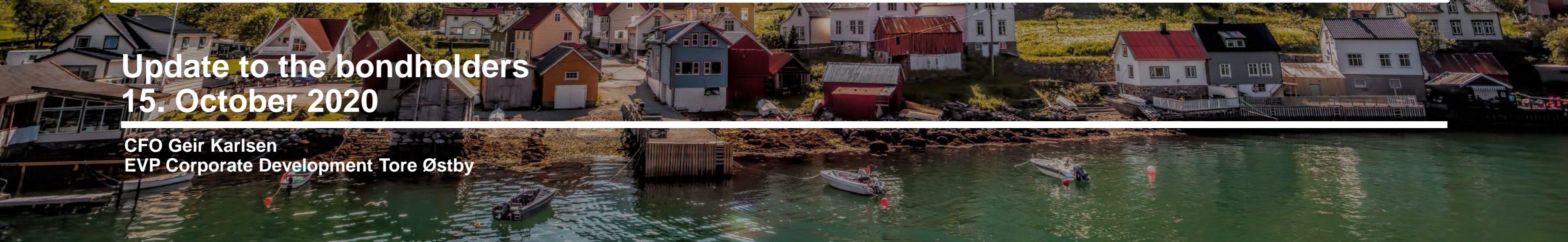




**norwegian** 

# Update to the bondholders 15. October 2020

CFO Geir Karlsen  
EVP Corporate Development Tore Østby



# Norwegian is fundamentally improving its long-term business model



## Finance

- Norwegian has through the restructuring improved the balance sheet with NOK 23 billion and is planning further improvements
- Achieved an equity ratio of 15%
- Implement actions to increase revenues and cost reductions which are greatly improving the long-term profitability when the air traffic is returning to normal, planned in 2022
- Achieved a significant deferral of interest and principal payments going forward in order to improve liquidity during the COVID-19 crisis
- Disciplined scaling up of the production aligned with air travel demand in order to security positive cash contribution from day on



## Business

- Fleet size adapted to a new reality, with the aim to reduce the long-distance fleet
- Strong brand built on Norwegian roots, quality and efficiency
- Ambitious climate plan with a goal of reducing CO2 emissions per passenger (RPK) by 45% by 2030
- Stronger focus on Norwegian / Nordic onboard products and partners in the value chain
- Norway / Nordic countries as a key part of a new short- and long-distance network

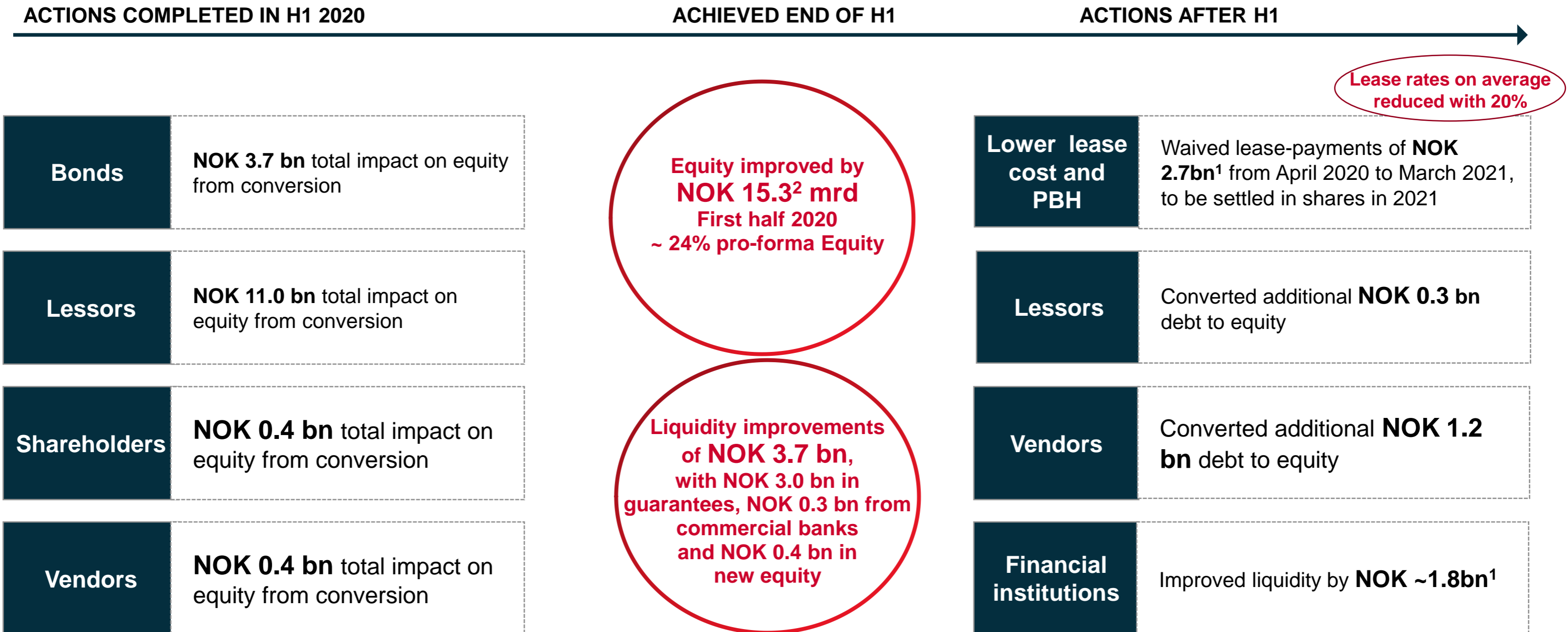


## Organisation

- New board, management and new efficient organizational structure
- Insourcing and permanent employment on a large scale (over 3,000) of employees within crew, technical maintenance and customer service
- Streamlining and adapting the administration to a new reality
- New collective agreements for crew
- Joint training academy and performance-based management and culture

Norwegian gets a completely **NEW** foundation for both surviving Covid-19 and being able to compete in the mobility of the future...

# Significantly strengthen the balance sheet and liquidity with a total of NOK 23 bn improvements

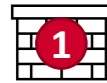


1) NOK/USD 9.00

2) Rounded figures based on measures completed in the first half of 2020

i) In documentation

# Building a strong foundation to return to the skies



## Strong brand

Valuable and unique Norwegian brand in an international context

Brand Finance®

10. Most valuable brands in Norway<sup>1</sup>



## Unique low-cost model

High quality, efficient and at low cost - We have made it easy to fly



## Loyal customers

Great support through nominations, Facebook & 10m Reward members



Best loyalty programme in Europe<sup>3</sup>



## Proud employees

Cornerstone for the air operations in the Nordic region with committed employees - «RedNose Warriors»



## Solid network

Built network with bases and landing rights over 18 years with Norway as home market



## Environmentally friendly

With an average age of 4.6 years, Norwegian has among the lowest emissions globally per passenger



Most fuel-efficient company between US and Europe<sup>4</sup>



## New board, management and organization

Strengthened competence with a new structure and full focus on profitability



## Adapted to Norway

Set up to serve distinctive Norwegian landscape and climate, and close collaboration with local business and tourism

<sup>1</sup> In 2020, Norwegian was named the 10th most valuable brand in Norway by Brand Finance. This year's selection was carried out after the Covid-19 eruption which contributed to Norwegian being down from 5th place in 2019.

<sup>2</sup> In 2019, Norwegian was, for the fifth year in a row, named by our passengers in the Skytrax rating ten the world's best "Low-Cost Long-Haul Airline", in addition to Europe's second-best "Low-Cost Airline" after being named best six years in a row in 2018.

<sup>3</sup> In 2020, Norwegian Reward was named the best loyalty program in the aviation industry in Europe and Africa by the Freddie Awards, as well as the best promotion and best customer service.

<sup>4</sup> The International Council on Clean Transportation (ICCT) named Norwegian the most fuel-efficient airline between the US and Europe in its latest ranking published in 2018.

# Norwegian is already well on its way to taking major steps to be a profitable company when customers return

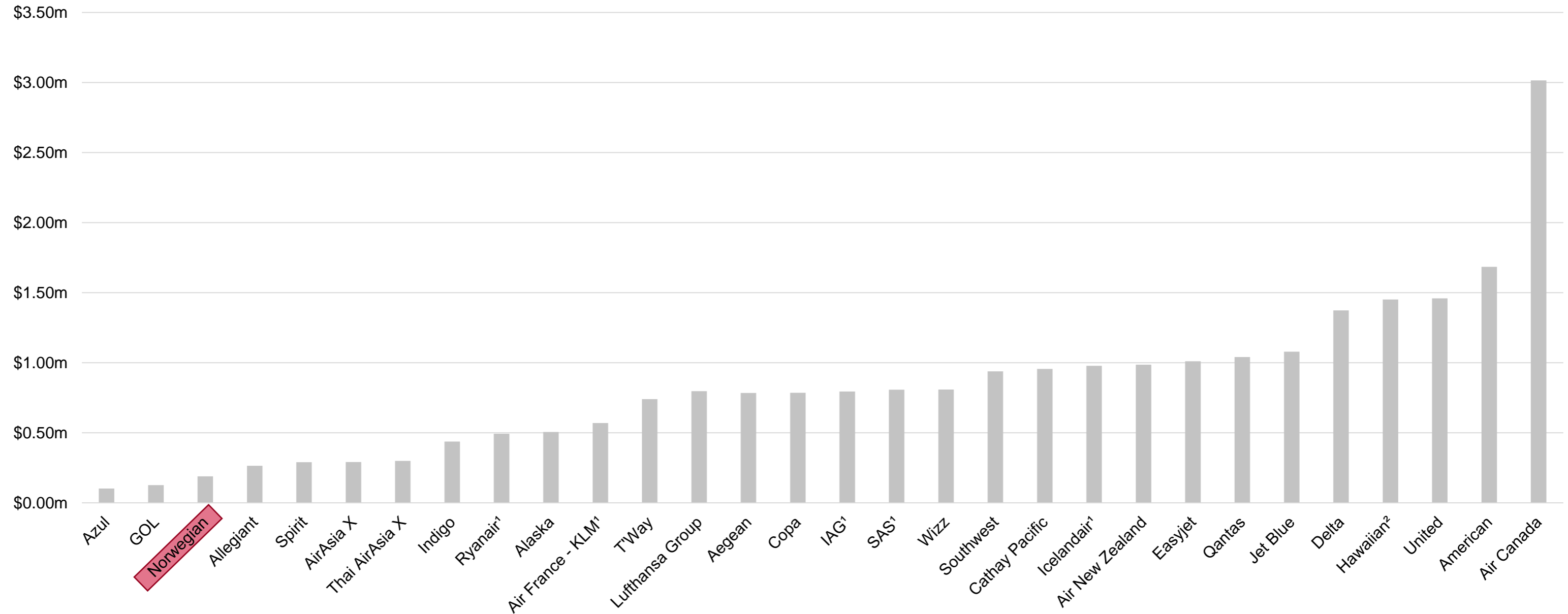
<i>Done</i>	<ul style="list-style-type: none"> <li>✓ New board and group management with broad expertise</li> <li>✓ New vision, business platform and strategy</li> <li>✓ Built a new network focused on the Nordic</li> <li>✓ Launched new sustainability strategy</li> </ul>	<ul style="list-style-type: none"> <li>✓ Laid down over 70 routes, more bases and sold 24 aircraft in 2019</li> <li>✓ Sold Argentina investment</li> <li>✓ Resumed production after C-19 with full focus on profitability from day one</li> <li>✓ Decided to reduce fleet</li> </ul>	<ul style="list-style-type: none"> <li>✓ Implemented cost program that reduced cost by 2 billion in 2019</li> <li>✓ Handling of MAX situation and engine trouble</li> <li>✓ Permanent employment in Norwegian of crew from OSM and other staffing companies</li> </ul>	<ul style="list-style-type: none"> <li>✓ New IT platform for revenue optimization in 2019</li> <li>✓ Handled customer refunds to the best of your ability in a stressful situation</li> <li>✓ Recruited key expertise in customer and retail</li> </ul>	<ul style="list-style-type: none"> <li>✓ Established new management mechanisms</li> <li>✓ Improved internal control</li> <li>✓ Set new structure and recruited new leaders</li> </ul>
	<i>Ongoing</i>	<p><b>Clear direction and management</b></p> <ul style="list-style-type: none"> <li>• Implement all elements in new business platform</li> <li>• Set new management principles based on Norwegian values</li> </ul>	<p><b>Right size fleet and network</b></p> <ul style="list-style-type: none"> <li>• Return excess aircraft</li> <li>• Gradually increase production in step with demand based on a new network strategy</li> <li>• Focus on profitability, not growth</li> </ul>	<p><b>Simple and cost-efficient operation</b></p> <ul style="list-style-type: none"> <li>• Insourcing of technical and customer service</li> <li>• Scaling down operating companies in Ireland</li> <li>• Streamlining a number of internal processes</li> </ul>	<p><b>Satisfied customers and increased yields</b></p> <ul style="list-style-type: none"> <li>• Expand the ecosystem around aircraft and the loyalty program</li> <li>• Better customer experience from check-in to destination</li> <li>• Focus on Norwegian suppliers on board and before / after travel</li> </ul>



**Norwegian, environmentally conscious and customer-focused airline that offers good quality at a reasonable price for most people and ensures profitability through efficient operation and solid brand**

# Norwegian has achieved one of the lowest airline cash burn during the COVID-19 crisis

## → Monthly Cash Burn per A/C



1. Average monthly cash burn rates for Ryanair, AFKLM, IAG, SAS & Icelandair were calculated by dividing Net Operating Cash Flow for Q2 by 3 (months)

Source: Company analysis

# Norwegian must survive an extended COVID-19 crisis and handle a number of critical measures to be able to return to profitability in 2022

## Handling of critical measures



### **Fleet reduction:**

Norwegian must reduce a significant part of its 787 Long-Haul aircraft fleet



### **Supplier debt:**

Supplier debt to be handled. Substantial cuts made, discussions ongoing with all parties for further cuts and agreements



### **Financial obligations:**

Maturity profile and size of existing financial obligations

