

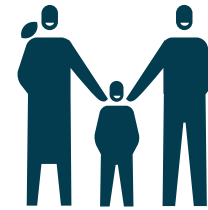


**Presentation of fourth quarter 2023**

16 February 2024

# Highlights

-  **2023 operating result (EBIT) NOK 2,232 million**
  - operating margin 9% – highest ever EBIT and EBIT-margin
  - Q4 EBIT NOK 328 million in low-season
  - liquidity position NOK 9.5 billion – positive quarterly cash flow
  - 2023 dividend provision of NOK 0.60 per share
-  **Ramping up for summer season**
  - booking momentum pointing to record summer
  - additional bases complementing network structure
  - fleet increasing to appr. 90 for peak summer
-  **Preferred travel partner throughout Nordics**
  - over 300 routes across attractive network
  - operational excellence in European top (Cirium)
  - strong punctuality (82% in Q4) and close to zero cancellations
-  **Strategically positioned for future**
  - lead role for sustainable aviation – key SAF initiatives
  - Widerøe acquisition completed – highly complementary airlines



Number of passengers  
this quarter  
**4,728,058**

**Load factor**  
+3 p.p. (YoY)

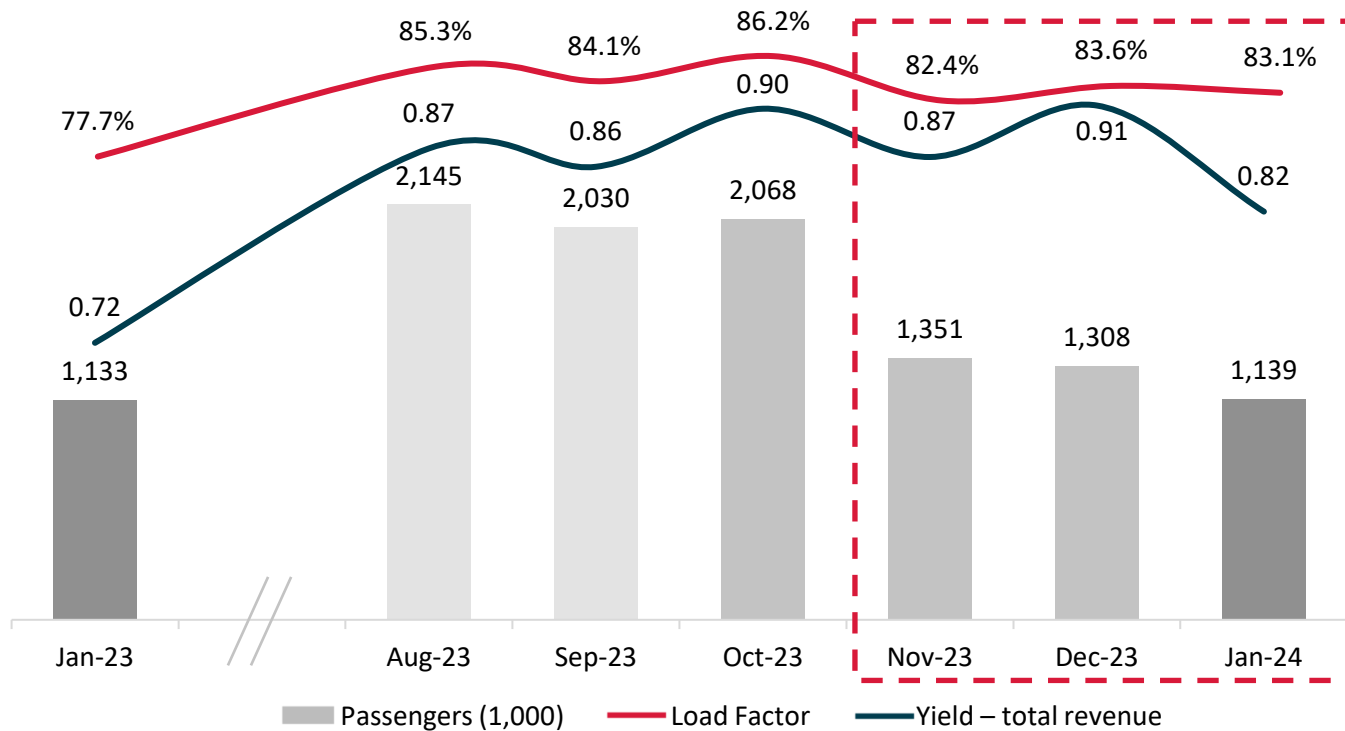


**Capacity (ASK)**

Q4 2023		7,123m
Q4 2022		6,946m

# Reduced winter capacity supporting unit revenue

Traffic – PAX per month, load factor and yield



- **Seasonally lower demand**  
– reducing capacity to match demand during winter
- **Getting customers to their destinations**  
– regularity close to 100% despite challenging winter weather
- **Stable load and strong unit revenue**  
– January total unit revenue +22% yoy
- **Ramp-up** from March onwards

# Strong booking momentum in 2024



## Successful New Year's sales campaign

- Diversified bookings across destinations and travel months
- Above 1 million tickets sold
- Campaign fares significantly above previous years



## Booking visibility normalising

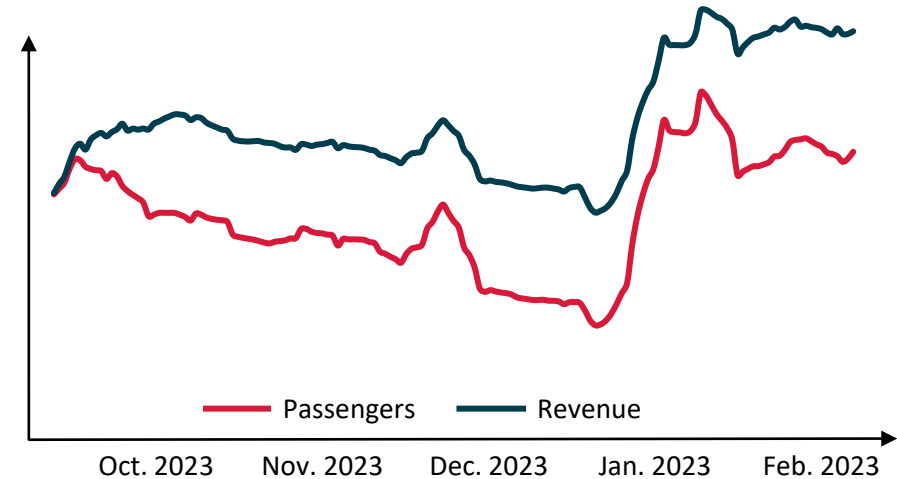
- Visibility normalising – booked load factor on par with 2023 with significant higher volume
- Booked fares significantly above 2023 levels



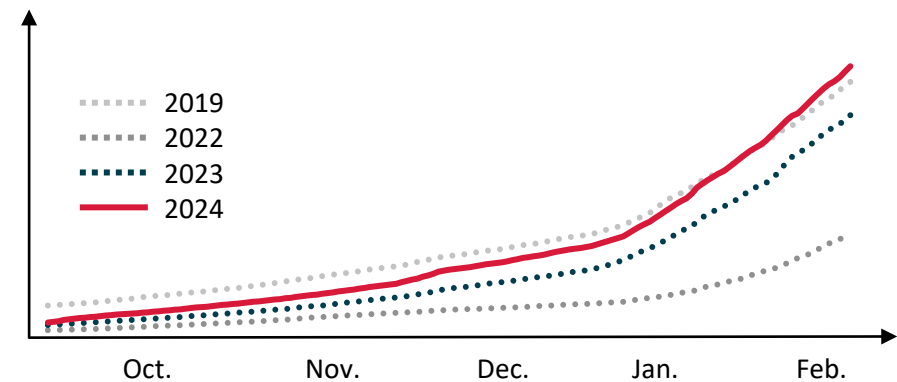
## Preferred travel partner

- Brand – Norway's most loved airline<sup>1)</sup> – trust score at all-time high
- Strong customer satisfaction – January NPS score 39.4, up 9% from last year
- Grand Travel Awards – best domestic and European airline
- Numerous awards for service, product and innovations

7-day rolling sales figures (abs) – All markets<sup>2)</sup>



Booked Revenue – Feb. to Jun. travel<sup>3)</sup>



1) Norwegian Brand Tracker Survey managed by Kantar for Q4 2023

2) Travel anytime, anywhere as of 13 February 2024

3) 2019 adjusted for comparable route network



# Key cost initiatives implemented in 2023



## Key initiatives in 2023

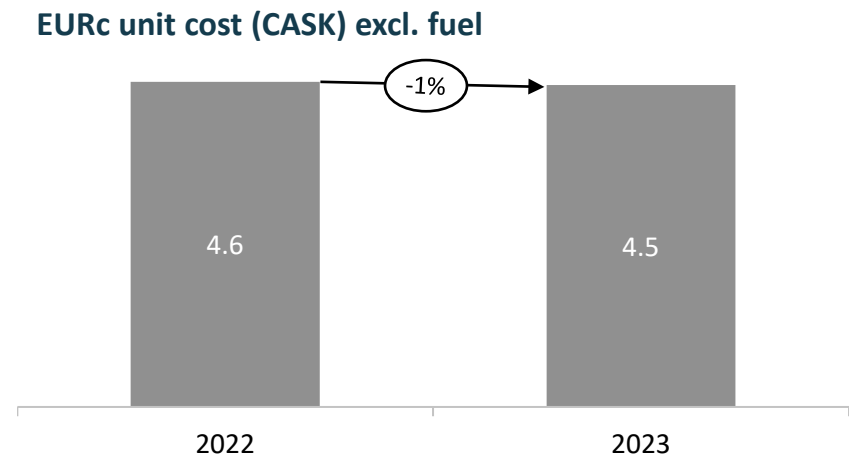
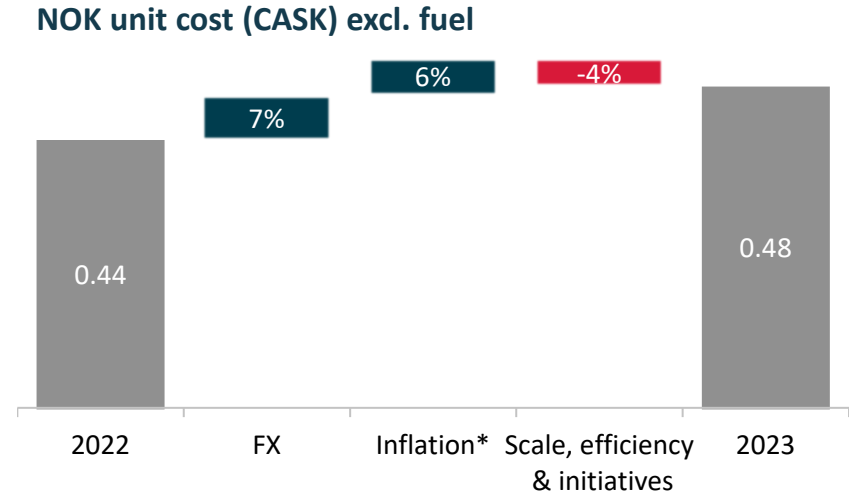
- **On-time performance** – 2 percentage points improvement from last year – key to minimise cost for crew, fuel, handling, ATC charges and EU261
- **Crew efficiency** enhanced – block hours (BLH) per FTE up 7% vs last year
- **Improved aircraft and crew availability** – planned maintenance and training scheduled for low-season
- **Baggage handling** compensation cost reduced by c. 30%
- **Self-handling** – improved customer offering and operations at key airport OSL
- **SkyBreathe** – pilots utilising latest technology to reduce fuel burn – top performer with 3% in fuel savings



## Macro effects highlights need to reduce NOK unit cost

- **Weakening NOK against USD and EUR** impacting cost for fuel, technical, leasing, airport, ATC, handling and crew – net P&L impact partly neutralised due to revenue in EUR and DKK
- Weak local currency yielding **comparative advantage** on routes in competition with European carriers
- **Corporate market growth initiatives** impacting unit cost – higher distribution cost, but significant positive P&L impact
- Reducing capacity to **minimise losses during winter** – increases unit cost, but significant positive profit contribution

## 2023 cost level impacted by FX and inflation effects



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

# Market-leading operations is key for business travellers

## Operational performance as one of Europe's best airlines...

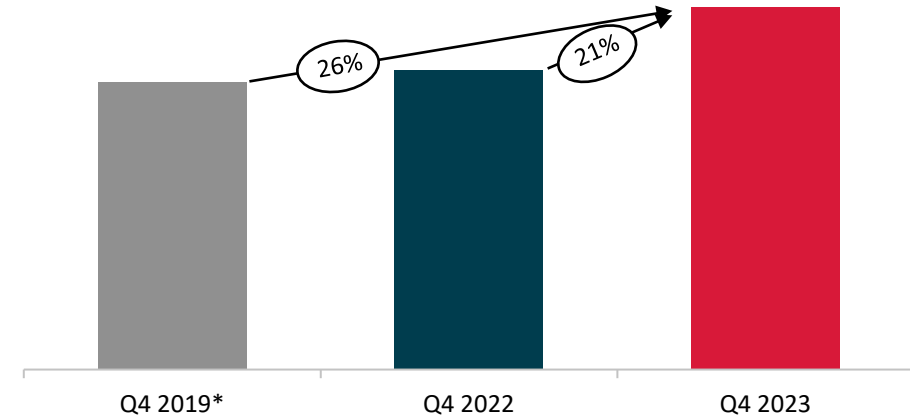
### Cirium – European airlines OTP review for 2023

	On-Time Ranking	On-Time Arrival	Tracked Flights	Completion Factor	Total Flights
Iberia Express (I2)	1	84.58%	99.73%	99.57%	40,985
Iberia (IB)	2	84.38%	99.17%	98.69%	170,750
Austrian (OS)	3	82.99%	99.97%	98.84%	113,587
LOT - Polish Airlines (LO)	4	82.83%	98.55%	99.40%	96,112
Norwegian Air Shuttle (DY)	5	82.75%	99.41%	99.60%	82,791
Vueling (VY)	6	80.85%	99.83%	99.01%	216,594
Finnair (AY)	7	80.39%	96.23%	99.46%	100,566
Norwegian Air Sweden (D8)	8	76.65%	99.23%	99.45%	56,852
Icelandair (FI)	9	76.48%	95.19%	97.04%	34,514
KLM (KL)	10	76.29%	99.21%	96.80%	240,533

- **Cirium top European airlines for on-time-performance:**
  - Norwegian Air Shuttle (DY) ranked 1<sup>st</sup> in Oct. and 5<sup>th</sup> for 2023
  - competing with airlines with significantly better weather
- **Ranking top for regularity** – close to zero cancellations
  - minimising winter weather disruptions for passengers
- **Operational performance key for bottom line**
  - supporting **brand** and customer **loyalty**
  - reduced costs related to claims and compensation (EU261)
  - **improved crew efficiency** with fewer “time outs”
  - high regularity supports continuous improvement efforts

## ...is key in driving corporate travel market share

### Corporate market revenue



- **Capturing corporate market share**
  - Q4 corporate passenger volumes above 2019\* and 2023
  - Deloitte 2023 study: corp. market at year-end c. 80% of 2019
- **Continuously landing new corporate agreements**
  - 2,500 agreements signed in 2023, +62% from last year
  - contract renewal and onboarding of key large corporates
  - corporate customer feedback, “Norwegian is our preferred choice to get us where we need on time”
- **Four-year contract with Armed Forces** started 1 February
  - incl. purchase commitment for sustainable aviation fuel (SAF)

\*Adjusted to comparable route network to 2023

# Financial results for Q4 2023

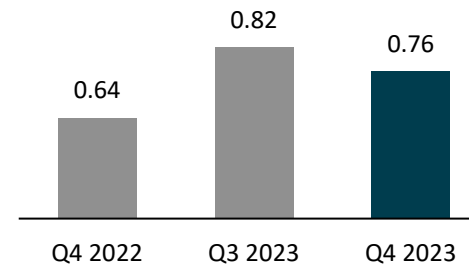
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# Quarterly financial highlights

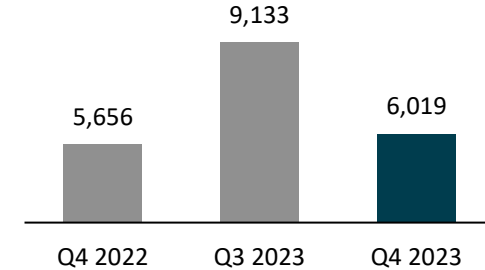
## Revenues

- **Unit revenue** supported by improved yield and load factor  
– up 17% from Q4 last year
- **Ancillary** NOK 173 per pax  
– up from NOK 152 last year

### Unit revenue - total



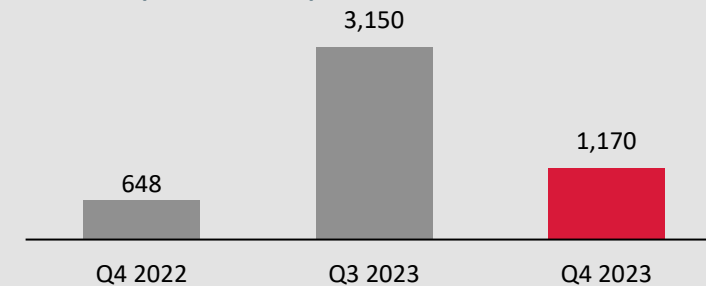
### Passenger traffic (million RPK)



## Profits

- **Operating profit (EBIT) NOK 328 million**  
– Q4 historically characterised by softer demand  
– operating margin 5.5%
- **CASK ex. fuel** NOK 0.53 in quarter  
– NOK 0.48 for full-year 2023

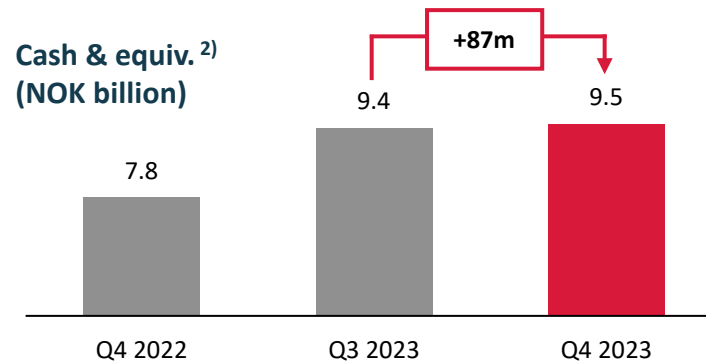
### EBITDAR (NOK million) excl. OLG<sup>1)</sup>



## Balance sheet

- **Retaining robust liquidity**
- **Equity ratio 18.9%**, up from 18.5% last year
- Widerøe acquisition completed in January

### Cash & equiv.<sup>2)</sup> (NOK billion)



1) Other losses/(gains)

2) Including 0.25 per share dividend provision for 2022



# Q4 earnings – delivering profit in historically soft quarter

<i>NOK million</i>	Q4 2023	Q4 2022	Chng. (YoY)		Full year 2023	Full year 2022	
Passenger revenue	4,582	3,779		→ Improved yield and load	20,617	15,198	
Ancillary passenger revenue	816	697			3,700	2,870	
Other revenue	519	493			1,223	802	
<b>Total operating revenue</b>	<b>5,917</b>	<b>4,969</b>	<b>+19%</b>		<b>25,539</b>	<b>18,869</b>	
Personnel expenses	1,033	782	+32%	→ More flying FTEs, handling insourcing and salary adj.	4,025	2,885	
Aviation fuel	1,817	1,802	+1%			7,715	7,371
Airport and ATC charges	611	557		→ Weak NOK impacting all cost lines	2,770	2,096	
Handling charges	510	448				2,134	1,669
Technical maintenance expenses	177	168				698	556
Other operating expenses	600	563				2,409	1,936
<b>EBITDAR excl other losses/(gains)</b>	<b>1,170</b>	<b>648</b>			<b>5,789</b>	<b>2,356</b>	
Other losses/(gains)	-29	-61			35	-7	
<b>EBITDAR</b>	<b>1,199</b>	<b>709</b>			<b>5,754</b>	<b>2,363</b>	
Aircraft lease, depreciation and amortization	871	748			3,522	2,961	
Reversal of impairment loss re. prepayment on aircraft	0	0			0	-2,099	
<b>Operating profit (EBIT)</b>	<b>328</b>	<b>-39</b>	<b>+367</b>	→ Improved underlying earnings	<b>2,232</b>	<b>1,502</b>	
Net financial items	-120	-41			-428	-456	
<b>Profit before tax (EBT)</b>	<b>208</b>	<b>-80</b>			<b>1,804</b>	<b>1,046</b>	

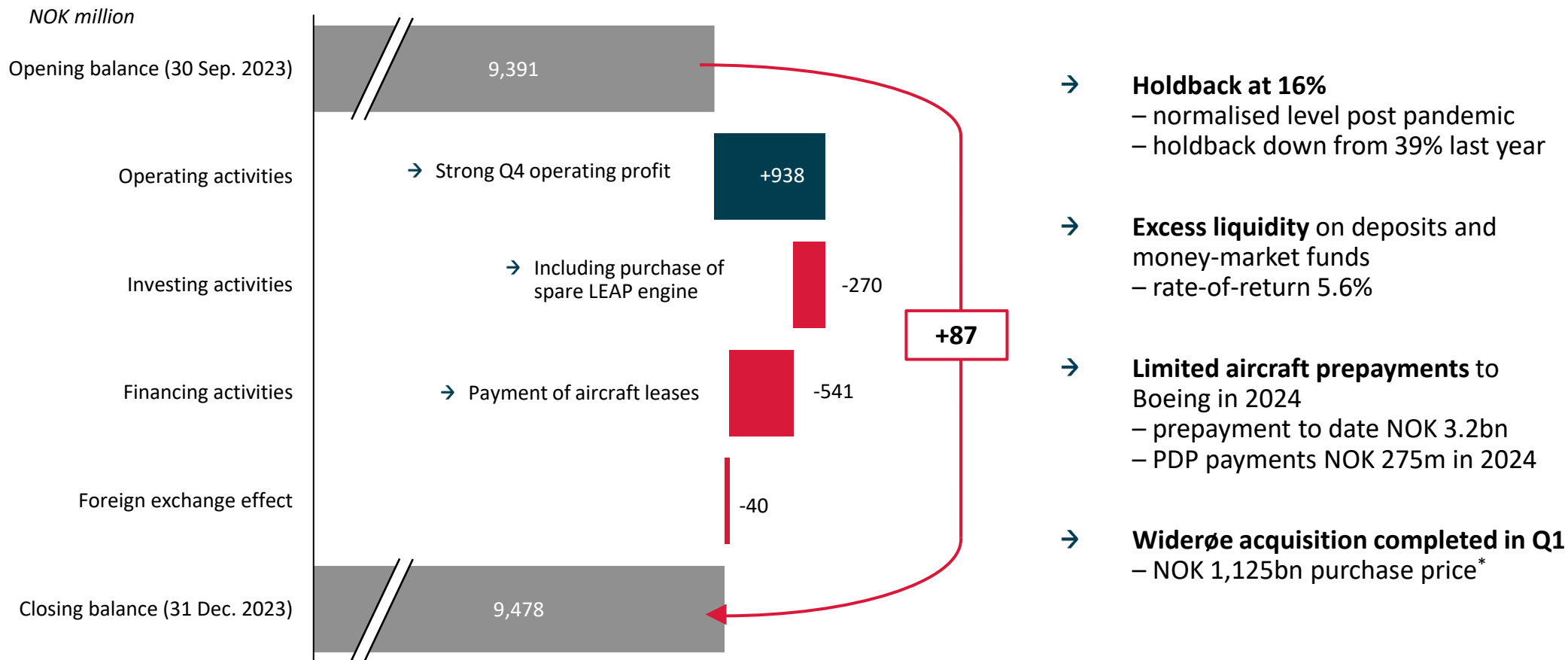
# Robust balance sheet

<i>NOK million</i>	31 Dec. 2023	30 Sep. 2023	Chng. (QoQ)
Intangible assets	2,162	2,125	→ Deferred tax asset
Tangible assets	15,016	14,765	
<b>Total non-current assets</b>	<b>17,506</b>	<b>17,596</b>	
Receivables	3,306	4,305	-23% → Holdback down to 16%
Cash and cash equivalents	9,478	9,391	
<b>Total current assets</b>	<b>13,044</b>	<b>13,924</b>	
<b>Assets</b>	<b>30,550</b>	<b>31,520</b>	
<hr style="border-top: 1px dashed red;"/>			
<b>Equity</b>	<b>5,773</b>	<b>6,178</b>	
Non-current debt	12,312	11,984	
Other non-current liabilities	3,505	3,215	
<b>Total non-current liabilities</b>	<b>15,817</b>	<b>15,199</b>	
Air traffic settlement liabilities	3,203	3,888	-18% → Bookings reflecting seasonal low-point
Current debt	1,713	1,726	
Other current liabilities	4,045	4,529	
<b>Total current liabilities</b>	<b>8,960</b>	<b>10,142</b>	
<b>Liabilities</b>	<b>24,777</b>	<b>25,341</b>	
<b>Equity and liabilities</b>	<b>30,550</b>	<b>31,520</b>	
<b>Equity ratio (%)</b>	<b>18.9</b>	<b>19.6</b>	<b>-0.7 p.p.</b>

Net interest-bearing debt			
<i>NOK million</i>	31 Dec. 2023	30 Sep. 2023	Chng. (QoQ)
Cash & equiv.	9,478	9,391	+87
Aircraft financing	11,301	11,036	+265
Other IB debt	102	111	
Retained Claims Bonds	2,622	2,562	
<b>NIBD</b>	<b>4,548</b>	<b>4,318</b>	<b>+229</b>

- **NIBD increase** with added lease obligations for three latest-technology aircraft  
– countered by ccy. revaluations and downpayment
- 87 aircraft at quarter-end, up from 85 last quarter
- **Optimising and simplifying capital structure**  
– NOK 935m in principal bond repayments during 2023
- **2023 dividend proposal NOK 0.60 per share**  
– subject approval from bond holders  
– added to dividend fund if approval not obtained by time of 2024 AGM

# Cash flow – improved liquidity position into winter



*\*Subject to certain adjustments, to be finally determined at a later stage*

# The way forward

# Key cost initiatives for 2024 and beyond



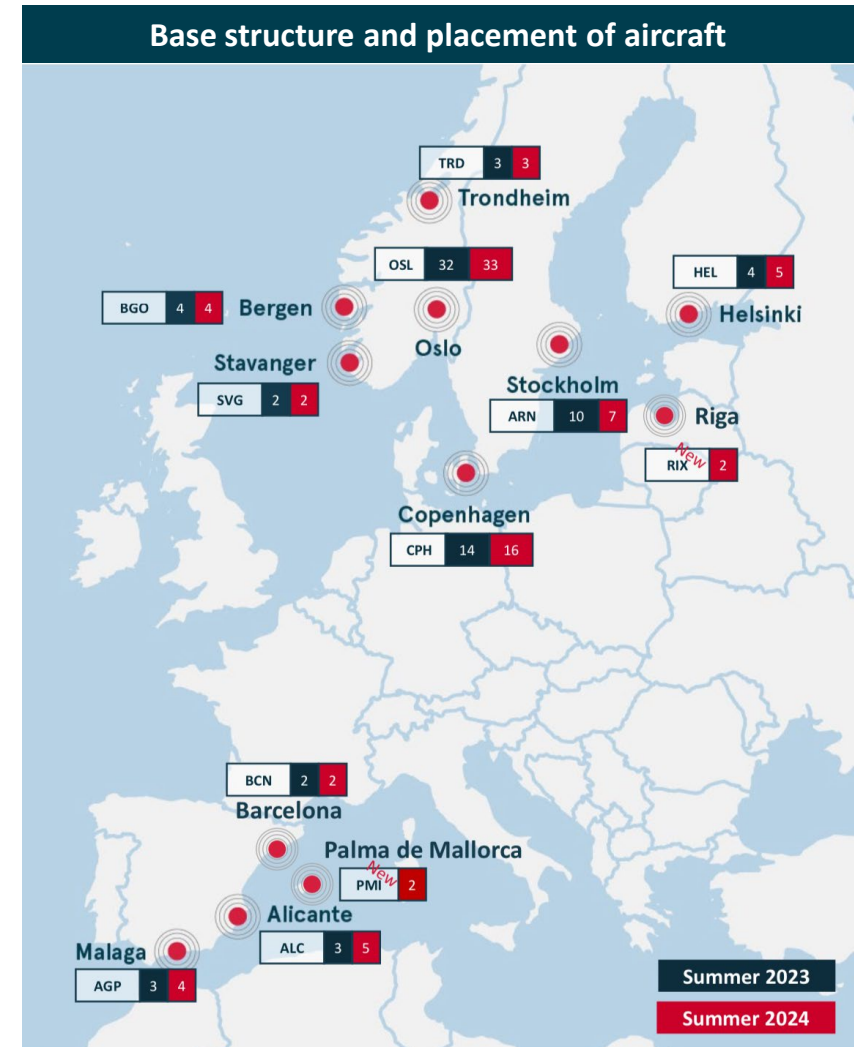
## Operations

- **On-time performance and regularity** – continuously pushing improvements
- **Ground handling and airports** – new handling agreements at improved terms and negotiations to improve airport charges
- **Heavy engine maintenance** – vendor change with significant savings
- Modern **self-service tools** to improve crew efficiency
- **Customer service** – modern automation and improved self-service capabilities online and at airports
- Increasing **sales through direct channels** (web and app) – reducing distribution cost



## Structural

- **Base structure** – expansion with network and optimisation potential
- Improve **seasonal utilisation** – balancing of workforce and fleet
- **Aircraft harmonisation and optimisation** to reduce running OPEX
- **Aircraft configuration** – significantly reducing CAPEX for own order



# Continuous improvements through stable operations



## Improved experience for all passengers

- **Punctuality & regularity** key for brand and loyalty
  - on-time performance most important driver of NPS
  - reduced cost for care and compensation (EU261)
- **Baggage delivery**
  - customers highlight **timely receiving baggage**
  - lost baggage significant cost – reduced 25% vs last year
- **Help and service**
  - customers value service when things go wrong



## Customer service

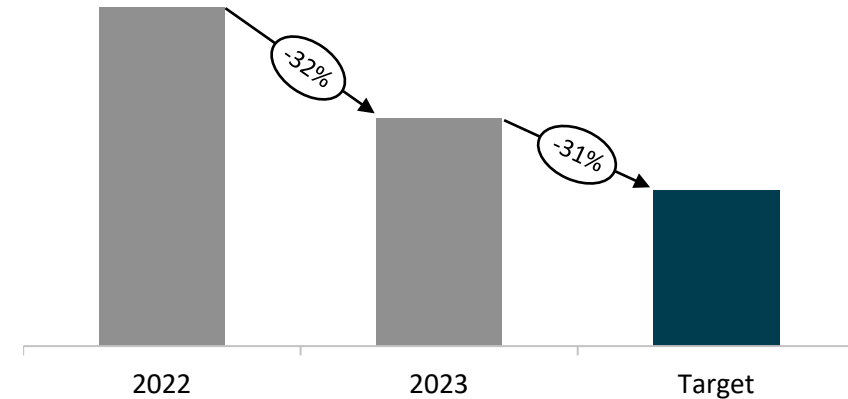
- **Doubled service level in 2023** – 72% of calls answered within 3 min.
- **Reduced friction for customers**
  - customer contacts down 10% from 2022 with 16% growth
  - self-service options, i.e. electronic meal/hotel vouchers
  - AI chatbot tools driving further improvement
- Each customer agent serving increasing number of passengers



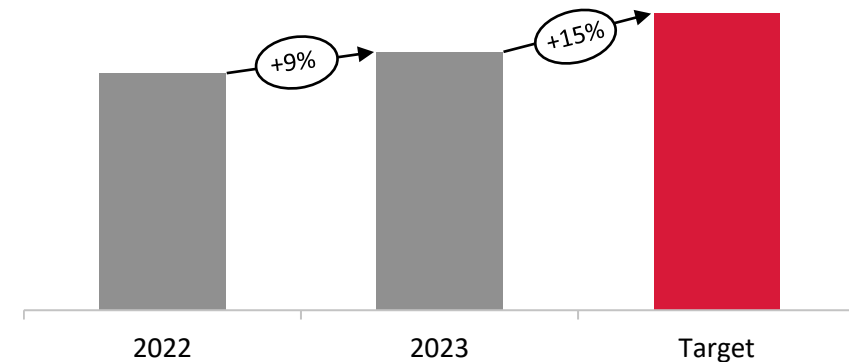
## Other costs driven by operations

- **Crew** – delays causing “time outs” and reduced block hours
- **Airport and ATC charges** – higher costs for late flying
- **Fuel** – flying uneconomical to “catch up”

Short-shipped bags (SS) per PAX



PAX per customer service agent





# Widerøe – acquisition of highly complementary airline



## Widerøe transaction completed in January

- Major operator of **public service operation (PSO)** routes – fleet comprising 48 aircraft – 45 turboprops and three E2 jets
- **Transaction price NOK 1,125 million** subject to certain adjustments – implying P/E of 3.0 – 3.5 on historic earnings after synergies



## Solid business rationale

- **Route network** – complimentary route networks with end-to-end connectivity with additional inbound travel to the Nordics
- **Seasonality** – improved corporate offering and resiliency through PSO operation – 1/5 of NAS’ seasonality
- **Improved performance** in H2 2023 following reduced capacity
- **Outlook** – award of new PSO tender until 2027/28 with expected increased passenger volumes yielding predictability – 2024 operating earnings outlook in-line with pre-covid earnings – fuel hedge 80% for 2024, significantly below current market levels



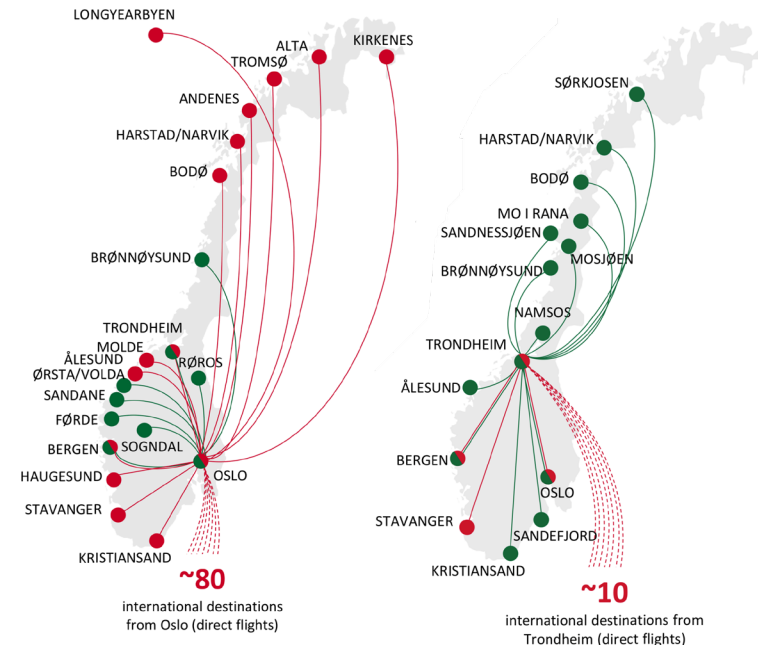
## Capturing broad range of synergies

- **Yearly consolidated EBIT synergies in excess of NOK 300 million**
- Initiated efforts to identify and capture synergies – key revenue initiatives to be implemented from forthcoming winter
- **Identified synergies** include passenger interlining, shared distribution and reach, joint procurement and fleet optimisation for group

Offering travellers access to more destinations, with better connectivity and seamless end-to-end travel at affordable prices



Connect via OSL                      Connect via TRD



# Securing modern fleet for the long-term



## Securing fleet for summer 2024

- Fleet increasing to appr. 90 aircraft for summer season – potential for additional aircraft delivery delays ahead of summer
- Countering delivery delays by 737 NG lease extensions – currently evaluating additional extensions
- Received compensation for 2023 delayed aircraft deliveries in Q4 – partly compensating for loss related to reduced production



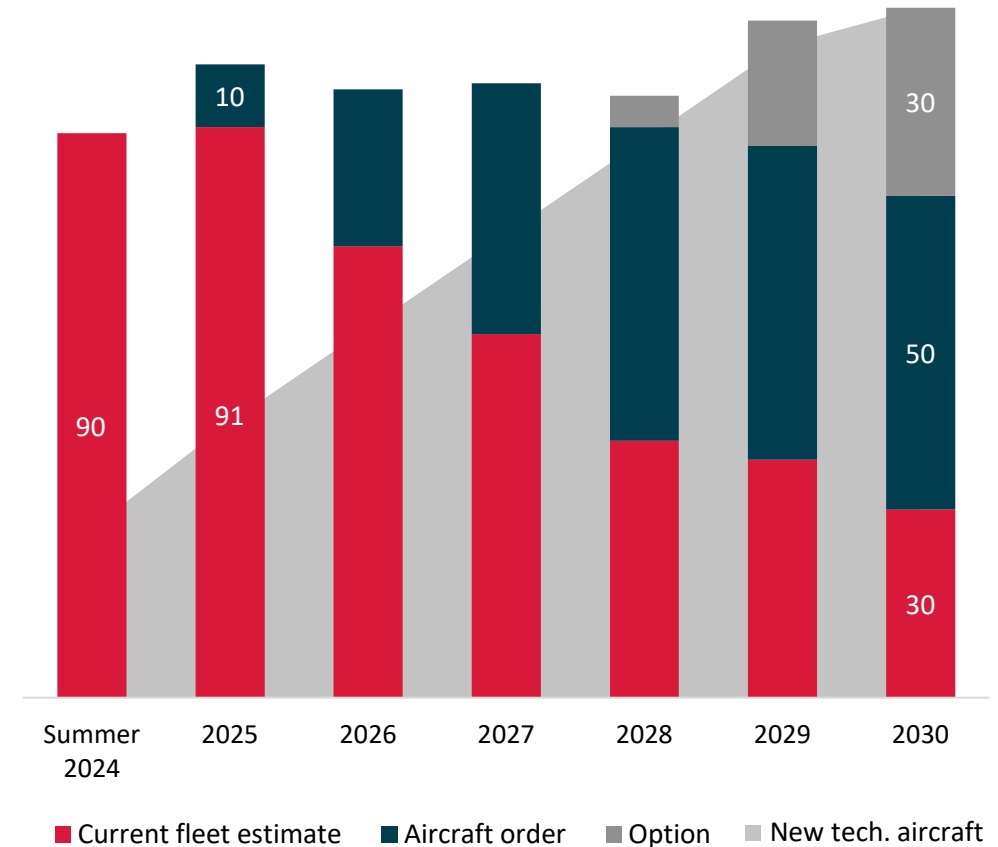
## Replacing older generation aircraft

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



## Aircraft order delivery from 2025

- Order for 50 737 MAX 8 aircraft – delivery 2025-2028 – option for additional 30 aircraft – attractive pricing and inflation protection
- Currently considering MAX 10 for part of order/option
- Aircraft specification optimisation – significant cost improvements
- NOK 3.2bn PDP paid-in – limited capex in 2024
- Significant share to be owned – secured financing for 2025 deliveries



# Committed to a sustainable future for aviation



## Strong ESG commitment

- Committed to **reducing carbon efficiency by 45% by 2030**
- **Carbon Disclosure Project (CDP) – B score for 2023**  
– top marks for emission verification and risk disclosure



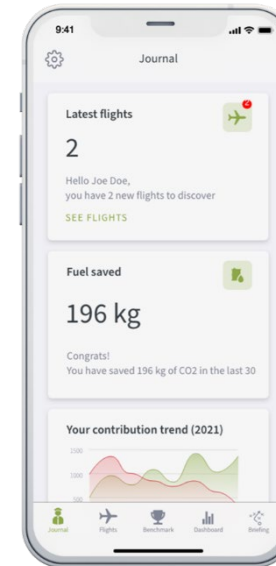
## Sustainable operations

- **SkyBreathe – latest mobile technology** for pilots to save fuel  
– est. reduction of 60,000 tonnes of CO2 in 2023
- **Fleet renewal** – modern fuel-efficient aircraft entering fleet  
– 30% summer fleet with latest technology – above 14% fuel reduction






## Lead role for fossil-free aviation fuels (SAF)

- **Now co-owner of Norsk e-Fuel**  
– building world first full-scale e-fuel plant in Mosjøen, Norway  
– covering 20% of SAF need until 2030  
– investment, including next milestone, exceeding NOK 50 million
- **Promoting SAF** – engaging with producers and policy makers
- **SAF initiative on Denmark’s busiest domestic route**  
– purchasing SAF for fuel equivalent to 100 flights



# Outlook

	FY 2024	Q1	Q2	Q3	Q4
 Capacity growth <sup>1)</sup>	c. 12%	c. 2%	c. 19%	c. 10%	c. 16%
<b>FY 2024</b>					
 Operating profit (EBIT) <sup>2)</sup>	<b>NOK 2.5 – 3.2 billion</b> (excl. Widerøe)				
 Unit cost (NOK) excl. fuel <sup>2)</sup>	<b>Flat vs. 2023</b>				



1) Available seat kilometres (ASK) vs. same period last year

2) Assuming current market rates for period – Jet fuel 870 USD/mt, EURNOK 11.4, USDNOK 10.5.

Not including effects from Widerøe acquisition and potential realisation from loyalty programme new business venture.

Company is projecting not to pay significant amount in taxes over the coming years due to deferred tax asset, currently amounting to NOK 1.9 billion.

# Fly Norwegian

Book tickets at [Norwegian.com](https://www.norwegian.com)

# Appendix

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# 20 largest shareholders as of 31 December 2023\*

	<b>Name</b>	<b>Country</b>	<b>Number of shares</b>	<b>Per cent</b>
1	Geveran Trading Company, Ltd.	Cyprus	134,010,512	13.9 %
2	Sundt AS	Norway	89,292,265	9.3 %
3	Folketrygdfondet	Norway	46,873,605	4.9 %
4	Ballyfin Aviation Limited	Ireland	31,472,703	3.3 %
5	Nordnet Bank AB.	Norway	29,748,294	3.1 %
6	Silver Point Capital, L.P.	United States	25,854,922	2.7 %
7	Handelsbanken Kapitalförvaltning AB	Sweden	23,966,576	2.5 %
8	Avanza Bank AB	Sweden	21,666,287	2.3 %
9	Keskinäinen eläkevakuutusyhtiö Varma	Finland	15,500,000	1.6 %
10	KLP Fondsforvaltning AS	Norway	15,378,913	1.6 %
11	Svelland Capital (UK) Ltd	United Kingdom	14,612,990	1.5 %
12	DNB Asset Management AS	Norway	12,521,543	1.3 %
13	Nordea Funds Oy	Finland	8,037,591	0.8 %
14	Contrarian Capital Management, LLC	United States	10,312,451	1.1 %
15	Brumm AS	Norway	10,010,480	1.0 %
16	American Century Investment Management, Inc.	United States	8,386,121	0.9 %
17	Swedbank AB	Sweden	8,033,545	0.8 %
18	Cape Invest AS	Norway	7,914,593	0.8 %
19	HSBC Continental Europe S.A., Germany	Germany	6,979,134	0.7 %
20	BlackRock Institutional Trust Company, N.A.	United States	6,745,380	0.7 %
	Top 20 shareholders		527,317,905	54.8 %
	Other shareholders		434,453,001	45.2 %
	Total number of shares		961,770,906	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

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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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