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Presentation of second quarter 2024

12 July 2024





Q2 profit before tax (EBT) NOK 477 million

- group operating profit (EBIT) NOK 593 million
 - Norwegian EBIT NOK 391 million
 - Widerøe EBIT NOK 202 million
- strong quarterly cash flow
 - NOK 823m dividend fund set up
- improving cost performance in quarter
 - unit cost excl. fuel down 2% YoY

Preferred travel partner throughout Nordics

- 340 Norwegian summer routes across attractive network
 - close to 100 Widerøe routes
- operational excellence through quarter
 - Norwegian (DY) most punctual European airline in May (Cirium)
- customer satisfaction record high – NPS 53

Focused on summer season execution

- capacity increase in Q2 (19% YoY) coinciding with demand softening
 - utilising fares to fill seats
- CBA agreements reached with pilots and crew
 - avoiding significant operational disruption
- fleet impacted by Boeing delays
 - incurring external capacity cost to deliver on program

Preparing for winter season ahead

- exciting routes launched for Northern Norway travel and warmer holiday destinations
- increased corporate traffic dampening seasonality
- linking network with Widerøe this winter

Loyalty partnership with Strawberry agreed

- 10-million strong membership base
- world-first multi-partner offering
 - new partners to be added
- market launch targeted for second half 2024



Number of passengers in second quarter (group)

7.3 million (+30% YoY)

Load factor
(change YoY)



Norwegian capacity (ASK)

Q2 2024



10.3bn

Q2 2023

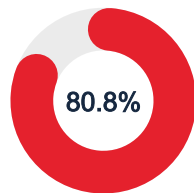


8.7bn

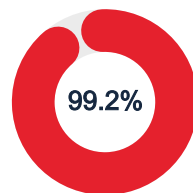


Q2 operating performance (Norwegian)

Punctuality

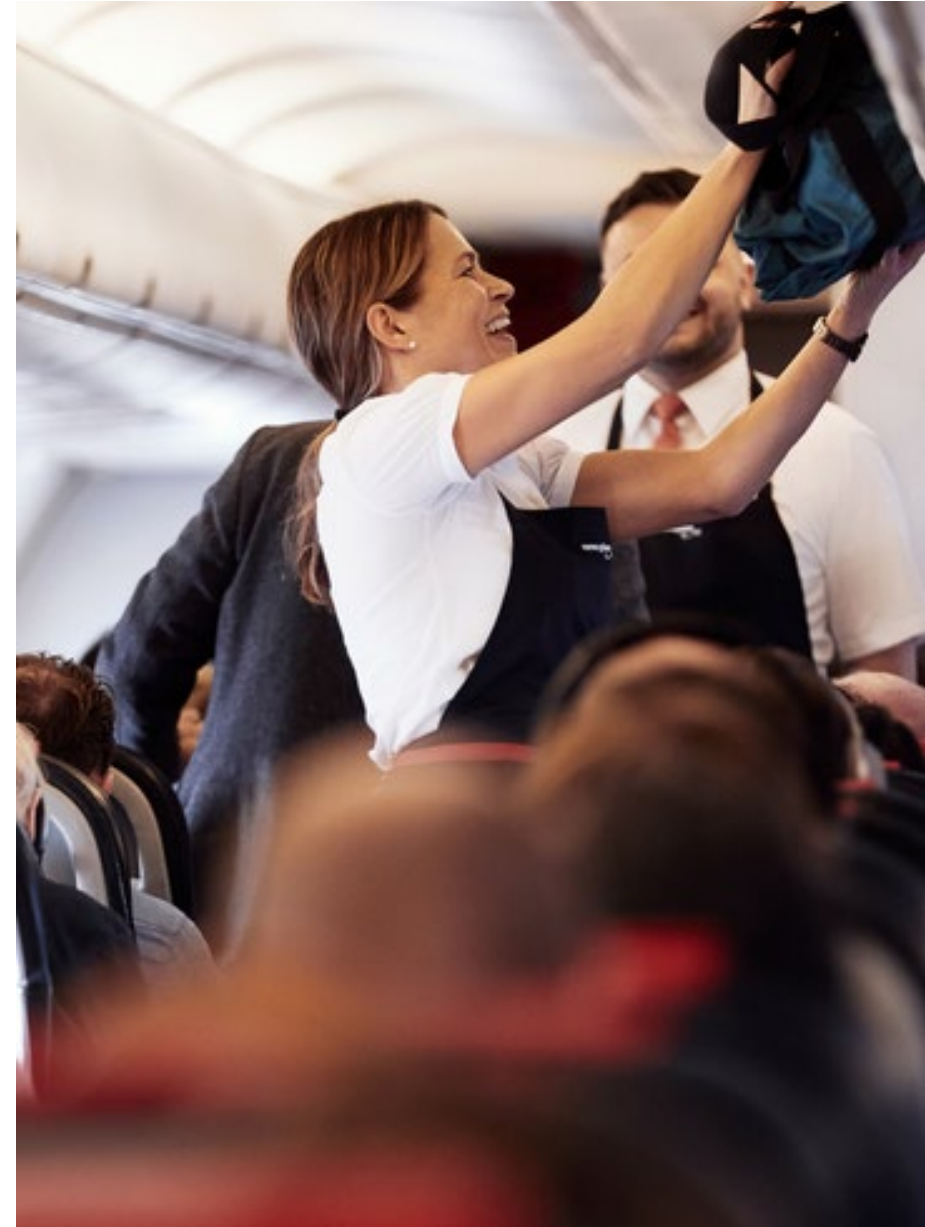


Regularity



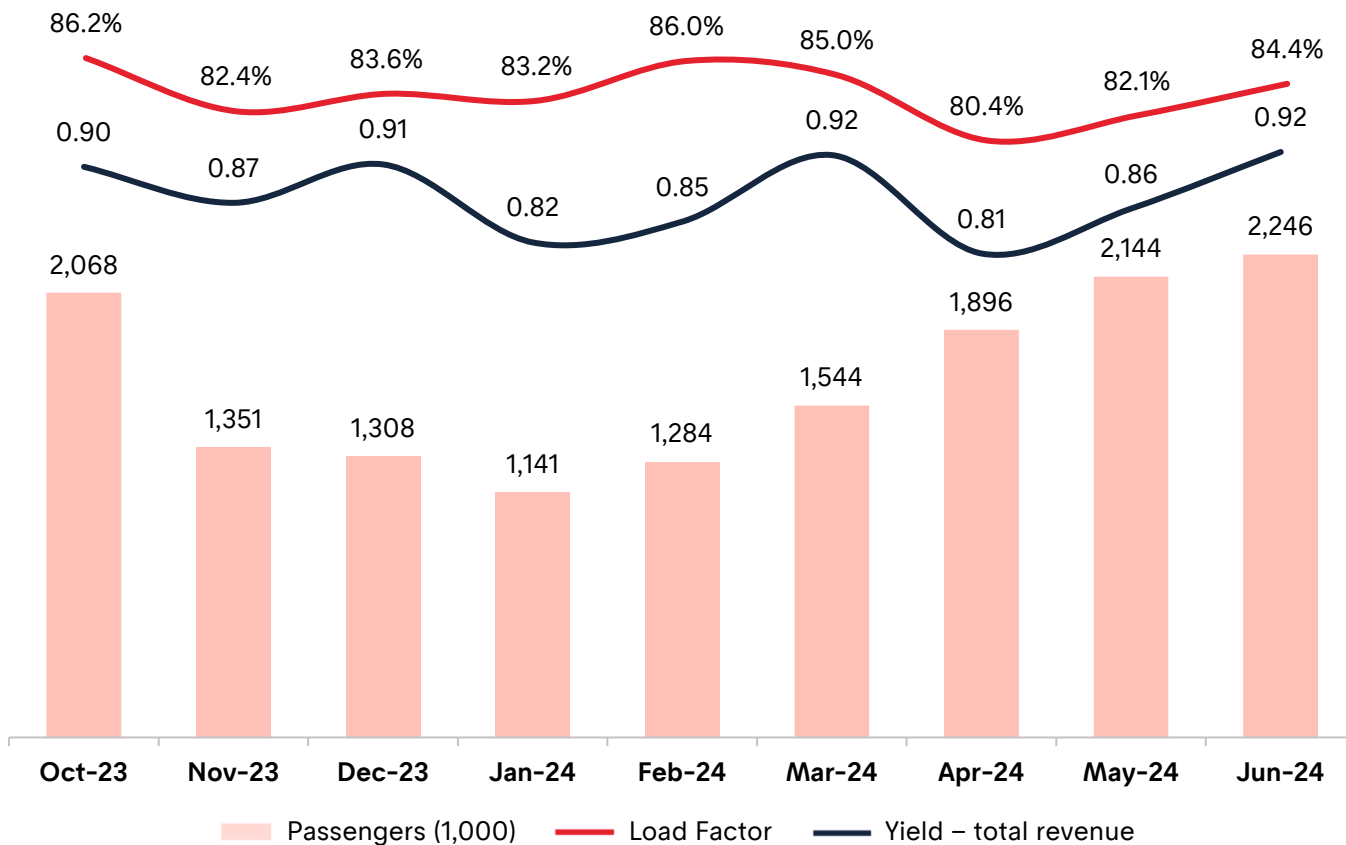
May operating performance report (Cirium)

- Norwegian (DY) Europe's most punctual
- top three global low-cost carrier



Significant ramp-up into peak summer

Norwegian Traffic – PAX per month, load factor and yield



Significant ramp-up in Q2

- Q2 capacity +66% from previous quarter and +19% YoY
- new routes, destinations and frequencies, primarily on longer flights

Capacity increase coinciding with softening demand

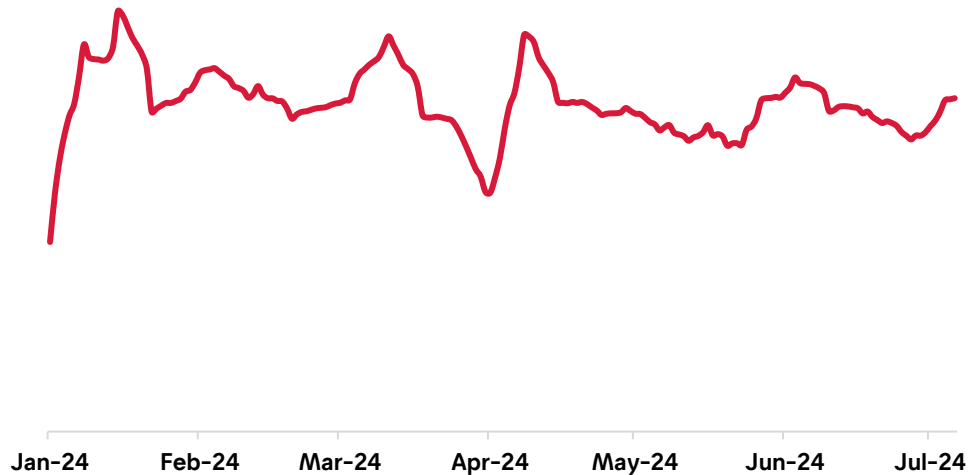
- Q2 load factor down 2% – impacted by early Easter
- yield down 3% – impacted by 6% longer avg. sector
- potential industrial action also impacted bookings

Getting customers to their destinations

- regularity close to 100%
- mitigating Boeing delays with external capacity to avoid any flight cancellations – incurring additional costs

Norwegian – stable booking momentum

7-day rolling sales figures (PAX) – All markets¹⁾



Stable sales momentum

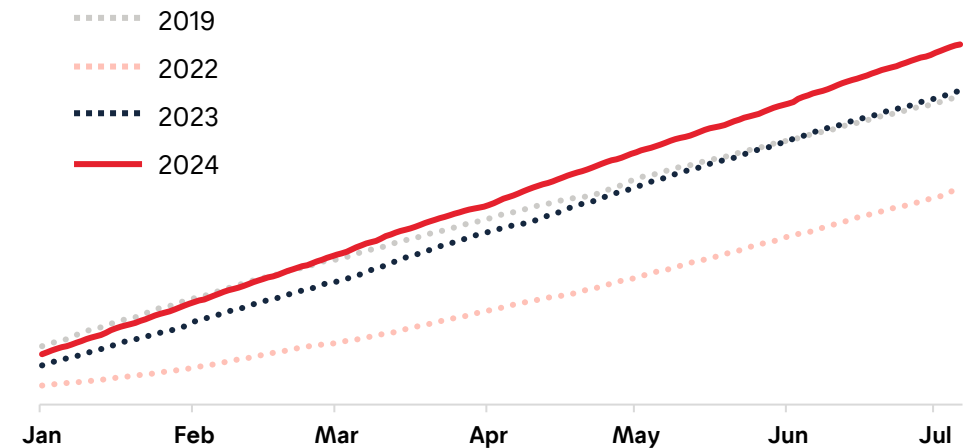
- diversified bookings across destinations and travel month

Significant capacity increase in selected markets

- utilising fares in establishment of new routes
- first establishment of non-Nordic routes since 2020
- close-in bookings exhibiting softness in recent months

¹⁾ travel anytime, anywhere as of 6 July 2024

Booked revenue – third quarter (Jul. – Sep.) travel²⁾



Load on par with last year for third quarter

- Q3 capacity increase 10% – down from 19% in Q2
- more than 400,000 additional tickets sold vs. last year at corresponding date

Q3 tickets sold at yield flat vs. last year

²⁾ 2019 adjusted for comparable route network

Corporate travel – increasing market share

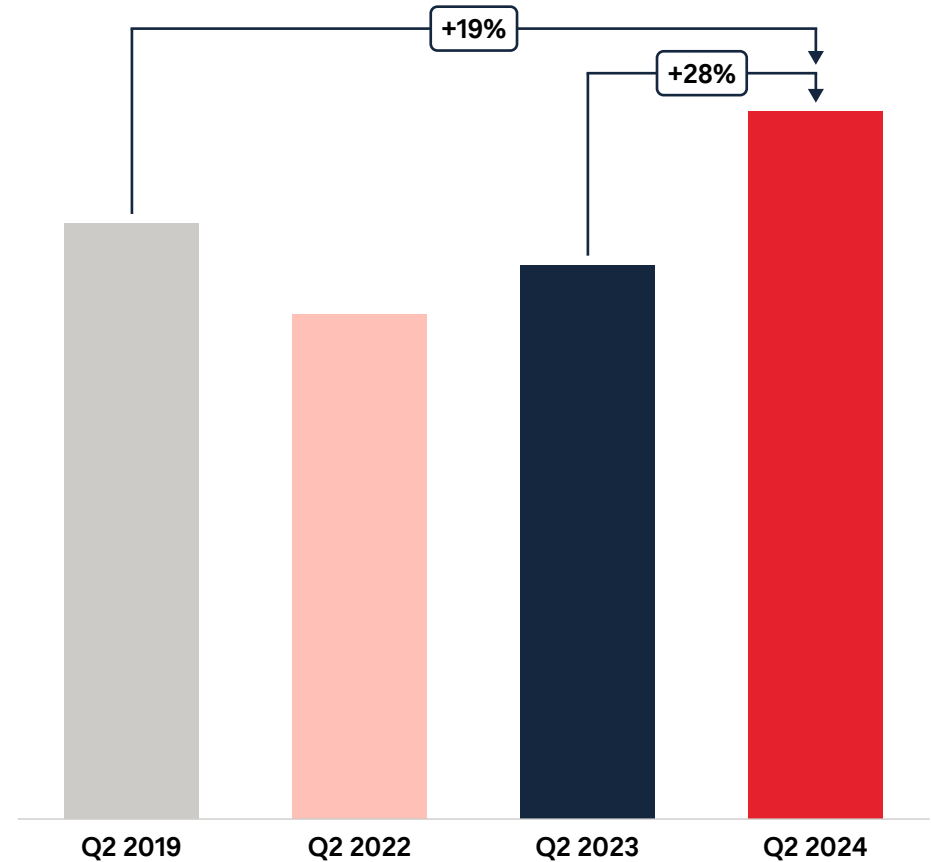
Corporates choosing Norwegian

- **from corporates we speak to:**
 - “50% or higher share of travel with Norwegian”
 - “reduced corporate travel compared to 2019”
- **strong on-time performance** and close to zero cancellations
 - Q2 regularity 99.2%
 - Cirium most punctual European airline in May
- **onboarding new corporates**
 - more than 1,400 corporate agreements added in H1 across the Nordics
 - growth in direct bookings and via TMCs
- **Sweden** – strong growth in passengers and corporate agreements
- **four-year contract with Armed Forces started 1 Feb.**
 - stronger initial performance than anticipated

Key initiatives ahead

- **Norwegian Reward Priority**
 - exclusive frequent flyer benefits
- **Widerøe travel with seamless end-to-end connectivity**
 - aligning networks from winter 2024
 - tailoring Norwegian-Widerøe corporate offering
- launching **loyalty partnership platform** with Strawberry

Corporate passengers



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Financial results for Q2 2024

Quarterly financial highlights

Revenue

- **group revenue increasing to NOK 9.3 billion** – up 36% vs. last year
 - Widerøe contribution NOK 1.8 billion
- **Norwegian unit revenue lower** with capacity growth and Easter effect
 - total unit revenue down 5.6% from Q2 last year
- **Norwegian ancillary** NOK 194 per pax
 - up from NOK 178 last year

Profits

- **group operating profit (EBIT) NOK 593 million**
 - Norwegian EBIT NOK 391 million
- **improving cost performance**
 - unit cost excl. fuel down 2% vs. last year
 - non-recurring costs related to CBA negotiations
 - weak NOK against USD
- **Widerøe** – positive results contribution

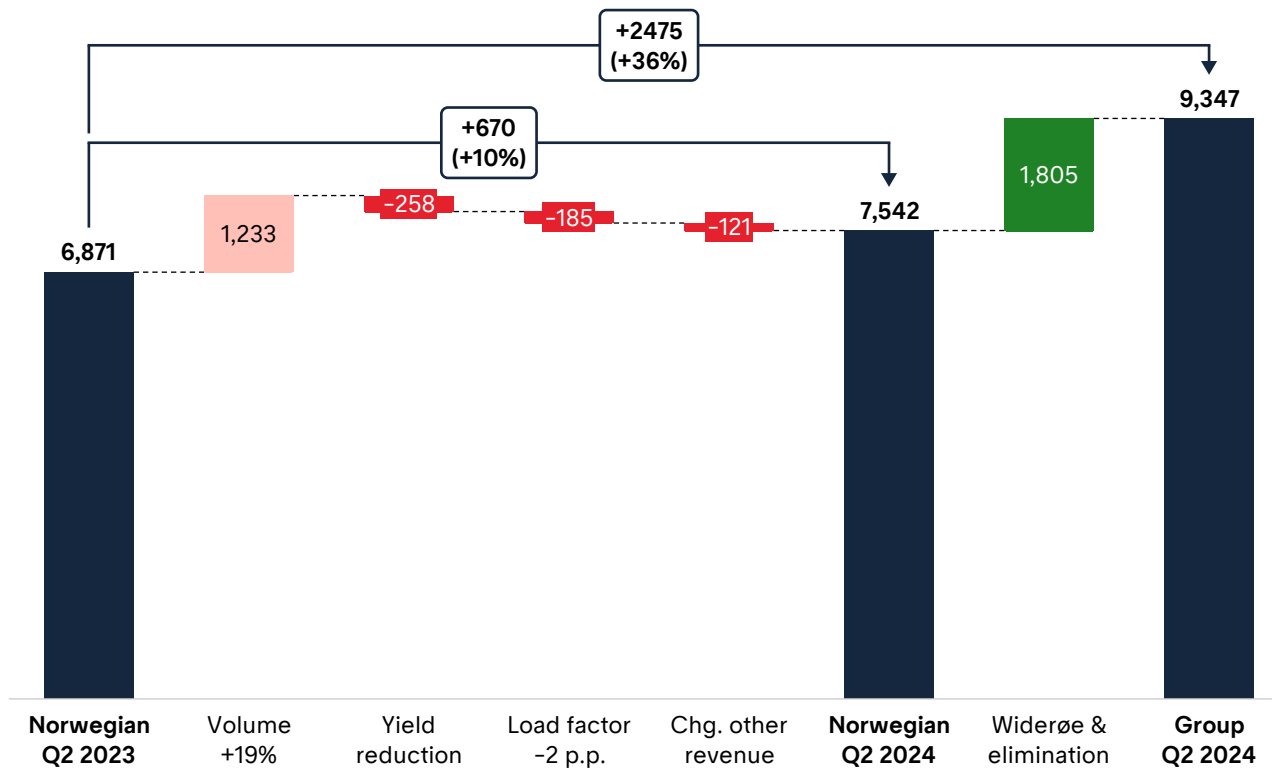
Balance sheet

- **strong quarterly cash flow**
 - robust cash position increased to NOK 11.5 billion
 - NIBD reduced by NOK 1.4 billion
- **equity ratio** up to 14.5%
- **dividend fund** for 2022/23 established in May
 - NOK 823 million at quarter-end



Revenue development

Quarterly total operating revenue (NOK million)



Capacity and PAX increase in quarter

- predominant increase on long sectors vs. Q2 2023
- load factor and yield impacted by capacity increase and Easter holiday falling in Q1

Reduction in other revenue

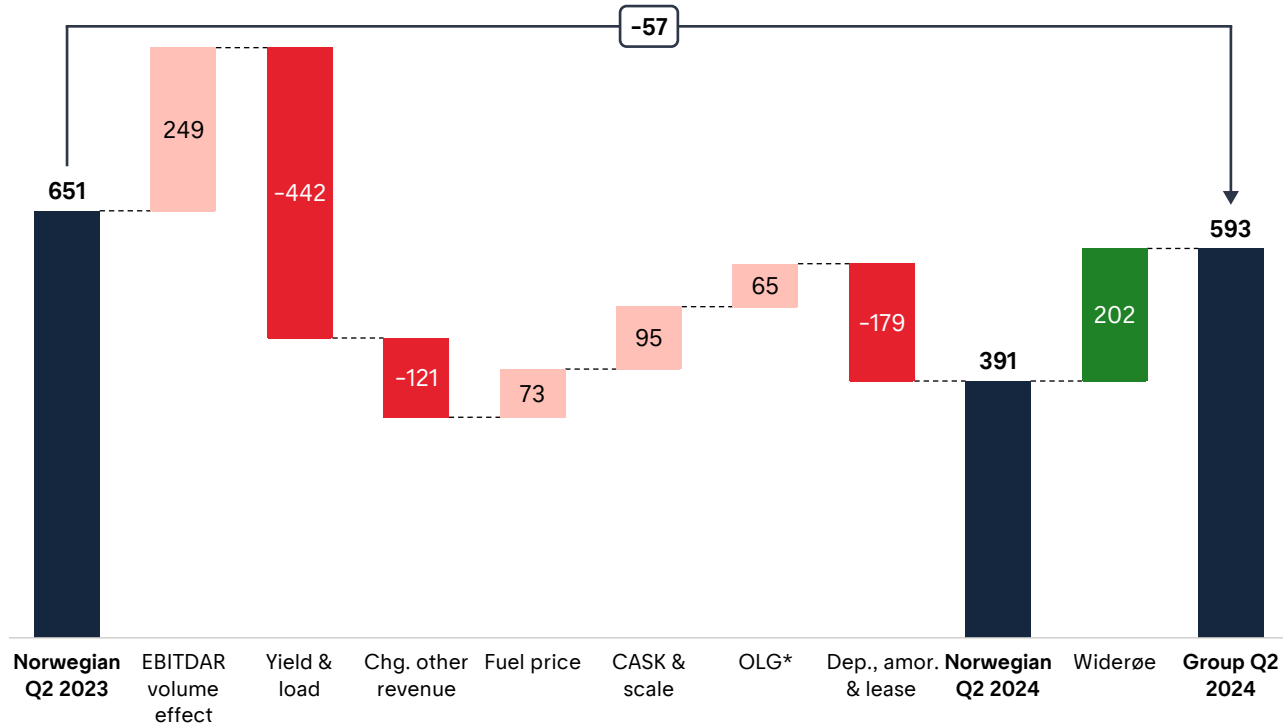
- other revenue for Norwegian NOK 141m
- level normalising after Covid-19 CashPoint expiry

Widerøe contributing positively

- 20% share of group operating revenue in quarter

Operating profit (EBIT) development

Quarterly EBIT (NOK million)



Capacity increase supporting revenues

- Norwegian operating revenue +10% YoY

Cost improvement amidst inflation and ccy

- unit cost excl. fuel NOK 0.47
– scale benefits – down 2% YoY
- weak NOK against USD impacting cost lines
- CBA negotiations more costly than provisioned for

Depreciation increasing with fleet size

- addition of latest generation 737 MAX 8 aircraft with reduced fuel-burn
- fleet 86 aircraft – up 5 aircraft vs. last year

*) other losses/(gains), including share of JV

Group P&L

<i>NOK million</i>	Q2 2024 (Group)	Q2 2023 (Norwegian)	Chng. (YoY)	
Passenger revenue	7,820	5,615		
Ancillary passenger revenue	1,257	994		
Other revenue	270	262		
Total operating revenue	9,347	6,871	+36%	→ increased volumes and Widerøe inclusion
Personnel expenses	2,079	1,071		→ additional flying FTEs and Widerøe inclusion
Aviation fuel	2,593	2,051		
Airport and ATC charges	1,015	778		
Handling charges	673	554		
Technical maintenance expenses	287	192		
Other operating expenses	887	633		
EBITDAR excl other losses/(gains)	1,811	1,594	+217	→ improved cost-performance amidst unit revenue softening
Other losses/(gains)	-36	25		
Share of net loss/(profit) of JV	2	0		
EBITDAR	1,846	1,569		
Aircraft lease, depreciation and amortization	1,253	918		
Operating profit (EBIT)	593	651	-57	→ primarily unit revenue softening
Net financial items	-116	-112		
Profit before tax (EBT)	477	538		
Income tax expense (income)	0	0		→ profit offset against non-booked tax carry forward losses
Net profit (loss)	477	538		

Robust balance sheet

<i>NOK million</i>	30 Jun. 2024	31 Mar. 2024	Chng. (QoQ)
Intangible assets	2,622	2,592	
Tangible assets	18,951	19,097	
Total non-current assets	22,031	22,129	
Receivables	5,613	4,998	
Cash and cash equivalents	11,498	10,434	+1,064 → strong cash-flow
Total current assets	17,628	15,936	
Assets	39,659	38,065	
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Equity	5,732	5,443	
Non-current debt	13,851	14,212	
Other non-current liabilities	4,729	4,198	
Total non-current liabilities	18,580	18,409	
Air traffic settlement liabilities	7,758	7,398	+5% → forward bookings record-high post 2019
Current debt	2,051	2,033	
Other current liabilities	5,538	4,781	
Total current liabilities	15,347	14,212	
Liabilities	33,927	32,621	
Equity and liabilities	39,659	38,065	
Equity ratio (%)	14.5	14.3	0.2 p.p. → up 2 p.p. from Q1 last year

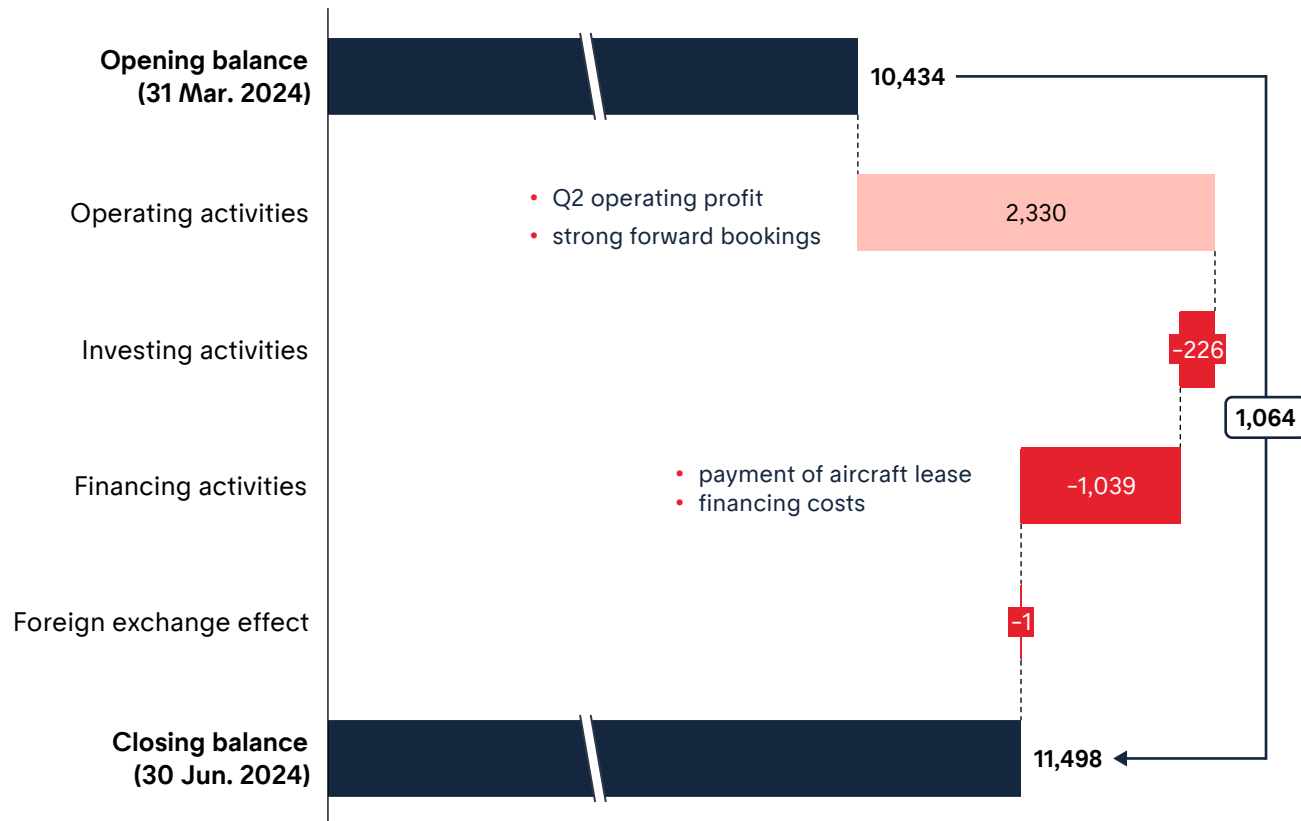
Net interest-bearing debt (Group)

<i>NOK million</i>	30 Jun. 2024	31 Mar. 2024	Chng. (QoQ)
Cash & equiv.	11,498	10,434	+1,064
Aircraft financing	12,853	13,045	-192
Other IB debt	301	516	-215
Retained Claims Bonds	2,747	2,684	64
NIBD	4,404	5,810	-1,407

- **NIBD decrease** with significant increase in liquidity position during Q2
- **86 aircraft** in Norwegian at quarter-end – one additional 737 MAX 8, two 737-800 redeliveries
- **optimising and simplifying capital structure**
- **dividend provision of NOK 0.85 per share for 2022/2023**
 - distribution subject to approval from bond holders
 - dividend fund NOK 823 million included in cash position
 - investment return added to dividend fund

Robust cash flow in quarter

Quarterly cash flow (NOK million)



Positive working capital effect

- increased forward bookings
- holdback at normalised level

Excess liquidity on deposits and money-market funds

- rate-of-return 5.5%

Limited aircraft prepayments to Boeing in 2024

- prepayment to date NOK 3.3bn

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The way forward



Widerøe – vertically integrated, key regional infrastructure operator

Organisation

- 3,000 employees – majority in ground handling (WGH) and technical (WTS)
- 49 aircraft fleet – 46 DeHavilland turboprops
- Tore K. Jenssen new CEO – previously Norwegian Chief Asset Officer

Commercial operations

- predominant share of airline operations and revenues – c. 75% of ASK
- significant improvement YoY for load factor and underlying result
- wet-lease services provided to other airlines

Public service obligation (PSO)

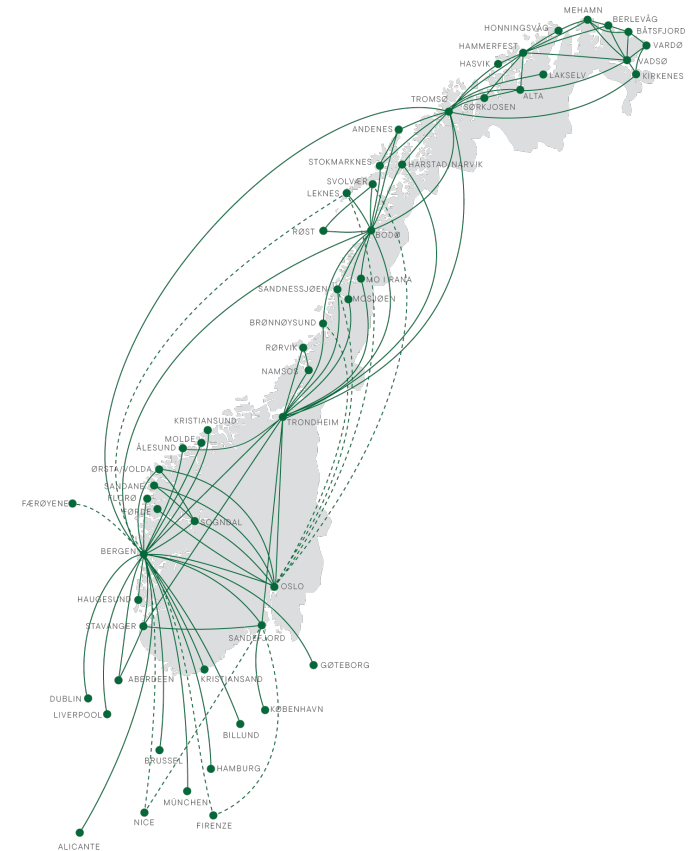
- routes operated on government demand
 - harsh complex operations with short runways & steep approach
- new PSO tender – duration until 2027/28 with increased capacity

Widerøe Ground Handling (WGH)

- largest ground handler in Norway – covering 40+ airports
- delivering services to 100+ customers – significant revenue from third-parties
- handling collaboration with Norwegian to capture synergies

Widerøe Technical Services (WTS)

- high technical competence with close to all work related to own fleet
 - performing both light- and heavy maintenance tasks
- in-house services yield competitive advantage with short lead-times



Widerøe – highly complementary airline

Solid business rationale

- **seamless connectivity** end-to-end
 - network alignment with Norwegian from winter 2024
 - **interlining sales up 73%** vs. last year
- **increasing inbound travel**
 - attractive destinations across regional Norway
- **reduced seasonality** – 1/5 of NAS'
 - strong corp. offering and resilience through PSO operations

Improving 2024 outlook

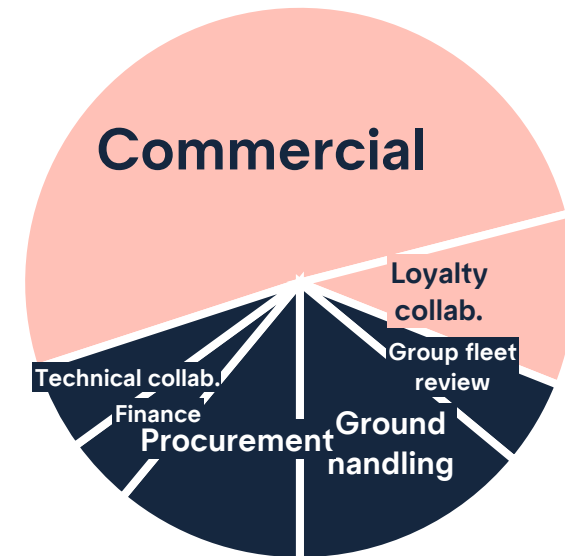
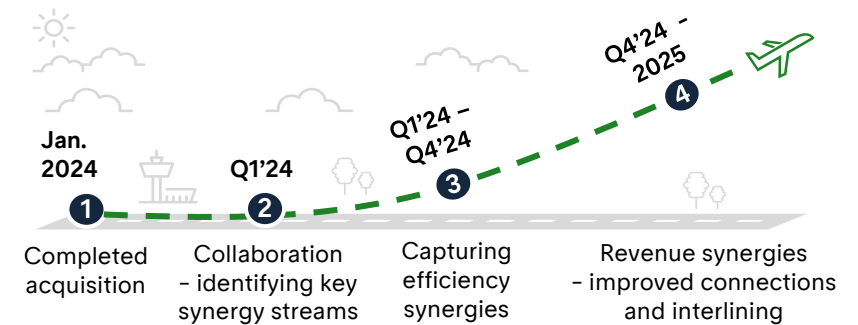
- **new PSO tender** in place from 1 April
 - 50% reduced max. fares – increased gov. revenues
 - Widerøe PSO capacity increase 6%
- **commercial routes with strong passenger growth**
 - overall load factor in Q2 +5 p.p. vs. last year
- **favourable hedge positions** on jet fuel
 - 80% for remainder of 2024, 45% for 2025

Shareholder accretive acquisition

- **transaction with favourable timing**
 - acquisition price at P/E 3.0-3.5 on historic earnings post synergies
- **increasing competitiveness** with better combined customer offering
- **capturing broad range of synergies**
 - aligning networks from W24 for key commercial synergies

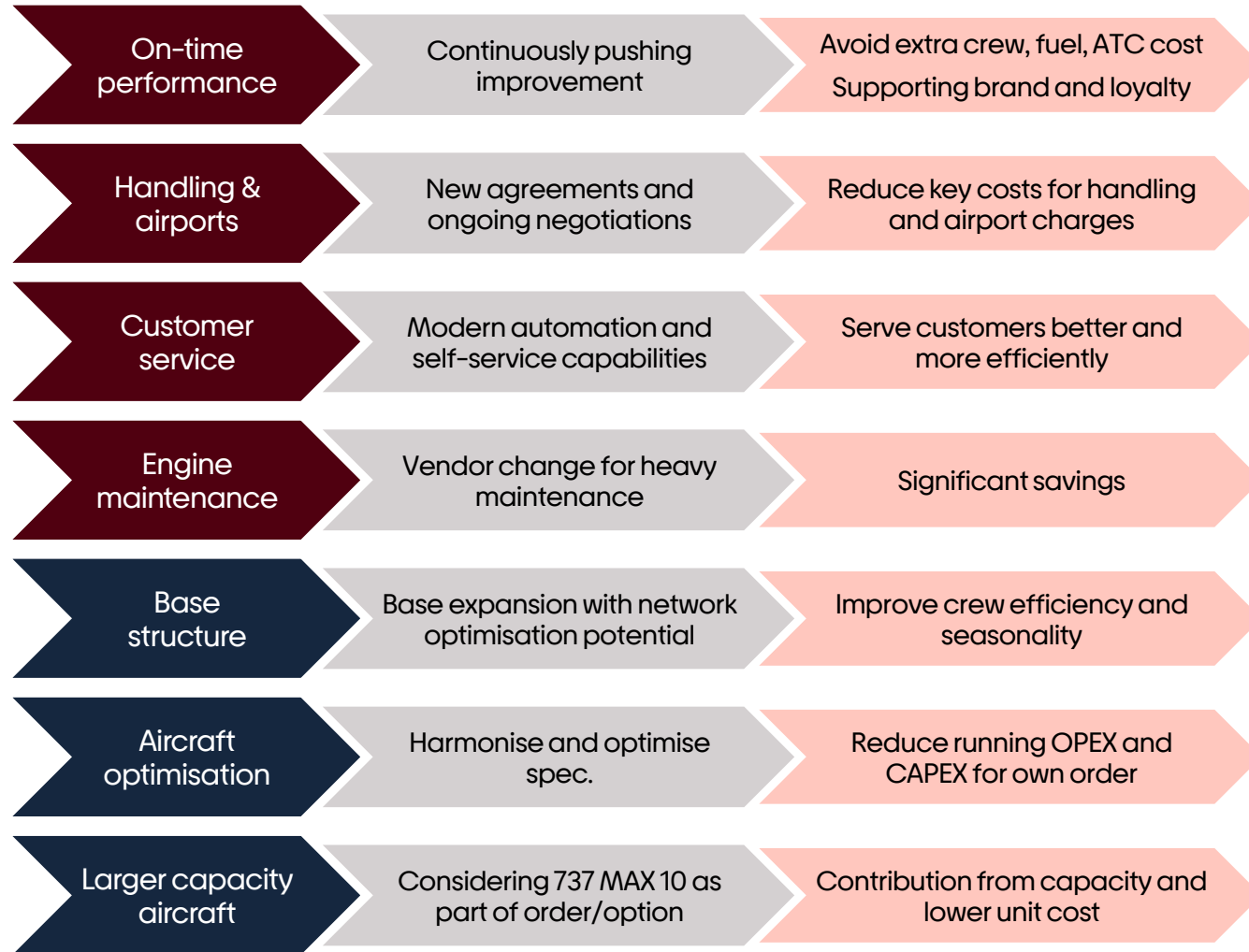
Capturing on key synergies*

– consolidated synergies in excess of NOK 300m



*illustration purposes only

Key cost initiatives for 2024 and beyond



Short-term growth impacted by Boeing aircraft delays

Countering Boeing delivery delays

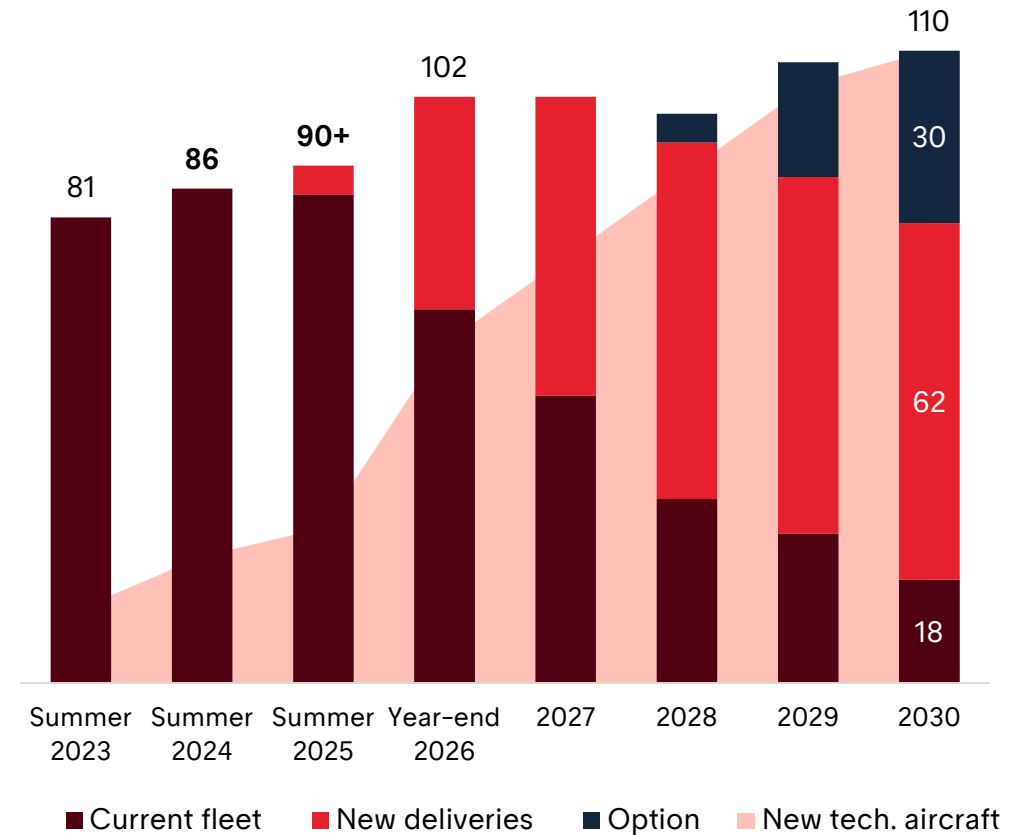
- upcoming deliveries for Boeing aircraft delayed 8 to 11 months
– partially compensated for incurred delay cost
- 86 aircraft fleet for summer, down from 87 estimate last quarter
– sourcing external capacity to avoid cancelling flights
– overall unchanged 2024 capacity growth of 12%
- evaluating 737 NG lease extensions for 2025 and 2026

Replacing older generation aircraft

- more 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
- considering MAX 10 for part of order/option
- aircraft specification optimisation – significant cost improvements
- NOK 3.3bn PDP paid-in – limited capex in 2024
- significant share to be owned – secured financing for initial deliveries



Summary

Second quarter performance

- **capacity increase coinciding with price softening in shoulder season**
 - strong growth (+19% YoY) focused on longer sectors
 - utilising fare and campaigns to fill seats
- **market traction investment** when establishing new routes
- **improving cost performance** with ongoing key initiatives
 - unit cost excl. fuel reduced 2%

Growth impacted by delivery delays




- **growth slowing in Q3** (+10% YoY)
 - booked yields and loads flat vs. last year
- **summer 2025 fleet estimate 90+ aircraft**
 - significant uncertainty due to Boeing delivery delays
 - partial compensation for incurred costs

Positioning for a successful 2025

- **Widerøe performing well**
 - capturing key commercial synergies from 2025
- **top European airline for operational performance**
 - key to continue growing corporate market share
- **strong ESG commitment**
 - reducing carbon emissions by 45% by 2030
- **launching loyalty platform** with partners



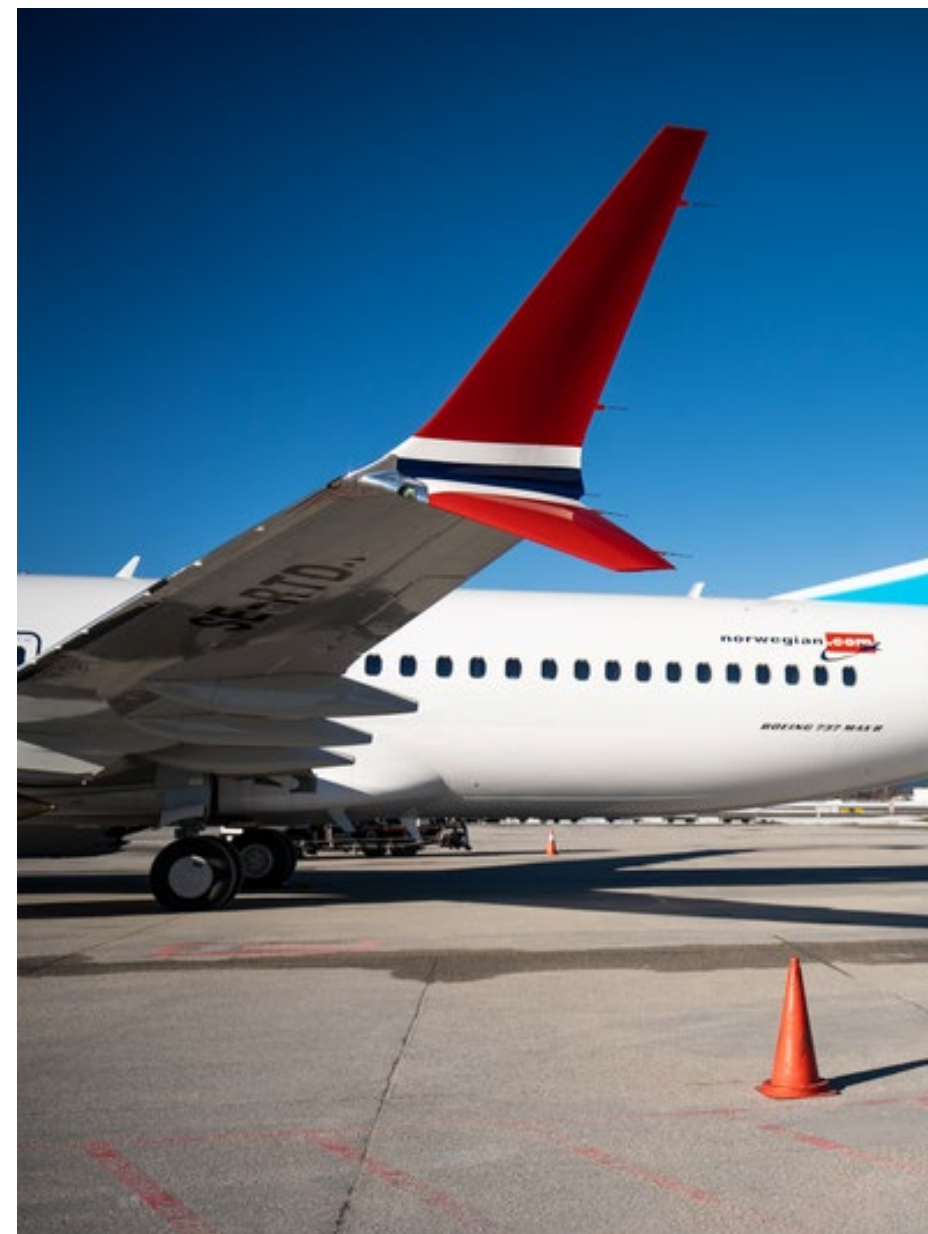
Outlook

		FY 2024	Q3	Q4
	Capacity growth ¹⁾	c. 12%	c. 10%	c. 16%
FY 2024				
	Group operating profit (EBIT) ²⁾	NOK 2.1 – 2.6 billion		
	Norwegian unit cost excl. fuel ²⁾	Low single-digit % increase vs. 2023		

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

2) Assuming average market rates for period of jet fuel 840 USD/mt, EUR/NOK 11.5, USD/NOK 10.6.

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.



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