



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 926 493 647
Organisasjonsform: Aksjeselskap
Foretaksnavn: NORSE ATLANTIC AIRWAYS AS
Forretningsadresse: Fløyveien 14
4838 ARENDAL

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Terje Bodin Larsen
Dato for fastsettelse av årsregnskapet: 30.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 05.08.2023



Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Sum inntekter		0	0
Kostnader			
Aircraft related expences		78 000	
Personnel expences	9	3 172 000	
General and administrative costs		1 288 000	
Depreciation and amortization	5	331 000	
Sum kostnader		4 869 000	
Driftsresultat		-4 869 000	0
Finansinntekter og finanskostnader			
Annen renteinntekt		16 000	
Sum finansinntekter		16 000	
Annen rentekostnad		26 000	
Sum finanskostnader		26 000	
Netto finans		-10 000	
Ordinært resultat før skattekostnad		-4 879 000	0
Ordinært resultat etter skattekostnad		-4 879 000	0
Årsresultat		-4 879 000	0
Overføringer og disponeringer			
Retained earnings		-4 879 000	
Sum overføringer og disponeringer		-4 879 000	



Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Right-of-use assets	4	119 915 000	
Aircraft preparation investments		214 000	
Intangible assets	5	796 000	
Other Property, plant & Equipment	5	159 000	
Sum immaterielle eiendeler		121 084 000	
Sum anleggsmidler		121 084 000	0
Omløpsmidler			
Varer			
Investeringer			
Trade and other receivables		194 000	
Receivable from other Group companies		382 000	
Sum investeringer		576 000	
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		24 111 000	
Sum bankinnskudd, kontanter og lignende		24 111 000	
Sum omløpsmidler		24 687 000	0
SUM EIENDELER		145 771 000	0
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	7	34 000	
Overkurs		29 656 000	
Sum innskutt egenkapital		29 690 000	



Balanse

Beløp i: USD	Note	2021	2020
Opptjent egenkapital			
Udekket tap		4 879 000	
Sum opptjent egenkapital		-4 879 000	
Sum egenkapital		24 811 000	0
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Lease liabilities	4	119 858 000	
Sum annen langsiktig gjeld		119 858 000	
Sum langsiktig gjeld		119 858 000	0
Kortsiktig gjeld			
Lease liabilities	4	314 000	
Payable to other Group companies		4 000	
Trade and other payables		784 000	
Sum kortsiktig gjeld		1 102 000	
Sum gjeld		120 960 000	0
SUM EGENKAPITAL OG GJELD		145 771 000	0



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 905524

Enheten

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Organisasjonsform: Aksjeselskap
Foretaksnavn: NORSE ATLANTIC AIRWAYS AS
Forretningsadresse: Fløyveien 14
4838 ARENDAL

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Benyttet ved utarbeidelsen av
årsregnskapet til selskapet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Terje Bodin Larsen
Dato for fastsettelse av årsregnskapet: 30.06.2022

Revisjon

Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet: Ja

Grunnlag for avgivelse

År 2021: Årsregnskap er elektronisk innlevert.
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021.

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 31.08.2022



Organisasjonsnr: 926 493 647
NORSE ATLANTIC AIRWAYS AS

RESULTATREGNSKAP

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Sum inntekter		0	0
Kostnader			
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Organisasjonsnr: 926 493 647
NORSE ATLANTIC AIRWAYS AS

BALANSE

Beløp i: USD Note 2021 2020

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Right-of-use assets	4	119 915 000	
Aircraft preparation investments		214 000	
Intangible assets	5	796 000	
Other Property, plant & Equipment	5	159 000	
Sum immaterielle eiendeler		121 084 000	

Sum anleggsmidler 121 084 000 0

Omløpsmidler

Varer

Investeringer

Trade and other receivables		194 000	
Receivable from other Group companies		382 000	
Sum investeringer		576 000	

Bankinnskudd, kontanter og lignende

Cash and cash equivalents		24 111 000	
Sum bankinnskudd, kontanter og lignende		24 111 000	

Sum omløpsmidler 24 687 000 0

SUM EIENDELER **145 771 000** **0**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	7	34 000	
Overkurs		29 656 000	
Sum innskutt egenkapital		29 690 000	

Opptjent egenkapital

Udekket tap		4 879 000	
Sum opptjent egenkapital		-4 879 000	

Sum egenkapital 24 811 000 0

Gjeld



Langsiktig gjeld			
Annen langsiktig gjeld			
Lease liabilities	4	119 858 000	
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Sum gjeld		120 960 000	0
SUM EGENKAPITAL OG GJELD		145 771 000	0



Organisasjonsnr: 926 493 647
NORSE ATLANTIC AIRWAYS AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

2

Regnskapsprinsipper

2. Basis of preparation and significant accounting policies These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union and in accordance with Norwegian Accounting Act §3-9. These financial statements have been prepared on a historical cost basis with some exceptions, as detailed in the accounting policies below. These financial statements are presented in USD and all values are rounded to the nearest thousand (USD 000) except where otherwise indicated. These financial statements have been prepared based on the assumption of going concern. The Company was incorporated on 01 January 2021 and therefore, no comparative information is available for the period ended 31 December 2021. The principal accounting policies applied in the preparation of these financial statements are set out below. They have all been applied consistently throughout the period.

2.1. Leases The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use (?ROU?) asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is presented as a separate line in the statement of financial position. All variable lease payments, that are payable based on actual utilization of the underlying asset, are excluded from the calculation of lease liability. All variable lease payments are expensed to the statement of comprehensive income during the period to which such variable payments relate to. The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to return the underlying assets to the lessee at specific condition required by the terms of the lease, a provision is recognised and measured under IAS 37. To the extent such costs relate to a ROU asset, the costs are included in the related ROU asset, unless those costs are incurred to produce inventories. ROU assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Company applies IAS 36 to determine whether a ROU is impaired and accounts for any identified impairment loss in its statement of comprehensive income.

2.2. Revenue recognition Revenue is recognized when a contractual



performance obligation is satisfied by transferring a promised goods or service to a customer. During 2021 the Company has been in its start-up phase and had not commenced its revenue generating operations. 2.3. Foreign currency translation The functional and presentational currency of the Company is United States dollars (USD). Income and expenses denominated in foreign currencies are translated into USD at the exchange rates prevailing at the dates of the transactions. Exchange gains and losses resulting from settlement of such transactions as well as from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement as Other financials income/(expense). 2.4. Financial assets and liabilities Financial assets and liabilities are recognized when the Company becomes party to the contractual obligations of the instrument and are initially recognized at fair value, except trade receivables that are measured at transaction price if the trade receivables do not contain a significant financing component. Subsequent to initial measurement, financial assets and liabilities are classified as per below. Financial assets and liabilities measured at fair value through profit or loss This includes the financial assets and liabilities measured at fair value upon initial recognition with change in fair value recognized through the income statement. Subsequent to initial recognition, financial assets and liabilities in this category are measured at fair value at the end of each reporting period with unrealized gains and losses being recognized through profit or loss. As at 31 December 2021 the Company does not have any financial liabilities that are measured at fair value through profit or loss. Financial assets and liabilities measured at amortized cost This category is the most relevant for the Company and includes lease liabilities, trade payables and other financial assets and liabilities with fixed or determinable payments that are not quoted in an active market. Financial assets and liabilities in this category are initially recognized at fair value, net of directly attributable transaction costs. After initial measurement financial assets and liabilities in this category are subsequently carried at amortized cost using the effective interest rate (EIR) method, less any allowance for impairment. The EIR amortization is included in finance income for receivables and finance cost for borrowings. Losses arising from impairment of accounts receivable are recognized in operating expenses. 2.5. Segment reporting The Company's is in a start-up phase and its chief operating decision maker currently reviews the Company's activities on a consolidated basis as one operating segment.

Note

9

Antall årsverk i regnskapsåret

13.00

Note

9

Spesifisering av resultatregnskapet

Lønnskostnader

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	1836000.00	
<u>Folketrygdavgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	297000.00	
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	120000.00	
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>



311000.00

Note

Ekstraordinære inntekter og kostnader

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>	
<u>Pantstillelse</u>	<u>Beløp</u>		
<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>

Note

Lån og sikkerhetsstillelse til medlemmer

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om:

Medlemmer av:

Mer om lån og sikkerhetsstillelse



Notes to the Financial Statements

1. General information

These financial statements of Norse Atlantic Airways AS (the "Company") for the year ended 31 December 2021 (the "Period") were authorized for issue in accordance with a resolution of the Board of Directors passed on 30 June 2022.

Norse Atlantic Airways AS is a fully owned subsidiary of Norse Atlantic ASA (the "Parent"). The Company was incorporated on 1 January 2021 under the laws of Norway and its registered office is Fløyveien 14, 4838 Arendal, Norway. The Parent company's shares are listed on Euronext Growth Oslo. The Parent company's consolidated financial statements for the year ended 31 December 2021 are publicly available.

Norse is a new affordable long-haul airline established in 2021 and will serve the transatlantic market with a fleet of modern, fuel-efficient and more environmentally friendly Boeing 787 Dreamliners.

The Company operates a fleet of aircrafts that it has subleased from the Parent. The Company also provides management services to other companies within Norse Group.

2. Basis of preparation and significant accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union and in accordance with Norwegian Accounting Act §3-9. These financial statements have been prepared on a historical cost basis with some exceptions, as detailed in the accounting policies below. These financial statements are presented in USD and all values are rounded to the nearest thousand (USD 000) except where otherwise indicated.

These financial statements have been prepared based on the assumption of going concern. The Company was incorporated on 01 January 2021 and therefore, no comparative information is available for the period ended 31 December 2021.

The principal accounting policies applied in the preparation of these financial statements are set out below. They have all been applied consistently throughout the period.

2.1. Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is presented as a separate line in the statement of financial position. All variable lease payments, that are payable based on actual utilization of the underlying asset, are excluded from the calculation of lease liability. All variable lease payments are expensed to the statement of comprehensive income during the period to which such variable payments relate to.

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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Norse Atlantic Airways AS – 2021 Annual Report



Whenever the Company incurs an obligation for costs to return the underlying assets to the lessee at specific condition required by the terms of the lease, a provision is recognised and measured under IAS 37. To the extent such costs relate to a ROU asset, the costs are included in the related ROU asset, unless those costs are incurred to produce inventories.

ROU assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Company applies IAS 36 to determine whether a ROU is impaired and accounts for any identified impairment loss in its statement of comprehensive income.

2.2. Revenue recognition

Revenue is recognized when a contractual performance obligation is satisfied by transferring a promised goods or service to a customer. During 2021 the Company has been in its start-up phase and had not commenced its revenue generating operations.

2.3. Foreign currency translation

The functional and presentational currency of the Company is United States dollars (USD).

Income and expenses denominated in foreign currencies are translated into USD at the exchange rates prevailing at the dates of the transactions. Exchange gains and losses resulting from settlement of such transactions as well as from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement as *Other financials income/(expense)*.

2.4. Financial assets and liabilities

Financial assets and liabilities are recognized when the Company becomes party to the contractual obligations of the instrument and are initially recognized at fair value, except trade receivables that are measured at transaction price if the trade receivables do not contain a significant financing component. Subsequent to initial measurement, financial assets and liabilities are classified as per below.

Financial assets and liabilities measured at fair value through profit or loss

This includes the financial assets and liabilities measured at fair value upon initial recognition with change in fair value recognized through the income statement. Subsequent to initial recognition, financial assets and liabilities in this category are measured at fair value at the end of each reporting period with unrealized gains and losses being recognized through profit or loss.

As at 31 December 2021 the Company does not have any financial liabilities that are measured at fair value through profit or loss.

Financial assets and liabilities measured at amortized cost

This category is the most relevant for the Company and includes lease liabilities, trade payables and other financial assets and liabilities with fixed or determinable payments that are not quoted in an active market. Financial assets and liabilities in this category are initially recognized at fair value, net of directly attributable transaction costs. After initial measurement financial assets and liabilities in this category are subsequently carried at amortized cost using the effective interest rate (EIR) method, less any allowance for impairment. The EIR amortization is included in finance income for receivables and finance cost for borrowings. Losses arising from impairment of accounts receivable are recognized in operating expenses.

2.5. Segment reporting

The Company's is in a start-up phase and its chief operating decision maker currently reviews the Company's activities on a consolidated basis as one operating segment.

3. Financial risk

As at 31 December 2021, the Company does not have any interest-bearing debt. As at the yearend, the Company's principal financial assets are its cash deposits held with the banks. The Company's key financial risks are described below.

3.1. Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates primarily relates to its cash and cash equivalents held in foreign currencies.

<i>(In thousands of equivalent USD)</i>	31-Dec-21
Cash and cash equivalents held in foreign currencies	
NOK	23,568
EUR	314
Total cash and cash equivalents held in foreign currencies	23,882
<i>Cash and cash equivalents held in USD</i>	229

As at 31 December 2021, 99% of the Company's cash and cash equivalents are held in foreign currencies of which 98% is held in Norwegian Kroner ("NOK"). A hypothetical change in the NOK:USD exchange rate by 5% would result in a gain or loss of approximately USD 1 million being recognized in the Company's statement of comprehensive income.

3.2. Liquidity risk

The following table shows the maturity profile of the Company's financial liabilities as at 31 December 2021 based on the contractual payment terms. The amounts disclosed below are undiscounted cash flows.

<i>(In thousands of USD)</i>	Within 6 months	6-12 months	1-2 years	3-5 years	More than 5 years	Total
Aircraft lease payments	-	247	16,680	25,020	83,131	125,078
Other lease payments	33	66	317	-	-	416
Trade and other payables	783	-	-	-	-	783
Payable to other Group companies	4	-	-	-	-	4
Total as at 31-Dec-2021	820	313	16,997	25,020	83,131	126,281

3.3. Credit risk

Credit risk is the risk that a counterparty defaults on its contractual obligations, resulting in financial loss to the Company. The Company is exposed to credit risk primarily from cash held at bank. The Company manages its counterparty risk relating to cash held at bank by only holding deposits at recognizable international banks. As at 31 December 2021 all of Norse's cash and cash equivalents were held with Nordea Bank.

4. Leases

4.1. Aircraft leases

On 20 December 2021, the Company entered into a back-to-back sublease agreement with the Parent whereby the Company leased in one aircraft from the Parent. At the inception of the sublease, the Company has recognized a payable (financial liability) at an amount equal to the Parent's net investment in the lease.

The interest rate used to discount the cashflows in the sub-lease is the same as the interest rate implied in the corresponding external lease. For the duration of the sub-lease, the Company will recognize finance costs equal to the amounts and pattern of the Parent's finance costs from the corresponding external lease.

As at 31 December 2021 the Company has recognized USD 119.8 million as Lease liability to the parent company in its statement of financial position for the sublease entered into on 20 December 2021. No principal repayment towards the lease liability have been made during the year ended 31 December 2021.

4.2. Right-of-use assets

(In thousands of USD)

	Aircrafts	Office premises	Total
Initial measurement			
Net present value of lease liabilities	115,085	441	115,526
Provision for redelivery costs	3,014	-	3,014
Prepaid leases	1,698	-	1,698
Right-of-use asset at lease commencement	119,797	441	120,238
Depreciation	(246)	(77)	(323)
Balance as at 31-Dec-2021	119,551	364	119,915

4.3. Lease liabilities

(In thousands of USD)

	31-Dec-21
Lease liability to the Parent for the aircraft sublease	119,797
Lease liability related to the office premises	441
Lease payments during the period	(66)
Balance as at 31-Dec-2021	120,172
<i>Of which:</i>	
Due within 12 months	314
Due after 12 months	119,858



5. Fixed and intangible assets

<i>(In thousands of USD)</i>	Leased aircrafts (RoU asset)	Office premises (RoU asset)	Other tangible fixed assets	Software	Total
Accumulated cost 01-Jan-2021	-	-	-	-	-
Additions	119,797	441	381	796	121,415
Accumulated cost 31-Dec-2021	119,797	441	381	796	121,415
Accumulated depreciation 01-Jan-2021	-	-	-	-	-
Depreciation current year	246	77	8	-	331
Accumulated depreciation 31-Dec-2021	246	77	8	-	331
Book value 31-Dec-2021	119,551	364	373	796	121,084

Refer to Note 4 for details of aircraft leased from the Parent. The Company is headquartered in leased office premises, accounted for as Right-of-use asset with a corresponding lease liability. Book value of the lease liability related to the office premises is USD 375,000 as of 31 December 2021.

6. Cash and cash equivalents

Cash and cash equivalents consist of cash deposits held at call with banks.

<i>(In thousands of equivalent USD)</i>	31-Dec-21
NOK	23,568
EUR	314
USD	229
Total cash and cash equivalents	24,111

7. Share capital

The Company has one class of ordinary shares and accounts for these shares as equity. At 31 December 2021 the Company's authorized and issued number of shares are 3,000 shares, all with par value NOK 100 per share.

7.1. Share holder

The Company is 100% owned by Norse Atlantic ASA and consolidated into the consolidated financial statements of Norse Atlantic ASA with business address Fløyveien 14, 4838 Arendal.

8. Financial assets and liabilities

Financial assets measured at amortized cost are as follows:

<i>(in thousands of USD)</i>	31-Dec-21
Receivable from other Group companies	382
Trade and other receivables	194
Cash and cash equivalents	24,111
Total financials assets at amortised cost	24,687



Financial liabilities measured at amortized cost are as follows:

<i>(in thousands of USD)</i>	31-Dec-21
Trade and other payables	784
Payable to other Group companies	4
Total financial liabilities at amortised cost	788

The fair value of cash and cash equivalents and trade receivables and payables approximate their carrying amounts due to the short-term maturities of these instruments.

9. Personnel expenses

<i>(in thousands of USD)</i>	Year ended 31-Dec-21
Salaries	1,836
Social security costs	297
Costs related to pension scheme benefits	120
Hired-in employees	608
Other employee costs (employee travel expenses etc.)	311
Total	3,172

The average number of Norse employees during the Period was 13 and at the end of the Period the Company had 41 employees.

9.1. Pensions

During the period, the Company operated a defined pension contribution. The defined pension contribution plan requires the Company to pay premiums to public or private administrative pension plans on a mandatory, contractual or voluntary basis. The Company has no further obligations once these premiums are paid. The premiums are accounted for as personnel expenses as soon as they are incurred. Defined contribution plan complies with local Pension legislation in Norway.

10. Income tax

The Company's income tax expense for the period was as per below:

(in thousands of USD)

	Year ended 31-Dec-21
Current tax:	
Tax payable	-
Deferred tax	
Changes in deferred tax	(1,056)
Deferred tax asset not recognized	1,056
Income tax expense	-

No tax expense is included in other comprehensive income or directly in equity.

Below is a reconciliation of the effective rate of tax and the tax rate in Norway:

(in thousands of USD)

	Year ended 31-Dec-21
Pre-tax profit for the Period	(4,879)
Income taxes calculated at 22 %	(1,073)
Non-deductible expenses	1
Other effects due to timing and exchange rates	16
Deferred tax asset not recognized	1,056
Income tax expense	-

The following table details net deferred tax liabilities/(assets) as at 31 December 2021:

(in thousands of USD)

	31-Dec-21
Deferred tax assets	
Tangible assets	(57)
Tax losses carried forward	(999)
Net deferred tax liabilities (assets)	(1,056)
<i>Of which recognized in the statement of financial position at the yearend</i>	-

The Company has not recognized any deferred tax assets during the Period. At this start-up phase, while the Company have not yet commenced revenue generating activities, it is not certain about the timing and amount of tax losses that may be utilized in the future.

11. Related parties

11.1. Transactions with related parties

ADS Shipping Ltd ("ADS") is a group controlled by the Company's CEO, Bjørn Tore Larsen. During the Period Norse has received total income of USD 0.2 million for financial consulting services it has provided to ADS. During the early phase of the Company before Norse had employees, ADS provided financial consulting services to Norse for which Norse paid USD 0.1 million. Both these amounts have been reported in the Company's general and administrative expenses.



11.2. Remuneration to Key Management personnel

(in thousands of USD)

		Employment start date	Salaries	Other benefits	Total	Defined pension contributions
Bjørn Tore Larsen	Chief Executive Officer	01-Apr-21	162	3	165	10
Thom Arne Norheim	Chief Operational Officer	01-Apr-21	131	2	133	10
Kristin Berthelsen	Chief Culture Officer*	01-Sep-21	129	-	129	-
Lasse Sandaker-Nielsen	Chief Communications Officer	01-Dec-21	13	-	13	-
Michael Scheurich	Chief Legal Officer	15-Jun-21	97	1	98	7
Total paid in 2021			532	6	538	27

As at 31 December 2021, none of the key management personnel are contractually entitled to any bonus.

11.3. Board remuneration

No remuneration has been paid to its Board of Directors during 2021.

11.4. Auditor's remuneration

Total amount paid to the Company's auditors for audit and audit related services during the Period was NOK 120,000 (approximately USD 13,600).

12. Events after balance sheet date

12.1. Delivery of aircrafts and commencement of operations

After the balance sheet date and to the date of approval of these financial statements, the Company has subleased seven more aircrafts from its Parent. The Company started its commercial flight operations on 14 June 2022.



Norse Atlantic Airways AS

Board of Directors Report 2021

1. General information

Norse Atlantic Airways AS (the "Company") is a fully owned subsidiary of Norse Atlantic ASA (the "Parent"). The Company was incorporated on 1 January 2021 under the laws of Norway and its registered office is Fløyveien 14, 4838 Arendal, Norway.

The Company is part of Norse Atlantic Airways Group of companies ("Norse"). Norse is a new affordable long-haul airline established in 2021 and will serve the transatlantic market with a fleet of modern, fuel-efficient and more environmentally friendly Boeing 787 Dreamliners.

The Company operates a fleet of aircrafts that it has subleased from the Parent. The Company also provides management services to other companies within Norse Group. As at 31 December 2021, the Company had leased one aircraft from the Parent. The Company had not started its commercial flight operations during 2021.

2. Comments to the financial statements

During 2021, the Company was in its start-up phase and did not have any revenue generating activities. Operating expenses during the year was USD 4.9 million which resulted in a net loss of the same amount.

As at 31 December 2021, the Company had subleased one aircraft from the Parent for which a Right-of-use asset and corresponding lease liability of USD 120 million was recognized in the Company's balance sheet. Total liquidity of the Company at the yearend was USD 24.1 million. As at 31 December 2021, the Company did not have any interest bearing debt on its balance sheet.

Cash flow from operations during the year was negative USD 4.4 million. Net cash outflows in investing activities was USD 1.2 million, mainly related to the investments in intangible assets. During 2021, the Company raised USD 29.7 million by issuing share capital to the Parent. Cash and cash equivalents at the yearend was USD 24.1 million.

3. Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on the Company's and Norse's long-term financial forecasts. The Company has commenced its commercial flight operations successfully during Q2 2022 and expect to generate sufficient cash from operations to meet its liabilities. The Company may also secure additional funding by issuing additional share capital to the Parent.

4. Working environment and employees

During 2021 the working environment has been predominantly office-based at the Company's office in Norway. Following delivery of the first aircraft to the Company in December 2021, the work by employees has also been related to the aircraft. The working environment is expected to change for the Company's employees in 2022 once the Company commences operations, which will require the Company's pilots and cabin crew to work on the aircraft.

During 2021 the Company's office were temporarily closed due to local restrictions following the Covid pandemic, during which employees worked from home. Apart from a small amount of sick leave due to Covid, no employees reported sick leave in 2021. There were no known accidents or injuries in the workplace in 2021.



5. People and the organization

Norse is committed to being known by employees as a 'great place to work' and to maintaining a people culture that is open and fair. The Company aims to provide a workplace with equal opportunities and to prevent discrimination on any basis. Norse believes that being a global and sustainable organization requires people with a global mindset, and a diverse workforce is part of that. Applicants are assessed based on experience, qualifications and skills required for the job. Norse does not employ based on gender and does not discriminate in relation to pay or any employment matters on that or any other basis.

The Company has Directors and Officers (D&O) insurance that covers board members and executive management of the Company.

The average number of Norse employees during the Period was 13 and at the end of the Period the Company had 41 employees.

6. Corporate social responsibility

Norse is committed to being a model corporate citizen, operating in accordance with responsible, ethical, sustainable and sound business principles. Norse has respect for people, the environment and society. Norse has zero tolerance for unethical practices, such as bribery and corruption, and the Company is updating practices and policies around anti-bribery and anti-corruption policies. Since 2021 is the year of establishing the Company and operations did not commence until Q2 2022, Norse will continue to develop its Corporate Social Responsibility ("CSR") policies and targets through 2022.

7. Financial risk

Please refer to Note 3 *Financial Risk* in the accompanying financial statements for a description of Company's key financial risks.

8. Allocation of net income

The Board of Directors has proposed that the net loss of USD 4.9 million for the year 2021 to be allocated to the Company's Retained Earnings.

Terje Bodin Larsen

Director

30 June 2022



Statement of Comprehensive Income

<i>(in thousands of USD)</i>	Notes	Year ended 31-Dec-21
Revenue		-
Operating expenses		
Aircraft related expenses		(78)
Personnel expenses	9	(3,172)
General and administrative costs		(1,288)
Depreciation and amortisation	5	(331)
Total Operating expenses		(4,869)
Operating profit/(loss)		(4,869)
Interest income		16
Other financial income/(expense)		(26)
Profit/(loss) before tax		(4,879)
Income tax	10	-
Profit/(loss) after tax and total comprehensive income		(4,879)



Statement of Financial Position

<i>(in thousands of USD)</i>	Notes	31-Dec-21
Non-current assets		
Right-of-use assets	4	119,915
Aircraft preparation investments		214
Intangible assets	5	796
Other Property, plant & equipment	5	159
Total non-current assets		121,084
Current assets		
Trade and other receivables		194
Receivable from other Group companies		382
Cash and cash equivalents	6	24,111
Total current assets		24,687
Total assets		145,771
Equity and liabilities		
Equity		
Share capital	7	34
Share premium		29,656
Retained earnings		(4,879)
Total equity		24,811
Non-current liabilities		
Lease liabilities	4	119,858
Total non-current liabilities		119,858
Current liabilities		
Lease liabilities	4	314
Payable to other Group companies		4
Trade and other payables		784
Total current liabilities		1,102
Total equity and liabilities		145,771

Terje Bodin Larsen

Director

30 June 2022



Statement of Cashflows

<i>(in thousands of USD)</i>	Notes	Year ended 31-Dec-21
Cash flows from operating activities		
Profit/(loss) for the period		(4,879)
Adjustments for items not affecting operating cash flows:		
Depreciation and amortisation	5	331
Interest income		(16)
Net operating cash flows before working capital movements		(4,564)
Working capital movements		210
Net cash flows used in operating activities		(4,353)
Cash flows from investing activities		
Aircraft preparation investments		(214)
Investment in intangible assets		(796)
Investment in property, plant and equipment		(166)
Net cash flows used in investing activities		(1,176)
Cash flows from financing activities		
Net proceeds from share issue		29,690
Lease payments	4	(66)
Interest income		16
Net cash flows from financing activities		29,640
Net increase in cash and cash equivalents		24,111
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		24,111



Statement of Changes in Equity

(in USD thousands except for number of shares)

	Number of shares	Issued share capital	Share premium	Retained earnings	Total equity
Issue of share capital					
On 19-May-2021 - 3,000 shares at NOK 10 per share	3,000	3	-	-	3
Increase in the nominal value of shares					
26-Nov-2021 - from NOK 10 to NOK 100 per share, paid in at NOK 86,666.67 per share	-	31	29,656		29,686
Total comprehensive income for the period				(4,879)	(4,879)
Balance at 31-Dec-21	3,000	34	29,656	(4,879)	24,811

Notes to the Financial Statements

1. General information

These financial statements of Norse Atlantic Airways AS (the "Company") for the year ended 31 December 2021 (the "Period") were authorized for issue in accordance with a resolution of the Board of Directors passed on 30 June 2022.

Norse Atlantic Airways AS is a fully owned subsidiary of Norse Atlantic ASA (the "Parent"). The Company was incorporated on 1 January 2021 under the laws of Norway and its registered office is Fløyveien 14, 4838 Arendal, Norway. The Parent company's shares are listed on Euronext Growth Oslo. The Parent company's consolidated financial statements for the year ended 31 December 2021 are publicly available.

Norse is a new affordable long-haul airline established in 2021 and will serve the transatlantic market with a fleet of modern, fuel-efficient and more environmentally friendly Boeing 787 Dreamliners.

The Company operates a fleet of aircrafts that it has subleased from the Parent. The Company also provides management services to other companies within Norse Group.

2. Basis of preparation and significant accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union and in accordance with Norwegian Accounting Act §3-9. These financial statements have been prepared on a historical cost basis with some exceptions, as detailed in the accounting policies below. These financial statements are presented in USD and all values are rounded to the nearest thousand (USD 000) except where otherwise indicated.

These financial statements have been prepared based on the assumption of going concern. The Company was incorporated on 01 January 2021 and therefore, no comparative information is available for the period ended 31 December 2021.

The principal accounting policies applied in the preparation of these financial statements are set out below. They have all been applied consistently throughout the period.

2.1. Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is presented as a separate line in the statement of financial position. All variable lease payments, that are payable based on actual utilization of the underlying asset, are excluded from the calculation of lease liability. All variable lease payments are expensed to the statement of comprehensive income during the period to which such variable payments relate to.

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

7



Norse Atlantic Airways AS – 2021 Annual Report



Whenever the Company incurs an obligation for costs to return the underlying assets to the lessee at specific condition required by the terms of the lease, a provision is recognised and measured under IAS 37. To the extent such costs relate to a ROU asset, the costs are included in the related ROU asset, unless those costs are incurred to produce inventories.

ROU assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Company applies IAS 36 to determine whether a ROU is impaired and accounts for any identified impairment loss in its statement of comprehensive income.

2.2. Revenue recognition

Revenue is recognized when a contractual performance obligation is satisfied by transferring a promised goods or service to a customer. During 2021 the Company has been in its start-up phase and had not commenced its revenue generating operations.

2.3. Foreign currency translation

The functional and presentational currency of the Company is United States dollars (USD).

Income and expenses denominated in foreign currencies are translated into USD at the exchange rates prevailing at the dates of the transactions. Exchange gains and losses resulting from settlement of such transactions as well as from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement as *Other financials income/(expense)*.

2.4. Financial assets and liabilities

Financial assets and liabilities are recognized when the Company becomes party to the contractual obligations of the instrument and are initially recognized at fair value, except trade receivables that are measured at transaction price if the trade receivables do not contain a significant financing component. Subsequent to initial measurement, financial assets and liabilities are classified as per below.

Financial assets and liabilities measured at fair value through profit or loss

This includes the financial assets and liabilities measured at fair value upon initial recognition with change in fair value recognized through the income statement. Subsequent to initial recognition, financial assets and liabilities in this category are measured at fair value at the end of each reporting period with unrealized gains and losses being recognized through profit or loss.

As at 31 December 2021 the Company does not have any financial liabilities that are measured at fair value through profit or loss.

Financial assets and liabilities measured at amortized cost

This category is the most relevant for the Company and includes lease liabilities, trade payables and other financial assets and liabilities with fixed or determinable payments that are not quoted in an active market. Financial assets and liabilities in this category are initially recognized at fair value, net of directly attributable transaction costs. After initial measurement financial assets and liabilities in this category are subsequently carried at amortized cost using the effective interest rate (EIR) method, less any allowance for impairment. The EIR amortization is included in finance income for receivables and finance cost for borrowings. Losses arising from impairment of accounts receivable are recognized in operating expenses.

2.5. Segment reporting

The Company's is in a start-up phase and its chief operating decision maker currently reviews the Company's activities on a consolidated basis as one operating segment.

3. Financial risk

As at 31 December 2021, the Company does not have any interest-bearing debt. As at the yearend, the Company's principal financial assets are its cash deposits held with the banks. The Company's key financial risks are described below.

3.1. Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates primarily relates to its cash and cash equivalents held in foreign currencies.

<i>(In thousands of equivalent USD)</i>	31-Dec-21
Cash and cash equivalents held in foreign currencies	
NOK	23,568
EUR	314
Total cash and cash equivalents held in foreign currencies	23,882
<i>Cash and cash equivalents held in USD</i>	229

As at 31 December 2021, 99% of the Company's cash and cash equivalents are held in foreign currencies of which 98% is held in Norwegian Kroner ("NOK"). A hypothetical change in the NOK:USD exchange rate by 5% would result in a gain or loss of approximately USD 1 million being recognized in the Company's statement of comprehensive income.

3.2. Liquidity risk

The following table shows the maturity profile of the Company's financial liabilities as at 31 December 2021 based on the contractual payment terms. The amounts disclosed below are undiscounted cash flows.

<i>(In thousands of USD)</i>	Within 6 months	6-12 months	1-2 years	3-5 years	More than 5 years	Total
Aircraft lease payments	-	247	16,680	25,020	83,131	125,078
Other lease payments	33	66	317	-	-	416
Trade and other payables	783	-	-	-	-	783
Payable to other Group companies	4	-	-	-	-	4
Total as at 31-Dec-2021	820	313	16,997	25,020	83,131	126,281

3.3. Credit risk

Credit risk is the risk that a counterparty defaults on its contractual obligations, resulting in financial loss to the Company. The Company is exposed to credit risk primarily from cash held at bank. The Company manages its counterparty risk relating to cash held at bank by only holding deposits at recognizable international banks. As at 31 December 2021 all of Norse's cash and cash equivalents were held with Nordea Bank.

4. Leases

4.1. Aircraft leases

On 20 December 2021, the Company entered into a back-to-back sublease agreement with the Parent whereby the Company leased in one aircraft from the Parent. At the inception of the sublease, the Company has recognized a payable (financial liability) at an amount equal to the Parent's net investment in the lease.

The interest rate used to discount the cashflows in the sub-lease is the same as the interest rate implied in the corresponding external lease. For the duration of the sub-lease, the Company will recognize finance costs equal to the amounts and pattern of the Parent's finance costs from the corresponding external lease.

As at 31 December 2021 the Company has recognized USD 119.8 million as Lease liability to the parent company in its statement of financial position for the sublease entered into on 20 December 2021. No principal repayment towards the lease liability have been made during the year ended 31 December 2021.

4.2. Right-of-use assets

(In thousands of USD)

	Aircrafts	Office premises	Total
Initial measurement			
Net present value of lease liabilities	115,085	441	115,526
Provision for redelivery costs	3,014	-	3,014
Prepaid leases	1,698	-	1,698
Right-of-use asset at lease commencement	119,797	441	120,238
Depreciation	(246)	(77)	(323)
Balance as at 31-Dec-2021	119,551	364	119,915

4.3. Lease liabilities

(In thousands of USD)

	31-Dec-21
Lease liability to the Parent for the aircraft sublease	119,797
Lease liability related to the office premises	441
Lease payments during the period	(66)
Balance as at 31-Dec-2021	120,172
<i>Of which:</i>	
Due within 12 months	314
Due after 12 months	119,858



5. Fixed and intangible assets

<i>(In thousands of USD)</i>	Leased aircrafts (RoU asset)	Office premises (RoU asset)	Other tangible fixed assets	Software	Total
Accumulated cost 01-Jan-2021	-	-	-	-	-
Additions	119,797	441	381	796	121,415
Accumulated cost 31-Dec-2021	119.797	441	381	796	121,415
Accumulated depreciation 01-Jan-2021	-	-	-	-	-
Depreciation current year	246	77	8	-	331
Accumulated depreciation 31-Dec-2021	246	77	8	-	331
Book value 31-Dec-2021	119,551	364	373	796	121,084

Refer to Note 4 for details of aircraft leased from the Parent. The Company is headquartered in leased office premises, accounted for as Right-of-use asset with a corresponding lease liability. Book value of the lease liability related to the office premises is USD 375,000 as of 31 December 2021.

6. Cash and cash equivalents

Cash and cash equivalents consist of cash deposits held at call with banks.

<i>(In thousands of equivalent USD)</i>	31-Dec-21
NOK	23,568
EUR	314
USD	229
Total cash and cash equivalents	24,111

7. Share capital

The Company has one class of ordinary shares and accounts for these shares as equity. At 31 December 2021 the Company's authorized and issued number of shares are 3,000 shares, all with par value NOK 100 per share.

7.1. Share holder

The Company is 100% owned by Norse Atlantic ASA and consolidated into the consolidated financial statements of Norse Atlantic ASA with business address Fløyveien 14, 4838 Arendal.

8. Financial assets and liabilities

Financial assets measured at amortized cost are as follows:

<i>(in thousands of USD)</i>	31-Dec-21
Receivable from other Group companies	382
Trade and other receivables	194
Cash and cash equivalents	24,111
Total financials assets at amortised cost	24,687



Financial liabilities measured at amortized cost are as follows:

<i>(in thousands of USD)</i>	31-Dec-21
Trade and other payables	784
Payable to other Group companies	4
Total financial liabilities at amortised cost	788

The fair value of cash and cash equivalents and trade receivables and payables approximate their carrying amounts due to the short-term maturities of these instruments.

9. Personnel expenses

<i>(in thousands of USD)</i>	Year ended 31-Dec-21
Salaries	1,836
Social security costs	297
Costs related to pension scheme benefits	120
Hired-in employees	608
Other employee costs (employee travel expenses etc.)	311
Total	3,172

The average number of Norse employees during the Period was 13 and at the end of the Period the Company had 41 employees.

9.1. Pensions

During the period, the Company operated a defined pension contribution. The defined pension contribution plan requires the Company to pay premiums to public or private administrative pension plans on a mandatory, contractual or voluntary basis. The Company has no further obligations once these premiums are paid. The premiums are accounted for as personnel expenses as soon as they are incurred. Defined contribution plan complies with local Pension legislation in Norway.

10. Income tax

The Company's income tax expense for the period was as per below:

(in thousands of USD)

	Year ended 31-Dec-21
Current tax:	
Tax payable	-
Deferred tax	
Changes in deferred tax	(1,056)
Deferred tax asset not recognized	1,056
Income tax expense	-

No tax expense is included in other comprehensive income or directly in equity.

Below is a reconciliation of the effective rate of tax and the tax rate in Norway:

(in thousands of USD)

	Year ended 31-Dec-21
Pre-tax profit for the Period	(4,879)
Income taxes calculated at 22 %	(1,073)
Non-deductible expenses	1
Other effects due to timing and exchange rates	16
Deferred tax asset not recognized	1,056
Income tax expense	-

The following table details net deferred tax liabilities/(assets) as at 31 December 2021:

(in thousands of USD)

	31-Dec-21
Deferred tax assets	
Tangible assets	(57)
Tax losses carried forward	(999)
Net deferred tax liabilities (assets)	(1,056)
<i>Of which recognized in the statement of financial position at the yearend</i>	-

The Company has not recognized any deferred tax assets during the Period. At this start-up phase, while the Company have not yet commenced revenue generating activities, it is not certain about the timing and amount of tax losses that may be utilized in the future.

11. Related parties

11.1. Transactions with related parties

ADS Shipping Ltd ("ADS") is a group controlled by the Company's CEO, Bjørn Tore Larsen. During the Period Norse has received total income of USD 0.2 million for financial consulting services it has provided to ADS. During the early phase of the Company before Norse had employees, ADS provided financial consulting services to Norse for which Norse paid USD 0.1 million. Both these amounts have been reported in the Company's general and administrative expenses.



11.2. Remuneration to Key Management personnel

(in thousands of USD)

		Employment start date	Salaries	Other benefits	Total	Defined pension contributions
Bjørn Tore Larsen	Chief Executive Officer	01-Apr-21	162	3	165	10
Thom Arne Norheim	Chief Operational Officer	01-Apr-21	131	2	133	10
Kristin Berthelsen	Chief Culture Officer*	01-Sep-21	129	-	129	-
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Michael Scheurich	Chief Legal Officer	15-Jun-21	97	1	98	7
Total paid in 2021			532	6	538	27

As at 31 December 2021, none of the key management personnel are contractually entitled to any bonus.

11.3. Board remuneration

No remuneration has been paid to its Board of Directors during 2021.

11.4. Auditor's remuneration

Total amount paid to the Company's auditors for audit and audit related services during the Period was NOK 120,000 (approximately USD 13,600).

12. Events after balance sheet date

12.1. Delivery of aircrafts and commencement of operations

After the balance sheet date and to the date of approval of these financial statements, the Company has subleased seven more aircrafts from its Parent. The Company started its commercial flight operations on 14 June 2022.



NORSE ATLANTIC ASA
Sandvigveien 19
4816 KOLBJØRNSVIK

Att. Ben Boiling

Our date 21.07.2021	Your date 29.06.2021	Case officer Vibeke Horne
800 80 000 skatteetaten.no	Your reference AR436592797	Telephone +4790518192
Org. nr. 974761076	Our reference 2021/6078309	Postal address Postboks 9200 Grønland 0134 OSLO

Confidential

Callers from abroad, please call +47 22 07 70 00

Permission to prepare the annual accounts and directors' report in English language

With reference to your letter of 29 June 2021 with respect to the above matter regarding

Norse Atlantic ASA **org. no 926 645 986**
Norse Atlantic Airways AS **org. no 926 493 647**

Based on a total evaluation, the view of the tax office is that the mentioned companies may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the companies to document by this letter that the permit is granted.

Background

Norse Atlantic Airways AS is a 100 % owned subsidiary of Norse Atlantic ASA, and they are part of an international group. The companies operates in the airline business. Norse Atlantic Airways AS is the administrative company in the Norse Group, and Norse Atlantic ASA is listed on the Euronext Growth stock exchange in Oslo. The communication internally, communication with the owner and communication in the group is in English.

Condition for the permission

According to the Norwegian Accounting Act § 3-4, third paragraph shall "the directors' report and annual accounts (...) be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language".

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors, which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The



information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."

One of the main goals of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information, which has to be taken into consideration when considering the application for permission. In this assessment, the tax office has emphasized that the companies are part of an international group. Furthermore, all key players and partners in this industry understand and use English.

Please state "our reference" (see above) in all written communication with the Norwegian Tax Authorities.

Yours sincerely,

Vibeke Horne
Adviser
Customer Interaction Division, Customer Service
The Norwegian Tax Administration

This document has been electronically approved and therefore has no handwritten signatures.



RSM Norge AS

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To the General Meeting of Norse Atlantic Airways AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Norse Atlantic Airways AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Arendal, 6 July 2022
RSM Norge AS

Eirik Halvorsen
State Authorised Public Accountant
(This document is signed electronically)

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Eirik Halvorsen

Statsautorisert revisor

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