

**Presentation of fourth quarter 2021**

**18 February 2022**



# Highlights – improved operational performance



 Quarterly earnings (EBT) NOK 117 million

 Conserving cash through winter  
– cash & equiv. increasing to NOK 7.7 billion

 Realisation of surplus LGW slots

 Most punctual Nordic airline in 2021\*  
– number three in Europe

 Ramping up for summer demand surge  
– fleet increasing to 70 aircraft



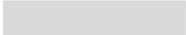
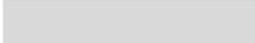
Number of passengers who flew with us this quarter  
**3,140,502**

Load factor



**+18%  
(QoQ)**

Total capacity (ASK)

Q3 2021		3,915m
Q4 2021		4,626m

# Sales momentum increasing into 2022

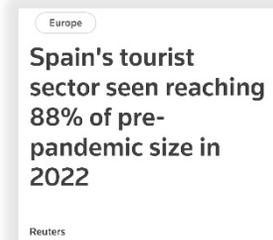


## Traffic development

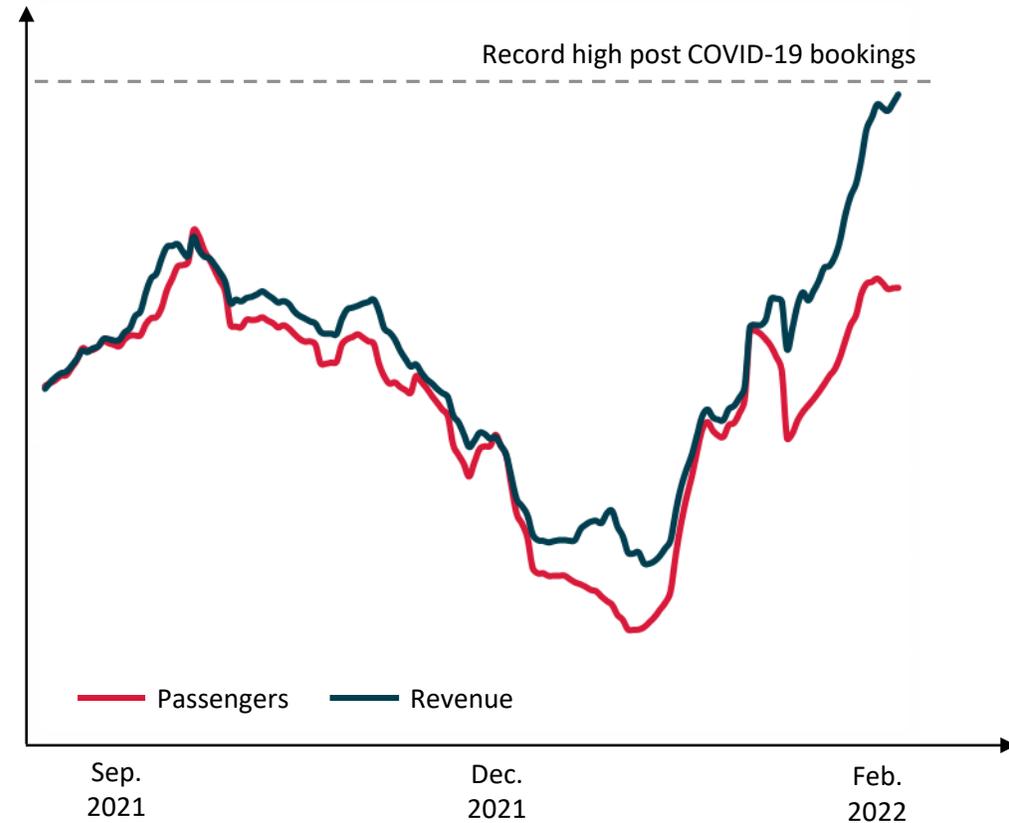
- **Early Q4 production increase** – adjusting capacity to demand
- Omicron impacting second half of Q4 and Q1 demand

## Booking momentum

- **Encouraging forward sales** for summer
- Restrictions alleviated in Nordics and at holiday destinations
- **Strong pent-up demand** for holiday travel:



7-day rolling sales figures (abs) – All markets\*



\*Travel anytime, company data as of 13 February 2022

# SAF product enabling emission reductions



Norwegian offering corporate customers to reduce emissions by purchasing SAF

- Collaboration agreement with Neste, the world's leading producer of sustainable aviation fuel (SAF)
- Corporate customers can now account GHG emission reductions towards emission targets



Neste MY Sustainable Aviation Fuel™

- Reduces life-cycle GHG emissions by up to 80 percent compared to fossil jet fuel\*
- Made from sustainably sourced, renewable waste and residue raw materials



Norwegian purchasing SAF on all admin. flights for 2022



Photo: Neste

\*Calculated with established life cycle assessment (LCA) methodologies

# Financial results for Q4 2021

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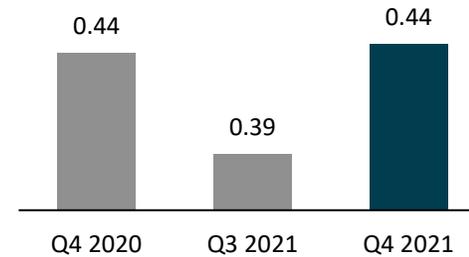
# Q4 - financial highlights



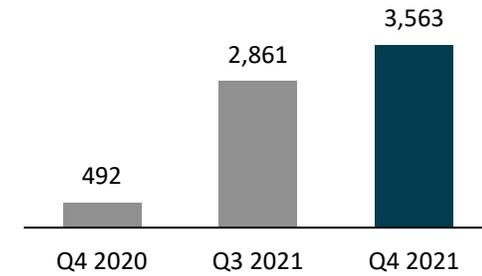
## Revenues

- **Increasing traffic and ticket prices**  
– yield 0.57
- Ancillary NOK 141 per pax  
– high share domestic travel

Unit revenue (RASK)



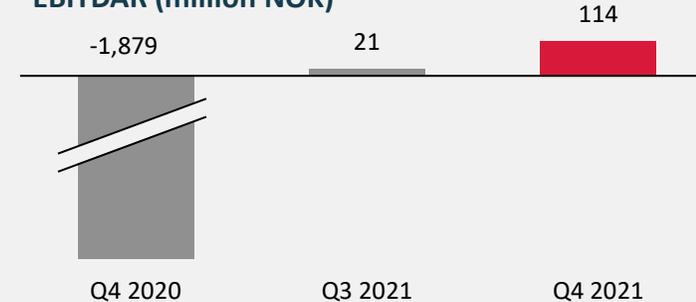
Passenger traffic (million RPK)



## Profits

- Delivering **positive EBITDAR** and **EBT** in Q4
- **Lowering unit costs through scale**  
– CASK ex. fuel 0.49

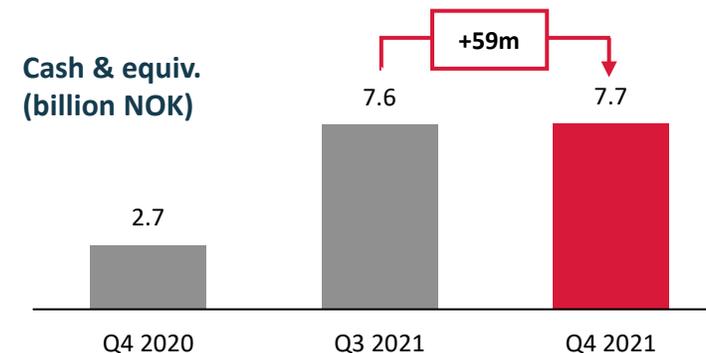
EBITDAR (million NOK)



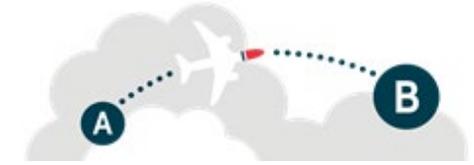
## Balance sheet

- Robust balance sheet with **improving equity position**
- **Building cash** through Q4

Cash & equiv. (billion NOK)



# Q4 earnings – delivering positive profits



<i>NOK million</i>	Q4 2021	Q3 2021	Chng. (QoQ)		Full year 2021	Full year 2020
Passenger revenue	2,032	1,517			3,912	6,455
Ancillary passenger revenue	444	388			941	1,535
Other revenue	75	22			215	1,105
<b>Total operating revenue</b>	<b>2,550</b>	<b>1,927</b>	<b>+623</b>		<b>5,068</b>	<b>9,096</b>
Personnel expenses	644	522	} → Costs +18% QoQ on increased production and fuel costs } → NOK Jet fuel price +13% QoQ		2,085	2,921
Aviation fuel	725	546			1,414	2,007
Airport and ATC charges	342	289			820	772
Handling charges	320	245			757	1,392
Technical maintenance expenses	277	189			855	1,792
Other operating expenses	329	442			1,390	1,962
<b>EBITDAR excl other losses/(gains)</b>	<b>-87</b>	<b>-305</b>	<b>+218</b>		<b>-2,254</b>	<b>-1,751</b>
Other losses/(gains)	-201	-326			-737	3,005
<b>EBITDAR</b>	<b>114</b>	<b>21</b>	<b>+93</b>		<b>-1,516</b>	<b>-4,755</b>
Aircraft lease, depreciation and amortization	377	317			1,270	6,197
<b>Operating profit (EBIT)</b>	<b>-263</b>	<b>-295</b>	<b>+33</b>		<b>-2,786</b>	<b>-23,768</b>
Net financial items	380	464			4,662	1,643
<b>Profit (loss) before tax (EBT)</b>	<b>117</b>	<b>169</b>	<b>-51</b>		<b>1,876</b>	<b>-22,133</b>

# Balance sheet strengthening quarter on quarter



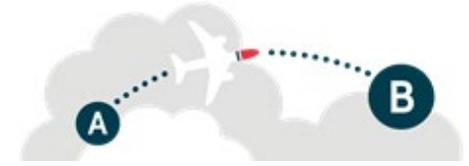
<i>NOK million</i>	31 Dec. 2021	30 Sep. 2021	
Intangible assets	2,071	2,054	
Tangible fixed assets	6,768	5,827	→ Leasing new aircraft
<b>Total non-current assets</b>	<b>8,961</b>	<b>7,973</b>	
Receivables	2,153	2,925	→ Holdbacks reducing
Cash and cash equivalents	7,695	7,635	→ Strong cash position
<b>Total current assets</b>	<b>9,864</b>	<b>10,648</b>	
<b>ASSETS</b>	<b>18,825</b>	<b>18,621</b>	
<hr style="border-top: 1px dashed red;"/>			
<b>Equity</b>	<b>3,270</b>	<b>2,526</b>	
Non-current debt	8,541	7,692	→ Leasing new aircraft
Other non-current liabilities	1,071	1,365	
<b>Total non-current liabilities</b>	<b>9,613</b>	<b>9,058</b>	
Air traffic settlement liabilities	1,324	1,557	
Current debt	836	585	
Other current liabilities	3,783	4,896	
<b>Total current liabilities</b>	<b>5,943</b>	<b>7,038</b>	
<b>Liabilities</b>	<b>15,556</b>	<b>16,095</b>	
<b>Equity ratio (%)</b>	<b>17.4</b>	<b>13.6</b>	→ Improved equity position

## Net interest bearing debt

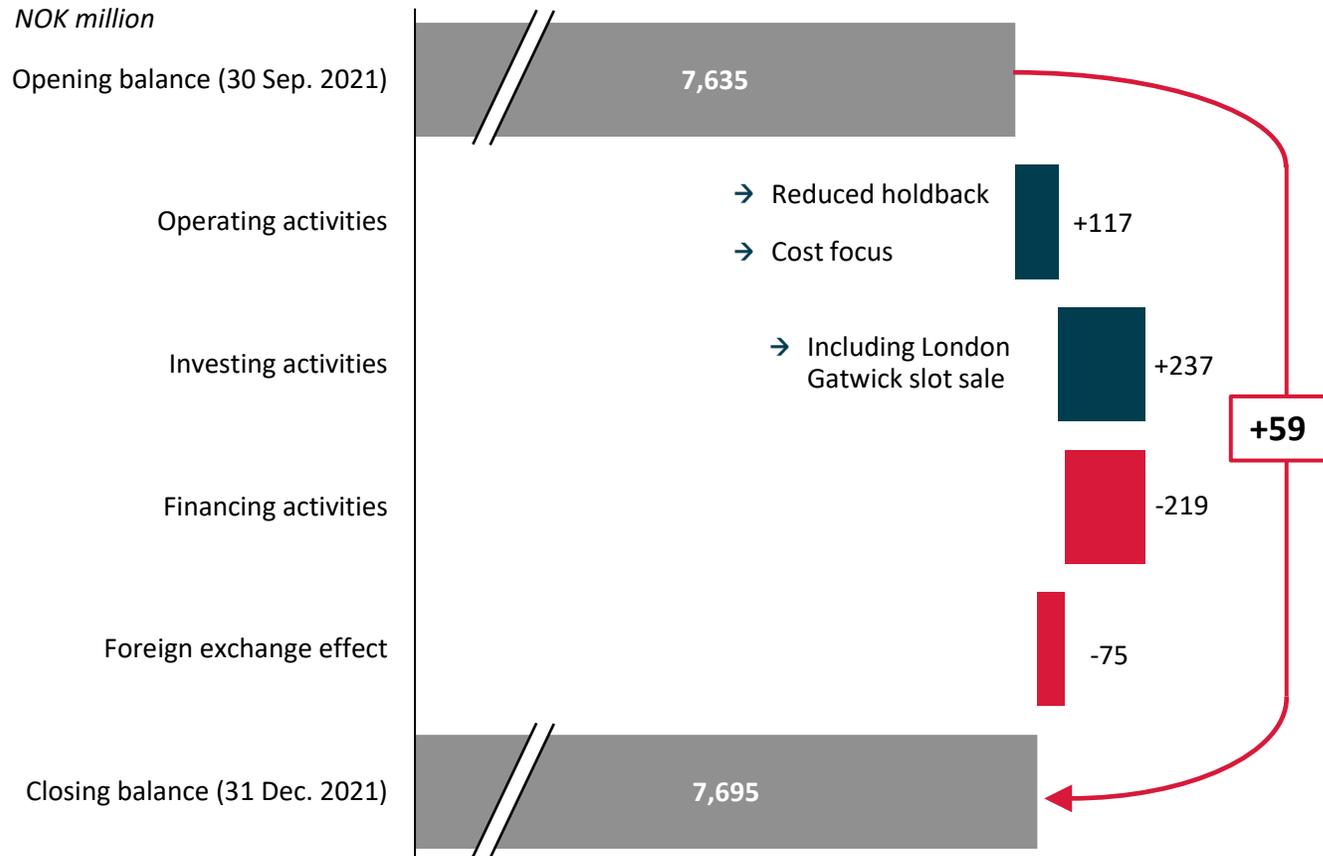
<i>NOK million</i>	31 Dec. 2021	30 Sep. 2021	Chng. (QoQ)
Cash & equiv.	7,695	7,635	+59
Aircraft financing	6,016	4,974	+1,041
NAS 13	700	700	
Other IB debt	137	136	
Retained claims bond	2,525	2,467	+58
<b>NIBD</b>	<b>1,683</b>	<b>642</b>	<b>+1,041</b>

→ **Planned NIBD increase** with aircraft sourcing  
– 8 aircraft entering fleet per year-end

# Cash flow – cash build in Q4



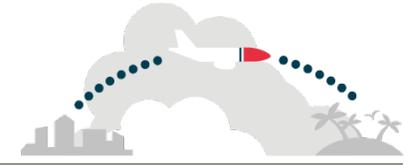
NOK million



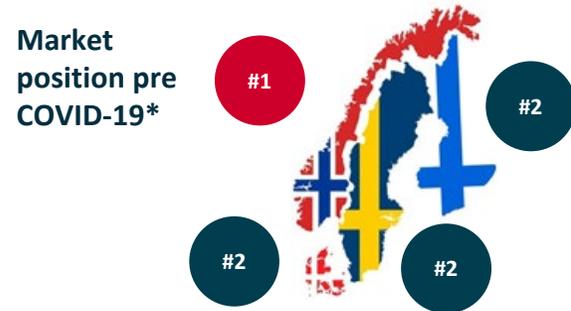
- Positive cash development in historically weak quarter
- Increased ticket sales improving liquidity outlook
- Focus on costs and reducing cash-burn in Q1

# The way forward

# Strong Nordic presence - proven, profitable routes



## Leading Nordic brand



**Trusted** and well known brand in all Nordic countries



Our customers consider Norwegian as a **smart choice** when traveling by air



Experiencing strong tailwind and clear positive trends across **key brand metrics\*\***

## Norwegian Reward



Cashpoint balance as **driver for market share**



Members book more frequent and at **higher value** (+10%)



Strong advantage in competitive market with new entrants

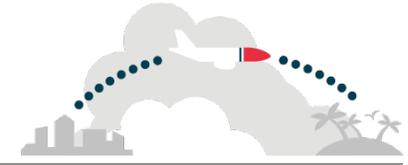
## Summer schedule - over 270 routes



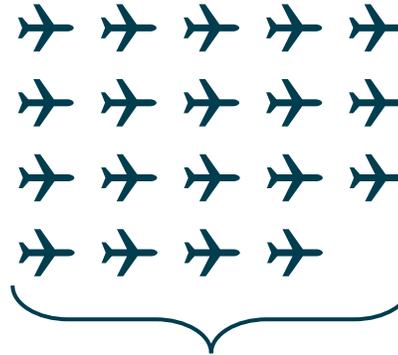
\*Market share in kilometres (ASK) based on scheduled data for 2019 from OAG

\*\*Norwegian Brand Tracker Survey managed by Kantar

# Ramping up - 70 aircraft for summer peak season



- **51 aircraft** current operational fleet
- Power-by-the-hour (PBH) for winter 2021/22



- **19 aircraft** sourced for summer
  - 737-800 NG (17 aircraft)
  - 737 MAX 8 (2 aircraft)
- Leasing at favourable terms
- Power-by-the-hour (PBH) also for winter 2022/23



- New **fuel-efficient aircraft** reduce emissions and saves cost
- Utilising **technology** to improve operational efficiency
- **45 % reduction** in carbon emission per RPK by 2030



# Summary

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## Capitalising on summer demand surge

- Fleet increasing to 70 aircraft
- Improved bookings with strong pent-up demand
- Targeted marketing and sales efforts
- Attractive reward program



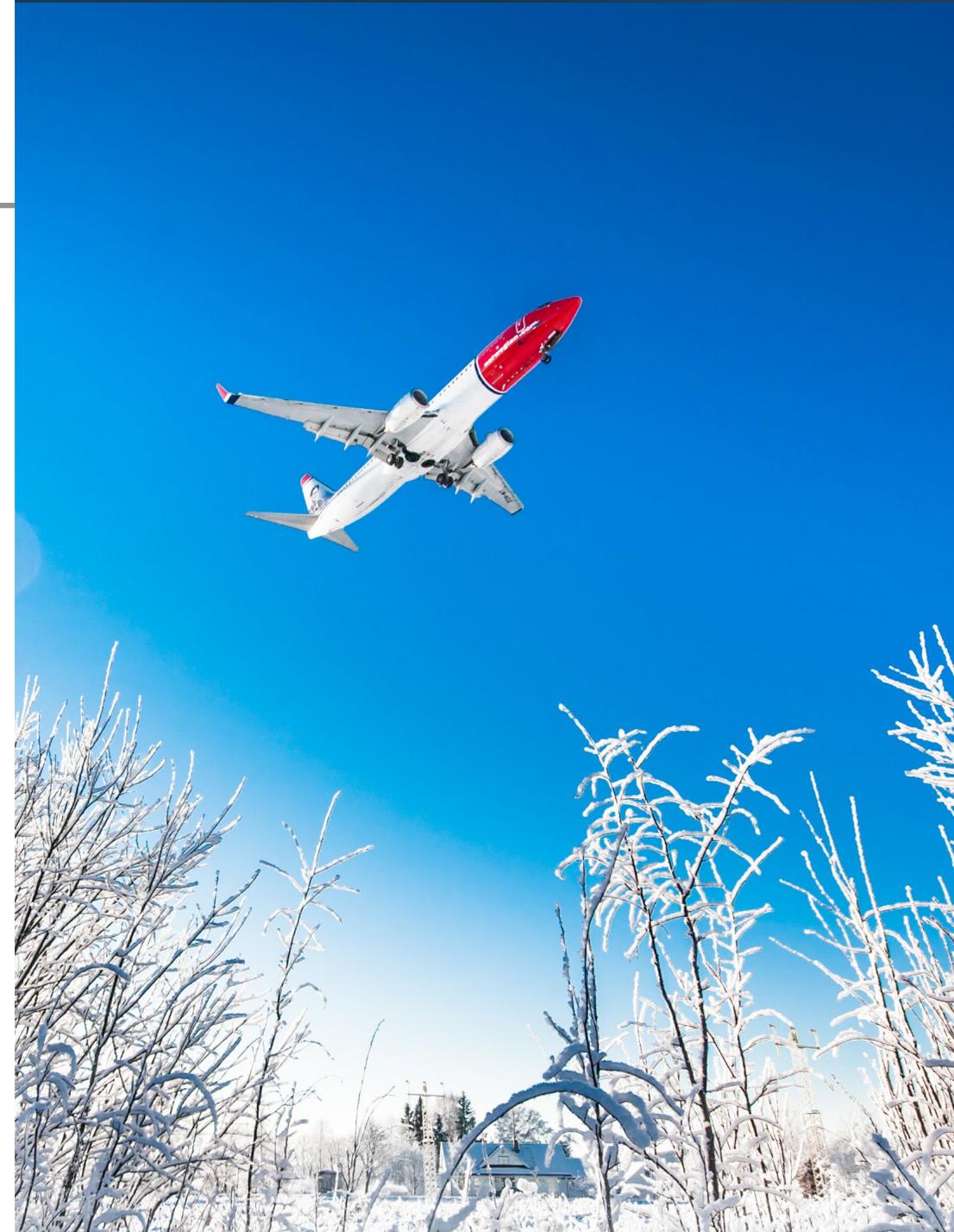
## Robust balance sheet and flexible cost structure

- Omicron impact on Q1 – preserving liquidity
- PBH agreements in place going forward
- Hiring 800+ new crew ahead of summer ramp-up



## Targeting increased production and reduced CASK

- 28,000 million ASK target for 2022
- Lowering unit cost with scale and seasonal flexibility



# Fly Norwegian

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

# Appendix

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# Overview of debt facilities and terms

Instrument	New Capital Perpetual Bonds	Zero Coupon Retained Claims Bonds*	NAS13 Bonds
<b>ISIN:</b>	Ordinary: NO0010996440 Early conversion: NO0010996432	NO0010996457	NO0010996390
<b>Status:</b>	Subordinated	Senior unsecured	Secured
<b>Outstanding amount:</b>	Ordinary: NOK 1,738,293,310 Early conversion: NOK 68,502,939	NOK 3,758,932,275	NOK 700,000,000
<b>Maturity:</b>	Perpetual	50% 30 September 2025 50% 30 September 2026	26 May 2026 Amortization
<b>Amortisation:</b>	Bullet at maturity	See Maturity	NOK 125m p.a. until May 2025, NOK 200m bullet at Maturity
<b>Convertible:</b>	Ordinary: From 26 May 2023 Early conversion: Immediately Conversion price: NOK 9.39 / share	No	No
<b>Interest:</b>	PIK toggle Year 1: 6mN+250 bps Year 2-3: 6mN+350 bps Year 4-5: 6mN+500 bps Year 6-7: 6mN+700 bps Year 8+: 6mN+950 bps	No interest	6mN + 200 bps from 1 June 2023

\*) Book value of RCB as of 31 December was NOK 2,525 million

## 20 largest shareholders as of 31 December 2021\*

	<b>Name</b>	<b>Country</b>	<b>Number of shares</b>	<b>Per cent</b>
1	Geveran Trading Company, Ltd.	Cyprus	134,123,801	14.4 %
2	Sundt AS	Norway	124,003,198	13.4 %
3	Folketrygdfondet	Norway	60,165,405	6.5 %
4	DNB Asset Management AS	Norway	59,068,682	6.4 %
5	Davy Stockbrokers	Ireland	31,840,332	3.4 %
6	Keskinäinen eläkevakuutusyhtiö Varma	Finland	27,500,000	3.0 %
7	Nordnet Bank AB.	Norway	26,773,193	2.9 %
8	Silver Point Capital, L.P.	United States	26,489,130	2.9 %
9	Centerbridge Partners, L.P.	United States	22,480,439	2.4 %
10	Avanza Bank AB	Sweden	22,176,441	2.4 %
11	Contrarian Capital Management, LLC	United States	18,304,923	2.0 %
12	Handelsbanken Asset Management	Sweden	17,861,186	1.9 %
13	Ludvig Lorentzen AS	Norway	11,249,305	1.2 %
14	Nordea Funds Oy	Finland	11,161,001	1.2 %
15	KLP Forsikring	Norway	10,288,769	1.1 %
16	Brumm AS	Norway	10,000,942	1.1 %
17	Swedbank AB	Sweden	9,657,707	1.0 %
18	Arctic Fund Management AS	Norway	8,723,966	0.9 %
19	BofA Global Research (UK)	United Kingdom	7,423,879	0.8 %
20	Citibank N.A. Private Bank	United States	6,698,455	0.7 %
	Top 20 shareholders		645,990,754	69.6 %
	Other shareholders		282,527,742	30.4 %
	Total number of shares		928,518,496	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.*