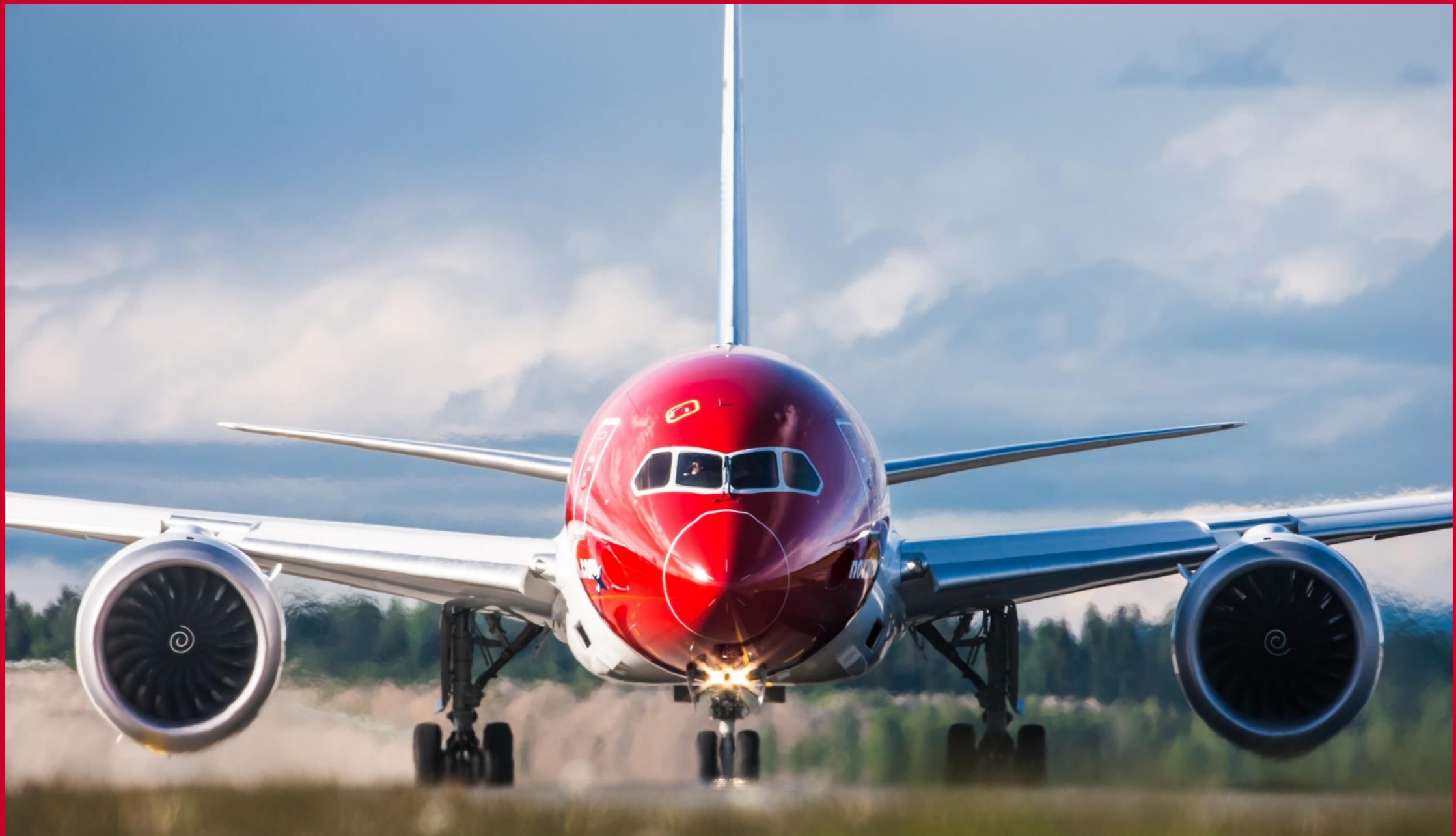


norwegian



Norwegian Air Shuttle

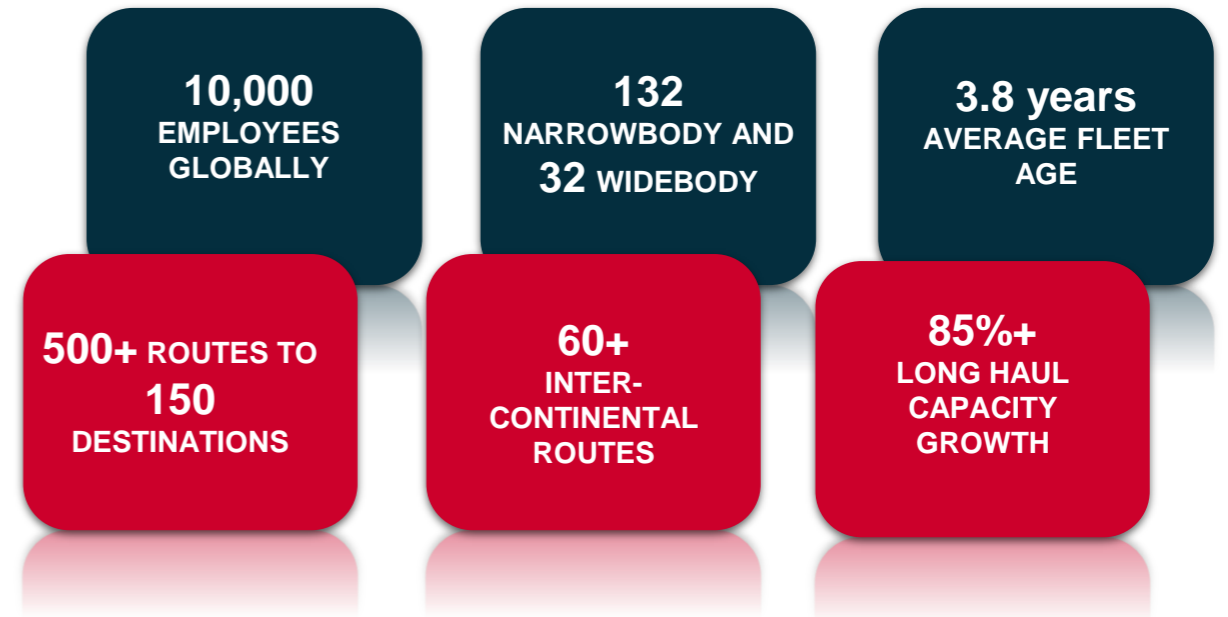
SEB Nordic Seminar, 8th January 2019

CFO Geir Karlsen

Corporate strategy overview

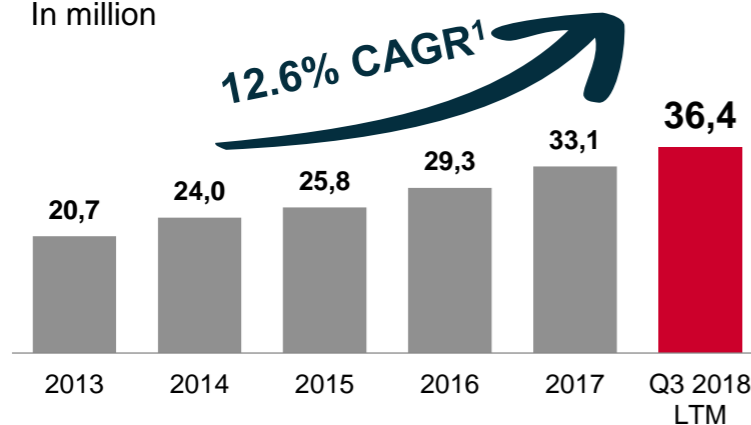
Company overview

- **Norwegian Air Shuttle** is the leading European low-cost airline founded by Bjørn Kjos in 1993. Norwegian has a leading position in the European short-haul point-to-point market, with a particularly strong position in the Nordics. In addition, Norwegian has developed a strong and differentiated position on flying long-haul transatlantic
- Since its inception, the company has rapidly expanded its network and fleet, currently serving **36m passengers**
- Awarded “**The World’s Best Low-Cost Long Haul Airline**” (4 consecutive years) and “**Europe’s Best Low-Cost Airline**” (6 consecutive years) by Skytrax



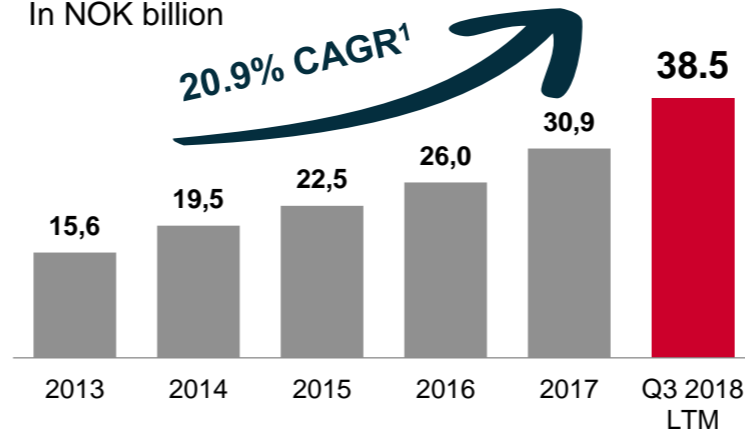
PASSENGERS

In million



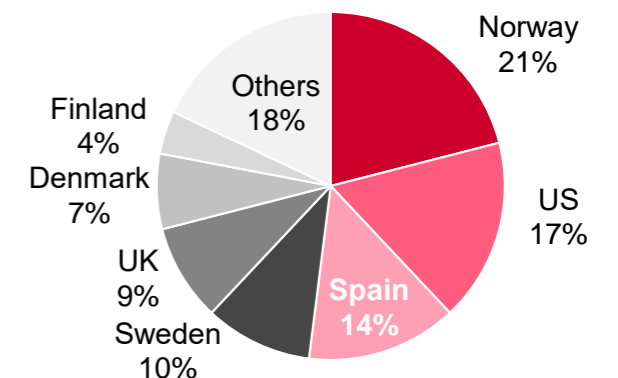
REVENUE

In NOK billion



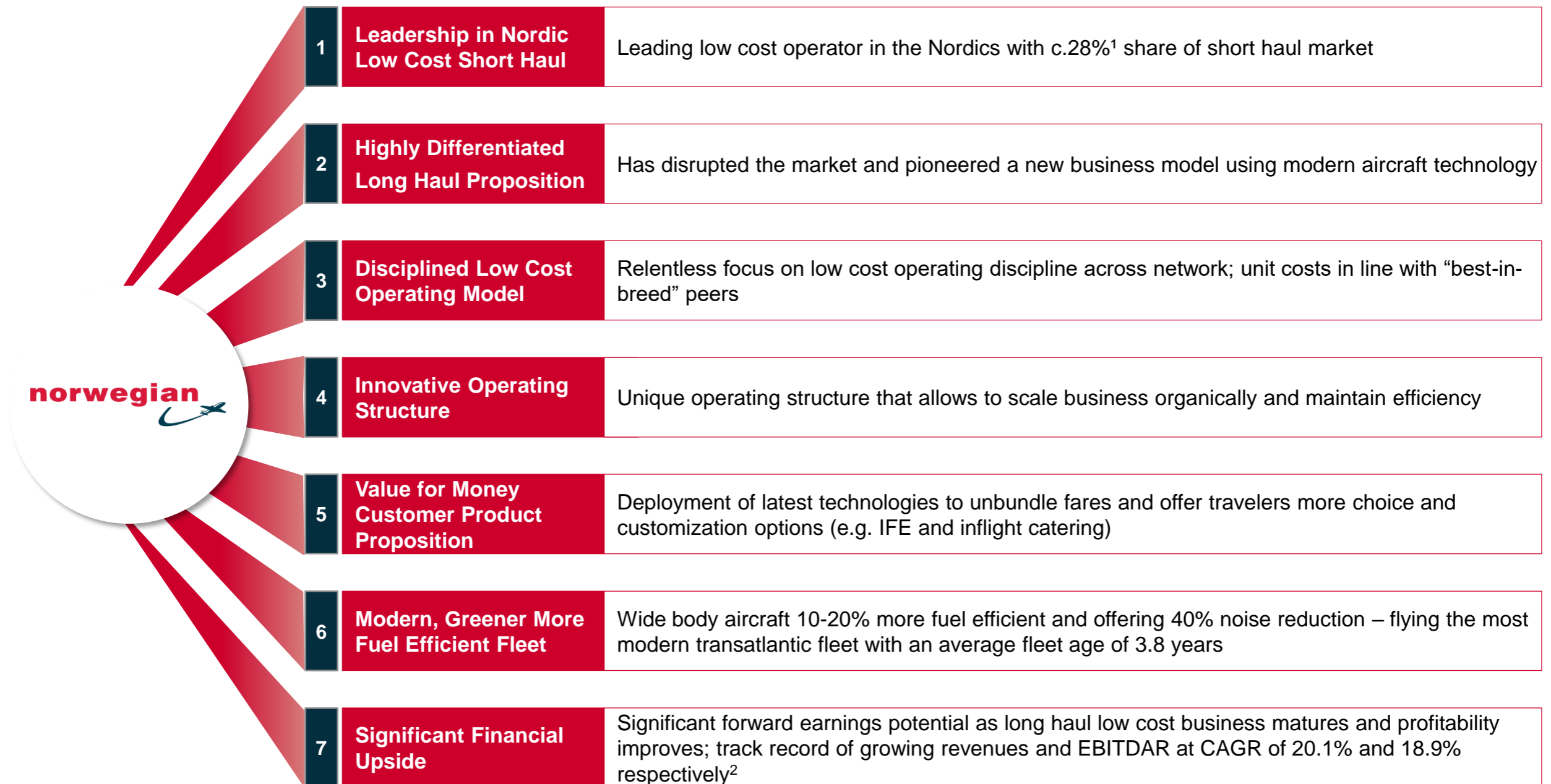
REVENUE BREAKDOWN

By region – Q3 2018 LTM



¹ 2013 to Q3-2018 LTM CAGR.

Investment highlights



¹ CAPA report 2016. ² FY 2010-2017A.

Key pillars of our corporate strategy 2018-2022

LONG TERM VISION

“We shall be the leading long haul low-cost airline in Europe operating as the engine of global low-cost growth, with a very strong position in the Nordic short haul market”

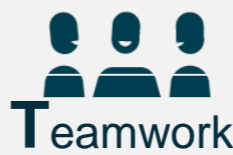
STRATEGIC OBJECTIVES 2022

- Return to sustainable profitability in 2019
- Build global low-cost alliance with our long haul operation as the backbone
- Fortify position as the leading short haul carrier in the Nordics
- Be the preferred airline for customers seeking value for money

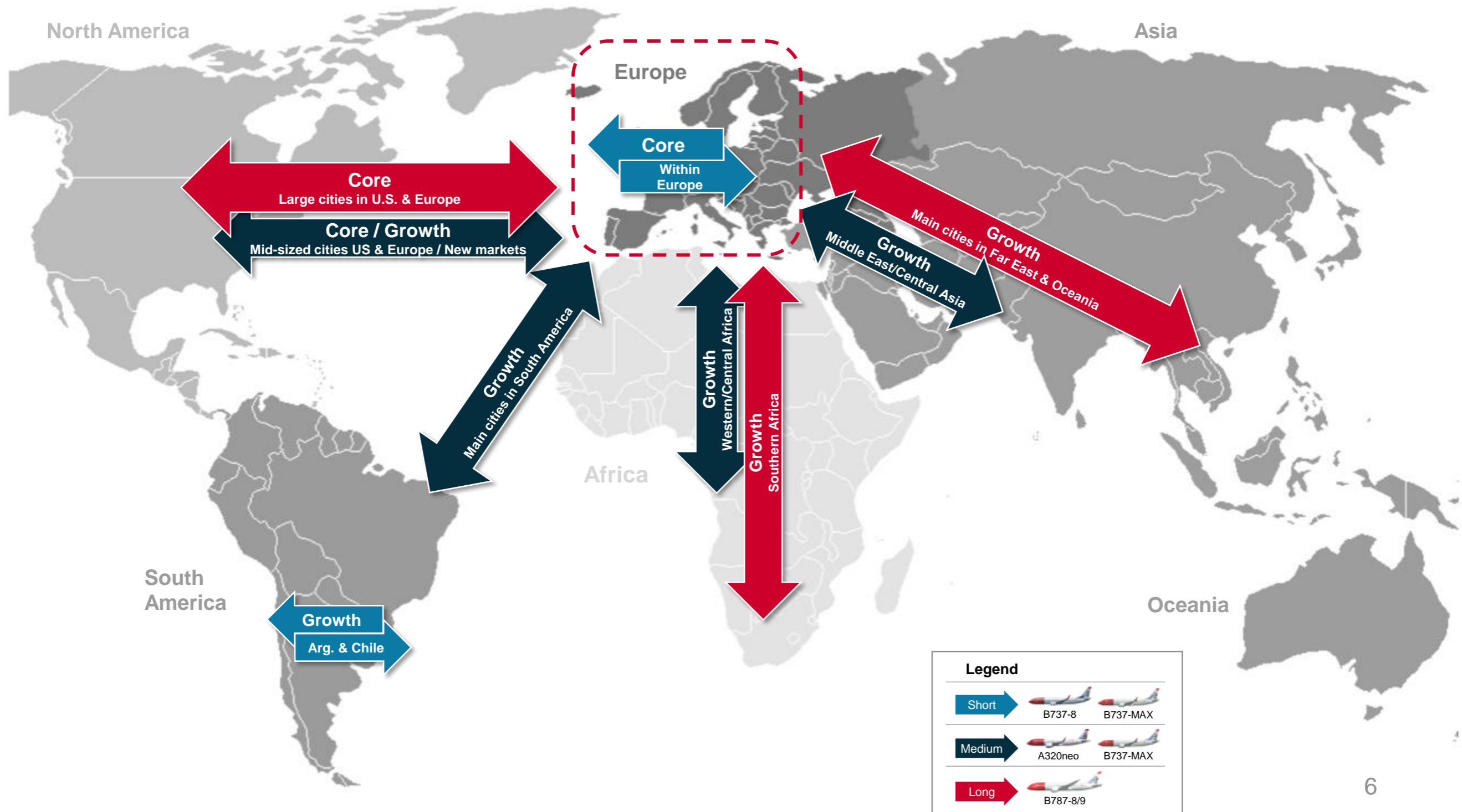
KEY FOCUS AREAS

- 
Competitive cost base
 - Reduce cost base
 - Sustainable unit cost position
 - Cost control and automation
- 
Profitable operations and global alliance
 - Focus is to capitalize on long haul
 - Fortify position in the Nordics
 - Improve connectivity and feed
- 
Operational resilience
 - Improve operational simplicity
 - Develop resilient program
 - Optimize technical & crew
- 
Optimized asset management
 - Commercially-driven fleet plan
 - Fleet renewal program
 - Maximize return on assets
- 
Shared customer focus
 - Deliver on the basics
 - One customer journey
 - Personalization and Reward
- 
Improve digital and analytics capabilities
 - Standardize and reduce complexity
 - Strategic sourcing
 - Agile development processes

CORE VALUES

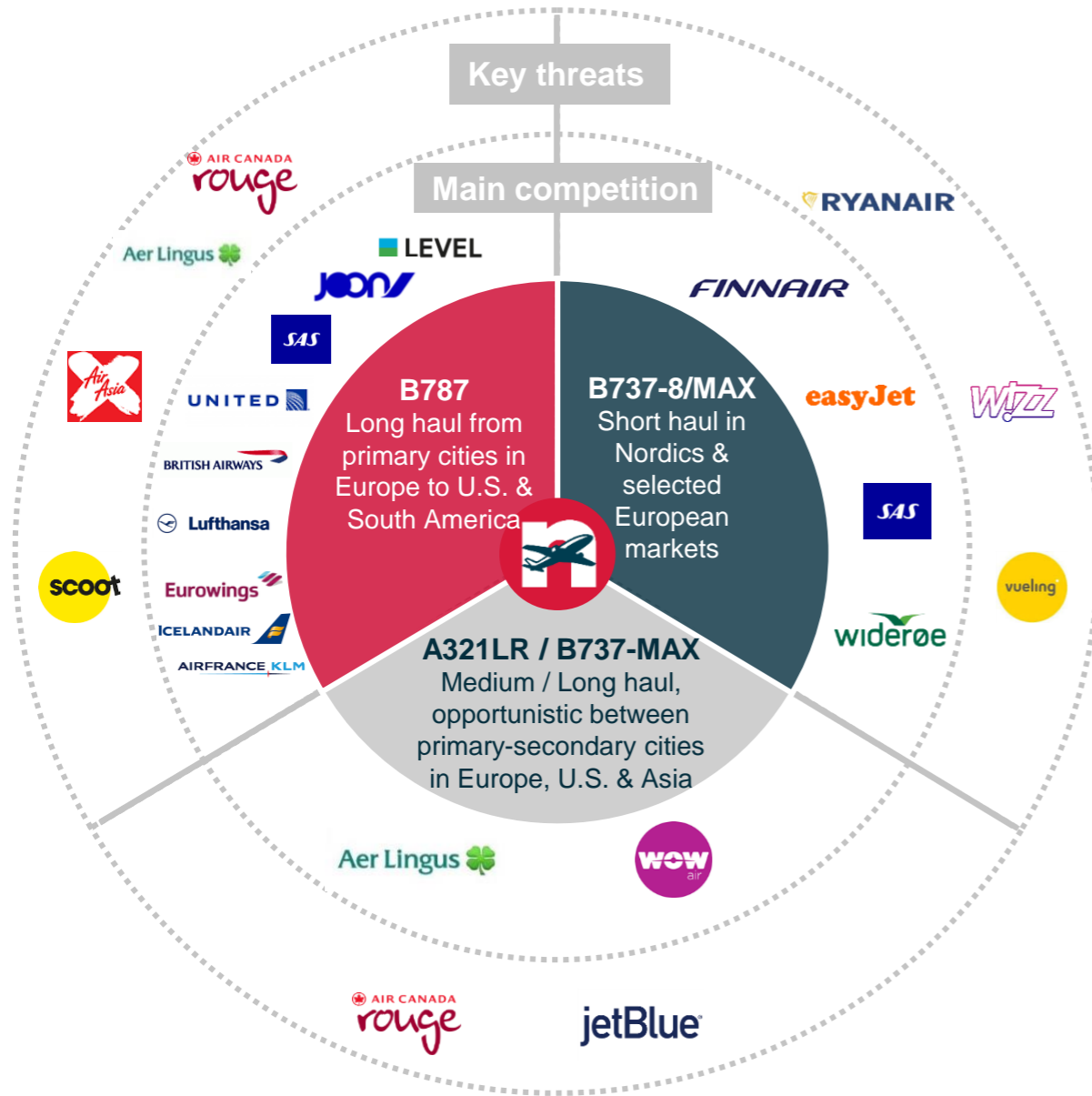


Strategy 2018-2020: Maintain short haul within Europe, grow medium/long haul between Europe and the rest of the world & exploit new/underserved markets



Competitive landscape

Competing for customer attention and market share on three fronts



European short haul

- Less rivalry in Nordics, but potential for full entry from ULCCs
- Intense rivalry rest of Europe from various carriers pressuring yield
- Convergence: Both traditional LCCs and legacy moving in each others direction

Thinner medium haul routes

- New aircraft types with increased range open up new markets
- Young market and will see increased testing of routes and offerings

Long haul trunk routes

- Subsidized economy seats from legacy carriers
- Low-cost long haul maturing and competition copying our model
- Potential entrants from Asia in long-term perspective

132 aircraft

32 aircraft

Financials

Disciplined low cost operating model

Relentless focus on low cost operating discipline across our network

Our Cost Philosophy

- Low cost carrier state-of-mind
- Cost conscious culture
- Nimble organisation
- Constant strive for improvements

Our Achievements To Date

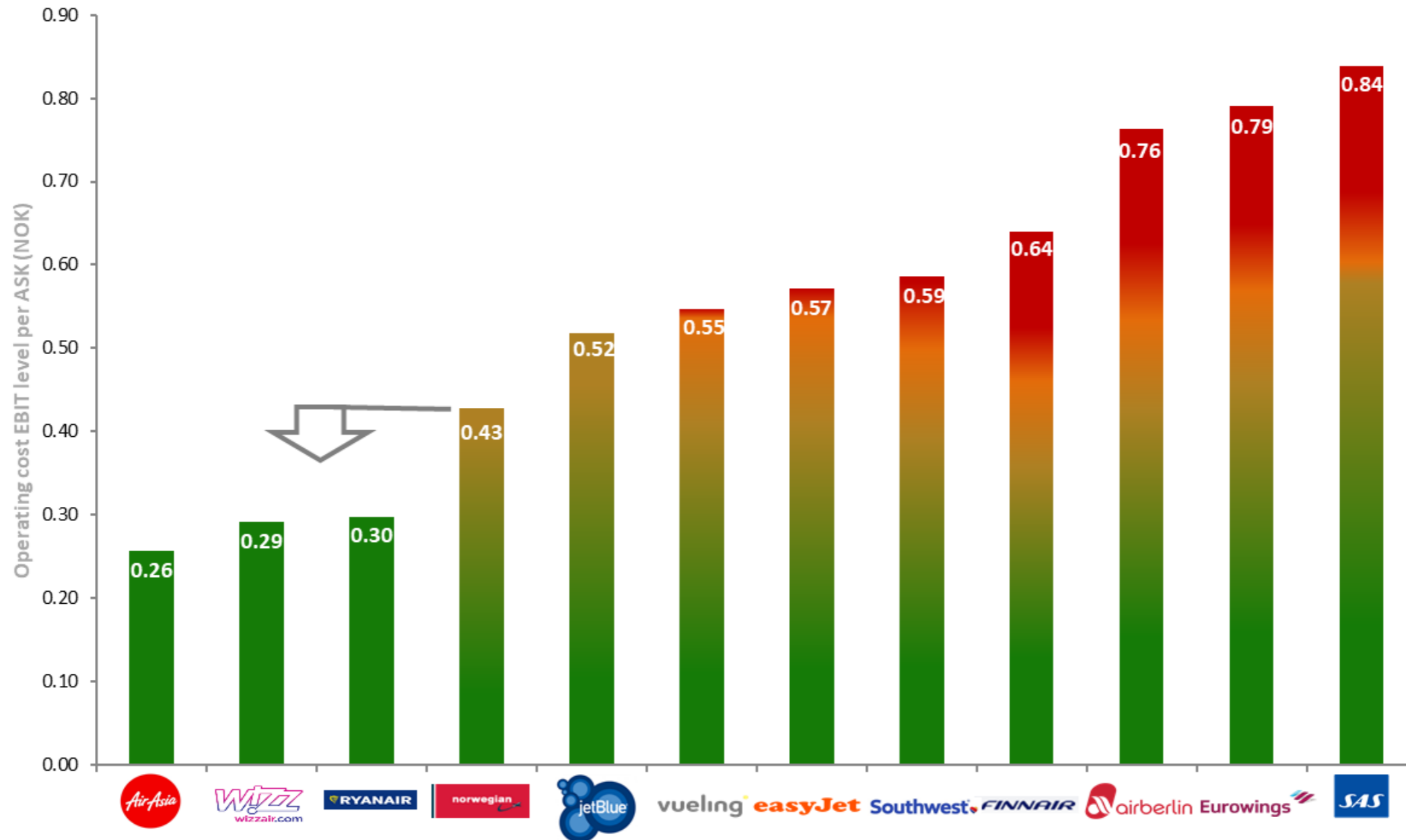
- Unit costs excl. fuel in line with “best-in-breed” peers
- Best in class on fuel efficiency

Ongoing Focus

- Fuel price volatility and planned capacity growth will likely lead to high costs
- Focused on implementing initiatives to maintain cost position

Targeting minimum NOK 2 billion capacity adjusted cost reduction excl. fuel and IFRS 16 effects for FY2019

Comparison of unit cost incl. depreciation



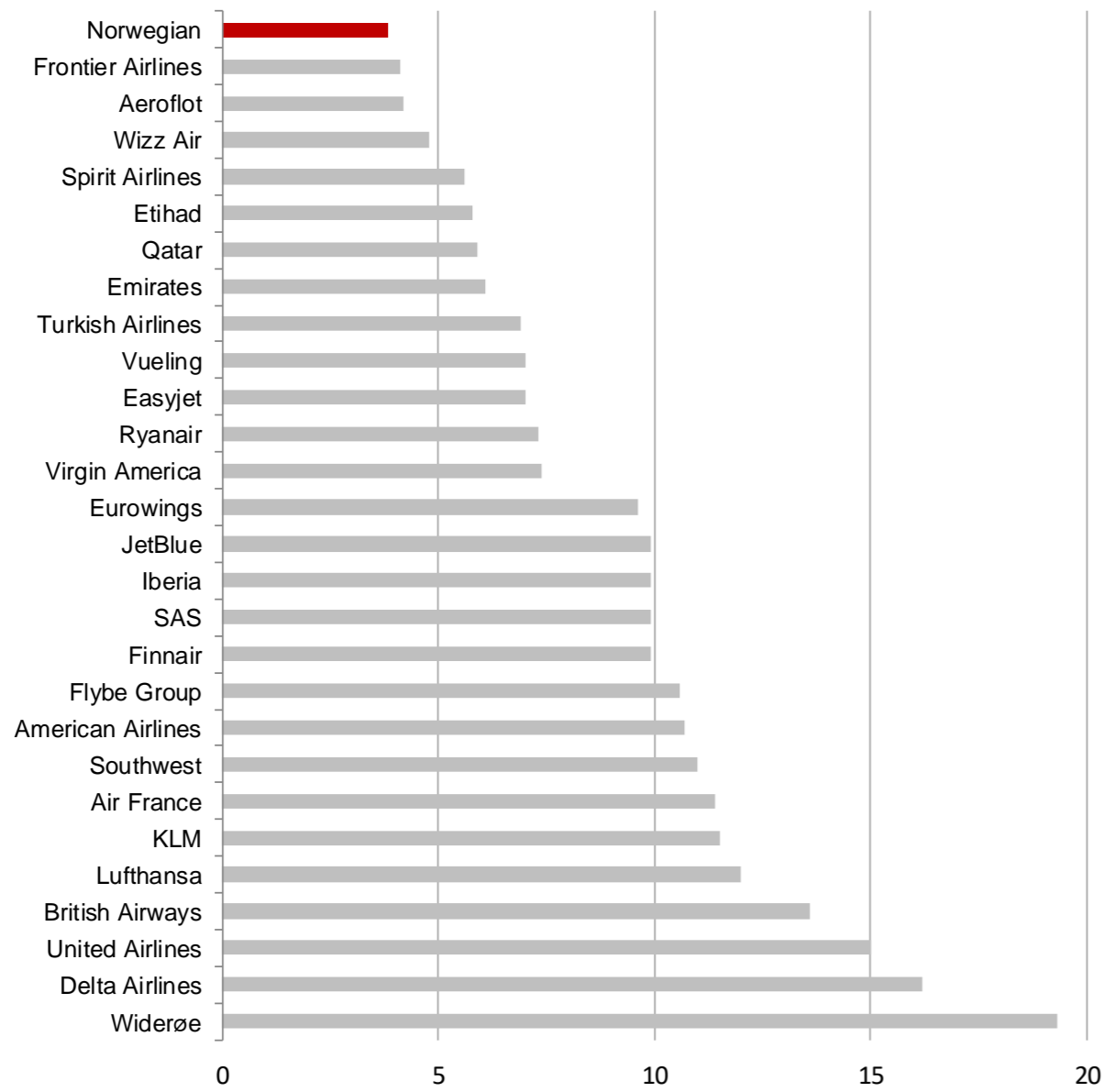
Sources: Based on official full-year 2017 annual reports

• Foreign exchange rates used are equivalent to the daily average rates corresponding to the reporting periods and as stated by the Central Bank of Norway
 • Note: For some carriers the available financial data represents Group level data which may include cost items from activities that are unrelated to airline operations.
 • Other losses / (gains) is not included in the CASK concept as it primarily contains hedge gains/losses offset under financial items* as well as other non-operational income and/or cost items such as gains on the sale of spare part inventory and unrealized foreign currency effects on receivables/payables and (hedges of operational expenses).
 *Norwegian hedges USD/NOK to counter foreign currency risk exposure on USD denominated borrowings translated to the prevailing currency rate at each balance sheet date. Hedge gains and losses are according to IFRS recognized under operating expenses (other losses/ (gains) while foreign currency gains and losses from translation of USD denominated borrowings are recognized under financial items.

Sustainability as a business opportunity

Youngest fleet among peers

Average fleet age



Source: Planespotters.net, January 2019



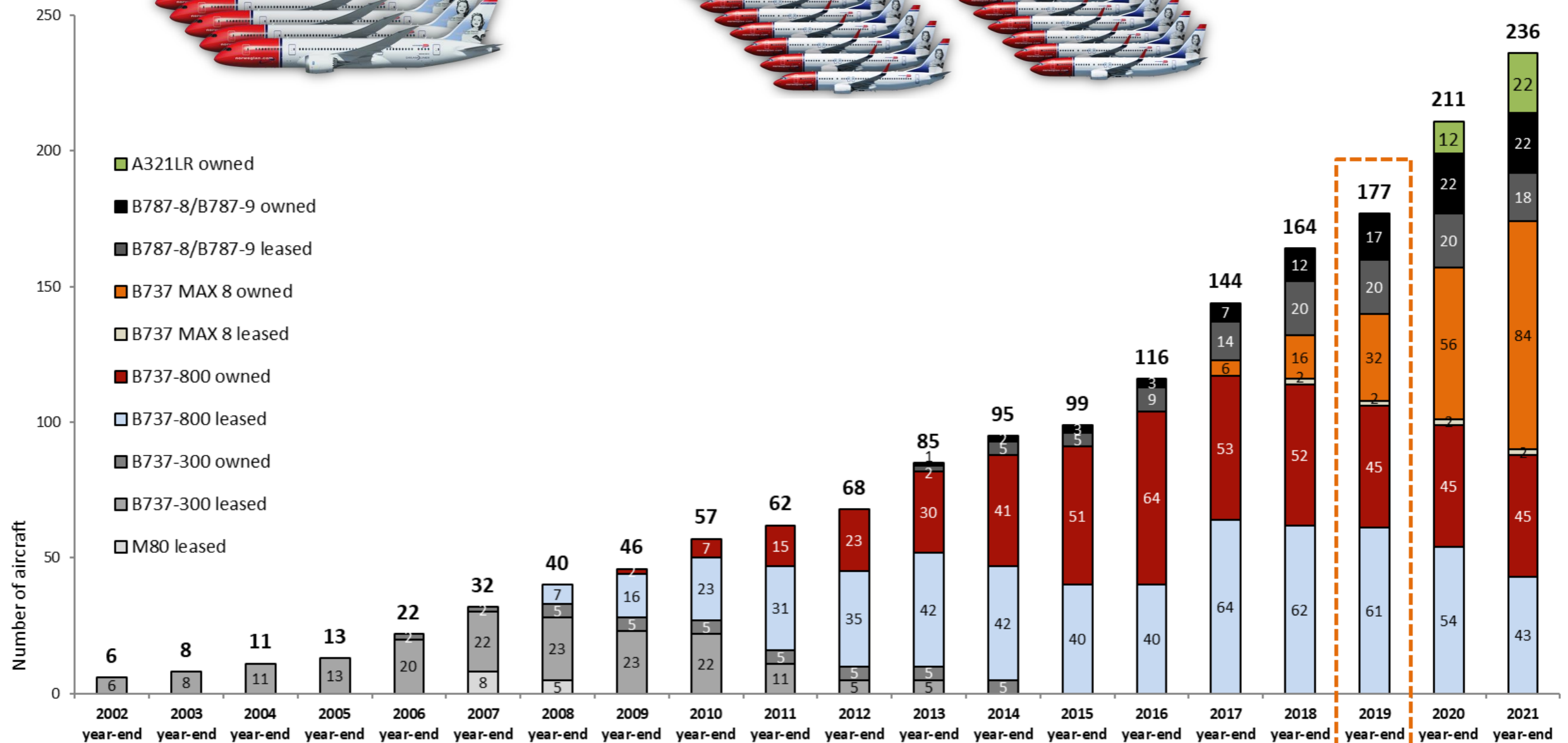
Adding 21 new aircraft to own operations in 2019

2019:

Deliveries 787-9
+1,690 seats

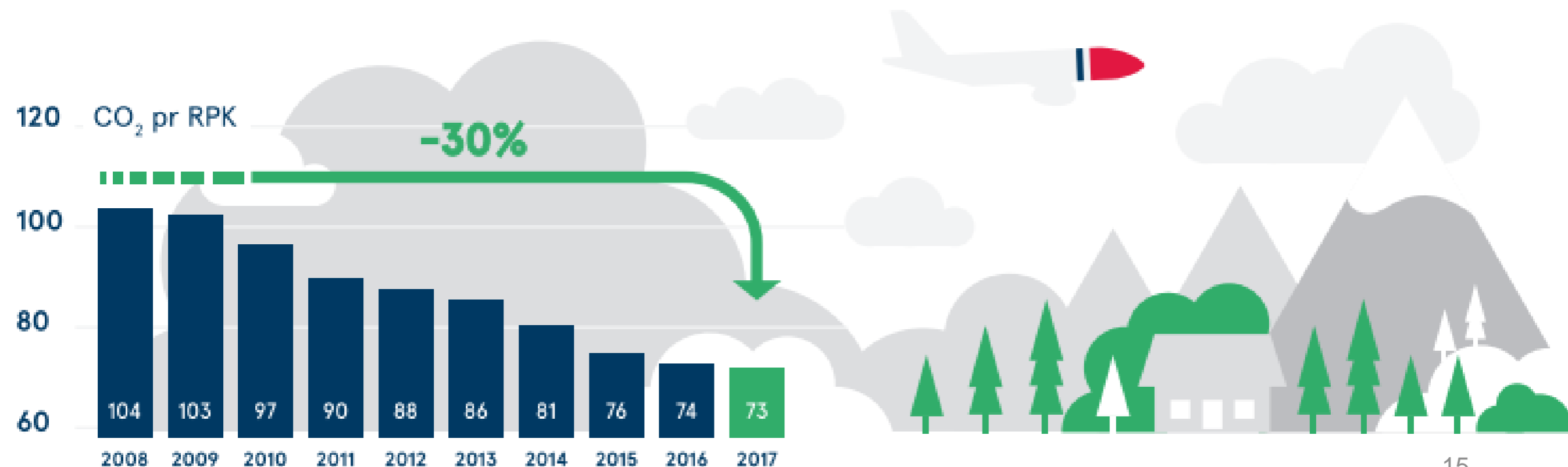
Deliveries 737 MAX
+3,024 seats

Re-delivery 737-800
-186 seats



30 per cent emission reductions in 10 years

- By investing in new aircraft, Norwegian reduces fuel burn and hence emissions considerably
- With an average age of 3.8 years, Norwegian has one of the youngest, greenest and most fuel-efficient fleets in the world
- Norwegians new aircraft reduce CO₂ emissions up to 30% and generate up to 60% smaller noise footprint than comparable older versions
- Target further fuel reductions by optimizing flights with advanced weather data



Aviation boosts tourism and creates economic value

A report by Menon Economics shows the positive effects of international passengers flying to Scandinavia with Norwegian:

- 40,000 new jobs have been created in Scandinavia
- Passengers flying to Sweden, Norway and Denmark with Norwegian in 2017 contributed to an increased economic growth of USD 3.5 billion (NOK 26.9 billion)



Summary



- Financing for all aircraft deliveries in H1 2019 secured
- Reached an agreement with Rolls-Royce with a positive effect from Q1 2019
- Changes to route portfolio with effect from Q1 2019
- #Focus2019: Launched cost savings program, contributing to estimated savings of minimum NOK 2 billion in 2019
- Increased punctuality in four consecutive months
- Fleet renewal continuing and discussions on forming a joint venture for aircraft ownership progressing
- Hedging position:
 - 52% at USD 681 per MT for H1 2019
 - 22% at USD 680 per MT for H2 2019

Norwegian offers more than 500 routes to over 150 destinations

