

**Q4**2023

4,728,058 passengers

Load Factor

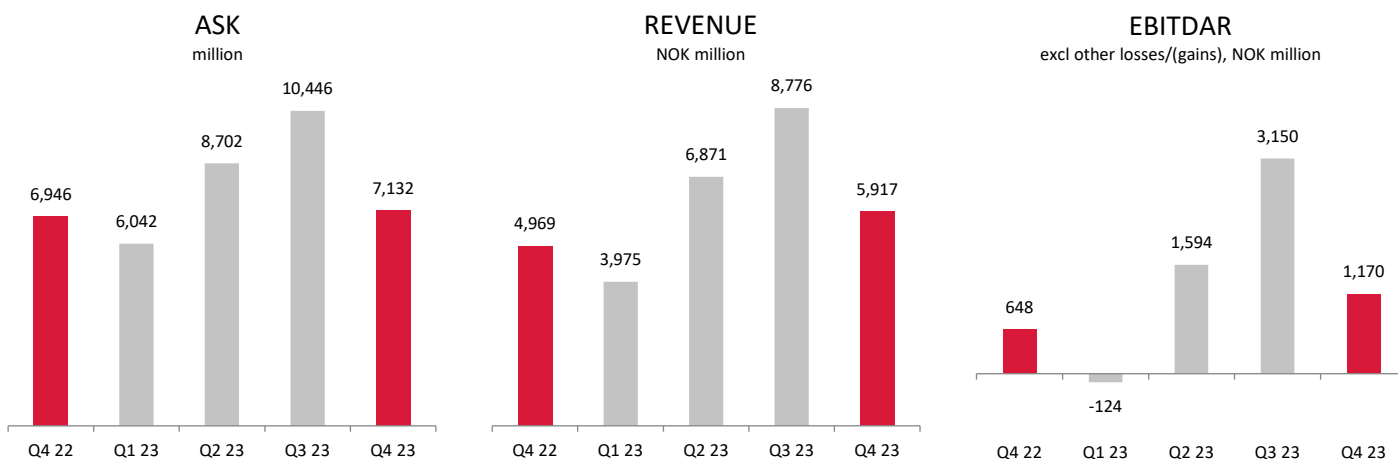
Punctuality

# Norwegian Air Shuttle ASA

## Fourth quarter 2023 financial report



- 2023 full-year EBIT NOK 2,232 million – operating margin 9 percent
- Delivering Q4 profits with earnings before tax (EBT) NOK 208 million
- Widerøe regulatory approval – acquisition completed in January
- Year-end cash position NOK 9.5 billion and NOK 0.60 per share dividend provision



## Norwegian delivered strong profit of NOK 208 million in earnings before tax (EBT) in fourth quarter historically characterised by seasonally softer demand

**Norwegian today reported its fourth quarter and preliminary full-year results for 2023. The figures demonstrate Norwegian's ability to deliver strong results by reducing capacity when moving into the quieter winter trading period.**

**For the full-year of 2023, Norwegian delivered an operating profit (EBIT) of NOK 2,232 million, the highest operating profit in company history. The corresponding operating margin was 9 percent, also a record high for the company. For the fourth quarter of 2023, the company delivered an operating profit (EBIT) of NOK 328 million. Profit before tax (EBT) amounted to NOK 1,804 million for the full-year of 2023 and NOK 208 million for the quarter. The liquidity position improved through the quarter to NOK 9.5 billion at year-end. The Norwegian fleet comprised 87 aircraft at year-end, of which 20 aircraft were latest technology 737 MAX 8 aircraft.**

Norwegian had 4.7 million passengers in the quarter, up from 4.6 million passengers in the fourth quarter of 2022. Production (ASK) was 7.1 billion seat kilometres, while passenger traffic (RPK) was 6.0 billion seat kilometres. Compared to the previous quarter, capacity was down 32 percent as the company reduced its production to match seasonally lower demand during the winter period. The quarterly load factor was 84.4 percent, up three percentage points from the same period last year.

Punctuality, share of flights departing on schedule was 81.5 percent, down from 82.3 percent in the same period last year. While punctuality fell in December as winter weather condition impacted operational performance at key airports, the airline managed through relentless efforts to ensure that close to all passengers made it home for the festive period. Cirium, the global aviation consultancy named Norwegian Air Shuttle (DY) Europe's most on-time airline in October and the fifth most punctual airline for 2023.

Norwegian announced in October that it would introduce sustainable aviation fuel (SAF) equivalent to 100 flights on Denmark's busiest route between Aalborg and Copenhagen. The initiative, which is another step in the airline's ambition to reduce emissions by 45 percent by 2030, demonstrates that reducing Danish aviation's climate footprint is already possible today.

In October, Norwegian signed a new agreement to operate charter flights for TUI for the upcoming winter and summer seasons. TUI, Scandinavia's largest charter operator, connects many Norwegian customers to popular leisure destinations.

Following the escalation of Israeli-Palestinian conflict, Norwegian cancelled all flights to Tel Aviv from October onwards, but operated evacuation flights to bring Norwegians home. In November, Norwegian settled a trademark dispute with Bank Norwegian which entails a new visual profile for the bank. The parties CashPoint collaboration will continue as previously.

In December, Norwegian received approval from the Norwegian Competition Authority (NCA) to complete the acquisition of Widerøe, a regional carrier in Norway with a fleet of 48 aircraft, predominately turboprops, after the NCA in November warned that it was considering intervening against the transaction. The acquisition of Widerøe, which was completed on 12 January 2024, will enable the linking of complementary route networks, create significant operational synergies and provide Norwegian with additional diversification through Widerøe's substantial public service obligation (PSO) operations.

### Dividend for 2023

The Board of Directors intends to propose a dividend of NOK 0.60 per share for 2023, corresponding to an aggregate amount of NOK 580 million, to the annual general meeting in 2024. In December of 2023, the Board was authorised to distribute dividends of up to NOK 0.25 per share for 2022. Distribution of dividends for both 2022 and 2023, in total corresponding to an aggregate amount of NOK 820 million, is subject to approval from holders of the company's debt instruments. If such approval is not obtained, the Board proposes to set aside the amount in a dividend fund for later distribution.

### Looking ahead to a successful 2024

Norwegian's customers highly value the airline's strong punctuality and the attractive and growing route network. The acquisition of Widerøe will further ensure that Norwegian remains a preferred travel partner throughout the Nordics.

For the remainder of the winter season, Norwegian will keep a reduced capacity level that matches the seasonally lower demand. From March and onwards, the company will ramp-up capacity into the busy travel season. The company is growing its fleet to approximately 90 aircraft for the peak summer 2024 season and is forecasting a production growth of approximately 12 percent for the full-year.

## CONSOLIDATED FINANCIAL KEY FIGURES

<i>(unaudited in NOK million)</i>	Q4 2023	Q4 2022	Change	Full year 2023	Full year 2022	Change
Operating revenue	5,917.4	4,969.0	19 %	25,539.3	18,869.3	35 %
EBITDAR*	1,198.9	708.9	69 %	5,754.1	2,363.4	143 %
EBITDAR excl other losses/(gains)*	1,169.6	648.4	80 %	5,789.2	2,356.1	146 %
Operating profit (EBIT)	327.8	-39.3	NM	2,232.1	1,502.3	49 %
EBIT excl other losses/(gains)	298.4	-99.9	NM	2,267.2	1,495.0	52 %
Profit (loss) before tax (EBT)	207.8	-80.3	NM	1,803.9	1,046.4	72 %
Net profit (loss)	152.8	-118.9	NM	1,736.9	1,005.5	73 %
EBITDAR margin	20.3 %	14.3 %		22.5 %	12.5 %	
EBIT margin	5.5 %	-0.8 %		8.7 %	8.0 %	
EBT margin	3.5 %	-1.6 %		7.1 %	5.5 %	
Net profit margin	2.6 %	-2.4 %		6.8 %	5.3 %	
Book equity per share (NOK)				6.0	4.5	33 %
Equity ratio (%)				18.9 %	18.5 %	0.4 pp
Cash and cash equivalents				9,477.9	7,759.0	22 %
Net interest-bearing debt				4,547.5	2,326.3	95 %

\*For further information regarding adjustments relating to change in accounting policy please refer to note 12.

# OPERATIONAL REVIEW

## CONSOLIDATED TRAFFIC FIGURES AND RATIOS

<i>(unaudited ratios in NOK)</i>	Q4 2023	Q4 2022	Change	Full year 2023	Full year 2022	Change
Yield - ticket revenue	0.76	0.67	14 %	0.75	0.67	13 %
Yield - total	0.90	0.79	13 %	0.89	0.79	12 %
Unit revenue - ticket	0.64	0.54	18 %	0.64	0.56	15 %
Unit revenue - total	0.76	0.64	17 %	0.75	0.66	14 %
Unit cost	0.79	0.73	8 %	0.72	0.71	1 %
Unit cost excl fuel	0.53	0.47	13 %	0.48	0.44	9 %
Ancillary revenue per passenger	173	152	14 %	179	161	12 %
ASK (million)	7,132	6,946	3 %	32,322	27,382	18 %
RPK (million)	6,019	5,656	6 %	27,383	22,757	20 %
Passengers (million)	4.72	4.58	3 %	20.61	17.84	16 %
Load factor	84.4 %	81.4 %	3.0 pp	84.7 %	83.1 %	1.6 pp
Average sector length (km)	1,167	1,124	4 %	1,222	1,168	5 %
Fuel consumption (1,000 mt)	142	142	0 %	645	555	16 %
CO2 per RPK	74	79	-6 %	74	77	-3 %

## TRAFFIC DEVELOPMENT

The strong passenger demand for air travel continued from the third quarter and into October, before reducing into the winter period, in accordance with expected seasonality and Norwegian's reduction in capacity. Both yield and load factor saw a favourable development in the fourth quarter, significantly above the same period last year. For the fourth quarter of 2023, Norwegian had 4.7 million passengers, 150,000 more passengers than in the fourth quarter of 2022. Production (ASK) for the quarter was 7,132 million kilometres, up 3 percent from the same period last year. Compared to the previous quarter, production was down 32 percent as the company reduced capacity into the slower winter season. Passenger traffic (RPK) was 6,019 million kilometres, while the load factor was 84.4 percent, up from 81.4 percent in the same period last year.

At the end of the fourth quarter of 2023, the total fleet comprised 87 aircraft, all Boeing 737 aircraft of which 20 were latest technology 737 MAX 8 aircraft. Three 737-800 NG aircraft were in the process of being returned to their respective lessors due to lease expiry. During the quarter, 70 aircraft were on average utilised. Each aircraft was on average utilised 10.0 block hours per day, down from 10.6 block hours per day in the same period last year.

## OPERATING PERFORMANCE

Punctuality, share of flights departing on schedule, was 81.5 percent in the fourth quarter of 2023, down from 82.3 percent in the fourth quarter of 2022. Share of flights arriving within one hour of scheduled arrival time was 96.2 percent. Norwegian Air Shuttle (DY) was in October named the most on-time airline in Europe, according to Cirium, the global aviation consultancy.

Regularity, share of flights taking place, was 99.6 percent in the quarter, an improvement from 99.4 percent in the same period last year.

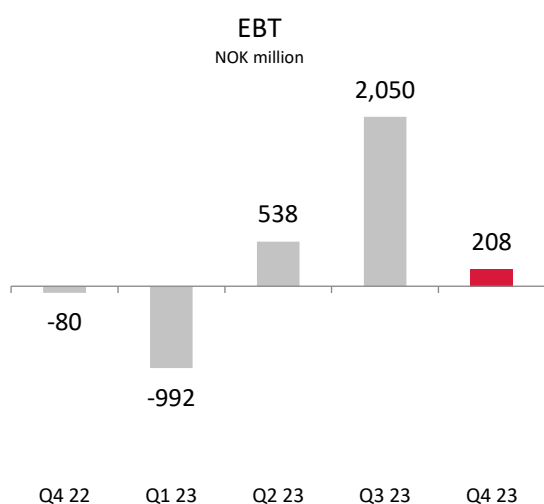
## FINANCIAL REVIEW

Norwegian has experienced strong demand across all markets this summer and through the month of October. From November, Norwegian has reduced capacity in accordance with the anticipated seasonal reduction in demand. The fourth quarter results are affected by macroeconomic uncertainty, predominantly relating to the weakening of NOK against the USD and EUR.

EBITDAR was NOK 1,199 million in the fourth quarter of 2023, compared to NOK 709 million in the fourth quarter of 2022. EBITDAR excl. other losses/(gains) was NOK 1,170 million, compared to NOK 648 million in the same period last year. Other losses/(gains) amounted to a net gain of NOK 29 million, primarily related to currency gain from the translation of monetary assets and liabilities in foreign currency. EBITDAR for the full-year of 2023 amounted to NOK 5,754 million.

Operating profit (EBIT) was NOK 328 million in the fourth quarter of 2023, compared to negative NOK 39 million in the same period last year. Operating profit (EBIT) excl. other losses/(gains) was NOK 298 million, compared to negative NOK 100 million in the same period last year. EBIT for 2023 amounted to NOK 2,232 million, while the full-year EBIT margin was 8.7 percent, up from 8.0 percent in the previous year.

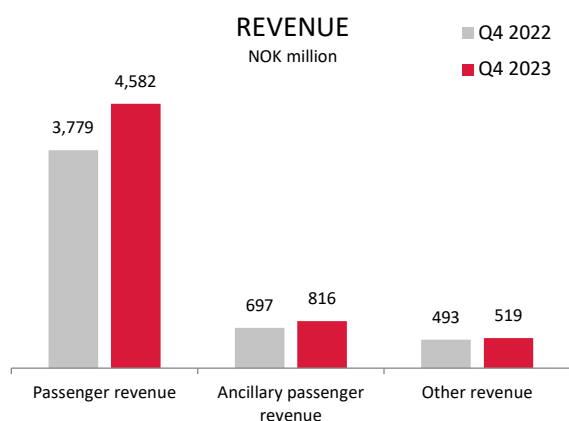
Profit before tax (EBT) was NOK 208 million in the fourth quarter of 2023, compared to negative NOK 80 million in the same period last year. EBT for the full-year of 2023 amounted to NOK 1,804 million.



## REVENUE

Total operating revenue in the fourth quarter of 2023 increased to NOK 5,917 million from NOK 4,969 million in the fourth quarter of 2022. Passenger ticket revenue was NOK 4,582 million, compared to NOK 3,779 million in the same period last year. Ancillary passenger revenue was NOK 816 million, compared to NOK 697 million in the same period last year. Passenger ticket revenue and ancillary passenger revenue was positively impacted by the weakening of NOK, predominately against the EUR and DKK. Other revenue primarily relates to commission from in-flight sales and revenue from the loyalty program 'Norwegian Reward' and amounted to NOK 519 million, compared to NOK 493 million in the same period last year. Other revenue this quarter was positively impacted by the expiration of CashPoints issued during the COVID-19 pandemic and the settlement of a trademark dispute with Bank Norwegian in November of 2023. Total operating revenue for the full-year of 2023 amounted to NOK 25,539 million, up from NOK 18,869 million in the previous year.

Unit ticket revenue in the quarter was NOK 0.64, up 18 percent from NOK 0.54 in the same period last year. Unit revenue including flight related ancillary revenue was NOK 0.76. Ticket revenue yield increased to NOK 0.76 from NOK 0.67 in the same period last year. Yield including flight related ancillary revenue was NOK 0.90. Ancillary revenue per passenger was NOK 173, compared to NOK 152 in the same period last year.



## OPERATING EXPENSES

Total operating expenses excluding aircraft lease, depreciation and amortization amounted to NOK 4,718 million in the fourth quarter of 2023, an increase of 11 percent from the fourth quarter of 2022. Total operating expenses adjusted for other losses/(gains) amounted to NOK 4,748 million. Expenses related to aviation fuel amounted to NOK 1,817 million and included realised gains on jet fuel hedging in the amount of NOK 65 million and expenses related to carbon ETS quotas. Aviation fuel accounted for 38 percent of the total operating expenses excluding aircraft lease, depreciation and amortization. For the full-year of 2023, total operating expenses excluding aircraft lease, depreciation and amortization amounted to NOK 19,785 million.

Unit cost, which excludes other losses/(gains) and includes aircraft lease, depreciation and amortization was NOK 0.79 in the quarter, up from NOK 0.73 in the same period last year. Unit cost excluding fuel was NOK 0.53, an increase of 13 percent from the same period last year. Unit cost excluding fuel was negatively impacted by the weakening of NOK against USD and EUR, in addition to inflationary impacts on both supplier costs and salaries. Unit cost excluding fuel for the full-year of 2023 amounted to NOK 0.48, an increase of 9 percent from 2022.

## LEASE AND RENTAL EXPENSES

Aircraft lease, depreciation and amortization amounted to NOK 871 million in the quarter, compared to NOK 748 million in the same period last year, and was in the quarter positively impacted by compensation related to the delayed delivery of aircraft. For the full-year of 2023, aircraft lease, depreciation and amortization amounted to NOK 3,522 million. Aircraft lease, depreciation and amortization also includes depreciation related to heavy maintenance for leased aircraft following a change in accounting policy from the first quarter of 2023. Please refer to note 12 for additional information.

## FINANCIAL ITEMS

Net financial items amounted to a net loss of NOK 120 million in the quarter, compared to a net loss of NOK 41 million in the same period last year. Interest expense amounting to NOK 247 million for the quarter included NOK 170 million on lease liabilities recognised according to IFRS 16. Interest income amounted to NOK 75 million in the quarter, while other financial income (expenses) amounted to a net gain of NOK 51 million.

## FINANCIAL POSITION AND LIQUIDITY

Aircraft assets are accounted for in USD, creating a natural hedge against USD denominated financing when translated into NOK.

Net interest-bearing debt at the end of 2023 amounted to NOK 4,548 million, compared to NOK 2,326 million at the end of 2022. Compared to the previous quarter, net interest-bearing debt increased by NOK 229 million, predominately a result of the addition of three 737 MAX 8 aircraft, recognised in the balance sheet through lease obligations and right-of-use assets. A total of 87 aircraft were accounted for in the balance sheet through leased and owned aircraft, up from 85 aircraft at the end of the previous quarter. Included in net-interest bearing debt is the zero coupon Retained Claims Bonds, amounting to NOK 2,622 million at year-end.

Equity amounted to NOK 5,773 million at year-end, up from NOK 4,203 million at the end of 2022. The corresponding equity ratio was 18.9 percent. Compared to the previous quarter, the equity ratio decreased by 0.7 percentage points, predominantly a result of reduced market value of jet fuel hedges recognised through other comprehensive income as the forward price of jet fuel decreased during the quarter.

**Total non-current assets** amounted to NOK 17,506 million at the end of 2023, compared to NOK 12,625 million at the end of 2022 and NOK 17,596 million at the end of the third quarter of 2023.

Intangible assets amounted to NOK 2,162 million at year-end and was predominately comprised of deferred tax assets amounting to NOK 1,901 million.

Tangible assets amounted to NOK 15,016 million at year-end, compared to NOK 10,078 million at the end of 2022 and NOK 14,765 million at the end of the previous quarter, and was predominately comprised of owned aircraft, right-of-use assets for leased aircraft and prepayment for ordered aircraft. Prepayment for ordered aircraft amounted to NOK 3,072 million and related to the purchase order of 50 Boeing 737 MAX 8 aircraft due to be delivered from 2025.

**Total current assets** amounted to NOK 13,044 million at the end of 2023, compared to NOK 10,045 million at the end of 2022 and NOK 13,924 million at the end of the previous quarter. Holdback as share of air traffic settlement liabilities was 16 percent, compared to 39 percent at the end of 2022 and 38 percent at the end of the previous quarter.

Cash and cash equivalents increased to NOK 9,478 million at year-end, corresponding to an increase of NOK 1,719 million from the end of 2022 and an increase of NOK 87 million from the end of the previous quarter.

**Total non-current liabilities** amounted to NOK 15,817 million at the end of 2023, compared to NOK 10,842 million at the end of 2022 and NOK 15,199 million at the end of the previous quarter.

Non-current lease liabilities amounted to NOK 8,689 million at year-end, up from NOK 4,646 million at the end of 2022 and NOK 8,484 million at the end of the previous quarter.

**Total current liabilities** amounted to NOK 8,961 million at the end of 2023, compared to NOK 7,624 million at the end of 2022 and NOK 10,142 million at the end of the previous quarter.

Air traffic settlement liabilities amounted to NOK 3,203 million at year-end, up from NOK 2,549 million at the end 2022 and down from NOK 3,888 million at the end of the previous quarter.

Other current liabilities amounted to NOK 4,045 million at year-end, of which CashPoint liabilities amounted to NOK 567 million.

**Equity** at the end of 2023 amounted to NOK 5,773 million, compared to NOK 4,203 million at the end of 2022 and NOK 6,178 million at the end of the previous quarter.

## CASH FLOW

Cash and cash equivalents amounted to NOK 9,478 million at the end of 2023, an increase of NOK 1,719 million at the end of 2022. Compared to the previous quarter, cash and cash equivalents increased by NOK 87 million.

**Cash flow from operating activities** in the fourth quarter of 2023 amounted to positive NOK 938 million, compared to positive NOK 56 million in the fourth quarter last year. Air traffic settlement liabilities decreased by NOK 686 million during the quarter while receivables decreased by NOK 635 million. Other adjustments amounted to negative NOK 161 million during the quarter. Other adjustments primarily consist of finance items, changes in other assets and other liabilities in addition to non-cash effects included in profit before tax.

For 2023, cash flow from operating activities amounted to positive NOK 5,258 million, compared to positive 2,426 million for 2022.

**Cash flow from investing activities** in the quarter amounted to negative NOK 270 million and included the purchase of one CFM LEAP-1B spare engine. In the same period last year, cash flow from investing activities amounted to negative NOK 27 million.

For 2023, cash flow from investing activities amounted to negative NOK 578 million, compared to negative NOK 801 million for 2022.

**Cash flow from financing activities** in the quarter amounted to negative NOK 541 million, compared to negative NOK 450 million in the same period last year.

For 2023, cash flow from financing activities amounted to negative NOK 2,967 million and includes the redemption of the NAS13 bond and repurchase of the Retained Claims Bond for a combined cash outflow of NOK 820 million. For 2022, cash flow from financing activities amounted to negative NOK 1,561 million.



## RISK AND UNCERTAINTIES

Norwegian is exposed to several risk factors such as market risk, operational risk, financial risk, liquidity risk and climate-related risks. Future demand for air travel is dependent on sustained consumer and business confidence in key markets. Demand for air travel is subject to strong seasonal variations. Adverse effects in relation to new coronavirus variants, the onset of other pandemics or unforeseen security events may impact the company's operations.

The current macroeconomic environment is uncertain with volatile energy and fuel prices, inflationary pressure, fluctuations in foreign exchange rates, the ongoing war in Ukraine, the Israeli-Palestinian conflict, escalating tensions in the Middle East as well as potential impacts of disruptions in the global supply chain. Such factors may have a significant impact on Norwegian's business and financial result. The company has reduced its exposure to fluctuations in fuel prices through derivative contracts and have hedged approximately 50 percent of estimated jet fuel consumption for 2024 and 15 percent for 2025 at average levels of 804 and 812 USD per metric tonne respectively.

In the event of industrial actions, operations may be affected, causing disruptions for customers and affect the company's financial performance.

For additional explanations regarding risks and uncertainties, please refer to the following sections in the company's Annual Report 2022: The Financial Risk and Risk Management section and the Going Concern section of the Board of Director's report, Note 2: Financial Risk and Note 28: Contingencies and Legal Claims. Note 13 to this interim report includes updates to contingencies and legal claims.

## OUTLOOK

For the peak summer 2024 season, Norwegian is currently projecting its fleet to grow to approximately 90 aircraft to match the expected high demand for the company's air travel offering and to benefit from increased scale. For the full-year of 2024, the airline is forecasting an overall production (ASK) of around 36,000 million seat kilometres, corresponding to a demand-led growth of approximately 12 percent from 2023. The year-on-year production growth is forecasted at approximately 2, 19, 10 and 16 percent for the first, second, third and fourth quarter respectively.

The company projects profits for 2024 to improve and is currently expecting an operating profit (EBIT) to be in the range of NOK 2.5 to 3.2 billion and a unit cost excluding fuel to be flat vs. 2022, based on current foreign exchange and jet fuel forward prices\*. The forecasts exclude profits and other effects related to Widerøe and potential realisation from loyalty programme new business venture. These forecasts are uncertain, and the company is mindful of changes both related to consumer sentiment, aircraft delivery delays and the general macro environment.

Current booking trends remain encouraging with many customers booking their spring holidays and business travellers placing high value on Norwegian's strong operating performance. Air travel remains a key priority for Norwegian's customers and the company is currently not observing signs of weaknesses in forward bookings. The duration of the booking curve has improved compared to the two previous years, giving the company some more visibility on bookings.

With strong brand loyalty, a solid organisation and a robust financial situation, Norwegian is well positioned to tackle short-term fluctuations in demand and solidify its position as a leading Nordic airline. The recently completed acquisition of Widerøe will further support the company's encouraging outlook and customer proposition by enabling seamless travel across an improved route network offering.

Fornebu, 15 February 2024

Board of Directors  
Norwegian Air Shuttle ASA

\*Jet fuel 870 USD/mt, EURNOK 11.4, USDNOK 10.5

# CONDENSED INTERIM FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

<i>(unaudited in NOK million)</i>	Note	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Passenger revenue		4,582.1	3,779.4	20,616.6	15,197.7
Ancillary passenger revenue		816.2	696.7	3,699.6	2,870.0
Other revenue		519.1	492.9	1,223.1	801.6
<b>Total operating revenue</b>		<b>5,917.4</b>	<b>4,969.0</b>	<b>25,539.3</b>	<b>18,869.3</b>
Personnel expenses		1,033.0	782.4	4,025.1	2,884.8
Aviation fuel		1,816.6	1,801.5	7,714.7	7,371.4
Airport and ATC charges		610.8	557.3	2,769.5	2,095.5
Handling charges		509.9	448.5	2,134.2	1,668.7
Technical maintenance expenses	12	177.4	167.7	697.6	556.4
Other operating expenses		600.1	563.3	2,409.1	1,936.2
Other losses/(gains)		-29.3	-60.6	35.1	-7.3
<b>Total operating expenses excl lease, depr. and amort.</b>	12	<b>4,718.5</b>	<b>4,260.1</b>	<b>19,785.2</b>	<b>16,505.9</b>
<b>Operating profit excl lease, depr. and amort. (EBITDAR)</b>	12	<b>1,198.9</b>	<b>708.9</b>	<b>5,754.1</b>	<b>2,363.4</b>
Aircraft lease, depreciation and amortization	12	871.2	748.3	3,522.0	2,960.5
Reversal of impairment loss regarding prepayment on aircraft		0.0	0.0	0.0	-2,099.4
<b>Operating profit (EBIT)</b>		<b>327.8</b>	<b>-39.3</b>	<b>2,232.1</b>	<b>1,502.3</b>
Interest income		75.4	34.1	231.3	72.6
Interest expense		246.6	168.3	848.0	650.0
Other financial income (expense)		51.2	93.2	188.5	121.6
<b>Net financial items</b>		<b>-119.9</b>	<b>-40.9</b>	<b>-428.2</b>	<b>-455.9</b>
<b>Profit (loss) before tax (EBT)</b>		<b>207.8</b>	<b>-80.3</b>	<b>1,803.9</b>	<b>1,046.4</b>
Income tax expense (income)		55.0	38.7	66.9	41.0
<b>Net profit (loss)</b>		<b>152.8</b>	<b>-118.9</b>	<b>1,736.9</b>	<b>1,005.5</b>
<b>Net profit (loss) attributable to:</b>					
Owners of the parent company		152.8	-118.9	1,736.9	1,005.5
Basic earnings per share (NOK)		0.13	-0.16	1.70	0.99
Diluted earnings per share (NOK)		0.13	-0.16	1.54	0.89

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(unaudited in NOK million)</i>	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net profit (loss) for the period	152.8	-118.9	1,736.9	1,005.5
Actuarial gains and losses	-20.3	-6.8	-20.3	-6.8
Currency translation differences	-41.0	-487.4	112.8	13.7
Gains/(losses) on cash flow hedges	-373.1	-1.8	31.4	-1.8
Hedging (gains)/losses reclassified to profit or loss	-65.4	0.0	-169.8	0.0
Other	0.0	4.5	0.0	0.0
Total comprehensive income for the period	-347.0	-610.4	1,690.9	1,010.5
Total comprehensive income attributable to:				
Owners of the company	-347.0	-610.4	1,690.9	1,010.5

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(unaudited in NOK million)</i>	Note	31 DEC 2023	31 DEC 2022
<b>ASSETS</b>			
Intangible assets		2,161.7	2,089.7
Tangible assets	7	15,016.4	10,077.9
Other non-current assets		328.2	457.1
Total non-current assets		17,506.2	12,624.7
Inventory		259.6	81.3
Receivables and other current assets		3,306.3	2,204.7
Cash and cash equivalents		9,477.9	7,759.0
Total current assets		13,043.8	10,044.9
<b>TOTAL ASSETS</b>		30,550.0	22,669.6
<b>EQUITY AND LIABILITIES</b>			
Shareholders' equity	9	5,772.6	4,203.4
Total equity		5,772.6	4,203.4
Non-current debt	8	12,312.1	8,696.2
Other non-current liabilities		3,504.8	2,146.1
Total non-current liabilities		15,816.9	10,842.3
Air traffic settlement liabilities		3,202.5	2,548.5
Current debt	8	1,713.3	1,389.1
Other current liabilities		4,044.7	3,686.3
Total current liabilities		8,960.5	7,623.9
<b>TOTAL LIABILITIES</b>		24,777.4	18,466.2
<b>TOTAL EQUITY AND LIABILITIES</b>		30,550.0	22,669.6

## CONSOLIDATED STATEMENT OF CASH FLOW

<i>(unaudited in NOK million)</i>	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Profit before tax	207.8	-80.3	1,803.9	1,046.4
Paid taxes	-0.7	-34.4	-1.7	-37.0
Depreciation, amortization and impairment	942.1	355.1	3,533.8	412.4
Changes in air traffic settlement liabilities	-685.7	-553.9	654.0	1,224.3
Changes in receivables	635.1	520.8	-1,217.1	-82.2
Other adjustments	-160.8	-151.5	484.7	-138.2
Net cash flows from operating activities	937.7	55.8	5,257.5	2,425.7
Purchases, proceeds and prepayment of tangible assets	-230.7	-7.9	-495.1	-781.8
Other investing activities	-39.0	-19.6	-82.8	-19.6
Net cash flows from investing activities	-269.7	-27.4	-577.9	-801.3
Loan proceeds	137.5	0.0	289.6	0.0
Principal repayments	-434.8	-304.3	-2,511.9	-1,109.9
Financing costs paid	-244.1	-145.6	-745.1	-443.7
Paid dividend to creditors	0.0	-0.2	0.0	-7.6
Net cash flows from financing activities	-541.4	-450.1	-2,967.4	-1,561.1
Net change in cash and cash equivalents	126.6	-421.8	1,712.2	63.2
Foreign exchange effect on cash	-39.8	-9.0	6.6	1.0
Cash and cash equivalents at beginning of period	9,391.1	8,189.7	7,759.0	7,694.8
Cash and cash equivalents at end of period	9,477.9	7,759.0	9,477.9	7,759.0

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(unaudited in NOK million)</i>	Full year 2023	Full year 2022
Equity - Beginning of period	4,203.4	3,269.6
Total comprehensive income for the period	1,690.9	1,010.5
Share issue	293.4	13.8
Perpetual bonds issue and conversions	-293.4	-13.8
Interest payment on perpetual bonds	-128.6	-80.1
Equity change on employee options	6.8	3.3
Equity - End of period	5,772.6	4,203.4

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

### NOTE 1 ACCOUNTING PRINCIPLES

The condensed consolidated interim financial statements comprise Norwegian Air Shuttle ASA and its subsidiaries (the company). Norwegian Air Shuttle ASA is a limited liability company incorporated in Norway. The consolidated financial statements of the company for the year ended 31 December 2022 are available at [www.norwegian.com](http://www.norwegian.com).

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the rules and regulations of Oslo Stock Exchange and International Accounting Standard (IAS) 34 Interim Financial Reporting. They do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the company for the year ended 31 December 2022.

With effect from 1 January 2023, the company changed its accounting policy for major overhaul and inspection costs ("heavy maintenance") related to leased aircraft. The company is obliged to return leased aircraft according to the redelivery condition set in the lease agreement. Costs for heavy maintenance have previously been accrued for as maintenance provisions and charged to the Consolidated income statement based on the utilization and age of the aircraft. Such costs were presented under "Technical maintenance expenses" in the Consolidated income statement.

Heavy maintenance costs related to the recognition of maintenance provisions are capitalized as part of the right-of-use asset for leased aircraft. The capitalized amounts are immediately depreciated as the aircraft is utilized. The depreciation charge is presented under "Aircraft lease, depreciation and amortization" in the Consolidated income statement.

Management is of the opinion that the presentation of expenses for heavy maintenance on leased aircraft under "Aircraft lease, depreciation and amortization" provides more relevant information as the presentation of maintenance expenses for owned and leased aircraft is more aligned with the revised policy.

The change in accounting policy is applied retrospectively. Financial information for comparative periods disclosed in this report are adjusted as if the new accounting policy had always been applied. The retrospective application of the new accounting policy does not have any effect on the equity at the end of 2022. For details on the adjustments of comparative figures for 2022 see note 12.

All other accounting policies applied by the company in these condensed consolidated financial statements are the same as those applied by the company in its consolidated financial statements for the year ended 31 December 2022.

### JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of condensed consolidated interim financial statements is in accordance with IFRS and applying the chosen accounting policies require management to make judgments, estimates and assumptions which affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical figures and various other factors which are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the company's accounting policies and the key sources of estimation uncertainty, were the same as those that applied to the consolidated financial statements for the period ended 31 December 2022.

The going concern basis of accounting is adopted in preparing these interim financial statements. Refer to the Risk and Uncertainties section of this Interim Report for further information.

### IMPAIRMENT

The company assesses whether there are any indications that its assets may be impaired at the end of each reporting period. There are no impairment indicators during the reporting period.

## NOTE 2 RISK

### SENSITIVITY ANALYSIS

<i>(unaudited in NOK million)</i>	<i>Effect on costs</i>
1% increase in jet fuel price	29
1% increase in USD against NOK	119

The sensitivity analysis for changes in the jet fuel price is based on expected consumption for the 12-month period from quarter-end after cash flow hedging effects. The sensitivity analysis for changes in USD against NOK is based on total operating expenses excluding other losses/(gains) and including interest expense for the 12-month period from quarter-end and incorporates jet fuel hedging effects. Exposure to currencies other than USD is substantially offset through revenues in the same currencies.

### NOTE 3 REVENUE

Passenger revenue comprises only ticket revenue, while ancillary passenger revenue is other passenger related revenue such as optional extras. Other revenue primarily relates to commission

from in-flight sales and revenue from the loyalty program 'Norwegian Reward'. Passenger related revenue per country is based on the starting point of customer journeys.

### OPERATING REVENUE BY COUNTRY

<i>(unaudited in NOK million)</i>	Q4 2023	Q4 2022	Change	Full year 2023	Full year 2022	Change
Per country						
Norway	2,438.6	1,946.3	25 %	9,693.4	7,330.9	32 %
Spain	1,024.5	807.3	27 %	4,089.8	2,734.7	50 %
Denmark	654.4	550.8	19 %	2,926.0	2,154.3	36 %
Sweden	547.2	517.9	6 %	2,496.4	1,976.8	26 %
Finland	255.5	210.5	21 %	934.5	645.3	45 %
United Kingdom	249.5	246.2	1 %	1,026.2	829.8	24 %
Italy	119.6	98.6	21 %	710.0	479.1	48 %
France	97.0	94.9	2 %	614.6	500.8	23 %
Germany	78.9	75.2	5 %	369.9	270.1	37 %
Poland	76.3	65.5	16 %	350.5	214.3	64 %
Other	375.9	356.1	6 %	2,327.9	1,733.2	34 %
Total operating revenue	5,917.4	4,969.0	19 %	25,539.3	18,869.3	35 %
Total outside of Norway	3,478.8	3,022.8	15 %	15,845.9	11,538.4	37 %

## NOTE 4 SEGMENT INFORMATION

The Executive Management team reviews the company's internal reporting to assess performance and allocate resources. Executive Management has determined the operating segment on these reports.

Executive Management considers the business as one operational segment, which is low-cost air passenger travel. The company's operating profit arises from airline-related activities and the only revenue generating asset of the company is its aircraft fleet, which is employed flexibly across the entire operation and irrespective of geographic location.

Performance is measured by Executive Management based on the operating segment's earnings before interest, tax, aircraft lease, depreciation and amortization (EBITDAR).

## NOTE 6 EARNINGS PER SHARE

<i>(unaudited in NOK million)</i>	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Profit attributable to the owners of the company before PIK interest	152.8	-118.9	1,736.9	1,005.5
Payment-in-kind interest and interests paid on perpetual bonds recognized in equity	-29.0	-27.1	-126.3	-85.9
Profit attributable to the owners of the company after PIK interest	123.8	-146.0	1,610.7	919.6
Basic earnings per share (NOK)	0.13	-0.16	1.70	0.99
Diluted earnings per share (NOK)*	0.13	-0.16	1.54	0.89
<i>Specification of weighed average number of shares used in calculation of basic and diluted EPS</i>				
Ordinary shares for basic EPS	961,712,346	929,989,739	947,827,373	929,579,566
Perpetual bonds for diluted EPS	-	-	178,838,433	195,917,519
Weighted average number of ordinary shares diluted	961,712,346	929,989,739	1,126,665,806	1,125,497,085
<i>Antidilutive instruments that might become dilutive in future periods not included in calculation of the diluted earnings per share for the period</i>				
Perpetual bonds	163,108,611	194,950,791	-	-
Share options	4,755,116	3,511,296	4,755,116	3,511,296

\*Shares which might become dilutive in future periods are only included in the calculation of diluted earnings per share in case they would reduce basic earnings per share for the period if they had been issued at the beginning of the period. Potentially dilutive shares which would increase basic earnings per share if they had been outstanding at the beginning of the period are considered antidilutive. They are not included in the calculation of diluted earnings per share for the period.

## NOTE 5 INFORMATION ON RELATED PARTIES

For detailed information on related party transactions, please refer to Note 27 in the Annual Report for 2022. There have been no significant transactions with related parties 2023.



## NOTE 7 TANGIBLE ASSETS

<i>(unaudited in NOK million)</i>	31 DEC 2023	31 DEC 2022
Predelivery payments	3,072.1	2,937.5
Owned aircraft, parts and installations on leased aircraft	1,415.4	1,087.5
Right-of-use assets aircraft and parts	9,818.4	5,522.0
Aircraft, parts and installations	11,233.8	6,609.5
Other tangible assets owned	391.1	350.8
Right-of-use assets other	319.3	180.1
Other tangible assets	710.5	530.9
Total tangible assets	15,016.4	10,077.9
Total right-of-use assets	10,137.8	5,702.1

## NOTE 8 BORROWINGS

<i>(unaudited in NOK million)</i>	31 DEC 2023	31 DEC 2022
Bond issue	2,624.3	3,188.7
Aircraft financing	936.7	726.8
Lease liabilities	8,688.8	4,646.2
Other non-current debt	62.3	134.5
Non-current debt	12,312.1	8,696.2
Bond issue	0.0	121.8
Aircraft financing	84.2	76.7
Lease liabilities	1,591.4	1,190.6
Other current debt	37.7	0.0
Current debt	1,713.3	1,389.1
Total borrowings	14,025.3	10,085.3

## NOTE 9 SHAREHOLDER INFORMATION

## 20 largest shareholders at 31 December 2023\*

Name	Country	Number of shares	Percent
1 Geveran Trading Company, Ltd.	Cyprus	134,010,512	13.9 %
2 Sundt AS	Norway	89,292,265	9.3 %
3 Folketrygdfondet	Norway	46,873,605	4.9 %
4 Ballyfin Aviation Limited	Ireland	31,472,703	3.3 %
5 Nordnet Bank AB.	Norway	29,748,294	3.1 %
6 Silver Point Capital, L.P.	United States	25,854,922	2.7 %
7 Handelsbanken Kapitalförvaltning AB	Sweden	23,966,576	2.5 %
8 Avanza Bank AB	Sweden	21,666,287	2.3 %
9 Keskinäinen eläkevakuutusyhtiö Varma	Finland	15,500,000	1.6 %
10 KLP Fondsforvaltning AS	Norway	15,378,913	1.6 %
11 Svelland Capital (UK) Ltd	United Kingdom	14,612,990	1.5 %
12 DNB Asset Management AS	Norway	12,521,543	1.3 %
13 Nordea Funds Oy	Finland	8,037,591	0.8 %
14 Contrarian Capital Management, LLC	United States	10,312,451	1.1 %
15 Brumm AS	Norway	10,010,480	1.0 %
16 American Century Investment Management, Inc.	United States	8,386,121	0.9 %
17 Swedbank AB	Sweden	8,033,545	0.8 %
18 Cape Invest AS	Norway	7,914,593	0.8 %
19 HSBC Continental Europe S.A., Germany	Germany	6,979,134	0.7 %
20 BlackRock Institutional Trust Company, N.A.	United States	6,745,380	0.7 %
Top 20 shareholders		527,317,905	54.8 %
Other shareholders		434,453,001	45.2 %
Total number of shares		961,770,906	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.

During 2023 there have been six conversions of perpetual bonds, where a total of NOK 293.4 million have been converted. The company have issued total 31,781,167 new shares in these conversions. Norwegian Air Shuttle ASA had a total of 961,770,906 shares outstanding as of 31 December 2023. There were 79,882 shareholders at the end of the fourth quarter of 2023.

In 2023, executives in the company were granted a total of 1,243,820 share options in Norwegian Air Shuttle ASA in accordance with the Annual General Meeting of 2023. The granted share options vest one-third each anniversary from the grant date. Vested options may be exercised until expiry seven years following the grant. Each share option corresponds to one share and the strike price is NOK 13.50 per share.

## NOTE 10 FAIR VALUE ESTIMATION

<i>(unaudited in NOK million)</i>	31 DEC	31 DEC	31 DEC	31 DEC
	2023	2023	2022	2022
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value through OCI	36.9	36.9	19.9	19.9
Financial assets at amortized cost	12,614.9	12,614.9	9,859.5	9,859.5
Total financial assets	12,651.8	12,651.8	9,879.4	9,879.4
Financial liabilities at fair value through OCI	176.1	176.1	21.7	21.7
Financial liabilities at amortized cost	17,200.2	17,126.4	12,352.7	12,232.0
Total financial liabilities	17,376.3	17,302.5	12,374.4	12,253.7

The company's financial assets and liabilities are measured at fair value in the statement of financial position based on the fair value measurement levels below:

## Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices of the reporting date. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regular occurring market transactions on an arm's length basis. The company had no financial instruments in this category at 31 December 2023 or 31 December 2022.

## Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific

estimates. Financial instruments in level 2 include forward contracts classified as derivatives. The fair value of forward commodity contracts is determined using mark to market values from financial institutions. Spot prices in the mark to market calculations are based on mid-prices as set by the financial institutions at the reporting date.

## Level 3

If one or more of the significant inputs are not based on observable market data, specific valuation techniques are applied. The company had no financial instruments in this category at 31 December 2023 or 31 December 2022.

The following table presents financial assets and liabilities measured at fair value:

<i>(unaudited in NOK million)</i>	31 DEC	31 DEC
	2023	2022
	Level 2	Level 2
Derivative financial assets, non-current	-	-
Derivative financial assets, current	36.9	19.9
Total financial assets at fair value through OCI	36.9	19.9
Derivative financial liabilities, non-current	67.4	-
Derivative financial liabilities, current	108.7	21.7
Total liabilities at fair value through OCI	176.1	21.7

## NOTE 11 QUARTERLY DATA

<i>(unaudited in NOK million)</i>	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Full year 2023
Passenger revenue	3,190.6	5,615.0	7,228.9	4,582.1	20,616.6
Ancillary passenger revenue	603.6	994.5	1,285.3	816.2	3,699.6
Other revenue	180.7	261.8	261.5	519.1	1,223.1
Total operating revenue	3,975.0	6,871.4	8,775.6	5,917.4	25,539.3
Personnel expenses	920.1	1,071.0	1,001.0	1,033.0	4,025.1
Aviation fuel	1,538.6	2,051.0	2,308.5	1,816.6	7,714.7
Airport and ATC charges	488.8	777.7	892.2	610.8	2,769.5
Handling charges	407.6	553.5	663.1	509.9	2,134.2
Technical maintenance expenses	158.3	191.5	170.4	177.4	697.6
Other operating expenses	585.6	632.9	590.5	600.1	2,409.1
Other losses/(gains)	30.5	25.2	8.7	-29.3	35.1
Total operating expenses excl lease, depr. and amort.	4,129.5	5,302.9	5,634.4	4,718.5	19,785.2
Operating profit excl lease, depr. and amort. (EBITDAR)	-154.5	1,568.5	3,141.2	1,198.9	5,754.1
Aircraft lease, depreciation and amortization	762.0	918.0	970.8	871.2	3,522.0
Operating profit (EBIT)	-916.5	650.5	2,170.3	327.8	2,232.1
Interest income	29.3	54.3	72.3	75.4	231.3
Interest expense	162.3	212.6	226.6	246.6	848.0
Other financial income (expense)	57.9	45.8	33.6	51.2	188.5
Net financial items	-75.1	-112.5	-120.7	-119.9	-428.2
Profit (loss) before tax (EBT)	-991.6	538.0	2,049.6	207.8	1,803.9
Income tax expense (income)	1.3	0.2	10.5	55.0	66.9
Net profit (loss)	-992.8	537.9	2,039.1	152.8	1,736.9

## NOTE 12 ADJUSTMENTS OF COMPARATIVE FINANCIAL INFORMATION

Following the change in accounting policy for heavy maintenance on leased aircraft in the first quarter of 2023, financial information for comparative periods disclosed in this report are adjusted as if the new accounting policy had always been applied. The change in accounting policy does not have any effect on the consolidated statement of financial position as reported in 2022. In the consolidated income statement, Total operating

expenses excl lease, depreciation and amortization are reduced. EBITDAR and Aircraft lease, depreciation and amortization increased with the same amounts. In the consolidated statement of cash flow, Depreciation, amortization and impairment and Other adjustment within Net cash flows from operating activities are adjusted.

The adjustments of comparative figures for 2022 are presented below:

### CONSOLIDATED INCOME STATEMENT

<i>(unaudited in NOK million)</i>	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full year 2022
Technical maintenance expenses, previously reported	272.7	423.9	502.6	466.6	1,665.9
Technical maintenance expenses, adjusted	110.1	116.2	162.4	167.7	556.4
<i>Change</i>	-162.7	-307.7	-340.2	-298.9	-1,109.4
Total operating expenses excl lease, depr. and amort., previously reported	2,384.1	5,082.7	5,589.5	4,559.0	17,615.3
Total operating expenses excl lease, depr. and amort., adjusted	2,221.4	4,775.1	5,249.3	4,260.1	16,505.9
<i>Change</i>	-162.7	-307.7	-340.2	-298.9	-1,109.4
EBITDAR, previously reported	-467.9	-214.2	1,526.1	410.0	1,254.0
EBITDAR, adjusted	-305.2	93.4	1,866.3	708.9	2,363.4
<i>Change</i>	162.7	307.7	340.2	298.9	1,109.4
Aircraft lease, depreciation and amortization, previously reported	380.7	526.6	494.3	449.3	1,851.0
Aircraft lease, depreciation and amortization, adjusted	543.4	834.3	834.5	748.3	2,960.5
<i>Change</i>	162.7	307.7	340.2	298.9	1,109.4
Operating profit (EBIT), previously reported	-848.6	1,358.5	1,031.8	-39.3	1,502.3
Operating profit (EBIT), adjusted	-848.6	1,358.5	1,031.8	-39.3	1,502.3
<i>Change</i>	0.0	0.0	0.0	0.0	0.0

## CONSOLIDATED STATEMENT OF CASH FLOW

<i>(unaudited in NOK million)</i>	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full year 2022
<b>OPERATING ACTIVITIES</b>					
Depreciation, amortization and impairment, previously reported	313.8	-1,752.7	386.8	355.1	-697.1
Depreciation, amortization and impairment, adjusted	476.5	-1,445.0	727.0	654.0	412.4
<i>Change</i>	162.7	307.7	340.2	298.9	1,109.4
Other adjustments, previously reported	-198.6	813.2	508.1	-151.5	971.2
Other adjustments, adjusted	-361.2	505.5	167.9	-450.4	-138.2
<i>Change</i>	-162.7	-307.7	-340.2	-298.9	-1,109.4
Net cash flows from operating activities, previously reported	107.2	556.0	1,706.6	55.8	2,425.7
Net cash flows from operating activities, adjusted	107.2	556.0	1,706.6	55.8	2,425.7
<i>Change</i>	0.0	0.0	0.0	0.0	0.0

## ALTERNATIVE PERFORMANCE MEASURES

<i>(unaudited in NOK million)</i>	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full year 2022
EBITDAR excl other losses/(gains), reported	-452.4	-219.1	1,568.7	349.4	1,246.7
EBITDAR excl other losses/(gains), adjusted	-289.7	88.5	1,908.9	648.4	2,356.1
<i>Change</i>	162.7	307.7	340.2	298.9	1,109.4

## NOTE 13 CONTINGENCIES AND LEGAL CLAIMS

On 21 September 2021, the Norwegian Environment Agency concluded in an administrative ruling that the cram down of claims in the Examinership and Reconstruction does not apply to the company's obligation to surrender emission allowances under EU ETS (see Section 9.6.2 "Environmental regulations") for emissions predating 18 November 2020. The contemplated market value of such allowances is approximately NOK 324 million at the end of the fourth quarter of 2023. The Reconstructor determined that the Reconstruction applies to the company's obligation to surrender emission allowances as a different view would have given preference to the EU ETS regime, which the current insolvency legislation does not facilitate. Therefore, the company was unable to comply with the Norwegian Environment Agency's demand of the company surrendering emissions allowances. The lack of compliance caused the Norwegian Environment Agency to impose a penalty of approximately NOK 400 million on the company. The company appealed the decision, but on 16 December 2022 the Ministry of Climate and Environment decided to uphold the Norwegian Environment Agency's decision. The company, supported by its advisors and the Reconstructor, are of the view that the company's obligation to surrender emission allowances for emissions pre-dating 18 November 2020 can be settled by paying

dividend of 5 percent introduced under the Reconstruction and the decision to impose a penalty of NOK 400 million is invalid. On this basis, the company filed a statement of claim to Oslo District Court on 9 January 2023. In June 2023, Oslo District Court decided to submit the case to the EFTA Court for consultation on the EU/EEA law implications of the matter. It is currently assumed that the EFTA Court will provide an advisory opinion during the third or the fourth quarter of 2024. Subsequently, the proceedings in the Oslo District Court will resume.

The legal issue concerning treatment of emission allowances in insolvency has never been tried in court before. As a consequence of the Reconstruction, the amount corresponding to the contemplated market value of such allowances was crammed down and the company has a provision of NOK 15 million at the end of the fourth quarter of 2023. The company has paid the ETS penalty fee in 2023 and will seek a return of this amount plus interest following a final conclusion.

There are no other significant additions or changes to the information regarding contingencies or legal claims presented in Note 28 to the Annual Financial Statements for 2022.

## NOTE 14 PARTNERSHIP AGREEMENT WITH STRAWBERRY

On 27 June 2023, Norwegian entered into a partnership agreement with Strawberry (former Nordic Choice Hotels) to connect the companies' respective loyalty programmes in a jointly held stand-alone entity. Closing of the transaction is expected to take place in the first half of 2024.

At closing, which is subject to a set of conditions including regulatory approval, Norwegian will recognize an equity investment in the jointly held entity. The liabilities related to CashPoints issued before closing of the transaction will remain with Norwegian. Norwegian expects to recognize a net gain of approximately NOK 800 million from the transaction.

## NOTE 15 EVENTS AFTER THE REPORTING PERIOD

On 12 January 2024, Norwegian completed the acquisition of Widerøe. The purchase price of NOK 1,125 million remains subject to certain adjustments, to be finally determined during 2024.

There have been no other events subsequent to the reporting period that might have a significant effect on the financial report for the fourth quarter of 2023.

## DEFINITIONS

### ALTERNATIVE PERFORMANCE MEASURES

Norwegian Air Shuttle's financial information is prepared in accordance with International Financial Reporting Standards (IFRS). In addition, the company presents alternative performance measures (APM). The APMs are regularly reviewed by management and their aim is to enhance stakeholders' understanding of the company's performance. APMs are

calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described in the table below.

The definitions are consistent with those used in previous financial reports.

MEASURE	DESCRIPTION	REASON FOR INCLUDING
Operating profit (EBIT)	Earnings before net financial items and income tax expense (income)	Enables comparability of profitability regardless of capital structure or tax situation
EBIT excl. other losses/(gains)	Earnings before net financial items and income tax expense (income), adjusted for other losses/(gains)-net	Enables comparability of profitability regardless of capital structure or tax situation, excluding effects for certain volatile operating expenses
EBIT margin	EBIT divided by total operating revenue	Enables comparability of profitability relative to operating revenue
EBITDAR	Earnings before net financial items, income tax expense (income), depreciation, amortization, impairment and aircraft leasing expenses	A measure of operating performance that enables comparison between airlines as it is not affected by the method used to finance aircraft
EBITDAR excl. other losses/(gains) / Underlying operating result before ownership costs	Earnings before net financial items, income tax expense (income), depreciation, amortization and impairment, aircraft leasing expenses and share of profit (loss) from associated companies, adjusted for other losses/(gains)-net	A measure of operating performance that enables comparison between airlines as it is not affected by the method used to finance aircraft, excluding effects for certain volatile operating expenses
EBITDAR margin	EBITDAR divided by total operating revenue	Enables comparability of profitability relative to operating revenue
Profit (loss) before tax (EBT)	Earnings before income tax expense (income)	Enables comparability of profitability regardless of capital structure or tax situation
EBT excl. other losses/(gains) and impairment	Earnings before income tax expense (income), adjusted for other gains/(losses) and impairment costs	Enables comparability of profitability regardless of one-off impairment losses, excluding effects for certain volatile operating expenses
EBT margin	EBT divided by total operating revenue	Enables comparability of profitability relative to operating revenue
Net interest-bearing debt	Non-current debt plus current debt less cash and cash equivalents	Measurement of the ability to pay all debt with available cash and cash equivalents, if all debt matured on the day of the calculation. It is therefore a measure of the risk related to the company's capital structure
Other losses/(gains)	Gains and losses from translation of working capital in foreign currency and net gain or loss from sale of fixed assets	Included as a specification to operating expenses to separate certain volatile effects from other operating expenses
Operating expenses excl. leasing, depreciation and amortization	Total operating expenses not including aircraft lease expense, depreciation, amortization and impairment	A measure of operating expenses that enables comparison between airlines as it is not affected by the method used to finance aircraft
Operating expenses excl. other losses/(gains), depreciation and lease	Total operating expenses not including other losses/(gains) depreciation, amortization, impairment and lease expenses	A measure of operating expenses that is not affected by other losses/(gains), depreciation, amortization, impairment and lease expenses



## ALTERNATIVE PERFORMANCE MEASURES – RECONCILIATIONS

<i>(unaudited in NOK million)</i>	Q4 2023	Q4 2022	Full year 2023	Full year 2022
<u>Operating profit (EBIT) to EBIT excl other losses/(gains)</u>				
Operating profit (EBIT)	327.8	-39.3	2,232.1	1,502.3
- Other losses/(gains)*	-29.3	-60.6	35.1	-7.3
EBIT excl other losses/(gains)	298.4	-99.9	2,267.2	1,495.0
<u>EBITDAR to EBITDAR excl other losses/(gains)</u>				
EBITDAR	1,198.9	708.9	5,754.1	2,363.4
- Other losses/(gains)*	-29.3	-60.6	35.1	-7.3
EBITDAR excl other losses/(gains)	1,169.6	648.4	5,789.2	2,356.1
<u>Net profit (EBT) to EBT excl other losses/(gains) and impairment</u>				
Profit (loss) before tax (EBT)	207.8	-80.3	1,803.9	1,046.4
- Reversal of impairment loss	0.0	0.0	0.0	-2,099.4
- Other losses/(gains)*	-29.3	-60.6	35.1	-7.3
EBT excl other losses/(gains) and impairment	178.5	-140.8	1,839.0	-1,060.3
<u>Net interest bearing debt</u>				
Cash and cash equivalents			9,477.9	7,759.0
Aircraft financing			11,301.1	6,640.3
NAS13			0.0	569.2
Other IB debt			102.0	136.5
Retained Claims bonds			2,622.3	2,739.3
Net interest-bearing debt			4,547.5	2,326.3

\*Other losses /(gains) is defined in table above and is a part of operating expenses, see consolidated income statement.

## OTHER DEFINITIONS

ITEM	DESCRIPTION
Aircraft lease expenses	Variable lease and rental expenses not capitalized as part of right-of-use assets on aircraft, including both dry leases and wet leases
Ancillary revenue per passenger	Ancillary passenger revenue divided by number of passengers
ASK / Production	Available seat kilometres. Number of available passenger seats multiplied by flight distance
Average sector length	Total flown distance divided by number of flights
Book equity per share	Total equity divided by number of shares outstanding
CO <sub>2</sub> per RPK	Amount of CO <sub>2</sub> emissions divided by RPK
Constant currency	A currency exchange rate that excludes the impact of exchange rate fluctuations from comparable period, e.g. 2022 as comparable period
Equity ratio	Book equity divided by total assets
Fuel consumption	Aviation fuel consumed, presented in metric tons
Load factor	RPK divided by ASK. Describes the utilization of available seats
Passengers	Number of passengers, including no-show
RPK	Revenue passenger kilometres. Number of sold seats multiplied by flight distance
Unit cost	Total operating expenses, excluding impairment and other losses/(gains)-net, divided by ASK
Unit cost excluding fuel	Total operating expenses, excluding impairment, other losses/(gains)-net and aviation fuel expenses, divided by ASK
Unit revenue - ticket	Passenger ticket revenue divided by ASK
Unit revenue - total	Passenger ticket revenue and flight related ancillary revenue divided by ASK
Yield - ticket	Passenger ticket revenue divided by RPK. A measure of average fare per kilometre
Yield - total	Passenger ticket revenue and flight related ancillary revenue divided by RPK. A measure of average passenger revenue per kilometre

## NORWEGIAN AIR SHUTTLE ASA

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Organisation number	NO 965 920 358 MVA

## BOARD OF DIRECTORS

Svein Harald Øygard	Chair
Ingrid Elvira Leisner	Director
Lars Rahbæk Boilesen	Director
Katherine Jane Sherry	Director
Stephen Kavanagh*	Director
Torstein Hiorth Soland	Director, employee representative
Katrine Gundersen	Director, employee representative
Eric Holm	Director, employee representative

## GROUP MANAGEMENT

Geir Karlsen	Chief Executive Officer
Hans-Jørgen Wibstad	Chief Financial Officer
Magnus Thome Maursund	Chief Commercial Officer
Christoffer Sundby	Chief Marketing & Customer Officer
Guro H. Poulsen	Chief People Officer
Anne-Sissel Skånvik	Chief Communications & Public Affairs Officer
Knut Olav Irgens Høeg	Chief IT & Business Services Officer
Tore Jenssen	Chief Asset Officer
Stein Nilsen	CEO Widerøe AS

## INVESTOR RELATIONS

Jesper M. Hatletveit	<a href="mailto:investor.relations@norwegian.com">investor.relations@norwegian.com</a>
VP Investor Relations	<a href="http://norwegian.com/us/about/company/investor-relations/">norwegian.com/us/about/company/investor-relations/</a>

## FINANCIAL CALENDAR 2024

<b>16 February</b>	<b>Q4 2023 Results</b>
6 March	Monthly traffic data February
5 April	Monthly traffic data March
<b>17 April</b>	<b>Annual Report 2023</b>
<b>25 April</b>	<b>Q1 2024 Results</b>
7 May	Monthly traffic data April
<b>15 May</b>	<b>Annual General Meeting</b>
6 June	Monthly traffic data May
4 July	Monthly traffic data June
<b>12 July</b>	<b>Q2 2024 Results</b>
6 August	Monthly traffic data July
5 September	Monthly traffic data August
4 October	Monthly traffic data September
<b>25 October</b>	<b>Q3 2024 Results</b>
6 November	Monthly traffic data October
5 December	Monthly traffic data November

\*Mr. Stephen Kavanagh replaced Mr. Sondre Gravir as Director to the Board of Directors following an extraordinary general meeting held on 21 December 2023.