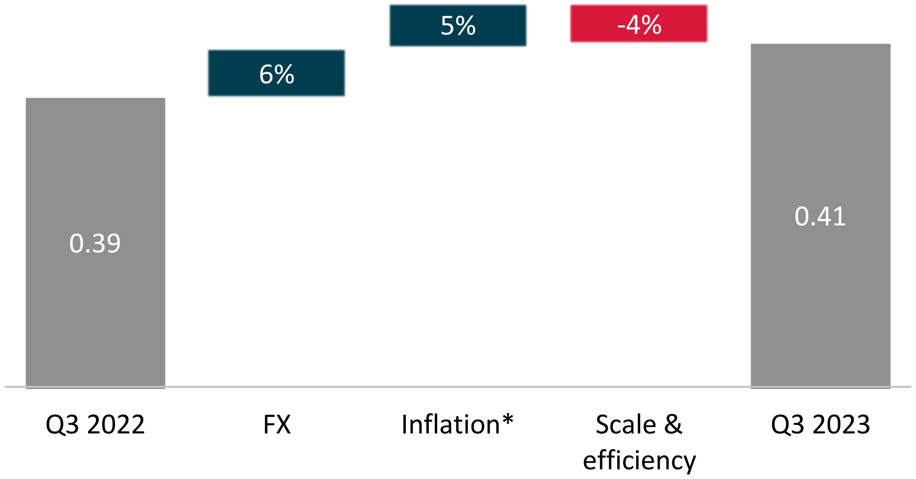
**Subject to certain adjustments after closing, including in respect to the profitability of Widerøe in 2023.*

The way forward

Retaining cost focus amidst macro headwinds

Costs are affected by FX and inflation

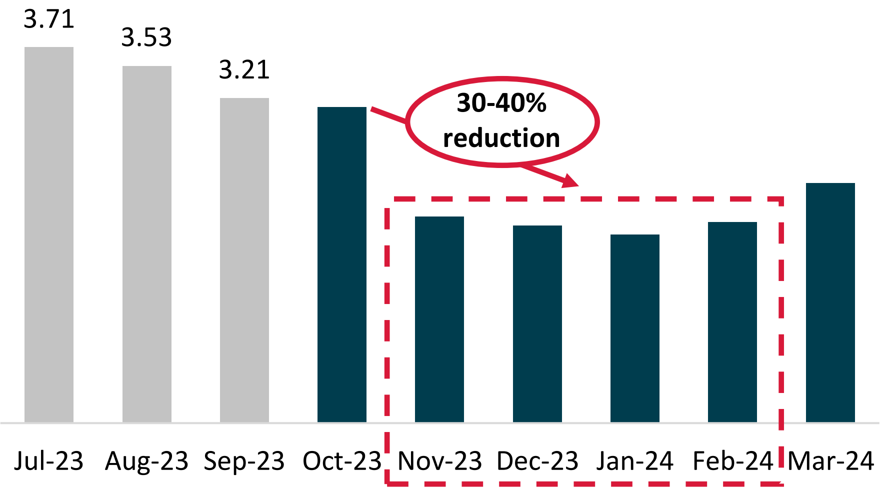
Unit cost (CASK) excl. fuel



- → **USD costs:** technical, leasing (in addition to fuel)
- → **EUR costs:** airport, ATC, handling and crew
  – neutral P&L impact from EUR+DKK due to revenue effects
- → **Corporate market initiatives** impacting unit cost
  – higher distribution cost, but significant positive P&L impact
- → Inflationary cost headwinds are **industry-wide**

Reducing capacity to minimise losses during winter

Capacity (billion ASKs)



- → **2023/24 winter capacity** close to last year's
  – but **even greater capacity reduction** due to increased fleet
- → **Taking out associated variable operating expenses**
  – approximately 70% of cost base
- → **Positive profit contribution** from capacity reduction
  – estimate NOK 1.0 to 1.5 billion

**12-month core inflation weighted by respective currency's share of unit costs excl. fuel*

Successful cost initiatives driving improvements in 2023

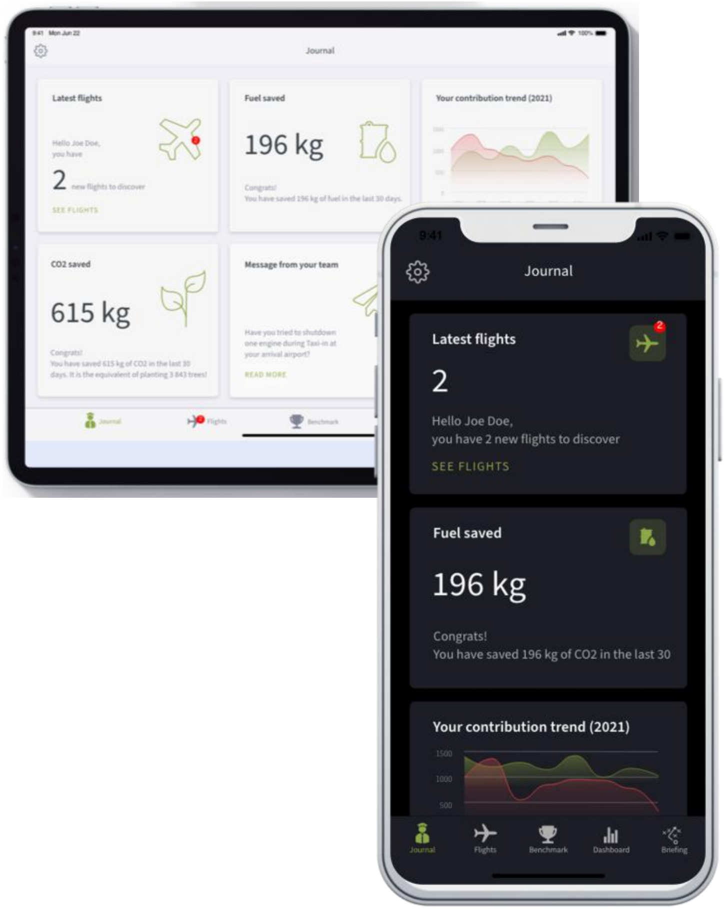
Operations

- **On-time performance** – 6.5 p.p. improvement from Q3 last year
  – key to minimise cost related to crew, fuel, handling, ATC charges and EU261
- **Crew efficiency** enhanced – block hours (BLH) up 6% vs last year
- **Baggage handling** compensation cost reduced more than 30%
- **Spare engine** lease with power-by-the-hour (PBH) agreement
- **SkyBreathe** – pilots utilising latest technology to reduce fuel burn
  – top performer with 2% – 5% in fuel savings

Structural

- **Self-handling at OSL** – improved customer offering and operations at key airport
- **Swiftly adapting** to market conditions by shifting capacity
  – capacity moved from lower to higher yielding routes
- **Improving aircraft and crew availability**
  – planned maintenance and training scheduled in low-season
- **Fuel cost hedging** – currently hedged at favourable levels

Significant fuel savings with smart flying



Sustainable profitability through additional initiatives

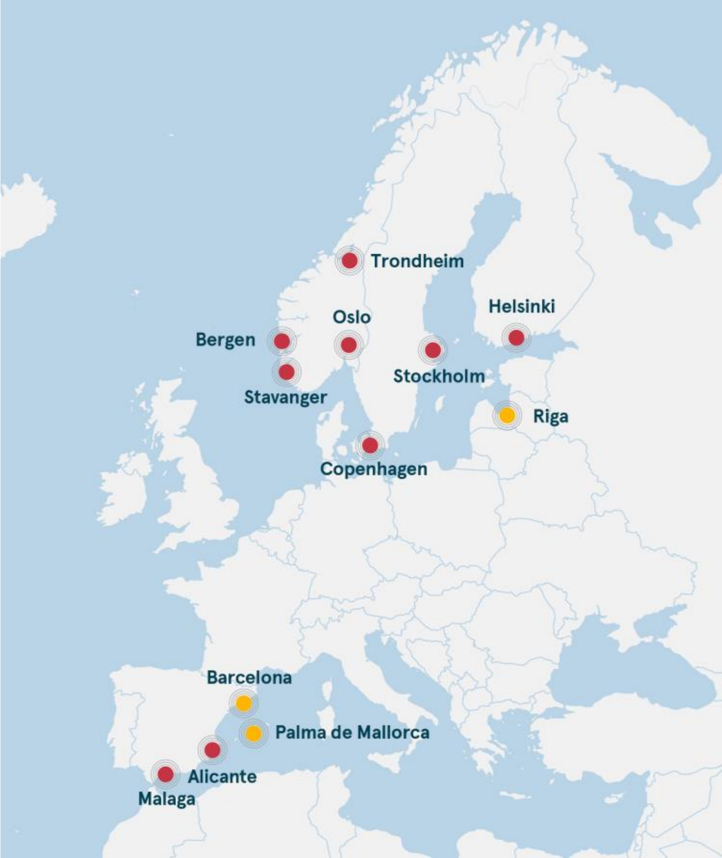
Operations

- Continuously pushing for improved **on-time performance** and **regularity**
- New **ground handling** agreements at improved terms
- **Heavy engine maintenance** vendor change – significant savings
- Modern **self-service tools** to improve crew efficiency
- Increasing **customer self-service capabilities** – online and in airports
- Increase sales through **direct channels** – reducing distribution cost

Structural

- **Base structure** – expansion with cost optimisation potential
- Improve **seasonal utilisation** – balancing of workforce
- **Aircraft harmonisation** – i.e. 189 seats new standard (+3)
- **Aircraft optimisation** – reducing weight by removing low-value add-ons and optimising aircraft spec. to reduce running OPEX
- **Aircraft configuration** – significantly reducing CAPEX for own order

Adding new crew bases in 2024



Existing bases   New bases in 2023/2024

Securing modern fleet for the long-term

Securing fleet for 2024

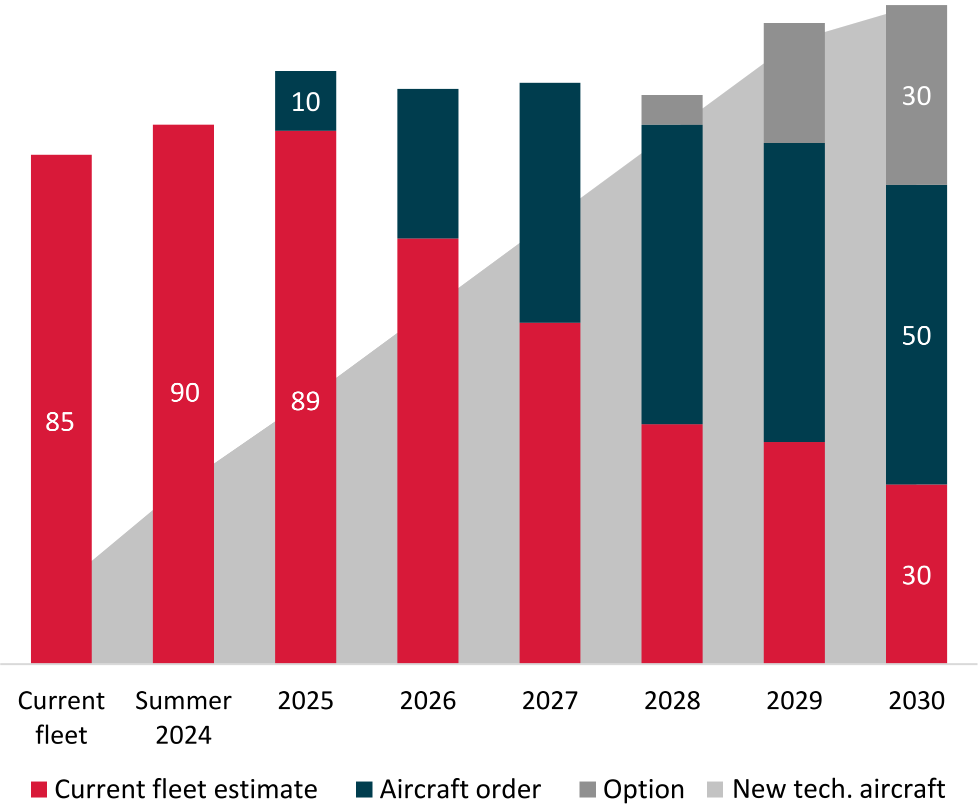
- Fleet increasing to appr. 90 aircraft next summer – extended leases for three 737 NGs in third quarter
- Limiting impact from Boeing 2024 delivery delays – mitigating initiatives include potential additional lease extension
- Compensation agreement in place for delayed aircraft deliveries

Replacing older generation aircraft

- Replacing with fuel-efficient aircraft with significant cost savings – above 14% reduced fuel-burn
- CFM LEAP-1B engine – unrelated to P&W GTF engine issues
- Serving customers latest technology – 40% noise reduction

Aircraft order delivery from 2025

- Order for 50 737 MAX 8 aircraft – delivery 2025-2028
- Option for additional 30 aircraft – delivery 2028-2030
- Attractive pricing and inflation protection
- Aircraft specification optimisation – significant cost improvements
- NOK 3.2bn PDP paid-in
- Significant share to be owned –financing for up to ten aircraft secured



Outlook

	Q4 2023	Q1 2024	Q2 2024
Capacity growth[1)]	c. 3%	0% – 5%	15% – 20%

	FY 2023
Operating profit (EBIT)[2)]	NOK 1.8 – 2.0 billion[3)]
Unit cost excl. fuel[2)]	0.47 – 0.48

1) Available seat kilometres (ASK) vs. same period last year
2) Assuming current market rates for period – Jet fuel 930 USD/mt, EURNOK 11.8, USDNOK 11.2
3) NOK 800 million realisation from loyalty programme new business venture now expected in Q1 2024

Summary

Strong brand loyalty and robust operations

- Leading operations vs. peers – top on-time European airline and strong regularity
- Increasing market share in leisure and corporate market – continuing to sign new corporate agreements

Well prepared for winter season

- Bookings encouraging while macro environment remains uncertain
- Hedged 55% of fuel for rest of year and 35% for next year – favourable rates significantly below current market
- Capacity reduced by 30 to 40%

Positioning for 2024 and beyond

- Fleet increasing to approximately 90 aircraft to match increasing demand – limiting aircraft deliver delays through mitigating measures
- Strong ESG commitment – reducing carbon efficiency by 45% by 2030 – introducing 100 fossil-free flights on Denmark’s busiest routes
- Widerøe acquisition and loyalty programme ecosystem with partners
- Process to ensure capital structure fit-for-purpose

Fly Norwegian

Book tickets at Norwegian.com

Appendix

20 largest shareholders as of 30 September 2023*

	Name	Country	Number of shares	Per cent
1	Geveran Trading Company, Ltd.	Cyprus	134,010,512	13.9 %
2	Sundt AS	Norway	88,892,265	9.2 %
3	Folketrygdfondet	Norway	44,573,605	4.6 %
4	Silver Point Capital, L.P.	United States	35,964,623	3.7 %
5	Nordnet Bank AB.	Norway	31,996,328	3.3 %
6	Ballyfin Aviation Limited	Ireland	31,472,703	3.3 %
7	Avanza Bank AB	Sweden	23,213,134	2.4 %
8	Handelsbanken Kapitalförvaltning AB	Sweden	19,037,471	2.0 %
9	Svelland Capital (UK) Ltd	United Kingdom	15,881,790	1.7 %
10	Keskinäinen eläkevakuutusyhtiö Varma	Finland	15,500,000	1.6 %
11	KLP Fondsforvaltning AS	Norway	15,084,838	1.6 %
12	DNB Asset Management AS	Norway	12,962,416	1.3 %
13	Contrarian Capital Management, LLC	United States	10,312,451	1.1 %
14	BlackRock Institutional Trust Company, N.A.	United States	10,041,327	1.0 %
15	Brumm AS	Norway	10,010,480	0.9 %
16	Swedbank AB	Sweden	8,511,572	0.9 %
17	Nordea Funds Oy	Finland	8,037,591	0.8 %
18	HSBC Trinkaus & Burkhardt AG	Germany	6,979,134	0.7 %
19	Deutsche WertpapierService Bank AG	Germany	6,087,043	0.6 %
20	UBS Switzerland AG	Switzerland	6,073,935	0.6 %
	Top 20 shareholders		534,643,218	55.6 %
	Other shareholders		426,920,476	44.4 %
	Total number of shares		961,563,694	100.0 %

**) The data is obtained through third-party analysis of beneficial ownership and fund manager information provided in replies to ownership notices issued to custodians. Reasonable efforts have been made to verify the data, however Norwegian Air Shuttle ASA cannot guarantee the accuracy of the analysis.*

Disclaimer

Certain statements included in this presentation contain forward-looking statements, such as statements of future expectations. Although the statements provided are based on the best reasonable assumptions of management of Norwegian Air Shuttle ASA (“Norwegian”), the statements are based on a number of assumptions and forecasts that, by their nature, involve risks and uncertainties. No assurances can be given that the expectations provided in the forward-looking statements will prove to be correct.

Various factors may cause the actual results of Norwegian to differ materially from those projected in forward-looking statements. These factors include, but are not limited to, (a) general economic conditions, (b) changes in the competitive climate, (c) fluctuations in the price of jet fuel, (d) fluctuations in currency exchange rates, (e) industrial actions, (f) contingencies and legal claims, and (g) legislative, regulatory and political factors.

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