norwegian

Norwegian Air Shuttle (NAS) Investor Presentation

March 2024

norwegian

Norwegian today

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

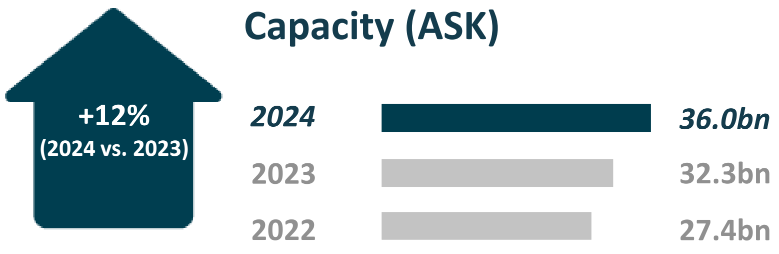
Ramping up for summer season
– booking momentum pointing to record summer
– additional bases complementing network structure
– fleet increasing to appr. 90 for peak summer

Preferred travel partner throughout Nordics
– over 300 routes across attractive network
– top rank for operational performance in Europe (Cirium)
– strong punctuality (82% in Q4) with close to zero cancellations
– capturing significant market share for corporate travel

Strategically positioned for future
– lead role for sustainable aviation – key SAF initiatives
– Widerøe acquisition completed – highly complementary airlines

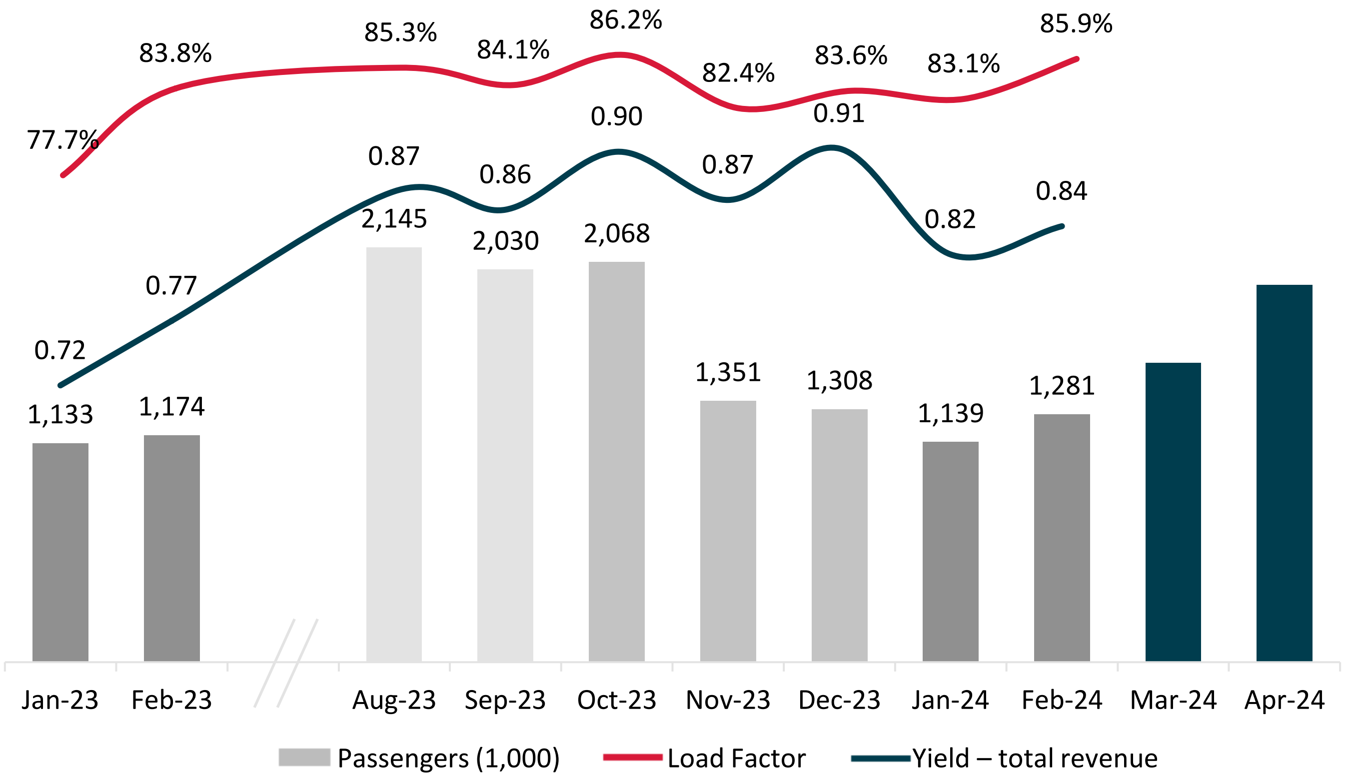
Number of passengers

20.6 million



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%
- **Stable load and strong unit revenue**
  – February total unit revenue +22% yoy
  – historic high February load
- **Significant ramp-up** from March onwards

Booking momentum into peak season

Strong booking momentum through Q1

7-day rolling sales figures (abs) – All markets[1)]

→ **Successful sales period**

– New Year's campaign with over 1m tickets sold

– fares significantly above previous years

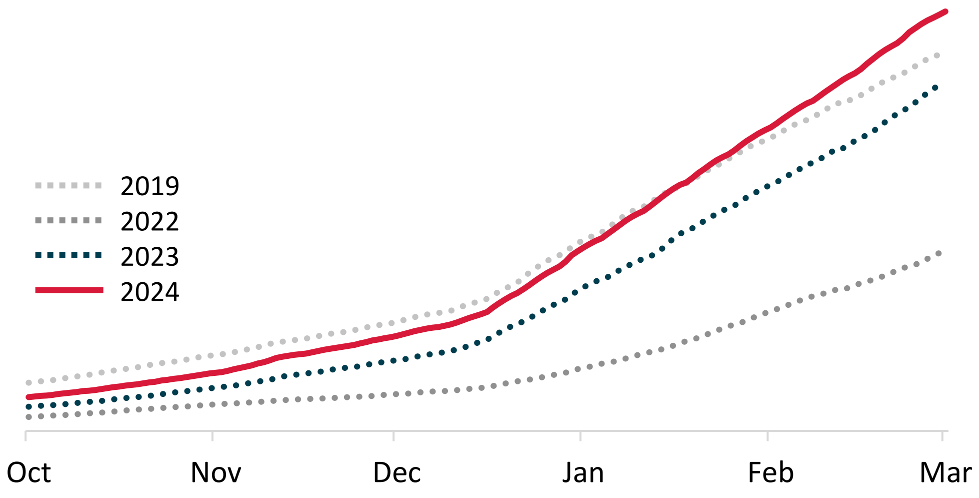
→ **Diversified bookings across destinations and travel months**

– capturing market share in corporate travel market

– large defence contract started 1 Feb.

Normalisation of booking curve

Booked Revenue – March to July travel[2)]



→ **Booking visibility normalising**

– booked load on par with 2023 with significant higher volume

– disciplined pricing strategy compared to 2019

1) Travel anytime, anywhere as of 17 March 2024
2) 2019 adjusted for comparable route network

norwegian

The way forward

Key cost initiatives for 2024 and beyond

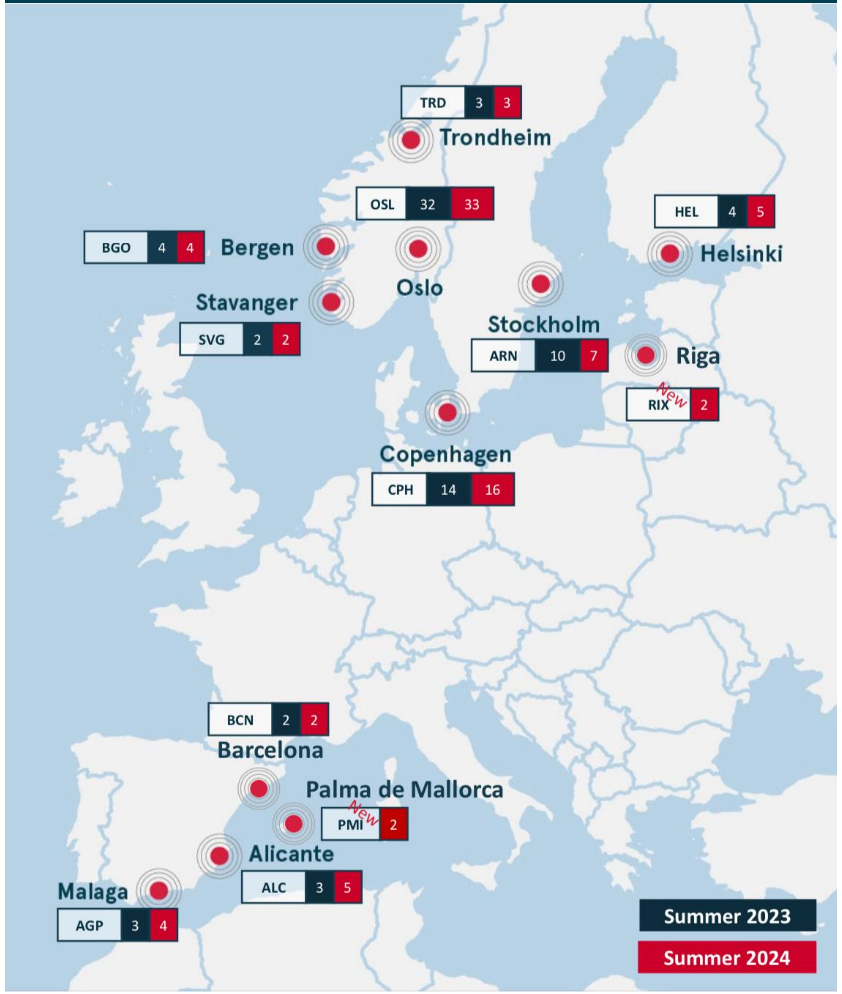
Operations

- **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

Base structure and placement of aircraft



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

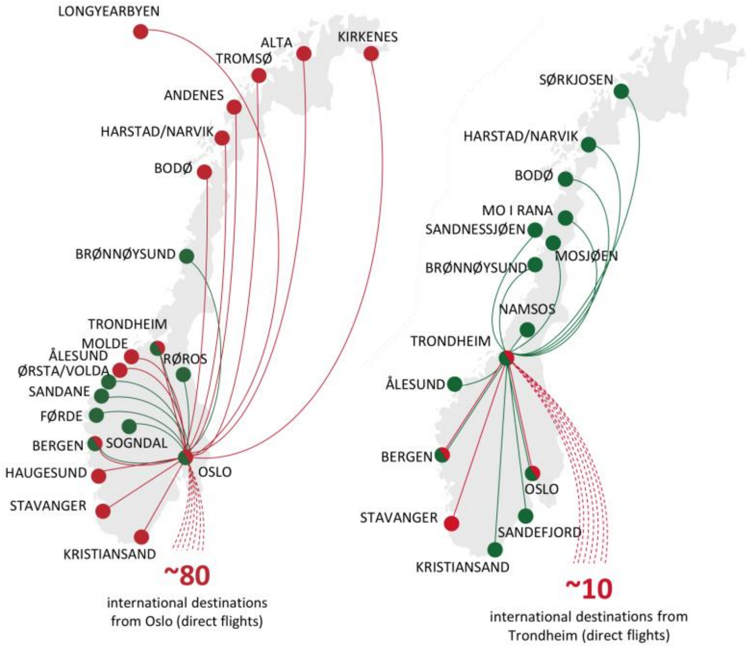
- → **Route network** – complimentary route networks with end-to-end connectivity with additional inbound travel to the Nordics
- → **Seasonality** – improved corporate offering and resiliency through PSO operation – 1/5 of NAS' seasonality
- → **Improved performance** in H2 2023 following reduced capacity
- → **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

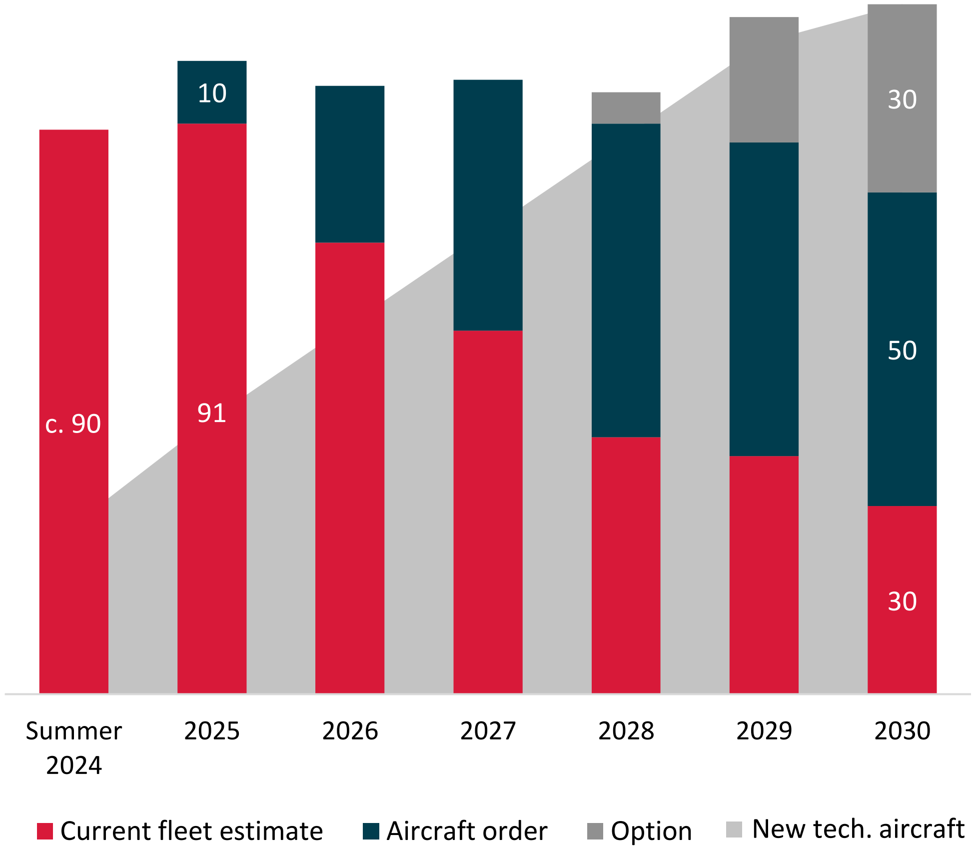
- Fleet increasing to appr. 90 aircraft for summer season
- Potentially additional delivery delays from Boeing
  – currently evaluating extensions and other mitigating initiatives
- Receiving compensation for aircraft delivery delays

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
- Evaluating 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



Outlook

	FY 2024	Q1	Q2	Q3	Q4
Capacity growth[1)]	c. 12%	c. 2%	c. 19%	c. 10%	c. 16%

	FY 2024
Operating profit (EBIT)[2)]	NOK 2.5 – 3.2 billion (excl. Widerøe)
Unit cost (NOK) excl. fuel[2)]	Flat vs. 2023

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.

norwegian

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.

Norwegian cautions readers of this presentation not to place undue reliance on the forward-looking statements in making an investment decision. Norwegian assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.