



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	965 920 358
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	NORWEGIAN AIR SHUTTLE ASA
Forretningsadresse:	Oksenøyveien 3 1366 LYSAKER

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
-------------------------	-------------------------

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Geir Karlsen
Dato for fastsettelse av årsregnskapet:	28.04.2022

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, 25.06.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3	3 946 000 000	6 902 000 000
Sum inntekter		3 946 000 000	6 902 000 000
Kostnader			
Operating expenses		2 385 000 000	4 114 000 000
Lønnskostnad	5, 6	449 000 000	1 159 000 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	9, 10	1 867 000 000	4 913 000 000
Impairment non-financial items	9	0	1 114 000 000
Impairment investment in subsidiaries incl. receivables	25	950 000 000	29 783 000 000
Other operating expenses	4, 11	1 356 000 000	2 681 000 000
Other losses/(gains) -net	19	-5 389 000 000	-1 100 000 000
Sum kostnader		1 618 000 000	42 664 000 000
Driftsresultat		2 328 000 000	-35 762 000 000
Finansinntekter og finanskostnader			
Annen renteinntekt	7	127 000 000	306 000 000
Annen finansinntekt	7	11 315 000 000	2 233 000 000
Sum finansinntekter		11 442 000 000	2 539 000 000
Annen rentekostnad	7	318 000 000	628 000 000
Sum finanskostnader		318 000 000	628 000 000
Netto finans		11 124 000 000	1 911 000 000
Ordinært resultat før skattekostnad		13 452 000 000	-33 851 000 000
Skattekostnad på ordinært resultat	8	459 000 000	0
Ordinært resultat etter skattekostnad		12 993 000 000	-33 851 000 000
Årsresultat		12 993 000 000	-33 851 000 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	8	1 616 000 000	2 074 000 000
Intangible assets	9	148 000 000	159 000 000
Sum immaterielle eiendeler		1 764 000 000	2 233 000 000
Varige driftsmidler			
Buildings	10	247 000 000	252 000 000
Right-of-use buildings	10	174 000 000	212 000 000
Aircraft, parts and installation on leased aircraft	10	0	48 000 000
Right-of-use aircraft, parts and installation	10	0	544 000 000
Equipment and fixtures	10	108 000 000	146 000 000
Sum varige driftsmidler		529 000 000	1 202 000 000
Finansielle anleggsmidler			
Investering i datterselskap	23	2 035 000 000	1 328 000 000
Lease receivable	25	0	499 000 000
Other receivables	12	3 833 000 000	405 000 000
Financial assets available for sale	19, 24	4 000 000	4 000 000
Sum finansielle anleggsmidler		5 872 000 000	2 236 000 000
Sum anleggsmidler		8 165 000 000	5 671 000 000
Omløpsmidler			
Varer			
Inventory	13	0	63 000 000
Sum varer		0	63 000 000
Fordringer			
Trade and other receivables	12	2 201 000 000	4 119 000 000
Sum fordringer		2 201 000 000	4 119 000 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	21	7 290 000 000	2 443 000 000
Sum bankinnskudd, kontanter og lignende		7 290 000 000	2 443 000 000



Balanse

Beløp i: NOK	Note	2021	2020
Sum omløpsmidler		9 491 000 000	6 625 000 000
SUM EIENDELER		17 656 000 000	12 296 000 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	14	93 000 000	398 000 000
Overkurs		25 424 000 000	18 805 000 000
Ikke registrert kapitalforhøyelse		2 552 000 000	942 000 000
Sum innskutt egenkapital		28 069 000 000	20 145 000 000
Opptjent egenkapital			
Other reserves		1 000 000	1 000 000
Retained earnings		-16 520 000 000	-29 482 000 000
Sum opptjent egenkapital		-16 519 000 000	-29 481 000 000
Sum egenkapital		11 550 000 000	-9 336 000 000
Gjeld			
Langsiktig gjeld			
Andre avsetninger for forpliktelser	17	17 000 000	1 078 000 000
Sum avsetninger for forpliktelser		17 000 000	1 078 000 000
Annen langsiktig gjeld			
Borrowings	22	3 304 000 000	0
Other non-current liabilities		0	425 000 000
Lease liabilities	19	172 000 000	634 000 000
Derivate financial instruments	2, 19	0	3 000 000
Sum annen langsiktig gjeld		3 476 000 000	1 062 000 000
Sum langsiktig gjeld		3 493 000 000	2 140 000 000
Kortsiktig gjeld			
Borrowings	22	125 000 000	5 540 000 000
Leverandørgjeld	18	2 468 000 000	13 355 000 000



Balanse

Beløp i: NOK	Note	2021	2020
Lease liability	19	21 000 000	149 000 000
Air traffic settlement liabilities		0	401 000 000
Derivate financial instruments	2, 19	0	49 000 000
Sum kortsiktig gjeld		2 614 000 000	19 494 000 000
 Sum gjeld		 6 107 000 000	 21 634 000 000
 SUM EGENKAPITAL OG GJELD		 17 657 000 000	 12 298 000 000
 POSTER UTENOM BALANSEN			
Garantistillelser	20	0	247 000 000
Pantstillelser	20	700 000 000	1 793 000 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	4	5 068 000 000	9 096 000 000
Sum inntekter		5 068 000 000	9 096 000 000
Kostnader			
Operating expenses	5	3 846 000 000	5 963 000 000
Lønnskostnad	6,7,17,18	2 085 000 000	2 921 000 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	1,10,11	1 270 000 000	6 198 000 000
Other operating expenses	5, 7A, 12	1 390 000 000	1 962 000 000
Other losses / (gain)-net	20A	-738 000 000	3 005 000 000
Sum kostnader		7 853 000 000	20 049 000 000
Driftsresultat		-2 785 000 000	-10 953 000 000
Finansinntekter og finanskostnader			
Profit(loss)from associated companies	25	0	-8 000 000
Annen renteinntekt	8	14 000 000	68 000 000
Annen finansinntekt	8	5 331 000 000	4 266 000 000
Sum finansinntekter		5 345 000 000	4 326 000 000
Annen rentekostnad	8	-682 000 000	2 691 000 000
Sum finanskostnader		-682 000 000	2 691 000 000
Netto finans		6 027 000 000	1 635 000 000
Ordinært resultat før skattekostnad		3 242 000 000	-9 318 000 000
Skattekostnad på ordinært resultat	9	6 000 000	907 000 000
Ordinært resultat etter skattekostnad		3 236 000 000	-10 225 000 000
Årsresultat		3 236 000 000	-10 225 000 000
Exchange rate differences on translation of foreign operations	15	-223 000 000	-979 000 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
Exchange rate differences on disposal of foreign operations		371 000 000	0
Share of other comprehensive income of associated companies		0	2 000 000
Fair value gain / (loss) on investm	20	0	0
Actuarial gains(losses	18	14 000 000	-42 000 000
Exchange rate differences attributable to non-controlling interests		0	6 000 000
Sum resultatkomponenter for IFRS-foretak		162 000 000	-1 013 000 000
Totalresultat		3 398 000 000	-11 238 000 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	10	180 000 000	201 000 000
Utsatt skattefordel	9	1 890 000 000	1 966 000 000
Sum immaterielle eiendeler		2 070 000 000	2 167 000 000
Varige driftsmidler			
Buildings	11	247 000 000	252 000 000
Right-of-use buildings		212 000 000	217 000 000
Aircraft, parts and installation on leased aircrafts	11	1 021 000 000	6 130 000 000
Right-of-use aircraft, parts and installation		5 153 000 000	2 792 000 000
Equipment and fixtures		136 000 000	163 000 000
Right of use equipment		0	0
Sum varige driftsmidler		6 769 000 000	9 554 000 000
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	25	0	80 000 000
Derivate financial instruments	3, 20	0	3 000 000
Other receivables	13	120 000 000	63 000 000
Sum finansielle anleggsmidler		120 000 000	146 000 000
Sum anleggsmidler		8 959 000 000	11 867 000 000
Omløpsmidler			
Varer			
Inventory	14	16 000 000	64 000 000
Sum varer		16 000 000	64 000 000
Fordringer			
Trade and other receivables	13	2 153 000 000	4 579 000 000
Sum fordringer		2 153 000 000	4 579 000 000
Investeringer			
Andre finansielle instrumenter	11	0	30 377 000 000
Sum investeringer		0	30 377 000 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	24	7 695 000 000	2 667 000 000
Sum bankinnskudd, kontanter og lignende		7 695 000 000	2 667 000 000
Sum omløpsmidler		9 864 000 000	37 687 000 000
SUM EIENDELER		18 823 000 000	49 554 000 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	15	93 000 000	398 000 000
Overkurs	15	25 424 000 000	18 805 000 000
Ikke registrert kapitalforhøyelse		2 522 000 000	944 000 000
Sum innskutt egenkapital		28 039 000 000	20 147 000 000

Opptjent egenkapital

Other reserves	15	260 000 000	113 000 000
Retained earnings		-25 030 000 000	-26 883 000 000
Sum opptjent egenkapital		-24 770 000 000	-26 770 000 000

Sum egenkapital		3 269 000 000	-6 623 000 000
------------------------	--	----------------------	-----------------------

Gjeld

Langsiktig gjeld

Pensjonsforpliktelser	18	206 000 000	228 000 000
Utsatt skatt	9	60 000 000	650 000 000
Other non current liabilities	19	0	14 000 000
Provision for periodic maintenance	19	805 000 000	1 599 000 000
Sum avsetninger for forpliktelser		1 071 000 000	2 491 000 000

Annen langsiktig gjeld

Derivative financial instruments	3, 20	0	3 000 000
Lease liabilities	20	4 435 000 000	186 000 000
Liabilities included in disposal group classified as held for sale	22	0	30 768 000 000
Borrowings	22	3 982 000 000	0



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Sum annen langsiktig gjeld		8 417 000 000	30 957 000 000
Sum langsiktig gjeld		9 488 000 000	33 448 000 000
Kortsiktig gjeld			
Borrowings	22	183 000 000	8 770 000 000
Leverandørgjeld	21	3 783 000 000	10 329 000 000
Betalbar skatt		0	16 000 000
Air Traffic settlement liabilities		1 324 000 000	401 000 000
Derivative financial instruments	3,20	0	49 000 000
Lease liabilities	20	778 000 000	3 165 000 000
Sum kortsiktig gjeld		6 068 000 000	22 730 000 000
Sum gjeld		15 556 000 000	56 178 000 000
SUM EGENKAPITAL OG GJELD		18 825 000 000	49 555 000 000



Admincontrol

List of Signatures Page 1/1

29-22 Annual Report 2021_FINAL_TO SIGN.pdf

Name	Method	Signed at
Gravir, Sondre	BANKID_MOBILE	2022-04-28 15:38 GMT+02
Chris Browne	One-Time-Password	2022-04-28 15:11 GMT+02
Gundersen, Katrine	BANKID_MOBILE	2022-04-28 15:00 GMT+02
Leisner, Ingrid Elvira	BANKID_MOBILE	2022-04-28 14:54 GMT+02
Holm, Eric	BANKID_MOBILE	2022-04-28 14:51 GMT+02
Boilesen, Lars Rahbæk	BANKID	2022-04-28 17:51 GMT+02
Soland, Torstein Hiorth	BANKID_MOBILE	2022-04-28 17:30 GMT+02
Øygard, Svein Harald	BANKID	2022-04-28 17:01 GMT+02

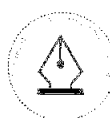


This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.
External reference: 55820EF641604AF7AB7A6DA51B71BCD7



NORWEGIAN AIR SHUTTLE ASA

ANNUAL REPORT 2021



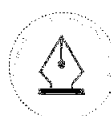
This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



CONTENTS

LETTER FROM THE CEO	3
BOARD OF DIRECTOR'S REPORT	5
FINANCIAL STATEMENTS	16
CONSOLIDATED	17
PARENT COMPANY	64
ANALYTICAL INFORMATION	83
CORPORATE RESPONSIBILITY	86
ENVIRONMENTAL SUSTAINABILITY	92
CORPORATE GOVERNANCE	95
DECLARATION FROM THE BOARD OF DIRECTORS AND CEO	100
AUDITOR'S REPORT	101
BOARD OF DIRECTORS	105
MANAGEMENT	108
DEFINITIONS AND ALTERNATIVE PERFORMANCE MEASURES	110



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

LETTER FROM THE CEO

2021 presented new hopes and renewed challenges across the aviation industry due to the global COVID-19 pandemic. Norwegian went through a dramatic positive transformation which culminated in the business restructuring debt liabilities and strengthening the financial capital of the Company. We have now created a business that is fit for purpose, ready and able to adapt to an evolving trading environment as the world begins to once again look to travel for both leisure and business.

Norwegian reported an operating loss (EBIT) of NOK 2,786 million, compared to a loss of NOK 23,768 million in 2020. The Company's total revenue in 2021 was NOK 5,068 million, a decrease of 44 percent compared to a year earlier. From April through to June we operated between eight and 15 aircraft on selected routes. Throughout the summer and beyond, once travel restrictions were eased, we operated 33 to 49 aircraft across Europe, ending the year with 51 aircraft in our fleet.

2021 – THE YEAR THAT DEFINED THE NORWEGIAN OF THE FUTURE

The successful completion of both the Examiner's and Reconstruction processes in Ireland and Norway, followed by the subsequent capital raise, marked a new era for the Company. As a result, we could now focus on the future of our operations and return to our core principles of offering good value and



excellent service. Over the past year, we have steadily rebuilt our network to key European destinations as passenger demand increased. I am especially pleased that we reopened our bases in Stavanger, Bergen and Trondheim, welcoming back colleagues who remained committed to Norwegian throughout this difficult period. The bases in Copenhagen and Helsinki were reopened in 2021 as well. We have also commenced pilot and cabin crew recruitment processes across Scandinavia as we look to strengthen our presence in these markets. Norwegian remains a vital contributor to local Scandinavian economies from employment opportunities

to supporting tourism and businesses, and we remain committed to fortifying our position across the region.

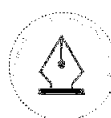
Passenger demand and bookings steadily increased over the latter half of the year as travel restrictions eased. As a result, I was especially pleased to be able to remove the temporary restrictions placed on our Reward program and fully reopen the scheme to our customers. The importance of customer loyalty cannot be underestimated, and we will look to continuously improve our reward programme and products to provide customers with offers and services that they truly value.

As part of our business plan in 2021, we pledged to resize our fleet while introducing flexible leasing options such as power-by-the-hour. We operated an average of between 15 aircraft in the first half of the year, increasing to a peak of 49 in the latter half. This flexibility has allowed us to robustly protect our financial position while adapting to market demands. A business can only survive if it can adapt to changing market conditions, and I am proud to say that our agility to react quickly has been the envy of some of our competitors.

Norwegian has a proud history of implementing the latest sustainable solutions in order to lower emissions across our business. These efforts continue today. From ongoing targeted training for our colleagues and pilots to using innovative technology and modern fuel-efficient aircraft both now and in the future, we are not only reaching our sustainability goals, but we are also ensuring that one of our primary costs, aviation fuel, is reduced.

NORWEGIAN TODAY – READY TO FACE NEW CHALLENGES AND SEEK NEW OPPORTUNITIES

Norwegian was, as the aviation industry world-wide in general, exposed to the effects of the COVID-19 pandemic when our industry effectively shut down globally in 2020. Yet, we have defied the negative predictions of some who assumed that Norwegian would be a casualty and potentially no longer in operation. In fact,



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



the opposite is now true, we have created a Company that is resilient, focused, agile, lean and efficient.

We have already surpassed many great milestones, notably reduced our debt liability and rightsized our fleet and operations. The challenges that we faced were surmounted, but my commitment to Norwegian is not solely focused on the Company surviving past the impact of the COVID-19 pandemic. As I look to the future, I see a path to sustainable and profitable growth that will benefit our shareholders, employees, and local economies.

We will continue to invest in our people, our product in the air and on the ground and look to renew and grow our fleet with modern more fuel-efficient aircraft. We will seize opportunities in markets that we currently serve and look to expand our network to other profitable destinations.

Through an improved cost base, increased seasonal flexibility and a strong balance sheet, the Company is strongly positioned to compete head-on with all market competitors. We will continue implementing lean processes across the business to ensure that we remain ahead of the competition.

For many of our customers, the desire to travel has been heightened by the events of the last two years, and Norwegian is now well placed to be the airline of choice for customers seeking value and excellent service. Demand may once again fluctuate due to potential future travel restrictions, but we are now better prepared than we have ever been to face these hurdles head on and provide our customers with a service and brand that they can count on.

As I proudly reflect on our achievements over the last year, I would like to thank our dedicated colleagues, shareholders and suppliers as we continue to strengthen our presence across the Nordics and key markets.

/s/ Geir Karlisen
Chief Executive Officer



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

BOARD OF DIRECTORS' REPORT

Throughout 2021, Norwegian has continued to focus on reducing costs and restructuring the airline to enable it to become a stronger, more resilient and focused entity to the benefit of all shareholders, customers and employees.

The ongoing global impact of the COVID-19 pandemic and subsequent international travel restrictions presented the Company with continued operational challenges that only began to be alleviated from the spring onwards. Norwegian reported an operating loss (EBIT) of NOK 2,786 million, representing an improvement of NOK 20,982 million compared to 2020. Revenue decreased by 44 percent in 2021 with an associated increase in yield by 21 percent and a decrease in load factor of 2.4 percentage points to 72.8 percent. The on-time performance was 89.9 percent. The airline's CO2 emissions per passenger were also impacted negatively due to the drop in passenger demand and shorter flight distances when compared to the previous year. CO2 emissions increased by 6 percent to 89 grams CO2 per passenger kilometre. Around 6.2 million passengers flew with Norwegian in 2021, a decrease of 10 percent compared to 2020. The decrease was dampened by the lifting of COVID-19 related global travel restrictions from the summer onwards.

In 2021, the capacity, measured by available seat kilometres (ASK), was 48 percent lower than the previous year. The reduction in ASK compared to previous years was driven by the drastic reduction in flight operations due to the global COVID-19 pandemic, the

discontinuation of the Company's long-haul operations and the resizing of the Company's fleet and organisation following the restructuring.

During the first quarter of 2021 the Company operated an average of between eight and fifteen aircraft, as demand steadily grew this rose to between 33 and 49 aircraft during the peak season. At year end, the Company had an operational fleet of 51 Boeing 737-800 aircraft.

In March 2021, Norwegian received court approval for the examinership process in Ireland, which was soon followed in April by court approval in Norway for the respective milestones allowed the Company to announce a subsequent capital raise with an upper limit set to NOK 6 billion. During the month of May, the Company formally exited the financial restructuring processes and announced the positive conclusion of the capital raise. The result led to a substantial reduction in total liabilities and debt to approximately NOK 16 billion, of which approximately NOK 5 billion being aircraft related debt. The cash position of the Company was also dramatically improved to more than NOK 7 billion.

As international travel restrictions began to be lifted entering into the summer period, Norwegian reported six consecutive months of positive passenger growth as demand continued to increase month on month. October saw over one million passengers travel with Norwegian, which brought to a close a busy and successful

summer season. During the summer months the Company ramped up operations serving 18 domestic and 35 international routes in July and August. Key destinations included Spain, Greece and Croatia following pent-up demand and bookings from all Nordic markets.

Our winter flying schedule for the second half of 2021 had already been reduced in light of traditionally weaker demand compared to the summer months. The rapid spread of the omicron virus variant and subsequent reinstatement of international travel restrictions at short notice meant that further capacity reductions were necessary. The agility and adaptability of the Company to rightsize operations due to lower demand across our markets reduced the financial and operational impact during this period.

In June, as demand and forward bookings continued to increase month on month, the Company reopened its base in Denmark and announced that 200 pilots and cabin crew would be hired in Copenhagen. Improving market conditions and positive long term forecasts showing passenger demand beginning to return to pre-pandemic levels led the Company to reopen its bases in Stavanger, Bergen and Trondheim in October.

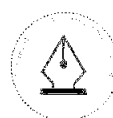
In August, the Company released its summer 2022 flying schedule with a strong focus on Nordic markets with a planned ramp up of routes to key European destinations. Around 260 routes were published for sale with a planned increase

in fleet size to 70 aircraft, including the addition of two Boeing 737 MAX aircraft announced in December.

From November, Norwegian removed all temporary restrictions on the use of CashPoints under its loyalty programme, Norwegian Reward. The loyalty programme remains an important part of the Norwegian customer proposition and had as of the end of the year close to nine million members. The validity of CashPoints due to expire in 2021 were extended to 31st December 2022 to allow customers to utilise their points across the network.

KEY EVENTS 2021

- In January, Norwegian announced a new business plan focusing on profitable key European destinations and the discontinuation of all long-haul services
- In late March and early April, the respective Examinership and Reconstruction processes in Ireland and Norway were approved, allowing the Company to prepare the process of raising new capital
- In May, Norwegian announced the positive results of the capital raise, including the Rights Issue Offer which was oversubscribed by 395 percent
- The month of May also marked another milestone, as the Company emerged from financial restructuring with a significantly reduced total debt liability and a strong cash position
- In June, Geir Karlsen, formerly Chief Financial Officer of Norwegian, was



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

appointed as the new CEO with immediate effect

- Late June, the Copenhagen base was reopened, and the process of hiring 200 pilots and cabin crew was initiated
- In August, Norwegian announced the full summer 2022 schedule, encompassing around 260 routes to key European destinations
- In October, Norwegian reopened bases in Stavanger, Bergen and Trondheim in response to a steady increase in passenger demand over a number of months
- The month of October also marked the return from furlough of all pilots and cabin crew in Norway
- Also in response to improving market conditions, Norwegian removed all temporary CashPoints restrictions and reopened the Norwegian Reward loyalty programme in its original form from November
- In November, the reopening of the Helsinki base was announced
- In December, Norwegian announced that it had entered into an agreement to lease two Boeing 737 MAX 8
- Also in December, Norwegian proudly announced that the collaboration between the Company and UNICEF Norway would be extended for another three years.

GROUP OVERVIEW

Norwegian Air Shuttle ASA ("Norwegian" or "the Company"), the parent of the Norwegian Group ("the Group"), is headquartered at Fornebu in Norway, just outside Oslo. Norwegian has a leading position in the Nordic market, operating short-haul point-to-point flights within the

Nordics and from the Nordics to Continental Europe. At year-end 2021, the Company and its subsidiaries employed 3,310 staff at its headquarters and its nine operational bases across five countries. Figures include apprentices and temporary employees in administrative positions. Norwegian has additional branch registrations according to local requirements in the operating regions.

BUSINESS STRATEGY

Norwegian has long been recognized as an industry leader in low-cost travel, winning numerous awards during its close to 20 years in operation. The Company builds on this foundation when refocusing its strategy. The Company's renewed strategy builds on its core Nordic business and to operate a European short-haul network with narrow-body aircraft. The airline will continue to meet its customers' needs by offering affordable fares for all across a broad range of attractively scheduled domestic routes in Norway, Sweden, Denmark and Finland, routes across the Nordics, and routes from the Nordics to key European destinations.

Since 2018, Norwegian has been progressing well shifting the strategic focus from growth to profitability and has taken major operational and financial measures that allowed the Company to guide on a positive net profit in 2020. As society overall, and in particular the aviation industry, suffered from the consequences of the COVID-19 pandemic, Norwegian was forced to ground a significant part of its fleet due to government-imposed travel restrictions and lack of demand, and took drastic measures immediately to preserve

liquidity and navigate through the crisis. During this period, the Company has seized the opportunity to completely restructure and re-create a strong, investable airline with a new strategy and business plan.

ROBUST FINANCIAL PLATFORM

The restructuring has allowed the Company to rightsize the network and fleet around the profitable core Nordic business and give financial headroom to maneuver through the pandemic until demand recovers. In addition, both phases of the restructuring seek to lower financial and ownership costs and thereby creating an economically sustainable platform for the Company for the benefit of all stakeholders. The Phase 2 Restructuring was successfully completed in May 2021.

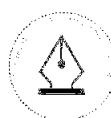
STRONG NORDIC-FOCUSED NETWORK
The new short-haul network is an optimized, consolidated version of the network Norwegian has developed and refined since the beginning in 2002 with a core Nordic footprint. Over the past two years, the Company has rationalized the route portfolio and the new network of 300+ routes encompasses the historically strongest-performing routes while maintaining the presence and connectivity that our customers highly value. Pre-COVID, Norwegian was the leading carrier for leisure-oriented traffic in the Nordics and the second largest on domestic & intra-Nordic flights, and the new network is designed to defend and strengthen this position. Furthermore, changes are made to deliver a more efficient operation with a focus on the most popular destinations and the largest traffic flows. Importantly,

sufficient scale allows the airline to maintain a clear cost advantage versus its closest peers and potential new entrants.

The long-haul network was in January 2021 decided to be terminated following the economic rightsizing of the fleet and the Company.

COMPETITIVE COST BASE

A low-cost operating model with reduced complexity, higher reliability and, most importantly, a rightsized and competitive cost base, is the Company's fundamental to continue to provide affordable fares to all. The airline will leverage and strengthen its cost advantage going forward, boosted by the effects obtained in the restructuring and with a clear strategic priority in further improving cost-efficiency and reinforcing cost control. Through the hibernation period, the airline has reviewed its entire operational setup, processes and sourcing practices and has emerged as a streamlined Company devoted to its core business. Clear efficiency-gains are realized from improved asset and resource utilization, concentrated network, and reduced overhead. This model allows Norwegian to compete effectively on price versus legacy carriers, on scale versus new entrants and with a superior quality offering than what the ultra low-cost carrier (ULCCs) airlines offer. Maintaining and improving on this competitiveness, by striving every day for increased cost-efficiency in combination with a customer offering of high quality, is key to the Company's DNA.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



ATTRACTIVE CUSTOMER OFFERING

Norwegian will leverage its brand value and customer satisfaction to continue to be the preferred option for those who seek an affordable alternative without compromising on quality. It is the combination of the competitive cost base and the strong customer value offering that has been and will continue to be Norwegian's winning formula. Norwegian strives to deliver customer value across the entire customer journey; at the very start of the journey by being top-of-mind and first choice for leisure and business travelers, followed by a hassle-free booking experience across a rich set of booking alternatives at your choice, a smooth check-in and boarding process, a pleasant inflight experience with excellent customer service by our professional crew, and by on-time arrivals.

In addition, Norwegian will continue to develop and leverage the unique and award-winning Reward program, with over four million members in the Nordics, to create customer value and enhanced customer loyalty. This will be enabled through new and existing partnerships and innovative service- and product offerings.

HIGH-PERFORMING ORGANIZATION

Increased labor efficiency following a redesigned, more crew-friendly network allowing for a right-sized base structure, will increase utilization and reduce operational costs. The Company will be better positioned to manage seasonality through a leaner organization and more flexible arrangements.

Importantly, Norwegian has a very dedicated, experienced workforce with a strong fighting spirit. Norwegian Crew are consistently receiving high scores in customer experience surveys. Norwegian will continue to build a strong employer brand that will be a competitive force to attract and retain top talent and competence vital to succeed in a post-COVID-19 environment.

Norwegian has a strong organization and governance structure with an experienced, dedicated executive team and redesigned management levels building on key performers and new talent. To support the new organization, a modernized and flexible backbone will boost productivity through select IT investments, development of new business centers and rigorous supply chain management.

CORE VALUES

Due to the change in strategy, the new business plan and the introduction of the new mantra "Your Smart Move" the Company have started, in collaboration with different employee groups, to define and determine the desired behaviors and values that should shape our culture for the future and enable us to deliver on our customer brand.

CORPORATE STRUCTURE

The Norwegian Group consists of the parent company, Norwegian Air Shuttle ASA, and its directly or indirectly owned subsidiaries in Norway, Sweden, Denmark, Finland, Ireland, Spain, Latvia and the United States.

The Group has structured its operations and different functions into several entities with the purpose to have an organizational structure that maintains Norwegian's flexibility and adaptability considering the Company's strategy. The respective companies offer permanent employment, with terms & conditions in accordance to local markets, laws and regulations.

The Group does not report profit per entity, as the Executive Management considers the business as one operating segment, low-cost air passenger travel. The Group's operating profit comes from airline-related activities and the aircraft fleet is the Group's main revenue generating asset, which is utilized across the Group's geographical segment.

The Group's organization is further organized into five functional business areas:

- Network, Pricing & Optimization
- Product & Digital Development
- Marketing, Sales & Customer Care
- Operations
- Support Functions

NETWORK, PRICING & OPTIMIZATION

The objective for the business area is to optimize the P&L for the airline through network, pricing and operations planning. This is achieved through the development of the network strategy and allocation of aircraft not just for the commercial production, but also cargo and charter, through ongoing route management.

Committed focus is given to airline planning, which is broken down into fleet, and operations planning, schedule

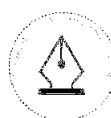
development, slot strategy and crew resourcing optimization.

PRODUCT & DIGITAL DEVELOPMENT

The business area primary objective is to deliver superior user experiences across digital and physical touchpoints, and to maximize value from ancillary products, inflight sales, partnerships and the loyalty program. Product & Digital development was introduced to increase focus on revenue development of ancillary services as a key contributor to the business plan, to consolidate management and development of all products in one unit, and to ensure that Norwegian is delivering a friction-free and personalized user experience across the travel journey. By combining products with digital development we aim to increase focus on the digital customer experience and to position Norwegian as a digital leader in the travel industry.

The business area consist of the following areas:

- Product Management: Secure great product experiences for travel ancillaries, drive revenue growth, and introduce new products and concepts in the marketplace
- Loyalty & Memberships: Secure a profitable and industry-leading Reward program with close to nine million members and maximize revenues from partnerships
- In flight Retail: Deliver an attractive product offering and inflight experience that promotes a profitable retail operation in the air



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

- Digital channel development: Develop conversion-oriented, friction free and best in class user experiences

As Tor-Arne Fosser, EVP Product & Digital Development, left the Management Group in April 2022, the Product & Digital Development business area will be consolidated within Network, Pricing & Optimisation and Marketing, Sales & and Customer Care.

MARKETING, SALES & CUSTOMER CARE

The business area seeks to optimize sales, distribution and marketing in all channels, drive the eCommerce operation and take care of our customers with timely and high-quality information in order to attract, engage and support customers throughout the entire customer journey. An important aspect is managing and developing the brand with a focus on aligning brand efforts across the business to maximize investment and marketing impact while reducing costs. Developing a strong and consistent brand across the business supports Norwegian's aim to deliver positive customer experiences in Europe.

OPERATIONS

At year-end 2021, Norwegian had three airline operators in two different countries, each holding a unique national air operator's certificate (AOC). Each AOC is under the supervision of the civil aviation authorities in their respective country. The AOCs exist to give the Norwegian Group broad market access and have now been fully aligned with the new business plan.

The parent company Norwegian Air Shuttle ASA (NAS), based at Fornebu, outside Oslo, Norway, holds one of the AOCs. The fully owned subsidiaries Norwegian Air Norway AS (NAN), based at Fornebu, Norway, and Norwegian Air Sweden AB (NSE), based in Stockholm, Sweden, each have an AOC.

Norwegian's commercial airline activities have been operated through local bases in the following countries: Norway, Sweden, Denmark, Finland and Spain. The base structure has been consolidated as a result of the new business plan.

Red Handling carries out ground handling services and is established in the UK and Spain. Red Handling UK Ltd, which provided ground handling services at London Gatwick Airport (LGW) was closed on 31st December 2021 and handling at London Gatwick has been subcontracted to Fenix Logistics as part of a long term agreement. Red Handling Spain S.L. provides ground handling services at Barcelona Airport (BCN), Alicante Airport (ALC), Palma de Mallorca Airport (PMI), Málaga Airport (AGP) and Las Palmas Airport (LPA).

SUPPORT FUNCTIONS

The Group has four important support functions: Finance & Control, People, IT & Business Services and Communications & Public Affairs.

The Finance & Control business area oversees the Group's asset companies, which are organized in a set of subsidiaries based in Dublin, Ireland. Arctic Aviation Asset DAC is the parent company. The business area handles aircraft financing, leasing and ownership.

MARKET CONDITIONS

The financial year 2021 began with the COVID-19 pandemic entering its second wave with infection rates spiking across all of Norwegian's core markets. Lockdowns and strict travel restrictions were imposed affecting demand negatively. As a consequence of the second wave and the financial restructuring process of Norwegian, the Company operated a small network during the first quarter with only nine to ten active aircraft. The operation consisted primarily of domestic routes in Norway with some routes receiving financial support by the Norwegian government.

As the infection levels receded going into the summer season Norwegian scaled production back up to meet the increase in demand. The capacity and demand continued to increase throughout the summer and fall peaking in October until the aviation sector again was faced with the challenges from the Omicron mutation. This led to new rounds of government-imposed lockdowns, travel restrictions and subsequent negative impact on demand. Norwegian ended the year with a fleet of around 50 operational aircraft however the utilization of the fleet was adapted to the softer demand environment towards the end of the fourth quarter.

Norwegian is scaling the fleet up to 70 aircraft by summer 2022 in line with the anticipated recovery of demand. For the 2022/23 winter season, 19 aircraft will have flexible power-by-the-hour (PBH) terms to allow the Company to adjust capacity in line with seasonal demand. Careful considerations will be made to align the re-

introduction of aircraft into production with sufficient passenger demand.

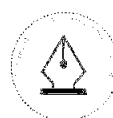
Going forward, Norwegian will continue to serve its four core source markets of Norway, Denmark, Sweden and Finland with a balance of intra-Nordic and domestic routes and routes to key cities and popular leisure destinations across Europe. Norwegian holds a strong position in these markets and will offer a wide and relevant product to customers flying to, from and within these markets in the future.

Despite the global pandemic, competition in the Nordics has intensified. We have seen several competitors use the pandemic as an opportunity to enter the Nordic market, and while some have exited, we expect a period of overcapacity before the Nordic aviation market stabilizes again. Norwegian is well placed to compete against both new entrants and established competitors, offering higher value than any other carrier in the market; Norwegian's cost base is significantly lower than that of its legacy competitors, allowing Norwegian to offer more competitive fares. Additionally, Norwegian's core product offering, including the breadth and depth of its network, and its local brand value are far stronger than those of any new entrants.

SAFETY AND COMPLIANCE

The operational focus is always on safety and compliance. Safety underlies all activities governed by our three airlines: Norwegian Air Shuttle ASA, Norwegian Air Norway AS and Norwegian Air Sweden AB.

Our safety standards are based on compliance to the regulations and to our



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

internal documentation, managed according to the Safety Management System principles and have dedicated safety departments and quality/compliance departments. The directors of both departments report directly to the accountable manager of their respective airline.

The international dimension of Norwegian as a company brings new cultures and new challenges to the operation. Norwegian meets these challenges proactively, as part of the Management of Change, by conducting change impact assessments and safety risk assessments to ensure that to the highest degree possible, hazards are identified, and associated risks are adequately managed. Norwegian's safety culture is derived from industry best practice and learning and in accordance with the European Plan for Aviation Safety, EPAS.

The four pillars of SMS (Safety Management System) are:

1. Safety policy and objectives,
2. Safety promotion,
3. Safety risk management and
4. Safety assurance.

Norwegian places substantial emphasis on its safety culture as a key safety tool, and the Norwegian Safety Management System is underpinned by a strong reporting culture, which is used to provide early identification of hazards, permitting opportunity to prevent escalation to accident or incident. It is also used to measure trends to be able to be proactive of implementing corrective actions or mitigating factors in the safety work.

The reporting culture is built on the foundation of "just culture", and a "learning culture". "Just culture" is a culture in which front-line operators and others are not punished for their actions, honest mistakes, missions or decisions taken by them which match their experience and training, but where gross negligence, wilful violations and destructive acts are not tolerated. The knowledge Norwegian gains from its safety reporters is used to ensure continual safety improvement. The Norwegian code of ethics, applicable to all personnel, welcomes and ensures that all cultures amongst the Norwegian family experience respect and recognition in the workplace.

All changes in documentation or organizational changes are subject to a management of change process. The Company has an active hazard register and performs risk analysis to support safety measures and managing changes. Changes are documented and the effectiveness of the mitigations of risks are regularly reviewed for effectiveness in a pre-determined set review loop.

A collaborative, cohesive and proactive approach to safety across the Norwegian Group is recognized and accepted as essential to the business. Accordingly, the safety directors drive harmonized systems to deliver risk management and safety assurance, and the accountable managers and nominated persons ensure safety lessons from one part of the airline is utilized across the group to ensure the Group learns and develops from a common set of data. Safety management system training is provided to all personnel, and specialist safety personnel receive internal

and external training applicable to their role.

Norwegian moved from 2021 into 2022 with no fatal accidents since its inception in 1993. The Group had no critical personnel injuries during 2021. The safety is managed to a degree at and above regulatory requirements utilizing cutting edge safety IT systems fed with data from highly competent and well engaged personnel.

In order to ensure compliance with the European Union Aviation Safety Agency (EASA) regulations the compliance departments perform audits of both internal functions as well as contracted providers within all operational areas. The focus going forward is to develop predictive methods to manage safety.

AIRCRAFT MAINTENANCE

Each national civil aviation authority has approved the AOCs' maintenance organization (CAMO) and maintenance program (AMP).

The Company has a Maintenance Repair Organization (MRO) organized under Norwegian Air Shuttle ASA. The MRO delivers maintenance services to the AOCs in Norwegian for aircraft through a direct agreement with the AOCs.

Major airframe and workshop maintenance are performed by external sources subject to approval by the European Aviation Safety Agency (EASA) and the national aviation authorities. Airframe (base) maintenance for the 737 fleet is currently carried out by Luftansa Technik in Budapest, Hungary. Luftansa Technik are undertaking the

engine and component workshop maintenance. On the 787 Trent 1000 engines, engine shop maintenance was carried out by Rolls Royce covered under a Total Care agreement between Norwegian and Rolls Royce.

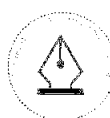
All maintenance, planning and follow-up activities, both internally and externally, are performed according to both the manufacturers' requirements and additional internal requirements, and are in full compliance with authoritative international regulations. The Group carries out initial quality approval, as well as continuously monitoring all maintenance suppliers. All supplier contracts are subject to approval and monitored by the national aviation authorities.

2021 finally saw the Boeing 737 MAX being approved to operate in Europe again, although not operated by Norwegian as most aircraft were in the process of being returned to their lessors. Multiple engine changes were required on the 787's as these aircraft were returned to their lessors. The MAX was grounded in March 2019 because of two fatal accidents involving the aircraft type, on 29 October 2018, Lion Air Indonesia and the other on 10 March 2019 involving Ethiopian Airlines, with the tragic casualty of 346 people.

FINANCIAL REVIEW

Norwegian reports consolidated financial information compliant to the International Financial Reporting Standards (IFRS) as adopted by the EU.

The preparation of the accounts and application of the chosen accounting



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



principles involve using assessments and estimates and necessitate the application of assumptions that affect the carrying amount of assets and liabilities, income and expenses. The estimates and the pertaining assumptions are based on experience and other factors. The uncertainty associated with this implies that the actual figures may deviate from the estimates.

Maintenance reserve obligations, and the recognition of deferred tax assets are among the most important estimates applied by Management when preparing the financial statements.

CONSOLIDATED INCOME STATEMENT

The Group's total operating revenue for 2021 was NOK 5,068 million, a reduction of 44 percent from NOK 9,096 million in 2020. Passenger revenue accounted for NOK 3,912 million compared with NOK 6,455 million in 2020, whereas ancillary passenger revenue amounted to NOK 941 million compared with NOK 1,535 million in 2020. Other revenue in 2021 was NOK 200 million compared with NOK 946 million in 2020 and are primarily related to third-party products and other revenue.

The passenger ticket revenue per available seat kilometer (unit revenue) for 2021 was NOK 0.41, up 17 percent compared to NOK 0.36 in 2020, following a yield increase of 21 percent. Ancillary revenue per passenger decreased by 32 percent to NOK 152 in 2021, down from NOK 223 in 2020.

The number of passengers decreased by 10 percent during 2021 and average sector length decreased by 31 percent compared with 2020.

Operating expenses excluding aircraft lease, depreciation and amortization in 2021 was reduced by 52 percent and amounted to NOK 6,584 million compared to NOK 13,851 million in 2020. Unit cost decreased three percent to NOK 0.91 in 2021 from NOK 0.94 in 2020, whereas unit cost excluding fuel decreased eight percent to NOK 0.76 in 2021, down from NOK 0.83 in 2020.

Operating profit excluding lease, depreciation and amortization ("EBITDAR") improved to negative NOK 1,516 million in 2021, from negative NOK 4,755 million in 2020. EBITDAR excluding other losses/(gains) was negative NOK 2,254 million compared with negative NOK 1,751 million in 2020.

Other losses/(gains) in 2021 include translation of working capital in foreign currency and net gain or loss from the sale of fixed assets. Net other losses/(gains) in 2021 amounted to a gain of NOK 737 million, and includes gain related to the sales of slots at London Gatwick in December 2021. In 2020, other losses/(gains) amounted to a loss of NOK 3,005 million and included restructuring costs of NOK 1,220 million, a net gain of NOK 883 million from forward contracts on jet fuel, a gain of NOK 28 million from translation of working capital in foreign currency and losses of NOK 930 million from the sale of fixed assets.

Operating profit before interest and taxes ("EBIT") for 2021 was negative by NOK 2,786 million compared with negative NOK 23,768 million in 2020. In 2020, impairment losses of NOK 12,816 million negatively impacted operating profit before tax.

Net financial items were positive by NOK 4,662 million in 2021, compared with positive NOK 1,643 million in 2020. Both years were positively impacted by restructuring effects, with NOK 5,341 million in 2021 and NOK 5,208 million in 2020.

Profit before tax ("EBT") amounted to NOK 1,876 million in 2021, compared to a loss of NOK 22,133 million in 2020. Net profit after tax was NOK 1,870 million in 2021, compared to a loss of NOK 23,040 million in 2020. In 2020, loss before tax includes negative effects from impairment assets held for sale of NOK 12,816 million. Earnings per share for 2021 were positive NOK 3.5 compared to negative NOK 1,022 in 2020. Diluted earnings per share were positive NOK 2.7 for 2021 and negative NOK 1,022 in 2020.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Since the COVID-19 outbreak forced Norwegian into hibernation, a significant financial restructuring process has been ongoing and in May 2021, the Company successfully exited the Norwegian Examership and Irish Reconstruction process and the basis for continuing as a going concern was secured.

In 2021, the restructuring in total improved equity by NOK 13,723 million, of which NOK 5,341 million was recognized in the income statement.

The total equity increase from the financial restructuring in 2021 of NOK 13,723 million, consists mainly of the private placement and rights issue (net of transaction costs)

which increased equity by NOK 3,998 million, whereas dividend claim and cash dividend reduced equity by NOK 269 million. The net effect for changes in aircraft, including reduced maintenance obligations, increased equity by NOK 1,586 million. Extinguishment of vendor debt and related receivables from the same vendors increased equity by NOK 4,044 million. Extinguishment of borrowings not related to aircraft financing or bonds, and issue of perpetual and retained claims bond (net of transaction costs) increased equity with NOK 2,742 million. Finally, bonds increased equity net by NOK 427 million and liquidation of companies in the fourth quarter increased equity by NOK 1,195 million.

Total non-current assets amounted to NOK 8,961 million at the end of 2021, compared to NOK 11,867 million at the end of 2020.

Deferred tax assets amounted to NOK 1,890 million at the end of 2021, compared to NOK 1,966 million at the end of 2020. The Company has NOK 1,796 million in unrecognized deferred tax assets at the end of 2021 primarily related to carry-forward tax losses.

Total current assets amounted to NOK 9,864 million at the end of 2021, compared to NOK 37,687 million at the end of 2020. During 2021, aircraft presented at the end of 2020 as disposal group assets classified for sale of NOK 30,377 million, has been disposed.

Trade and other receivables amounted to NOK 2,153 million at the end of 2021, compared to NOK 4,579 million at the end of 2020. The decrease from last year is primarily explained by cram down of



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



receivables as part of the reconstruction process.

Cash and cash equivalents amounted to NOK 7,695 million at the end of 2021, corresponding to an increase of NOK 5,028 million from year-end 2020.

Total non-current liabilities were NOK 9,488 million at the end of 2021, compared to NOK 2,679 million at the end of 2020. Per year-end 2020, the majority of the Company's debt was reclassified to current liabilities due to the breach of covenants.

Non-current debt amounted to NOK 8,416 million per the end of 2021, of which NOK 2,525 million related to the zero coupon Retained claims bond.

The decrease in provision for periodic maintenance to NOK 805 million at the end of 2021 from NOK 1,599 million at the end of 2020, is primarily due to the cram down of maintenance accrual in the second quarter of 2021 as a result of the financial restructuring in May 2021. The decrease in deferred tax from NOK 650 million at the end of 2020 to NOK 60 million at the end of 2021 was also a result of the financial restructuring in 2021.

Total current liabilities amounted to NOK 6,068 million at the end of 2021, a decrease from NOK 53,498 million at the end of 2020. Per year-end 2020, the majority of the Company's debt was reclassified from non-current to current due to the breach of covenants. In addition, current liabilities in 2020 included disposal group liabilities classified as held for sale of NOK 30,768 million.

Air traffic settlement liabilities were NOK 1,324 million at the end of 2021, compared to NOK 401 million at the end of 2020.

The decrease in borrowings of NOK 8,587 million from year-end 2020 is primarily due to reclassification of debt from current as presented per year-end 2020, to non-current liabilities per year-end 2021.

Trade and other payables were NOK 3,783 million at the end of 2021, compared with NOK 10,329 million at the end of 2020, where the decrease is primarily explained by cram down effects from the financial restructuring.

CAPITAL STRUCTURE

Equity at the end of 2021 was positive NOK 3,270 million compared to negative NOK 6,624 million at the end of 2020.

The financial restructuring completed in May 2021 increased total equity by NOK 13,723 million.

All issued shares in the parent Company are fully paid with a par value of NOK 0.1 per share. There is only one class of shares, and all shares have equal rights. The Group's articles of association have no limitations regarding the trading of Norwegian Air Shuttle ASA's shares on the Oslo Stock exchange.

Net interest-bearing debt at the end of 2021 was NOK 1,683 million, compared to NOK 40,222 million at the end of 2020. Included in net-interest bearing debt is the zero coupon Retained Claims Bonds of NOK 2,525 million.

At the end of 2021, the equity ratio was positive 17.4 percent compared to negative 13.4 percent at the end of 2020.

The Group's gross interest-bearing debt amounted to NOK 9,377 million at the end of 2021, a reduction of NOK 33,512 million or 78 percent, compared to the end of 2020.

Included in gross interest-bearing debt at the end of 2021 were bond issues of NOK 3,227 million, aircraft financing of NOK 803 million, lease liabilities of NOK 5,213 million and other debt of NOK 135 million.

The Company issued 888,769,130 new shares in 2021 in the financial restructuring and examinership process in May 2021, 658,945,686 shares were issued in connection with the rights issues and public offering of NOK 6,000 million. The net cash proceeds from the share issues and perpetual bond in 2021 was NOK 5,863 million.

In December 2020, the Company carried out a reverse split of the Company's shares where one hundred old shares were merged to one new share.

CASH FLOW

Cash and cash equivalents were NOK 7,695 million at the end of 2021 compared to NOK 2,667 million at the end of 2020.

Cash flow from operating activities in 2021 amounted to positive NOK 139 million compared to negative NOK 1,391 million in 2020. Air traffic settlement liabilities increased by NOK 923 million in 2021, compared to a decrease of NOK 5,705 million in 2020. Changes in inventories,

accounts receivable and accounts payable had a positive effect on cash flow by NOK 2,271 million, compared with positive NOK 8,331 million in 2020.

Cash flow from investing activities was positive NOK 223 million, compared to positive NOK 2,662 million in 2020. In 2020, the proceeds from sale of tangible assets of NOK 2,760 million consisted mainly of proceeds from the sale of ten Boeing 737-800 aircraft.

Cash flow from financing activities in 2021 was positive by NOK 4,784 million compared to negative NOK 1,628 million in 2020. Proceeds from the issuance of new shares and perpetual bond in 2021 were NOK 5,863 million in 2021, compared to NOK 328 million in 2020. Principal repayments of NOK 409 million in 2021 relate to repayment of NAS09 of NOK 250 million, repayment of NAS13 of NOK 50 million and repayment on other credit facilities of NOK 109 million. Debt servicing on lease liabilities was NOK 279 million in 2021 compared with NOK 2,351 million in 2020.

FINANCIAL RISK AND RISK MANAGEMENT

Risk management in the Norwegian Group is based on the principle that risk evaluation is an integral part of all business activities. Policies and procedures have been established to manage risk. The Group's Board of Directors reviews and evaluates the overall risk management systems and environment in the Group on a regular basis.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

The Group faces many risks and uncertainties in a global marketplace that has become increasingly volatile. The variety of economic environments and market conditions can be challenging, with the risk of Norwegian's unit cost not being low enough to shield the airline in case of weaker consumer demand and business confidence in its key markets. Price volatility may have a significant impact on the Group's results. Norwegian is also continuously exposed to the risk of counterparty default.

The Group's reported results and net assets denominated in foreign currencies are influenced by fluctuations in currency exchange rates and in particular the US dollar.

Financial risk management is carried out by a central treasury department (Group treasury), under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risk in close cooperation with the Group's operating units. The Board provides principles for overall risk management such as foreign currency risk, jet-fuel risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

INTEREST RISK

The Group is exposed to changes in the interest rate level, following the amount of interest-bearing debt. The Group's cash flow interest rate risk arises from cash and cash equivalents and floating interest rate. Floating interest rate borrowings consist of unsecured bonds, aircraft financing, loan facility and financial lease liabilities. Fixed

interest rate borrowings consist of aircraft financing guaranteed by export credits, commercial debt for aircraft and unsecured bonds. Borrowings are denominated in USD, EUR, SEK and NOK. Hence, there is an operational hedge in the composition of the debt.

FOREIGN CURRENCY RISK

A substantial part of the Group's expenses are denominated in foreign currencies. The Group's leases, aircraft borrowings, maintenance, jet-fuel and related expenses are mainly denominated in USD, and airplane operation expenses are partly denominated in EUR. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. In order to reduce currency risk, the Group has a mandate to hedge up to 100 percent of its currency exposure for the following 12 months. At the end of 2021, the Group did not have significant currency forward contracts.

PRICE RISK

Expenses for jet-fuel represent a substantial part of the Group's operating costs, and fluctuations in jet-fuel prices influence the projected cash flows. The objective of the jet-fuel price risk management policy is to safeguard against significant and sudden increases in jet-fuel prices whilst retaining access to price reductions. The Group manages jet-fuel price risk through the use of fuel derivatives. Management has a mandate to hedge up to 50 percent of its expected consumption over the next 12 months with forward contracts. At the end of 2021, the

Group did not have any fuel derivative instruments in place.

LIQUIDITY RISK

The Group monitors rolling forecasts of the liquidity reserves, cash and cash equivalents. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and evaluating the level of liquid assets required. Furthermore, these analyses are used to monitor balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

CREDIT RISK

Credit risks are managed on Group level. Credit risks arise from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to commercial customers. The Company's policy is to maintain credit sales at a minimum level and sales to consumers are settled by using credit card companies. The risks arising from receivables on credit card companies or credit card acquirers are monitored closely.

CLIMATE-RELATED RISKS

Climate-related risks include transition risks and physical risks. Transition risks refer to transition to a lower-carbon economy; physical risks refer to the impacts of climate change.

Transitioning to a lower-carbon economy may involve changes in government policies, technological development and customer demands. The speed and focus of

these changes may create financial and reputational risks.

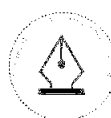
A changing climate may cause increased severity of extreme weather events. Cyclones, hurricanes and floods are acute, event-driven physical risks. Higher temperatures, sea level rise and heat waves are chronic physical risks stemming from longer-term shifts in climate patterns. Physical risks may impact financial performance directly or indirectly through supply chain disruptions. Climate-related risks are managed on Group level.

THE SHARE

Norwegian aims to deliver a competitive and attractive return to its shareholders. The Company's shares are listed on Oslo Børs (Oslo Stock Exchange) with ticker symbol NAS. The share is included in the OSEBX Benchmark Index. From March 2022, the share is also included in the OBX index which comprises the 25 most liquid companies of Oslo Børs.

The Company has one class of shares, and all shares carry equal voting rights. As of year-end 2021, the Company's share capital amounted to NOK 92,851,849.60 divided between 928,518,496 shares, each with a nominal value of NOK 0.10. During the year, 888,769,130 new shares were issued, predominantly relating to the capital raise completed in May 2021 following the successful emergence from examinership and reconstruction.

As of year-end 2021, the Company had 77,659 shareholders, whereof the 20 largest shareholders held 69.6 percent of the outstanding shares. The share had a



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

closing price of NOK 10.75 as of 31 December 2021. Dividends have not been paid out during the last three years.

CHANGES IN THE BOARD OF DIRECTORS AND GROUP MANAGEMENT

Svein Harald Øygard and Lars Boilesen were elected as new members of the Board at the Annual General Meeting 4 June 2021 with Niels Smedegaard, Vibeke Hammer Madsen and Jaan Albrecht Bindeberger stepping down. Mr Øygard was elected new Chair of the Board.

Adrian Dunne was appointed new EVP Operations in March 2021 and took over from Johan Guermann which held the position as Interim EVP Operations.

Geir Karlisen was appointed new Chief Executive Officer in June 2021.

Magnus Thome Maursund took up the position of EVP Network, Pricing & Optimisation in October 2021 with Andrew Hodges leaving the Company.

Tor-Arne Fosser, EVP Product & Digital Development, left the Management Group in April 2022. The Product & Digital Development business area will be consolidated within Network, Pricing & Optimisation and Sales, Marketing and Customer Care.

Hans-Jørgen Wibstad has been appointed new Chief Financial Officer and will take up the position in May 2022.

EVENTS AFTER 31 DECEMBER 2021

On 11 January 2022, Norwegian reported the Post-Conversion Report from the Overseer, confirming that the Structured Sale Process (including the distribution of proceeds thereof) and the distribution of No-Sale Conversion Shares to the relevant Creditors have been completed in accordance with the terms set out in these Dividend Claim Terms.

On 16 February 2022, Norwegian announced the conversion of New Capital Perpetual bonds whereby new share capital was registered. The Company received conversion notices from bondholders representing NOK 4,000,000 Early Conversion Bonds, which pursuant to standard terms set out in the bond terms are convertible into 425,985 new shares in the Company.

On 28 February 2022, Norwegian announced it has entered into agreements with AerCap to lease aircraft, of which ten are new Boeing 737 MAX 8, to be delivered in the first half of 2023. Norwegian has a long-standing relationship with AerCap, the world's largest aviation leasing company. The signed lease agreements also include eight Boeing 737-800 NG, which are part of the 70 aircraft fleet operational for the summer 2022 season. With these additions, Norwegian will have a total fleet of 80 aircraft by the summer of 2023.

On 28 February 2022, announced that a total of 107,051 shares were purchased on behalf of employees in Norwegian Air Shuttle participating in the Company's Employee Share Savings Plan. The average purchase price was NOK 11.02 per share.

On 08 March 2022, Norwegian announced the conversion of New Capital Perpetual bonds whereby new share capital was registered. The Company received conversion notices from bondholders representing NOK 2,000,000 Early Conversion Bonds, which pursuant to standard terms set out in the bond terms are convertible into 212,992 new shares in the Company.

On 23 March 2022, Norwegian was contemplating a buy-back of the zero-coupon senior unsecured NOK 3,758,929,711 bond issue maturing 30.09.2026 (Retained Claims Bonds with ISIN NO0010996457).

On 30 March 2022, Norwegian announced that the "Reverse Dutch Auction" closed on 29 March and the Company has decided to accept all offers up to and including a price of 66 percent of par value (the "Buy-Back Price"). The Company confirmed to buy back bonds with a total nominal value of NOK 44,611,470 by paying the Buy-Back Price. Cash settlement for the repurchase is expected to occur on Tuesday, 5 April 2022. Following the buy-back, the Company holds zero-coupon Retained Claims Bonds (ISIN: NO0010996457) for a total nominal amount of NOK 44,611,470. The acquired bonds will be cancelled following settlement.

On 22 April 2022, Norwegian published listing prospectus to list Norwegian Air Shuttle ASA FRN perpetual subordinated convertible bonds with ISIN NO 0011157331 and NO 0011157356 (jointly, the "New Capital Perpetual PIK Bonds"), and (ii) Norwegian Air Shuttle ASA zero coupon senior unsecured NOK 3,758,932,275

bonds 2021/2026 with ISIN NO 0010996457 (the "Retained Claims Bonds").

There have been no other material events subsequent to the reporting period that might have a significant effect on the consolidated financial statements for 2021.

GOING CONCERN

In 2021, the Group successfully exited the examinership and reconstruction process, and the basis for continuing as a going concern was secured/fulfilled through debt extinguishment and capital injection. Necessary additional working capital was obtained mainly through share offerings including the Rights issue, an additional private placement and the issue of perpetual bonds, raising gross proceeds of NOK 6 billion.

In February 2022, Russia announced a military invasion of Ukraine. Strict sanctions have been imposed against Russia by the United States, the EU and other countries. Following the invasion, international capital markets have seen increased volatility and the oil price has spiked, which in turn has resulted in increased fuel costs for the Company. The consequences of the acts of war on the Group's operations and financial results are uncertain but does not affect the going concern assumption.

Although several countries are currently easing up on restrictions relating to COVID-19, there is still uncertainty regarding the future development of infection rates, virus variants and the potential implementation of new restrictions. The impact these factors may have on the Group's operations



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



and financial results are uncertain but does not affect the going concern assumption.

Uncertainties in relation to the public and political debate regarding the negative climate impacts of air travel is not regarded as a threat to the going concern assumption.

PARENT COMPANY RESULTS AND DISTRIBUTION OF FUNDS

Norwegian Air Shuttle ASA ("NAS") is the parent company in the Norwegian Group. Net profit for the parent company Norwegian Air Shuttle ASA was NOK 12,994 million in 2021, compared with a net loss of NOK 33,851 million in 2020. Total assets at the end of 2021 amounted to NOK 17,655 million, compared to NOK 12,296 million in 2020 and equity amounted to positive NOK 11,550 million at the end of 2021 as compared to negative NOK 9,337 million at the end of 2020. In accordance with the Company's Corporate Governance policy, the Board recommends the following distribution of funds:

(NOK million)	
Dividend	0
Transferred to equity	12,994
Total allocated	12,994

CORPORATE RESPONSIBILITY

Norwegian strives to be a good corporate citizen in every area of its operation. The Company is committed to operate in accordance with responsible, ethical, sustainable and sound business principles, that respects people and environment.

The requirements of the Norwegian Accounting Act § 3-3c for reporting on Corporate Social Responsibility activities, have been covered in the separate report of Corporate Responsibility at Norwegian, presented in a separate section of the annual report and available on the Group's website www.norwegian.com. The Corporate Responsibility Report also includes reporting on health, safety, the environment, equality and non-discrimination, as required by the Accounting Act § 3-3.

OTHER REPORTING REQUIREMENTS

Norwegian Air Shuttle ASA and subsidiaries are covered by Directors and Officers liability insurance. The insurance indemnifies directors and officers for defence costs and potential legal liability arising out of claims made against them while serving on a board of directors and or as an officer.

CORPORATE GOVERNANCE

Good corporate governance is a priority for the Board of Directors. Norwegian's objective for corporate governance is based on accountability, transparency, fairness and simplicity with the ultimate goal of maximizing shareholder value while creating added value for all stakeholders. The principles are designed in compliance with laws, regulations and ethical standards. Norwegian's core values are innovation, teamwork and simplicity, but no business conduct within the Group should under any circumstances jeopardize safety and quality.

Norwegian is subject to the annual corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, cf. section 7 on Oslo Børs' continuing obligations of listed companies. The Accounting Act may be found (in Norwegian) at www.lovdatta.no. The Norwegian Code of Practice for Corporate Governance ("the code"), which was last revised on 14 October 2021, may be found at www.nues.no.

The annual corporate governance statement is approved by the Board of Directors and is pursuant to Section 5-6 of the Public Limited Companies Act, subject to approval by the Annual General Meeting. Norwegian has adapted to the code and subsequent amendments in all areas.

The annual statement on how Norwegian complies with the Code of Practice and the Norwegian Accounting Act's requirements for corporate governance is included in a separate section of the annual report and available on the Group's website www.norwegian.com.

OUTLOOK

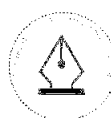
The outlook for Norwegian going forward is encouraging. The Company has a leading position in the Nordic travel market, operating short-haul flights within the Nordics and from the Nordics to Continental Europe, routes with proven historic profitability. The positive financial and business transformation underwent in 2021 puts the Company on strong footing to benefit from the upcoming demand return for leisure travel.

Following the spread of the COVID-19 omicron virus variant and the re-introduction of travel restrictions, Norwegian reduced the flying schedule for the first months of 2022. From February and March, travel restrictions in key markets were significantly reduced, resulting in a marked increase in passenger travel and bookings. There is strong pent-up demand travel, especially to beach destinations ahead of the busy summer holiday season. To meet this demand, Norwegian are increasing the fleet to a total of 70 aircraft, serving a network of above 270 routes. For 2022, Norwegian is targeting a production of 28,000 million ASK, an increase of 200 percent from 2021. Ahead of the summer 2023 season, an additional 10 brand-new and fuel-efficient aircraft have been sourced, bringing next year's fleet to 80 aircraft.

The start of 2022 has seen rapidly increasing fuel price and high price volatility. While higher cost for aviation fuel is partially offset by increased fares, a continued high fuel price is expected to partly offset the Company's positive recovery.

The successfully completion of the Company's financial transformation enables Norwegian to focus our core principles – the offering of value travel and excellent service to our customers. Norwegian's strong brand is strengthening across key markets, supported by the award-winning Reward program with over 4.2 million members across the Nordics.

Norwegian's winning formula is the combination of a competitive cost position and strong customer value offering.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Seasonal flexibility, partially enabled by power-by-the-hour lease agreements, enables the Company to protect its financial position while adapting to market conditions. The addition of new, modern aircraft will further improve the Company's cost position through scale effects and reduced fuel burn. The addition of new fuel-efficient aircraft aligns with

Norwegian's proud history of implementing the latest sustainable solutions to reduce emissions. Going forward, the use of innovative technology and modern aircraft provides a strong foundation that enables Norwegian to reach its sustainability goals.

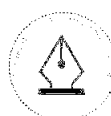


This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



FINANCIAL STATEMENTS



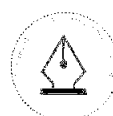
This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



CONSOLIDATED FINANCIAL STATEMENTS 2021

CONSOLIDATED INCOME STATEMENT 1.1 – 31.12		Note	2021	2020	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 1.1 – 31.12		Note	2021	2020
			NOK million					NOK million	
Passenger revenue			3,911.8	6,455.3	Net profit (loss)			1,870.5	(23,039.8)
Ancillary passenger revenue			941.5	1,535.1	Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Freight			14.8	158.8	Exchange rate differences on translation of foreign operations	15	(223.4)	(979.4)	
Other revenue			199.7	946.4	Exchange rate differences on disposal of foreign operations		370.5	-	2.0
Total operating revenue	4	6, 7, 17, 18	5,067.8	9,095.7	Share of other comprehensive income of associated companies		-	-	5.5
Personnel expenses			2,084.9	2,921.2	Exchange rate differences attributable to non-controlling interests		147.1	(972.0)	
Aviation fuel			1,413.8	2,006.7	Net comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Airport and ATC charges			820.1	772.5	Actuarial gains (losses)	18	14.1	(42.0)	
Handling charges			757.0	1,392.2	Net comprehensive income that will not be reclassified		14.1	(42.0)	
Technical maintenance expenses			855.5	1,791.8	Total comprehensive income for the period		2,031.7	(24,053.8)	
Other operating expenses			1,990.2	1,961.9	Total comprehensive income attributable to:				
Other losses/(gains) - net	5, 7A		(737.5)	3,004.7	Equity holders of the Company		2,031.7	(24,070.3)	
Total opex excl lease and depreciation	20A		6,583.9	13,850.9	Non-controlling interests		-	16.6	
Operating profit excl lease, depreciation and amortization (EBITDAR)			(1,516.0)	(4,755.2)					
Aircraft lease, depreciation and amortization	1, 10, 11		1,270.0	6,197.5					
Impairment assets held for sale	1, 10, 11		-	12,815.7					
Operating profit (EBIT)			(2,786.0)	(23,768.4)					
Interest income			13.7	68.2					
Interest expense			(682.3)	(2,690.7)					
Other financial income (expense)	8		5,330.5	4,265.7					
Net financial items			4,662.0	1,643.2					
Profit (loss) from associated companies	25		-	(7.8)					
Profit (loss) before tax (EBT)			1,876.0	(22,133.0)					
Income tax expense (income)	9		5.5	906.8					
Net profit (loss)			1,870.5	(23,039.8)					
Basic earnings per share	16		3.5	(1,022.1)					
Diluted earnings per share	16		2.7	(1,022.1)					
Profits attributable to:									
Owners of the Company			1,870.5	(23,050.9)					
Non-controlling interests			-	11.1					



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

NOK million	Note	2021	2020	NOK million	Note	2021	2020
ASSETS							
Intangible assets	10	180.2	200.9	EQUITY AND LIABILITIES			
Deferred tax asset	9	1,890.4	1,966.2	Share capital	15	92.9	397.5
Aircraft, parts and installations on leased aircraft	11	1,020.7	6,129.6	Share premium	15	25,424.3	18,805.1
Right-of-use aircraft, parts and installations	12	5,152.6	2,791.4	Other paid-in equity	15	714.4	155.8
Equipment and fixtures	11	135.6	163.2	Perpetual bonds	15	1,808.0	787.7
Buildings	11	246.7	252.4	Other reserves	15	259.9	112.8
Right-of-use buildings	12	212.0	216.6	Retained earnings		(25,029.8)	(26,882.7)
Financial assets available for sale	20	3.7	3.7	Shareholders' equity		3,269.6	(6,623.9)
Investment in associate	25	-	80.4	Total equity		3,269.6	(6,623.9)
Other receivables	13	119.5	62.6				
Total non-current assets		8,981.3	11,867.1	Pension obligation	18	206.2	227.8
Assets included in disposal group classified as held for sale	11	-	30,377.1	Provision for periodic maintenance	19	805.3	1,598.8
Inventory	14	16.3	64.1	Other non-current liabilities	19	-	13.9
Trade and other receivables	13	2,152.9	4,578.8	Deferred tax	9	59.9	650.0
Cash and cash equivalents	24	7,694.8	2,666.9	Borrowings	22	3,981.6	-
Total current assets		9,884.1	37,686.9	Lease liabilities	20	4,434.8	185.7
				Derivative financial instruments	3, 20	-	3.2
TOTAL ASSETS		18,825.4	49,554.0	Total non-current liabilities		9,487.7	2,679.4
				Liabilities included in disposal group classified as held for sale	22	-	30,767.8
				Borrowings	22	183.1	8,769.9
				Lease liabilities	20	777.9	3,165.4
				Trade and other payables	21	3,782.6	10,328.8
				Air traffic settlement liabilities	21A	1,324.2	401.5
				Derivative financial instruments	3, 20	-	49.2
				Tax payable		0.2	15.8
				Total current liabilities		6,068.0	53,498.4
				Total liabilities		15,555.8	56,177.9
				TOTAL EQUITY AND LIABILITIES		18,825.4	49,554.0



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

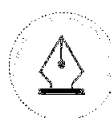


CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 1.1 – 31.12

NOK million

	Share Capital*	Share Premium*	Other paid-in equity	Perpetual bonds	Other reserves*	Retained earnings	Shareholders' equity	Non-controlling interest	Total equity
Equity at 1 January 2020	16.3	6,664.1	149.2	-	1,085.5	(3,814.0)	4,101.1	23.8	4,124.9
Profit for the year	-	-	-	-	-	(23,050.9)	(23,050.9)	11.1	(23,039.8)
Actuarial gains and losses	-	-	-	-	-	(42.0)	(42.0)	-	(42.0)
Exchange rate differences on translation of foreign operations	-	-	-	-	(979.4)	-	(979.4)	5.5	(974.0)
Share of other comprehensive income of associated companies	-	-	-	-	2.0	-	2.0	-	2.0
Total comprehensive income 2020	-	-	-	-	(977.4)	(23,092.9)	(24,070.3)	16.6	(24,053.8)
Share issue	381.2	12,141.0	-	(1,006.2)	-	-	11,516.1	-	11,516.1
Transactions with non-controlling interests	-	-	-	-	4.6	24.2	28.9	(40.4)	(11.5)
Perpetual bond issue	-	-	-	1,793.8	-	-	1,793.8	-	1,793.8
Equity changes on employee options	-	-	6.6	-	-	-	6.6	-	6.6
Transactions with owners	381.2	12,141.0	6.6	787.7	4.6	24.2	13,345.4	(40.4)	13,305.0
Equity at 31 December 2020	397.5	18,805.1	155.8	787.7	112.8	(26,882.7)	(6,623.9)	-	(6,623.9)
Profit for the year	-	-	-	-	-	1,870.5	1,870.5	-	1,870.5
Actuarial gains and losses	-	-	-	-	-	14.1	14.1	-	14.1
Exchange rate differences on translation of foreign operations	-	-	-	-	(223.4)	-	(223.4)	-	(223.4)
Exchange rate differences on disposal of foreign operations	-	-	-	-	370.5	-	370.5	-	370.5
Total comprehensive income 2021	-	-	-	-	147.1	1,884.6	2,031.7	-	2,031.7
Share issue	66.9	4,738.2	121.3	(854.7)	-	-	4,071.7	-	4,071.7
Convertible dividend claim issue	22.0	1,881.0	30.6	-	-	-	1,933.6	-	1,933.6
Capital decrease	(393.5)	-	393.5	-	-	-	-	-	-
Perpetual bonds issue	-	-	-	1,843.3	-	-	1,843.3	-	1,843.3
Payment-in-kind interest	-	-	-	31.8	-	(31.8)	-	-	-
Equity changes on employee options	-	-	13.2	-	-	-	13.2	-	13.2
Transactions with owners	(304.6)	6,619.2	558.6	1,020.4	-	(31.8)	7,861.8	-	7,861.8
Equity at 31 December 2021	92.9	25,424.3	714.4	1,808.0	259.9	(25,029.8)	3,269.6	-	3,269.6

* See Note 15 for details on share capital, share premium and other reserves



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



CONSOLIDATED STATEMENT OF CASH FLOWS 1.1 – 31.12

NOK million	Note	2021	2020
OPERATING ACTIVITIES			
Profit (loss) before tax		1,876.0	(22,133.0)
Taxes paid	9	-	(6.6)
Depreciation, amortization and impairment	10, 11	1,133.5	6,215.2
Impairment assets held for sale	10, 11	-	12,815.7
Losses/(gains) on disposal of tangible assets	11, 20	(269.9)	930.0
Fair value losses/(gains) on financial assets	20	(49.2)	49.2
Reconstruction effects	2, 7, 1	(5,874.5)	-
Financial items	8	1,212.5	(1,643.2)
Interest received	8	13.7	68.2
Change in inventories, accounts receivable and accounts payable		2,270.9	8,330.9
Change in air traffic settlement liabilities		922.7	(5,705.0)
Change in other current assets and current liabilities		(1,096.7)	(312.4)
Net cash flow from operating activities		139.1	(1,390.9)
INVESTING ACTIVITIES			
Purchase of tangible assets	11	(6.1)	(14.7)
Purchase of intangible assets	10	(8.7)	(17.7)
Proceeds from sales of assets	10, 11	237.5	2,774.9
Net investment in associated companies	25	-	(80.4)
Net cash flow from investing activities		222.6	2,662.1
FINANCING ACTIVITIES			
Proceeds from new loans	22	-	3,290.5
Principal repayments	22	(408.7)	(2,480.2)
Principal element of lease payments	12, 22	(52.0)	(878.8)
Interest on borrowings and financing costs	8	(13.3)	(415.0)
Interest element of lease payments		(226.8)	(1,472.4)
Paid dividend to creditors		(377.7)	-
Proceeds from issuing new shares	15, 2, 7, 1	5,862.9	328.4
Net cash flow from financial activities		4,784.4	(1,627.5)
Foreign exchange effect on cash		(118.2)	(72.3)
Net change in cash and cash equivalents		5,027.9	(428.7)
Cash and cash equivalents at 1 January		2,666.9	3,095.6
Cash and cash equivalents at 31 December	24	7,694.8	2,666.9



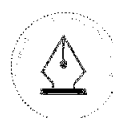
This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 General information Norwegian Air Shuttle ASA and its subsidiaries ('Norwegian', 'the Group' or 'the Company') are a low-cost airline incorporated in Norway and headquartered at Fornebu outside of Oslo. Norwegian Air Shuttle ASA is a public limited liability company and listed on the Oslo Stock Exchange. The consolidated financial statements of Norwegian Air Shuttle ASA for the year ended 31 December 2021 were authorized for issue by the Board of Directors on 28 April 2022. The annual general meeting, to be held 25 May 2022, has the power to amend and reissue the financial statements.	greater degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below. See paragraph 1.2.3. The financial statements have been prepared on the going concern basis. Details on going concern are provided in Note 2.8. <i>New standards, amendments and interpretations that are adopted</i> No changes in IFRS effective for the 2021 financial statements have had material impact this financial year, nor are any material changes expected.	23 in the parent company financial statements. The acquisition method is applied when accounting for business combinations. Companies acquired or sold during the year are included in the consolidated financial statements from the date when control was achieved until the date when control ceased.	controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement. All intra-Group balances, transactions and unrealized gains and losses on transactions between Group companies are eliminated.
1.2 Basis of preparation The consolidated financial statements of Norwegian Air Shuttle ASA have been prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRIC interpretations, as adopted by the EU. The consolidated financial statements are prepared on the historical cost basis, with some exceptions, as detailed in the accounting policies set out below. In order to prepare financial statements in conformity with IFRS, it is necessary to apply certain critical accounting estimates. It also requires the Management to exercise its judgment when applying the Group's accounting policies. Areas involving a	1.3 Basis of consolidation and equity accounting 1.3.1 Subsidiaries Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The Group's consolidated financial statements comprise Norwegian Air Shuttle ASA, and its subsidiaries, presented in Note	The consideration that is transferred for the acquisition of a subsidiary consists of the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The transferred consideration includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Acquired identifiable assets, liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interests of the acquiree either at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The excess of the consideration transferred and the amount of the non-controlling interest over the fair value of the Group's share of the identifiable net assets acquired are recorded as goodwill. If, in the case of a bargain purchase, the total of consideration transferred, non-	1.3.2 Associates Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20 percent and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting (see 1.3.4 below), after initially being recognized at cost. 1.3.3 Joint arrangements Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Interests in joint ventures are accounted for using the equity method (see 1.3.4 below), after initially being recognized at cost in the consolidated balance sheet.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

1.3.4 Equity method

The consolidated financial statements include the Group's share of the profits/losses from associates and joint ventures, accounted for using the equity method, from the date when a significant influence is achieved until the date when such influence ceases. The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of a loss exceeds the Group's investment in an investee, the amount carried in the Group's statement of financial position is reduced to zero and further losses are not recognized unless the Group has an obligation to cover any such losses. Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3.5 Changes in ownership

The Group considers transactions with non-controlling interests that do not result in loss of control, as transactions with equity owners of the Group. Any difference between considerations paid and the relevant share acquired from the carrying value of net assets are recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. The fair value becomes the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts of retained interest in the entity is remeasured to its fair value at the date when control ceases, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate. Dilution gains and losses arising from investments in associates are recognized in the income statement.

1.3.6 Other investments

All other investments are recognized in accordance with IFRS 9. Financial

Instruments, and additional information are provided in Note 20.

1.4 Foreign currency translation

The Group's presentation currency is Norwegian Krone (NOK). Norwegian Air Shuttle ASA's functional currency is NOK. Each entity of the Group determines its own functional currency and items that are included in the entities' financial statements are measured in that functional currency. For consolidation purposes, the results and financial position of all the Group's entities that have a functional currency other than NOK are translated to the closing rate at the reporting date of each month. Income and expenses for each income statement are translated to the average exchange rate for the period, this being a reasonable approximation for estimating actual rate. Exchange differences are recognized in comprehensive income and specified separately in equity.

Transactions in foreign currencies are initially recorded at the functional currency rate using the exchange rates prevailing on the dates of the transactions or valuation where items are re-estimated. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency exchange rate of the reporting date. Any differences are recognized in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates of the dates of the initial transactions.

Foreign currency gains and losses on operating activities are recognized within operating profit. Foreign currency gains

and losses on financing activities are recognized within net financial items.

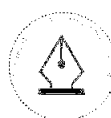
Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Any differences in exchange rates are recognized in other comprehensive income.

1.5 Tangible assets

Tangible assets including buildings are carried at historical cost, less accumulated depreciation and impairment losses. When assets are sold or disposed of, the gross carrying amount and accumulated depreciation and impairment losses are derecognized. Any gain or loss on the sale or disposal is recognized in the income statement as other losses/(gains)-net.

The gross carrying amount of non-current assets is the purchase price, including duties/taxes and direct acquisition costs relating to making the non-current asset ready for its intended use. Subsequent costs, such as repair and maintenance costs, are normally recognized in profit or loss as incurred. When increased future economic benefits are the result of verified repair and maintenance work, these costs will be recognized in the statement of financial position as additions to non-current assets. Borrowing costs are capitalized on qualifying assets.

Non-current assets are depreciated on a straight-line basis or by airborne hours and cycles over the estimated useful life of the asset beginning when the asset is ready for its intended use. Residual values, where applicable, are reviewed annually against prevailing market rates at the reporting



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

date for equivalently aged assets and depreciation rates adjusted accordingly on a prospective basis. The carrying value is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

An aircraft is recognized as one or more components for depreciation purposes in order to consider different useful lives of the aircraft components. Depreciable components are defined as maintenance components. In accordance with official requirements, the aircraft must be maintained, which means significant components must be changed after a specific number of flights or airborne hours. These components are identified as two heavy maintenance checks of the aircraft body, power restoration and life limited parts for the two engines on each aircraft, as well as maintenance on landing gears and APU. The maintenance and overhauls of these components occur on a defined interval, and the value is depreciated based on the number of take-offs or airborne hours until the next maintenance is conducted. Completed maintenance and overhaul are capitalized and depreciated until the next relevant maintenance and overhauls. The second maintenance component is defined as the remainder of the aircraft and depreciated over the estimated useful life, considered to be 25 years for the fleet in Norwegian. When estimating the future residual values at the end of the 25-year period, Norwegian reviews reports from two separate independent aircraft appraisers for each applicable aircraft type and year of build and sets the residual value to an average value of the two appraiser's reports. In cases where the Company has

contracts to cover all significant maintenance of the aircraft, the aircraft may be depreciated as one single component.

Rotable spare parts are carried as non-current assets and depreciated over their useful lives.

The Group capitalizes prepayments on the purchase contracts of aircraft. The prepayments are classified as tangible assets as presented in the statement of financial position. The prepayments include capitalized borrowing costs. At delivery of aircraft, the prepayments are included in the acquisition costs of the aircraft.

Depreciation periods and methods are assessed annually to ensure that they match the substance of non-current assets. Additional details on tangible assets are outlined in Note 11.

1.6 Intangible assets

1.6.1 Computer software
Acquired computer software licenses are capitalized based on the costs incurred to obtain and apply the specific software. These costs are amortized over their estimated useful lives.

Costs which are directly associated with the development of identifiable software products controlled by the Group, and which are estimated to generate economic benefits, are recognized as intangible assets. These costs are amortized over their estimated useful lives.

1.6.2 Goodwill and other intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the

Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Other intangible assets are related to identifiable assets from business combinations and investments in other intangible assets.

Intangible assets which are determined as having indefinite useful lives, are not amortized, but subject to annual impairment testing. The determination of indefinite useful lives is based on assessment by Management as to whether there is any foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

See Note 1.7 for details of impairment testing of non-financial assets and Note 10 for additional details on intangible assets.

1.6.3 Emission rights

Any emission rights received from the respective countries' government agencies, without the need for payment of any consideration, are recognized at their nominal amounts, which in practice means that the intangible asset are valued at zero. A provision is recognized in the balance sheet commensurate to the extent that emission rights used correspond to emission rights held. This provision is measured at the cost of the emission rights held. The provision is measured at the current market price with a corresponding cost in the statement of income commensurate to the extent emission

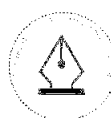
rights used exceed the amount of emission rights held.

1.7 Impairment of non-financial assets

Intangible assets with indefinite useful lives are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of impairment testing, assets are grouped at the lowest levels of separately identifiable cash flows (cash-generating units). The allocation is made to those cash-generating units that are expected to benefit from the assets. The Management has assessed the Group as one segment and the Group's total operations as its cash generating unit. The determination of cash generating units is based on how the Management operates and assesses the Group's performance, profit and cash flow. The aircraft fleet is operated as one unit, and the route portfolio is administered and diversified as one unit generating the Group's profit and cash flow, hence goodwill and other non-current assets are reallocated to the entire Group for the purpose of impairment testing.

Non-current assets other than goodwill that have suffered impairment are reviewed for a possible reversal of the impairment at



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

each reporting date. Impairment losses on goodwill are not reversed.

1.8 Financial assets

Financial assets are classified according to the following categories: as measured at amortized cost, measured at fair value through profit or loss, measured at fair value through other comprehensive income. At 31 December 2021, the Group holds financial instruments measured at amortized cost. The classification depends on the characteristics of the financial assets and the purpose for which they were acquired. The Management determines the classification of its financial assets at initial recognition.

Debt instruments that meet the following conditions are measured subsequently at amortized cost: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI): the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value

through profit or loss (FVTPL). Despite the foregoing, the Group may at initial recognition irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and the Group may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets are presented as current assets, unless maturity is greater than twelve months after the reporting date and Management intends to hold the investment longer than twelve months after the reporting date.

Regular purchases and sales of financial assets are recognized on the trade date; the date which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss, are initially recognized at fair value and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has substantially transferred all risks and rewards of ownership.

Gains or losses arising from changes in the fair value of the financial assets in the FVTPL category are presented in the income statement within other losses/ (gains) – net of the period in which they occur. Interest on securities which is

calculated using the effective interest method, is recognized in the income statement as part of other income. Dividend income from financial assets at FVTPL and FVOCI are recognized in the income statement as a part of other income respectively in the Statement of Comprehensive Income when the Group's right to receive payments is established.

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.8.1 Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortized cost or at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of

conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within twelve months after the reporting date.

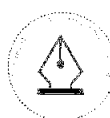
1.9 Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the transaction date and subsequently measured at their fair value. Derivatives are classified within the category 'financial assets at fair value through profit or loss' as long as the derivatives are not designated as hedging instruments for accounting purposes.

The Group has not designated any derivatives as hedging instruments for accounting purposes in 2021 or 2020.

1.10 Inventory

Inventory of spare parts are carried at the lower of acquisition cost and net realizable value. Cost is determined using the first in-first out (FIFO) method. Obsolete inventory has been fully recognized as impairment losses. Inventory is consumed during



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

maintenance and overhaul of the aircraft and is expensed when consumed.

1.11 Trade receivables

Trade receivables are amounts due from customers for services performed and goods sold in the ordinary course of business. If collection is expected in one year or less, they are classified as non-current assets. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Receivables from credit card companies are classified as trade and other receivables in the statement of financial position.

1.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand and in the bank, as well as short-term deposits with an original maturity of three months or less. Cash and cash equivalents in the statement of financial position include restricted funds from withheld employee tax, guarantees and deposits pledged as collateral to suppliers.

The group holds investments in money market funds classified as cash and cash equivalents. These funds are highly liquid and readily convertible to a known amount of cash which is subject to an insignificant risk of changes in value. Investments not meeting these criteria are classified as financial assets measured at fair value through profit and loss.

1.13 Equity

Share capital comprises the number of shares multiplied by their nominal value and are classified as equity.

Transaction costs directly attributable to an equity transaction are recognized directly in equity net of tax.

When equity instruments are issued to a creditor to extinguish all or part of an existing liability, the equity instruments are recognized initially at fair value.

The Group has issued Perpetual Bonds. The bonds are perpetual subordinated convertible bonds with no requirement for the Group to either pay instalments or interest. The holders of the bonds can only require repayment as a part of a liquidation and the conversion element is considered by itself to be an equity component. The Perpetual Bond is therefore classified as equity.

1.14 Liabilities

Financial liabilities are classified either as measured at amortized cost or as measured at fair value through profit or loss. Derivative instruments recognized as financial liabilities are being measured at fair value through profit or loss, whereas all other financial liabilities are measured at amortized cost.

Loans and other borrowings are recognized initially at fair value, net of transaction costs incurred. They are subsequently measured at amortized cost, whereas the difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. The modification of the terms is assessed both from a quantitative and qualitative view. If the modification is assessed to be an extinguishment, the difference between the carrying amount of the financial liability and the consideration paid including liabilities assumed is recognized as gain or loss. Any cost or fees incurred are recognized as part of the gain or loss.

For issued convertible debt, the Group assesses at the time of issue if the compound financial instrument contains both a liability and an equity component. If so, the fair value of the instrument as a whole is allocated to its equity and liability components. After initial recognition, the liability component is measured at amortized cost. No gain or loss is recognized upon conversion.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade payables are obligations to pay for goods or services purchased from suppliers in accordance with general course of business. Accounts payables are classified as current liabilities if payment is due within the next twelve months. Payables due after the next twelve months are classified as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

1.15 Provisions

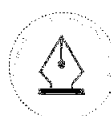
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

1.16 Employee benefits

The Group operates various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations.

1.16.1 Defined benefit plans

The cost of providing benefits under defined benefit plans is determined using the projected unit credit actuarial valuation method. The past service cost is recognized as an expense on a straight-line basis over the average period until the benefits are vested. If the benefits are already vested immediately following the introduction of or changes to a pension plan, past service cost is recognized immediately.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

The defined benefit obligation is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognized reduced by past service costs not yet recognized and the fair value of plan assets out of which the obligations are to be settled directly. If such aggregate is negative, the asset is measured at the lower of such aggregate or at the aggregate of cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

In addition, the Group participates in an early retirement plan (AFP) for all employees in Norway. The AFP pension plan is a multi-employer defined benefit plan. However, the plan is recognized in the income statement as a defined contribution plan as the plan's administrator has not allocated actuarial gains/losses to the members of the AFP pension plan at 31 December 2021.

Provisions for pension costs are detailed in Note 18.

1.16.2 Defined contribution plans

In addition to the defined benefit plan described above, the Group operates a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate entity. The Group has no legal or constructive obligations to pay further contributions should the fund not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee

benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.16.3 Share-based payments

The Group operates a number of equity-settled, share-based compensation plans under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grants of the options is recognized as an expense over the vesting period. The total amount to be expensed is determined by referring to the fair value of the options granted.

The fair value of the options to be settled in equity instruments is estimated at the grant date. The fair value is determined by an external part by applying the Black and Scholes option-pricing model. The assumptions underlying the number of options expected to vest are adjusted to reflect conditions prevailing at the reporting date. For further details see Note 17.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

1.16.4 Employee share purchase savings program

Bonus shares and employer's contribution are measured at fair value using the Black and Scholes option pricing model. Expenses for bonus shares are included in payroll expenses. The fair value of the bonus shares and the estimated employer's contribution

are distributed as expenses over the expected period until settlement. Changes in estimates affecting employer's contributions are expensed over the remaining vested period. For further details see Note 17.

1.17 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent when it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

1.17.1 Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. The tax rates and tax laws that are used to compute the amount are those which are enacted or substantively enacted at the reporting date.

1.17.2 Deferred income tax

Deferred income tax is determined by using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax

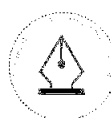
credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected in the year when the assets are realized or when the liabilities are settled, based on tax rates (and tax laws) which have been enacted, or substantively enacted, at the reporting date.

Deferred income tax assets and deferred income tax liabilities are offset to the extent that:

- the Group has a legal and enforceable right to offset the recognized amounts and;
- if deferred tax assets and tax liabilities relates to income tax from the same tax authorities and the same taxable entity in the Group, or if different taxable entities in the Group intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

Deferred income tax is provided based on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

1.18 Contingent assets and liabilities

A contingent asset is not recognized in the annual financial statements but disclosed in the notes where an inflow of economic benefits is probable.

Contingent liabilities are defined as possible obligations arising from past events the existence of which depends on future events, or for which it is improbable that they will lead to an outflow of resources, or which cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the annual financial statements, but significant contingent liabilities are disclosed in the notes to the financial statements, with the exception of contingent liabilities where the probability of the liability occurring is remote.

1.19 Revenue recognition

Revenue comprises the amounts that reflect the consideration to which the entity expects to be entitled in exchange for goods and services promised to be transferred to customers in the general course of the Group's activities. Revenue is shown net of value-added tax and discounts. The Group recognizes revenue when the performance obligations in the contract with the customer are satisfied.

Revenue from the airline business is generally associated with the performance obligation of the air transport taking place. Tickets are pre-sold up in advance of the air transport taking place. The Group receives payment at or shortly after time of sale, but such payments might be partly delayed until time of transport with any hold-back imposed by credit card acquirers for security reasons. Between time of sale and time of air transport the amounts collected from the customers, are presented as air traffic settlement liabilities. The value of the resulting air traffic settlement liabilities, less any taxes collected on behalf of authorities, represents the aggregate transaction price of performance obligations not yet satisfied.

Tickets can be purchased up to almost one year prior to the air transport taking place. The contracts with customers hence have a duration of less than one year and the corresponding air traffic settlement liabilities will always fall due within one year. Hence will also a financial year's reported revenue include the entire closing balance of the prior year's air traffic settlement liabilities.

The time between ticket sale and time of the air transport taking place is less than one year and based on materiality considerations the Group does not recognize any financing element in relation to ticket sales.

1.19.1 Passenger revenue

Passenger revenue is reported as traffic revenue when the air transport has been carried out and the performance obligations hence are satisfied. The value of sold tickets and which are still valid but not

used by the reporting date (amounts sold in excess of revenue recognized) is reported as air traffic settlement liability. This liability is reduced either when the Group or another airline completes the transportation or when the passenger requests a refund.

1.19.2 Ancillary revenue

Ancillary revenue comprises sales of ticket-related products and services, e.g. revenue from baggage sales, seating and premium upgrades. Most of the products and services do not have separate performance obligations but are associated with the performance obligation of the air transport and are hence recognized as revenue at the time of the transport. Between time of sale and time of transport such ancillary revenue items are reported as part of the air traffic settlement liability.

Amounts paid by 'no-show' customers are recognized as revenue when the booked service is provided, and performance obligations are satisfied. 'No-show' customers with low fare tickets are not entitled to change flights or seek refunds for other than taxes once a flight has departed.

1.19.3 Contract costs

Certain incremental distribution costs in relation to the pre-sale of tickets are capitalized between time of sale and time of the air transport taking place. As such distribution costs are incremental and correlated with ticket sales, experience data is collected on the size of the various elements of contract costs relative to the size of the revenue. Such experience data together with the size of air traffic settlement liabilities give basis for

capitalization and amortization of the contract costs.

1.19.4 Other revenue

Other revenue comprises third party revenue, such as lease, cargo, government support and revenue from business activities in subsidiaries which are not airlines.

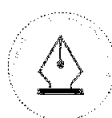
Other airline revenues are recognized when the performance obligations have been satisfied through the rendering of services.

Revenue from sales of Wi-Fi products and services comprises traffic fees. Revenue traffic fees are recognized as revenue at the time of consumption.

1.19.5 Customer loyalty program – Norwegian Reward

The Group runs a loyalty program: Norwegian Reward. Reward members earn the digital currency "CashPoints". The program enables members to earn CashPoints as they fly with Norwegian, use the Bank Norwegian credit card and from making purchases of goods and services from more than 50 Reward partners. CashPoints can be used as full or partial payment for goods or services offered by the Group.

CashPoints are considered as a separate element of a sale with multiple elements. The portion of the price allocated to Cash Points is based on the stand-alone selling price. Revenue allocated to accrued cash points is deferred and recognized as a contract liability, taking into consideration estimated redemption rate. The contract liability is included in the line-item Trade and other payables in the consolidated statement of financial position. The



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

CashPoint liability is derecognized and recognized as revenue when the points are redeemed or expire.

Revenue and costs from issuing CashPoints to external partners in the loyalty program Reward are presented on a net basis.

1.20 Leasing

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether the contract involves the use of an identified asset. The asset is not identified if the lessor has a substantive substitution right. The Group assesses further whether it has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period and whether it has the right to direct the use of the asset.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases, except for aircraft leases, and leases of low-value assets, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.20.1 Measurement and presentation of right-of-use assets and lease liabilities

As a lessee, the Group leases many assets including aircraft, aircraft spare parts, facilities and other equipment.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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 interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain

adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs.

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. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will

exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

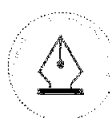
Obligations for costs to restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

The Group presents right-of-use assets from aircraft and aircraft spare parts leases in 'Right-of-use aircraft, parts and installations' in the consolidated statement of financial position. Right-of-use assets from facility and equipment leases are presented as 'Right-of-use buildings' and 'Right-of-use equipment', respectively. Interest expense on the lease liability is presented as 'Interest expense' in the consolidated income statement. Depreciation of the right-of-use assets is presented under 'Aircraft lease, depreciation and amortization'.

For aircraft sale-leaseback transactions, the ROU asset is measured at the portion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. Gain or loss is recognized for the amount that relates to the rights transferred to the buyer-lessor.

1.21 Segment reporting

Operating segments are reported in a manner consistent with the internal



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing the performance of the operating segments. The chief operating decision maker has been identified as the Executive Management. The Group has one operating segment, which is low-cost air passenger travel. See Note 4 for further details.

1.22 Events after the reporting date

New information regarding the Group's positions at the reporting date is taken into account in the preparation of the annual financial statements. Events occurring after the reporting date which do not affect the Group's position at the reporting date, but which will affect the Group's position in the future, are disclosed if significant.

1.23 Critical accounting estimates and judgments

In preparing the consolidated financial statements, the Management is required to assess judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. The critical judgments and key sources of estimation uncertainty that have been made in preparing the consolidated financial statements are detailed below. These judgments involve assumptions or estimates in light of future events that can differentiate from what is expected.

The aircraft held under lease agreements are subject to specific redelivery conditions stated in the contracts as well as periodic maintenance programs as defined

by the aircraft and engines manufacturers. To meet these requirements, the Group must conduct maintenance, both regularly and at the expiration of the leasing period. Provisions are made based on the estimated costs of overhauls and maintenance. In order to estimate these conditions, the Management must make assumptions regarding expected maintenance costs. Description of maintenance cost estimates are described in Note 19.

Non-current assets are depreciated on a straight-line basis or by airborne hours and cycles over the estimated useful lives, taking expected residual value into consideration. An aircraft is separated into several components for depreciation purposes in order to consider different useful lives of the aircraft components, in accordance with official requirements. The depreciation period and method are assessed annually to ensure that they reconcile with the substance of the non-current asset, and the residual value is estimated at each year-end. The assessments require Management to make assumptions regarding expected useful lives and residual values.

Deferred tax assets are recognized for all unused tax losses to the extent that taxable profits are probable. Deferred tax liabilities are recognized when an obligation has been incurred. Significant management judgment is required to determine the amounts of deferred tax assets that can be recognized, based on the anticipated timing and level of future taxable profits

together with future tax planning strategies. Deferred tax liabilities that have been incurred are based on the best estimate of the likely obligation at each reporting period. These estimates are subject to revision based on the outcome of tax audits and discussions with authorities that can take several years to conclude. See Notes 9 and 27 for further details of tax positions.

The COVID-19 effects on the airline industry and the Company's level of operation is evaluated as an impairment indicator, and an impairment testing has been performed for the Company's non-current assets. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. See Note 11 for further details.

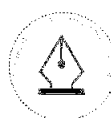
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group would have to pay, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional

currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's standalone credit rating).

In connection with the Examiner's and Reconstruction processes, all owned but four aircraft were returned to the financing parties. 16 previously owned aircraft were subsequently leased back to the Group. The abandonment and leasing of aircraft previously owned by the Group in connection with the Examiner's are assessed by management to be closely related transactions which are to be treated as sale-leaseback transactions.

In calculating the proportion of the carrying amount of the aircraft retained by the Group, management estimated the fair value of the aircraft sold based on external valuations. The consideration received for the abandoned aircraft was the extinguished debt related to the aircraft. The fair value of the consideration was assessed to be the book value of the extinguished debt to the creditors.

In the measurement of the new lease liabilities for the aircraft on sale-leaseback, management estimated the expected utilization of those aircraft during the PBH-period. Lease payments expected to exceed the minimum lease payments during the PBH-period are included in the measurement of the lease liabilities



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

NOTE 2: FINANCIAL RISK

The Group's activities expose it to a variety of financial risks; market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall financial risk management program focuses on changes and fluctuations in financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain financial risk exposures.

Financial risk management is carried out by a central treasury department (Group Treasury), under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risk in close co-operation with the Group's operating units. The Board provides principles for overall risk management such as foreign currency risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

2.1 Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates, jet fuel prices and interest rates which will affect the Group's income or value of its holdings of financial instruments.

2.2 Foreign exchange risk

A substantial part of the Group's expenses is denominated in foreign currencies. The Group's leases, aircraft borrowings, maintenance, jet fuel and related expenses are mainly denominated in USD, and airplane operation expenses are partly denominated in EUR. The carrying amount

of the Group's net investments in foreign entities and proceeds from these investments varies with changes in the foreign exchange rate. In order to reduce currency risk, the Group has a mandate to hedge its currency exposure for the following 12 months. Hedging can consist of forward currency contracts and flexible forwards.

2.2.1 Exchange rate risk sensitivity analysis

This analysis does not take into account correlation between currencies. Empirical studies confirm substantial diversification effect across the currencies that the Group is exposed to.

2.2.2 Effects on net currency gains (losses)

The Group is exposed to currency fluctuations on financial instruments in the statement of financial position.

If NOK had weakened by 1 percent against USD in 2021, with all other variables held constant, post-tax profit effect would have been negative by NOK 2 million (compared to negative NOK 44 million in 2020), mainly as a result of foreign exchange losses/gains on receivables, payables and cash and cash equivalents.

If NOK had weakened by 1 percent against EUR with all other variables held constant, post-tax profit effect for the year would have been negative by NOK 3 million (compared with negative NOK 6 million in 2020), mainly as a result of foreign exchange losses/gains on receivables, payables and cash and cash equivalents.

If NOK had weakened by 1 percent against GBP with all other variables held constant, post-tax profit effect for the year would have been close to zero (compared with positive NOK 2 million in 2020), mainly as a result of foreign exchange losses/gains on receivables, payables and cash and cash equivalents.

2.2.3 Effects due to foreign exchange translations on other comprehensive income

The Group has major investments in operations abroad, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations can be material, but the variances create a natural hedge against the Group's currency exposure on operating expenses. If NOK had weakened with 1 percent against USD with all other variables held constant, other comprehensive income would have been NOK 123 million higher (compared to NOK 129 million higher in 2020). If NOK had weakened with 1 percent against EUR with all other variables held constant, other comprehensive income would have been NOK 9 million lower (NOK 2 million higher in 2020).

2.3 Cash flow and fair value interest rate risk

As the Group has net interest bearing deposits, the Group's income and operating cash flows are dependent on changes in the market interest rates. The Group's cash flow interest rate risk arises from cash and cash equivalents and floating interest rate borrowings. Floating interest

rate borrowings consist of a secured bond issue and a term facility. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Fixed interest rate borrowings consist of aircraft financing. Borrowings are denominated in USD and NOK.

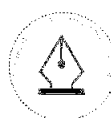
If the floating interest rate in 2021 had been 1 percent higher/lower with all other variables held constant, post-tax profit and post-tax equity effect for the year would have been NOK 8.5 million lower/higher (2020: NOK 54.5 million), mainly as a result of higher/lower interest income on floating rate cash and cash equivalents and borrowings.

The Group measures borrowings at amortized cost. No changes in fair value of fixed rate interest rate borrowings would be accounted for. Fair value calculations of fixed interest rate borrowings are detailed in Note 22.

2.4 Jet fuel prices

Expenses for jet fuel represent a substantial part of the Group's operating costs, and fluctuations in jet fuel prices influence the projected cash flows. The objective of the jet fuel price risk management policy is to safeguard against significant and sudden increases in jet fuel prices whilst retaining access to price reductions. The Group manages jet-fuel price risk using fuel derivatives. Management has a mandate to hedge zero to 50 percent of its expected consumption over the next twelve months with forward contracts.

At the end of 2021, the Group did not have any jet fuel forward contracts.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

2.5 Credit risk

Credit risk is managed on a Group-wide basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to travel agencies and commercial customers, including outstanding receivables and committed transactions. The utilization of credit limits is regularly monitored. The Group's policy is to maintain credit sales at a minimum level. Sales to private customers are settled in cash or using major credit card companies.

Credit risk related to bank defaults is closely monitored and partly offset by diversifying the Group's deposit portfolio. There is re-invoicing of maintenance costs on aircraft to leasing companies, and Norwegian regularly evaluates and assesses the value of these credits. See Note 20 for further disclosure on credit risk.

2.6 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The liquidity is affected by trading risks presented by current economic conditions in the aviation sector, particularly in relation to passenger volumes and yields and the associated profitability of individual routes. A portion of the Group's sales are paid for by the customers at the time of booking and Norwegian receive the actual payments from the credit card acquirers either at the time of sale or at the time of travel. Delayed payments from credit card companies vary

between credit card acquirers. A reduction in credit lines with credit card acquirers might have an adverse effect on the Group's liquidity. The risk arising from receivables on credit card companies or credit card acquirers are monitored closely.

The Board of Directors has imposed an internal liquidity target which is closely monitored by the Management. Management monitors rolling forecasts of the Group's liquidity reserve, cash and cash equivalents (see Note 24) on the basis of expected cash flow. The Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to monitor liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The projected cash flows are based on a detailed plan that covers a period for at least twelve months after the date of approval of these financial statements. In developing these forecasts, estimates and judgement are made to project revenue, costs and availability of different financing sources. Assessments are made of potential adverse effects from events outside the Group's control.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



The table below analyses the maturity profile of the Group's financial liabilities at the reporting date. The amounts disclosed are the contractual undiscounted cash flows:

NOK million	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
At 31 December 2021					
Borrowings	181.1	220.2	233.8	4,297.4	458.2
Trade and other payables	3,782.6	-	-	-	-
Lease liabilities	1,000.2	1,164.9	1,092.2	1,752.4	1,072.5
Calculated interest on borrowings	34.4	46.3	39.8	58.7	35.3
Total financial liabilities	4,998.4	1,431.4	1,365.8	6,108.5	1,566.0
NOK million					
At 31 December 2020					
Borrowings	26,085.2	-	-	-	-
Derivative contracts - payments	49.2	-	-	3.2	-
Trade and other payables	10,328.8	-	-	-	-
Lease liabilities	23,067.2	35.7	35.7	67.4	111.6
Total financial liabilities	59,530.4	35.7	35.7	70.6	111.6

2.7 Capital risk management

The Group's capital management policy is to have a capital structure which meets the demands of operations, reduces cost of capital and complies with financial covenants and future investments planned by the Group. The Group will adjust debt and equity to maintain and secure an optimal capital structure by continuously monitoring the total equity level and the equity ratio of the Group. This ratio is calculated as equity divided by total assets as presented in the consolidated statement of financial position and consolidated statement of changes in equity.

The equity ratios at 31 December were as follows:

(NOK million)	2021	2020
Equity	3,289.6	(6,623.9)
Total assets	18,825.4	49,554.0
Equity ratio	17.4 %	-13.4 %

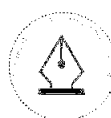
2.7.1 Financial restructuring

The Company successfully completed the restructuring process in May 2021. In total, the restructuring improved equity by NOK 13,723 million. The total effect on total comprehensive income was NOK 5,875 million, of which NOK 534 million relates to historical currency translation effects from subsidiaries derecognized in 2021, reclassified from other comprehensive income to profit and loss.

The impact to share and paid-in capital and the income (loss) following the financial restructuring in May 2021 are presented in the table below.

NOK million	Footnotes	Share and paid in capital	Income (loss)
Bonds	1	41.9	385.4
Trade and other payables and related receivables	2	0.0	4,043.8
Aircraft and related liabilities	3	0.0	1,586.3
Borrowings, Perpetual and Retained claims bond	4	1,843.3	866.8
Private placement/Rights issue	5	4,029.7	0.0
Dividend claim	6	1,933.6	(1,762.8)
Cash dividend	6	0.0	(439.5)
Liquidated companies	7	0.0	1,194.5
Total		7,848.5	5,874.5

- 1) Bonds: These amounts reflect the net effect of the extinguishment of unsecured Bond debt issued prior to 18 November 2020 (NAS07, NAS08 and the US convertible) and the issue of the new Bond NAS13. The effect is a net reduction in debt with a corresponding increase in equity through Income. The portion recognized as increase in Share and paid in capital reflects the conversion of zero-coupon perpetual bonds with floor protection from debt to equity during the first half year in 2021.
- 2) Trade and other payables and related receivables: These amounts reflect the extinguishment of vendor debt and related receivables from the same vendors, from the period before 18 November 2020. The effect is a reduction in net debt and increase in other equity through Income.
- 3) Aircraft and related liabilities: This amount reflect the net effect of replacing old lease contracts with new for 31 aircraft, reduced maintenance obligations, sale-back of 16 aircraft and redelivery of 83 aircraft included in disposal group at year end 2020. The net effect is a reduction in net liabilities with a corresponding increase in other equity through Income.
- 4) Borrowings, Perpetual and Retained Claim Bond: These amounts reflect extinguishment of the unsecured part of loan with state guarantee and other borrowings, the issue of the new Perpetual Bond classified as equity and the related



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

Retained Claim Bond. The effect is a net reduction in outstanding debt with a corresponding increase in share and paid in capital with NOK 1,843 million and other equity through Income of NOK 867 million.

- 5) Private placement/Rights issue: This amount reflects the net proceeds from share issue in the private placement and the rights issue in May 2021.
- 6) Dividend claim: Reflects the issue of the Dividend Claim with conversion rights, followed by conversion of dividend claim to shares. The Dividend Claim was granted to unsecured creditors, that did not participate in the rights issue or new capital perpetual bond issue, as a 4% compensation for extinguished debt in addition to the Cash Dividend. The effect is an increase in debt with NOK 2 million, and an increase in Share and paid in capital with NOK 1,934 million representing the value of the conversion element and a net corresponding effect on other equity of negative NOK 1,763 million that has to be assessed together with the effect related to Trade and other payables and related receivables. Cash dividend. This amount reflects the cash dividend payable to unsecured creditors, that did not participate in the rights issue or new capital perpetual bond issue, as compensation for extinguished debt.
- 7) Liquidated companies: This amount reflect the impact on equity from derecognition of disposed/liquidated subsidiaries. The effect is a gain on derecognition of negative equity with NOK 1,195 million and a transfer of accumulated negative currency translation differences with NOK 534 million from OCI to Income. Net impact reflected in Income is NOK 661 million.

2.8 Going concern

In 2021, the Group successfully exited the examinership and reconstruction process, and the basis for continuing as a going concern was secured/fulfilled through debt extinguishment and capital injection. Necessary additional working capital was obtained mainly through share offerings including the Rights Issue, an additional private placement and the issue of perpetual bonds, raising gross proceeds of NOK 6 billion.

In February 2022, Russia announced a military invasion of Ukraine. Strict sanctions have been imposed against Russia by the United States, the EU and other countries. Following the invasion, international capital markets have seen increased volatility and the oil price has spiked, which in turn has resulted in increased fuel costs for the Company. The consequences of the acts of war on the Group's operations and financial results are uncertain but does not affect the going concern assumption.

Although several countries are currently easing up on restrictions relating to COVID-19, there is still uncertainty regarding the future development of infection rates, virus variants and the potential implementation of new restrictions. The impact these factors may have on the Group's operations and financial results are uncertain but does not affect the going concern assumption.

Uncertainties in relation to the public and political debate regarding the negative climate impacts of air travel is not regarded as a threat to the going concern assumption.

NOTE 3: FAIR VALUE ESTIMATION

Financial instruments which are measured in the statement of financial position at fair value, require disclosures of fair value measurements by the following levels of fair value measurement hierarchy:

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 Group had no financial instruments in this category at end of 2020 or 2021.

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.

Level 3

If one or more of the significant inputs are not based on observable market data, specific valuation techniques are applied.

The Group had no financial instruments measured at fair value at end of 2021.

The following table presents financial liabilities measured at fair value at 31 December 2020:

NOK million	Level 1	Level 2	Level 3	Total
Derivative financial liabilities, non-current	-	3.2	-	3.2
Derivative financial liabilities, current	-	49.2	-	49.2
Total liabilities at fair value through profit and loss	-	52.5	-	52.5

Fair value of borrowings

All borrowings per 31 December 2021 and 2020 are measured at amortized cost. The fair value of current borrowings approximates their carrying amount. The NAS13 bonds issued in 2021 are traded in an active market. Thus, their fair value is based on quoted market prices on or close to the reporting date (level 1 in fair value measurement hierarchy). The fair value



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



of other non-current borrowings in 2021 is not exclusively determined based on observable market data (level 3 in fair value measurement hierarchy). Their fair value is based on cash flows which are discounted using rates listed in Note 22.

The maturity profile of borrowings is presented in note 2.6. The carrying amounts and fair values of the non-current borrowings are as follows:

NOK million	Carrying amount		Fair value	
	2021	2020	2021	2020
Bond issue	575.0	-	415.4	-
Retained claims bonds	2,524.9	-	2,594.5	-
Term facility	134.9	-	145.1	-
Aircraft financing	802.9	-	662.3	-
Other non-current debt	2.0	-	2.0	-
Total fair value	4,039.6	-	3,819.3	-

NOTE 4: SEGMENT AND REVENUE INFORMATION

Executive Management reviews the Group's internal reporting to assess performance and allocate resources. Management has determined the operating segment based on these reports. Executive Management considers the business as one operating segment, which is low-cost air passenger travel. The Group's operating profit comes from airline-related activities and the Group's main revenue generating asset is its aircraft fleet, which is utilized across the Group's geographical segment.

Performance is measured by the Executive Management based on the operating segment's earnings before interests, tax, depreciation, amortization and aircraft lease (EBITDAR). Other information is measured in accordance with the financial statements.

The table below shows revenues from low-cost air passenger travel which is split between passenger revenue, ancillary revenue, freight revenue and other revenue. Passenger related revenue per country is based on starting point of passenger journeys. Freight related revenue is based on starting point of freight services.

NOK million	2021	2020
By activity:		
Passenger transport	3,911.8	6,455.3
Ancillary revenue	941.5	1,535.1

Freight	148	158.8
Other revenue	199.7	946.4
Total operating revenue	5,067.8	9,095.7

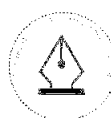
Other revenue includes governmental funds to uphold certain routes deemed part of critical infrastructure in Norway of NOK 50.5 million (2020: NOK 426.7 million).

NOK million	2021	2020
By country:		
Norway	2,487.0	3,316.3
Spain	651.1	1,218.2
Denmark	575.8	546.6
Sweden	524.2	603.3
Finland	122.0	221.8
France	104.8	256.8
UK	91.1	720.4
Italy	66.3	53.3
Greece	65.3	19.8
Germany	47.5	86.8
Other	332.7	2,052.4
Total	5,067.8	9,095.7
Total outside of Norway	2,580.8	5,779.4

NOTE 5: OTHER OPERATING EXPENSES

NOK million	2021	2020
Sales and distribution expenses	165.3	274.2
Other flight operation expenses	323.0	516.2
General and administrative expenses	901.8	1,171.5
Total other operating expenses	1,390.2	1,961.9

Other operating expenses are related to sales and distribution, the operating of systems, marketing, back office, consultants, and other costs not directly attributable to the operation of the aircraft fleet and related airline-specific costs.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



NOTE 6: PAYROLL EXPENSES AND NUMBER OF EMPLOYEES

NOK million	2021	2020
Wages and salaries	1,608.0	1,785.6
Social security tax	242.0	357.3
Pension expenses	131.8	226.2
Employee stock options	13.2	6.6
Other benefits	89.9	148.6
Hired crew personnel	-	396.9
Total	2,084.9	2,921.2

Payroll expenses include hired crew personnel. Some employees are participants in defined pension plans. See Note 18 for details.

	Man-labor years	Head count ^{*)}	Head count ^{*)}
	2021	2021	2020
Cabin Crew	638	1,375	3,450
Flight Deck Crew	330	774	1,456
Non-crew	841	1,161	1,460
Total	1,809	3,310	6,365

Norway	1,282	2,111	2,062
Spain	194	691	1,903
United Kingdom	17	15	1148
Sweden	40	48	59
Denmark	151	267	55
Italy	0	0	325
United States	1	0	469
Finland	7	29	2
France	1	0	272
Ireland	22	12	60
Latvia	94	137	11
Total	1,809	3,310	6,365

^{*)} Including head count and man-labor years related to hired crew personnel
^{**) head count at 31.12.}

NOTE 7: REMUNERATION OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Pursuant to the Norwegian Public Limited Liability Companies Act, section 6-16 a, the Board presented the following statement regarding remuneration of Norwegian's Management to the 2021 Annual General Meeting (AGM).

The nomination committee proposed an extraordinary fee for the additional workload for the members of the Board for the period from the AGM in 2020 to the AGM in 2021. This was approved by the AGM in 2021.

According to the remuneration policy, the Board may decide to deviate from the guidelines in individual cases, provided there are circumstances that make such deviations necessary to safeguard the Company's long-term interest and financial sustainability, or ensure the Company's viability.

The Company was operating in unprecedented times following the outbreak of COVID-19, and it was vital to achieve sustainable solutions and demonstrate continuance of key management to investors. The Board acknowledged the importance of motivating and retaining its Executives and securing qualified management of the Company for as long as possible and at least for the upcoming period until 20 June 2021.

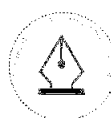
Therefore, in addition to the general terms and conditions agreed upon as part of each Executives' employment relationship, an incentive scheme in the form of retention bonus was implemented to ensure continuity in key management through the extraordinary times in the first half of 2021.

The deviation from the remuneration policy ensured stable and qualified management which contributed to secure a successful reorganisation plan seeking protection under Irish Examinership and Reconstruction in Norway.

The actual remuneration for 2021 is fully aligned with the principles of the remuneration policy. Necessary steps were taken to ensure long-term performance and ensure the Company's viability, within the framework of the remuneration policy.

Remuneration governance – directive of remuneration of the CEO and the Executive Management

The purpose of the remuneration of Executive Management in Norwegian is to stimulate a strong and lasting performance-oriented culture, enabling the Company to deliver on its strategy. The overall compensation level should be competitive compared to comparable organizations. The Board of Directors determines the remuneration of the CEO and the guidelines for remuneration of Executive Management ("Executives"). The grandfather



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

principle applies for Executives, implying that the Chair of the Board approves remuneration for Executives other than the CEO. The remuneration of the Board and the Executives must not have negative effects on the Company, nor damage the reputation of the Company. Compensation made to Executives going forward will in part be aligned with Norwegian's performance.

Principles for base salary

The fixed salary should reflect the Executive's area of responsibility and performance over time. Norwegian offers base salary levels which are competitive in the market in which the Company operates. Salaries are benchmarked against salary statistics provided by global third-party human resource organisations and related financial services consulting firms.

Short-term Incentive (STI) program

Norwegian's short-term incentive program (STI) is an incentive program with a timeframe of one year. The STI is a global incentive program designed to motivate, recognise, and reward executives for the contributions they make to enable the Company's to meet its financial and business targets. The objectives of the program are to,

- (i) clearly communicate to Executives the Company targets,
- (ii) communicate to the Executives how variable compensation is linked to the Company's performance,
- (iii) positively impact the organisation's ability to meet or exceed the Company's performance targets,
- (iv) encourage more cross-functional cooperation and a "one Norwegian mind-set", and
- (v) improve the Company's ability to attract, retain and motivate employees.

The target variable compensation for the CEO is 75 percent of the gross base salary. The maximum variable compensation is 127.5 percent of the gross base salary. The intended variable compensation scheme for 2021 was not made effective, primarily due to the financial impact of COVID-19 on the Company.

Long-term incentives program

Norwegian offers employees hired in a Scandinavian legal entity participation in a long-term incentive program (LTI) through an employee share savings plan. The objective of the LTI is to align and strengthen the interest of employees and shareholders and to remunerate for long-term commitment and value creation. Under this plan, Norwegian will match 50 percent of the employees' investment, limited up to NOK 6,000 per annum. Provided that the employee contributes NOK 12,000 annually, Norwegian's contribution will be NOK 6,000. The program has a one-year vesting period. If the shares are kept for two calendar years, the participants will be allocated bonus shares proportionate to their purchase. One bonus share will be earned for every tenth share allocated under this scheme.

Share Option Plan

The Board of Directors has established annual share option plans for Executives and other key leading employees. It is the Company's view that the granting of share purchase options through option schemes are positive for long-term value creation of the Company. The intention of this plan is to (i) attract and retain employees whose service is important to the Company's success, (ii) motivate such employees to achieve long-term goals for the Company, (iii) provide incentive compensation opportunities to such employees which are competitive with those of other companies, and (iv) to secure that such employees' financial interest is aligned with the shareholders of the Company. The Board can offer share options to Executives and other key leading employees when shareholders have given the authority through an AGM to grant schemes in accordance with the following principles:

- The exercise price per share shall be the average price of the Norwegian share, ticker NAS.OL, on trading days during the first 10 calendar days after presentation of Norwegian's second quarter financial results plus 10 percent and rounded to the nearest NOK 0.1
- 1/3 of options granted can be exercised at the earliest after 1, 2, and 3 years respectively, and the options shall expire after seven years
- In any calendar year, each employee's aggregated gross profit from exercise of options under all share option programs shall not exceed five years of accumulated gross base salary
- If an employee leaves the Company, the non-vested options will forfeit. Outstanding options exercisable at the date of such termination shall be exercisable no later than the first exercise period thereafter.

Severance pay

The notice period for the CEO and Executives is six months. The CEO severance pay is six months. Executives do not have severance pay, with the exception of the EVP Product & Digital Development and EVP Sales, Marketing & Customer Care which have six months base salary severance pay. The employee is not entitled to a severance payment in the event he or she terminates the employment. The CEO has a change of control clause in the employment contracts.

Remuneration composition

In addition to fixed and variable salary, other benefits such as insurance, newspaper, internet and telephone may be granted. The total value of these benefits should be modest and only account to a limited portion of the combined remuneration package. Principles for company car and car allowance vary in accordance with local conditions.

Executives participate in the same pension plans as other employees within the unit in which they are employed. Executives in the Norwegian entities participate in a defined contribution pension plan. The annual accrual for 2021 was five percent of the annual base salary from 1 to 7.1 G and eight percent from 7.1 to 12 G. G is the base amount of Norwegian



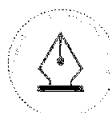
This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Social Security which in 2021 amounted to NOK 106,399. From 2022 the annual accrual is amended to five percent of the annual base salary from zero to 7.1 G and eight percent from 7.1 to 12 G. Executives do not have a retirement agreement that deviates from other employees within the unit in which they are employed.

The STI program described above was not effective for 2021, primarily due to the financial impact of COVID-19 on the Company. A retention incentive scheme was implemented to ensure continuity in Executives through the extraordinary times in the first half of 2021.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Total Compensation Year 2021

NOK 1,000	Fee ⁴⁾	Salary	Bonus ^{5,6)}	Other benefits ²⁾	Total Compensation	Pension expense ³⁾
The Board of Directors						
Niels Smedegaard, Chair of the Board (until the end of May 2021)	1,550	-	-	-	1,550	-
Svein Harald Øygard, Chair of the Board (since June 2021)	-	-	350	-	350	-
Sondre Gravr	400	-	100	-	500	-
Ingrid Elvira Leisner	575	-	100	-	675	-
Jaana Albrecht Binderberger (until the end of May 2021)	525	-	-	-	525	-
Lars Bollesen (since June 2021)	-	-	100	-	100	-
Margaret Christine Browne	400	-	100	-	500	-
Vibeke Hammer Madsen (until the end of May 2021)	400	-	-	-	400	-
Eric Holm, elected by the employees ¹⁾	150	-	-	-	150	-
Katrine Gundersen, elected by the employees ¹⁾	150	-	-	-	150	-
Geir Olav Øyen, elected by the employees (until April 2022) ¹⁾	150	-	-	-	150	-
Torslein Soland, elected by the employees (since April 2022) ¹⁾	-	-	-	-	-	-
Total board of directors	4,300	-	750	-	5,050	-
Executive Management						
Geir Karlén (Chief Executive Officer from 21.06.2021)	-	4,875	11,000	153	16,028	89
Anne-Sissel Stålvik (Executive Vice President Communications and Public Affairs)	-	2,000	1,500	159	3,659	89
Magnus Thome Mørstund (Executive Vice President Network, Pricing & Optimisation) (since October 2021) ⁸⁾	-	525	337	45	907	30
Adrian Dunne (Executive Vice President Operations) (joined August 2021) ⁸⁾	-	1,270	1,017	74	2,361	108
Christoffer Sundby (Executive Vice President Marketing, Sales & Customer Care)	-	3,000	2,250	151	5,401	89
Tor-Arne Fossler (Executive Vice President Airline Products & Digital Development) ⁷⁾	-	2,900	2,175	153	5,228	89
Knut Olav Igens Hæg (Executive Vice President IT & Business Services)	-	2,300	1,725	153	4,178	89
Guro H. Paulsen (Executive Vice President People)	-	2,000	1,500	152	3,652	89
Andrew Hodges (Executive Vice President Network, Pricing & Optimisation) (until October 2021)	-	3,075	2,306	-	5,381	242
Johan Gauermaann (Interim Executive Vice President Operations) (until September 2021)	-	1,795	1,593	-	3,388	561
Jacob Schram (Chief Executive Officer until 21.06.2021)	-	7,000	11,000	144	18,144	89
Total executive management	-	30,740	36,403	1,184	68,327	1,564

1) For the employee representatives in the Board of Directors, only their fee for serving on the Board of Directors fee is stated

2) Other benefits include company car/car allowance, insurance, telephone, internet, severance pay, etc.

3) Pension expense reflects paid pension premium

4) Directors elected by the shareholders were granted an extraordinary fee of NOK 100,000 and the chair of the board NOK 1 million

5) The shareholder elected Board members and the Chair of the Board were granted fees to buy shares in the Company. The shares cannot be sold until the shares have a value corresponding to an annual board fee, total NOK 500,000, or before resignation from the board.

6) A retention incentive scheme was implemented to ensure continuity in Executives through the extraordinary times in the first half of 2021 as described on previous pages (Note 7).

7) Tor-Arne Fossler left the Management Group in April 2022

8) Pro rata

9) Adrian Dunne received a sign on fee when he was appointed EVP COO in March 2021

No share options were exercised by the Management in 2021.



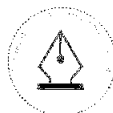
This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Total Compensation Year 2020

NOK 1,000	Fee	Salary	Bonus	Other benefits ⁴⁾	Total Compensation	Pension expense ⁵⁾
The Board of Directors						
Niels Smedegaard, Chair of the Board	500	-	-	550	1,050	-
Ingrid Elvira Leisner	450	-	-	300	750	-
Sondre Gravir	275	-	-	300	575	-
Eric Holm, elected by the employees	125	-	-	-	125	-
Gair Olav Øian, elected by the employees	125	-	-	-	125	-
Katrine Gundersen, elected by the employees	125	-	-	-	125	-
Chris Browne (elected at EGM 30 June 2020)	-	-	-	300	300	-
Jaen Albrecht Binderberger (elected at EGM 30 June 2020)	-	-	-	300	300	-
Vibeke Hammer Madsen (elected at EGM 30 June 2020)	-	-	-	300	300	-
Anton Joiner (elected at EGM 30 June 2020, resigned 10 November 2020) ⁷⁾	-	-	-	-	-	-
Christian Fredrik Stray (stepped down at EGM 30 June 2020)	400	-	-	-	400	-
Liv Bersiad (stepped down at EGM 30 June 2020)	425	-	-	-	425	-
Total board of directors	2,425	-	-	2,050	4,475	-
Executive Management						
Jacob Schram (Chief Executive Officer)	-	7,000	-	148	7,148	86
Gair Karlisen (Chief Financial Officer) ⁵⁾	-	4,500	5,000	148	9,648	86
Anne-Sissel Skårvik (Executive Vice President Communications and Public Affairs)	-	2,000	-	171	2,171	86
Guro H. Poulsen (Senior Vice President Crew Management/Executive Vice President People)	-	2,000	-	148	2,148	86
Knut Olav Hæg (Executive Vice President IT, Supply Chain & Process Improvement) (since February 2020) ⁴⁾	-	2,108	-	139	2,248	79
Andrew Hodges (Executive Vice President Airline) (since June 2020) ⁴⁾	-	1,827	-	20	1,847	155
Johan Gauermann (Interim Executive Vice President Operations) (since June 2020) ⁴⁾	-	1,395	-	-	1,395	458
Christoffer Sundby (Executive Vice President Customer) (since September 2020) ⁴⁾	-	1,000	-	49	1,049	29
Tor-Arne Fossler (Executive Vice President Airline Ecosystem) (since October 2020) ⁴⁾	-	725	-	37	762	21
Bjørn Erik Barman-Jensen (Executive Vice President Operational Development) (until January 2020) ⁴⁾	-	243	-	-	243	7
Thomas Hesthammer (Group Accountable Manager) (until January 2020) ⁴⁾	-	159	-	7	166	7
Kurt Erik Simonsen (Chief Customer & Digital Officer) (until January 2020) ⁴⁾	-	2,189	1,550	86	3,825	50
Frode Berg (Chief Legal Officer) (until May 2020) ⁴⁾	-	961	-	62	1,023	48
Tore Jensen (Chief Operating Officer/Managing Director Arctic Aviation) (until May 2020) ⁴⁾	-	1,125	-	62	1,187	48
Sarah Goldsbrough (Executive Vice President HR, HSE & Payroll) (until May 2020) ⁴⁾	-	743	-	63	806	36
Marty St. George (Interim Chief Commercial Officer) (until May 2020) ^{4) 6)}	-	4,235	-	0	4,235	-
Brede Huser (Executive V.P. Loyalty/Man. Dir. Norwegian Reward) (since February 2020, until July 2020) ⁴⁾	-	1,000	-	549	1,549	43
Kei Grieg Toyomasu (Senior Vice President Brand & Marketing) (since February 2020, until August 2020) ⁴⁾	-	1,371	-	5	1,376	50
Total executive management	-	34,590	6,550	1,694	42,825	1,373



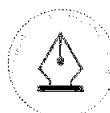
This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



- 1) For the employee representatives in the Board of Directors, only their fee for serving on the Board of Directors fee is stated
- 2) Other include company car/car allowance, insurance, telephone, internet, severance pay, etc. For board members, other include shares awarded on 30 June 2020 at the current market price of NOK 2.72 per share
- 3) Pension expense reflects paid pension premium
- 4) Pro rata
- 5) Retention bonus
- 6) Hired consultant
- 7) Anton Joiner renounced his Board remuneration

No share options were exercised by the Management in 2020.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



NOTE 7A: AUDIT REMUNERATION

NOK million excluding VAT	2021	2020
Audit fee	10.5	14.4
Other audit related services	0.7	2.8
Tax advisory	-	-
Other services	1.8	2.8
Total	13.0	20.0

The Group elected PricewaterhouseCoopers AS as their new auditor with effect for the financial year 2020.

NOTE 8: OTHER FINANCIAL INCOME

NOK million	2021	2020
Net foreign exchange (loss) or gain	(210.9)	(1,483.7)
Appreciation cash equivalents	-	0.4
Restructuring effects	5,341.0	2,609.0
Fair value adjustments conversion rights	-	3,217.5
Financial gain/loss debt to equity conversion	23.6	-
Other financial items	176.9	(77.5)
Other financial income	5,330.5	4,265.7

Net foreign exchange loss of NOK 210.9 million is recognized in 2021 (2020: NOK 1,483.7 million loss).

See Note 3 for fair value estimation and Note 20 for further information concerning investments in financial assets. See Note 2.7.1 for further information about restructuring effects in 2021.

NOTE 9: TAXES

This year's tax expense consists of:

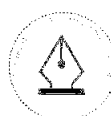
NOK million	2021	2020
Tax payable	0.1	1.1
Adjustments from previous year	5.4	2.0
Change in deferred tax	-	903.7
Income tax expense	5.5	906.8

Reconciliation from nominal to effective tax rate:

NOK million	2021	2020
Profit before tax	1,876.0	(22,133.0)
Expected tax expense (income) using nominal tax rate (22%)	412.7	(4,869.3)
Tax effect of the following items:		
Non-deductible expenses/income	(374.0)	(617.9)
Adjustments from previous year	5.5	720.4
Tax rate outside Norway other than 22%	756.5	1,131.7
Deferred tax asset not recognized/derecognized	(740.0)	4,593.1
Other items	(55.0)	(51.3)
Tax expense	5.5	906.8
Effective tax rate	0.3 %	-4.1 %

The following table details net deferred tax liabilities (assets) at year end:

NOK million	2021	2020
Intangible assets	(522.3)	(833.6)
Tangible assets	(3.3)	350.4
Inventories	-	(14.7)
Receivables	(5.9)	(159.2)
Deferred gains/losses	572.4	1,225.6
Other accruals	(37.8)	219.4



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

a legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same taxing authority.

NOK million	2021	2020
Recognized at 1 January	(1,316.2)	(2,131.8)
Charged/credited to the income statement	-	903.7
Adjustment from previous year	-	(10.9)
Charged directly to equity	-	(12.0)
Disposal of tax positions - sale of subsidiary	508.4	0.5
Translation differences	5.9	(65.7)
Recognized at 31 December	(1,830.5)	(1,316.2)

Pensions	(45.4)	(50.1)
Other temporary differences	(430.5)	(271.2)
Loss carried forward	(3,154.1)	(5,873.8)
Not recognized deferred tax	1,796.4	4,091.1
Net deferred tax liabilities (assets)	(1,830.5)	(1,316.2)
Recognized as deferred tax assets	(1,890.4)	(1,966.2)
Recognized as deferred tax liabilities	59.9	650
Net deferred tax liabilities (assets)	(1,830.5)	(1,316.2)

Loss carried forward per country

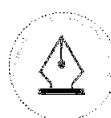
NOK million	2021	2020
Norway	(2,484.6)	(3,733.8)
Ireland	(651.1)	(1,728.5)
Other	(19.3)	(411.4)
Total	(3,154.1)	(5,873.8)

Deferred tax assets are based on unused tax loss carryforwards and temporary differences in assets and liabilities. The Group's deferred tax assets, and in particular the Group's unused tax losses, are substantial both in nominal terms and in relation to total equity.

Deferred tax assets stemming from losses carried forward are mainly related to the discontinued long-haul operations and COVID-19 pandemic. Unused tax losses are recognized to the extent that taxable profits are probable. Significant management judgement is required to determine the amounts of deferred tax assets that can be recognized, based on the anticipated timing and level of future taxable profits together with future tax planning strategies. In situations where Group Companies have experienced recent losses, the Group will evaluate whether there are convincing other evidence supporting taxable profits and the future utilization of its carryforward losses.

Convincing other evidence is considered for recognition of the deferred tax assets. The future operations with focus on short haul markets and routes that has been profitable in the past, supports that there are convincing evidence that carry forward losses will be reversed with the revised business model. Carryforward losses within Norwegian tax jurisdiction, do not expire. Not recognized deferred tax asset of NOK 1,796.4 million includes valuation allowance for losses carried forward in Ireland with NOK 484.4 million.

Adjustments from previous years consists of differences in deferred tax positions between the Group reporting last year and each company's tax reporting finalized later in 2021. Deferred tax liabilities and deferred tax assets are presented net to the extent that there is



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



NOTE 10: INTANGIBLE ASSETS

NOK million	Software	Goodwill	Other intangible assets	Total
Acquisition costs 1 January 2020	533.2	94.0	53.8	680.9
Additions	17.7	-	-	17.7
Translation difference acquisition cost	-	10.2	-	10.2
Acquisition cost 31 December 2020	550.8	104.2	53.8	708.8
Acquisition costs 1 January 2021	550.8	104.2	53.8	708.8
Additions	8.7	-	-	8.7
Translation difference acquisition cost	-	(10.2)	-	(10.2)
Acquisition costs 31 December 2021	559.5	94.0	53.8	707.3
Accumulated amortization 1 January 2020	482.8	-	-	482.8
Amortization	25.1	-	-	25.1
Accumulated amortization 31 December 2020	507.9	-	-	507.9
Accumulated amortization 1 January 2021	507.9	-	-	507.9
Amortization	19.2	-	-	19.2
Accumulated amortization 31 December 2021	527.1	-	-	527.1
Book value at 31 December 2020	43.0	104.2	53.8	200.9
Book value at 31 December 2021	32.4	94.0	53.8	180.2

Useful life
Amortization plan

3-5 years
Straight-line

Indefinite
None

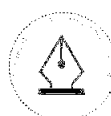
Indefinite
None

Capitalized software is related to external consulting fees for the development of Norwegian's own systems for bookings and ticket-less travels, various sales portals, back office and maintenance system. These costs are amortized over their estimated useful lives (three to five years).

Other intangible assets and goodwill are related to the purchase of FlyNordic in Sweden July 2007 and purchase of slots at London Gatwick airport in 2017. Other intangible assets from business combinations consist of estimated fair value of Brand name, charter operations, slots and the Air Operating Certificate. Other intangible assets also consist of

intellectual property rights that are related to purchases of internet domains. The Group has developed international web portals in major markets.

In 2021, the Group sold slots at London Gatwick Airport which did not have an acquisition value for the Group. Goodwill, slots, and intellectual property rights are determined to have indefinite useful lives and are not amortized. Slots and intellectual property rights do not expire over time, as long as the Management has the intention to continue using the assets. For impairment testing, please refer Note 11.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



NOTE 11: TANGIBLE ASSETS

NOK million	Buildings	Aircraft, parts and installations on leased aircraft	Prepayment on aircraft orders	Equipment and fixtures	Total
Acquisition cost 1 January 2020	294.8	33,748.8	4,946.6	586.9	39,577.1
Additions	-	-	-	15.8	15.8
Additions cap interest	-	-	169.9	-	169.9
Translation difference acquisition cost	-	597.2	(150.1)	-	447.1
Reclassification to disposal group	-	(17,879.0)	(4,769.4)	-	(22,648.4)
Disposals	(5.4)	(4,104.1)	(197.0)	-	(4,306.5)
Acquisition costs 31 December 2020	289.3	12,362.9	-	602.7	13,255.0
Acquisition costs 1 January 2021	289.3	12,362.9	-	602.7	13,255.0
Additions	-	5.6	-	15.0	20.7
Translation difference acquisition cost	-	(802.2)	-	-	(802.2)
Disposals	-	(9,136.6)	-	(29.5)	(9,166.1)
Acquisition costs 31 December 2021	289.3	2,429.8	-	588.2	3,307.4
Accumulated depreciation 1 January 2020	31.1	6,356.8	-	389.0	6,776.9
Depreciation	5.8	1,296.1	-	50.5	1,352.4
Depreciation disposals	-	(1,333.3)	-	-	(1,333.3)
Foreign currency translation	-	(86.4)	-	-	(86.4)
Accumulated depreciation 31 December 2020	36.9	6,233.2	-	439.5	6,709.5
Accumulated depreciation 1 January 2021	36.9	6,233.2	-	439.5	6,709.5
Depreciation	5.7	212.7	-	26.8	245.1
Depreciation disposals	-	(5,045.8)	-	(13.6)	(5,059.4)
Foreign currency translation	-	9.0	-	-	9.0
Accumulated depreciation 31 December 2021	42.6	1,409.1	-	452.6	1,904.2
Book value 31 December 2020	252.4	6,129.4	-	163.2	6,545.2
Book value 31 December 2021	246.7	1,020.7	-	135.6	1,403.0



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

Aircraft

At 31 December 2021, the Group had a total fleet of four owned (2020: 55).

The Group redelivered 26 owned Boeing 737-800 (2020: sold 10), 14 owned Boeing 737 MAX 8 (2020: 0), three owned Boeing 787-8 (2020: 0) and eight owned Boeing 787-9 (2020: 0) during 2021.

The residual value is NOK 221 million (2020: NOK 3,886 million) in total for all owned aircraft and deducted from the depreciable amount of the body of the aircraft. To determine the residual value, the Group has a process of internal assessment along with the use of an external and independent appraiser providing estimates on future value based on aircraft type and year of build. The economic life expectancy of the body of the aircraft is 25 years and the economic life of the owned aircraft is 25 years less the age of the aircraft at time of purchase.

Aircraft are owned by companies with USD as functional currency. The values presented in NOK in the consolidated statement of financial position, include effects from currency translation.

Installations on leased aircraft

The installations on the leased aircraft include cabin interior modifications and other improvements to the aircraft after lease commencement. The capitalized value is depreciated over the remainder of the aircraft lease, which is between 2-9 years. Linear depreciation is applied, and residual value is NOK 0.

Spare parts

Spare parts consist of rotatable parts for the aircraft and are depreciated over their useful life. The useful life of spare parts ranges between 5-8 years. Straight-line depreciation is applied, and 25 percent of the acquisition cost is calculated as residual value.

Buildings

Buildings consist mainly of a hangar at Gardermoen airport. It was constructed in 2014. The hangar is estimated to have a useful life of 50 years and is depreciated linear over useful economic life. Residual value is NOK 0.

Equipment and fixtures

Equipment and fixtures consist of IT hardware, purchased software, vehicles and other equipment.

Impairment test of tangible and intangible assets

The Group reviews assets for impairment testing at each reporting date and whenever there are indications of impairment. The effects of the COVID-19 virus outbreak on the airline

industry and the Group's level of operation are considered a triggering event, and an impairment testing has been performed for the Group's non-current assets.

The CGU is tested for recoverable amount of the CGU's assets based on value in use, with expected future cash flows in accordance with the Group's current management approved business plans for the upcoming four years. Cash flows beyond the forecast period have been projected in accordance with management's long-term growth assumptions. The impairment test is consistent with the one used previous periods, but with business plans adjusted and adapted to the current market situation. The impairment test carried out does not result in any impairment of the CGU's intangible or tangible assets.

Key assumptions used in the calculation are growth rates, operating costs, terminal value and discount rate. Cash flows beyond the four-year period are extrapolated with a long-term growth rate. Estimated cash flows and discount rate are after tax.

Discount rate

The cash flows are discounted using the expected long-term weighted average cost of capital (WACC). The applied after-tax discount rate is 8.75 percent (2020: 7.3 percent). The cost of the Group's debt and equity capital, weighted accordingly to reflect its capital structure, gives the Group's weighted average cost of capital. The WACC rates which are used to discount future cash flows are based on market risk free interest rates adjusted for inflation differentials and include the debt premium, market risk premium, gearing corporate tax rate and asset beta. An increase of the discount rate of five percentage point will not result in impairment of the CGU's intangible or tangible assets.

Growth rates

The basis for calculating future growth rate is in accordance with the Group's current management approved business plans for the upcoming four years.

Operating costs

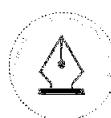
The operating costs are calculated based in accordance with the Group's current management approved business plans for the upcoming four years.

Terminal value

A growth rate of 0 percent is used in calculating cash flow beyond the four-year period.

Sensitivity

On 31 December 2021, the Group's value in use was significantly higher than the carrying amount of its non-current assets. A sensitivity analysis has been performed, to determine if a reasonable change in key assumptions would cause the carrying amount to exceed the recoverable amount. A reduction in the estimated revenue by five percent, an increase in the operating cost five percent or an increase in WACC after tax by five percentage point would not lead to an impairment loss of the fleet CGU.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

2020 Impairment test of assets and related liabilities in the disposal group and other assets

The net fair value of the disposal group assets including liabilities was estimated to be zero less cost to sell. Resulting in an impairment of NOK 8,695 million. A further impairment of NOK 4,121 million was recognized in 2020 related to pre-delivery payments on terminated aircraft purchase agreements.

Specification impairment and disposal group

Impairment asset held for sale

NOK million	2020
Impairment assets included in disposal group	8,694.6
Impairment prepayments to aircraft manufacturers	4,121.1
Total	12,815.7

Specification of assets included in disposal group

NOK million	2020
Aircraft, parts and installations on leased aircraft	17,879.0
Right-of-use aircraft, parts and installations	20,142.2
Other receivables	851.4
Assets held for sale	199.1
Total assets in disposal group before impairment	39,071.7
Impairment	(8,694.6)
Total assets included in disposal group 31.12	30,377.1

Specification of liabilities included in disposal group

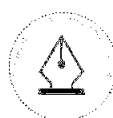
NOK million	2020
Borrowing	15,661.2
Lease liabilities	15,106.6
Total liabilities included in disposal group 31.12	30,767.8

Specification of prepayments to aircraft manufacturers

NOK million	2020
Prepayment to aircraft manufacturers	4,121.1
Impairment	(4,121.1)
Total prepayments to aircraft manufacturers 31.12	-

NOTE 12: LEASES

NOK million	Right-of-use aircraft, parts and installations	Right-of-use buildings	Right-of-use equipment	Total right-of-use assets
Acquisition cost 1 January 2020	37,831.3	337.7	50.5	38,219.5
Additions	29,826.8	-	-	29,826.8
Additions cap interest	-	-	-	-
Translation difference acquisition cost	(440.9)	(0.4)	1.7	(439.6)
Reclassification to disposal group	(20,144.8)	-	-	(20,144.8)
Terminations	(41,413.5)	(40.5)	(52.2)	(41,506.2)
Acquisition costs 31 December 2020	5,658.9	296.8	0.1	5,955.7
Acquisition costs 1 January 2021	5,658.9	296.8	0.1	5,955.7
Additions	5,575.0	42.5	-	5,617.5
Translation difference acquisition cost	561.8	(12.1)	-	549.6
Terminations	(5,658.9)	(10.1)	(0.1)	(5,669.1)
Acquisition costs 31 December 2021	6,136.7	317.1	-	6,453.7
Accumulated depreciation 1 January 2020	4,586.0	40.4	14.8	4,641.2
Depreciation	4,761.2	40.8	7.8	4,809.8
Depreciation terminations	(6,286.2)	(0.9)	(23.7)	(6,310.8)
Foreign currency translation	(193.3)	0.1	1.2	(192.0)
Accumulated depreciation 31 December 2020	2,867.6	80.4	0.1	2,948.2
Accumulated depreciation 1 January 2021	2,867.6	80.4	0.1	2,948.2
Depreciation	832.0	37.1	-	839.1
Depreciation terminations	(2,867.6)	-	(0.1)	(2,867.7)
Foreign currency translation	152.1	(12.4)	-	139.7
Accumulated depreciation 31 December 2021	984.1	105.1	-	1,089.4
Book value 31 December 2020	2,791.4	216.6	-	3,008.0
Book value 31 December 2021	5,152.6	212.0	-	5,364.6



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

At the end of 2021, the Group leases 55 (2020: 76) aircraft. The lease agreements on the Boeing 737 aircraft last between two and nine years from the date of agreement. There are no options to extend the aircraft lease agreements.

In connection with the Examinership and Reconstruction processes initiated in 2020, the Group terminated all its aircraft leasing contracts in 2021. 31 aircraft were kept on the fleet under renegotiated lease terms. 16 aircraft previously owned by the Group were abandoned and subsequently leased back into the Group.

The Group cannot readily determine the interest rate implicit in the leases entered into in 2021. In the recognition of the new leases in 2021, the Group uses its incremental borrowing rate (IBR) to measure its lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the IBR using observable inputs, such as market interest rates, when available and is required to make certain entity-specific estimates. The weighted average IBR applied in discounting future lease payments for lease agreements entered into in 2021 is 5.39 percent.

All new aircraft lease agreements entered into in 2021 contain a "Power-by-the-hour" clause ("PBH" or "PBH-clause"). These clauses contain a fixed minimum lease payment between zero and 25 percent of the agreed monthly lease rates and a variable rate ("PBH") from the lease start date until 31 March 2022. In addition, eight aircraft leases entered into in 2021 contain PBH-clause for the period from 1 November 2022 until 31 March 2023. During these periods, the Group pays the fixed minimum lease payment and a variable rate per block hour operated on the leased aircraft, with a maximum total lease rate not exceeding the agreed monthly lease rates. To avoid preferential treatment of certain lessors, the aircraft lease agreements include a pooling clause which allocates 50 percent of the monthly flight hours divided by the number of leased aircraft to each aircraft lessor. The remaining 50 percent of the monthly PBH payments per lease contract are based on the actual flight hours of the respective aircraft.

Lease liabilities are recognized based on the fixed minimum lease payments. Outside of the PBH-periods, the minimum lease payments are equal to the contractually agreed lease rates. Lease payments during the PBH-period which exceed the fixed minimum lease payments, are recognized as variable lease payments and expensed when they occur and presented under "Aircraft lease, depreciation and amortization" in the consolidated income statement. Variable PBH lease payments for aircraft leases in 2021 amounted to NOK 136.5 million (2020: zero).

The Group realized losses from 16 sale-leaseback transactions of NOK 163.4 million in 2021 (2020: NOK 125.9 million), presented as restructuring effect in "Other financial income (expense)". For the aircraft on sale-leaseback, expected variable lease payments during the

PBH-period are included in the measurement of the lease liability and treated as down-payments on the respective lease liabilities.

Lease liabilities	2021	2020
<i>NOK million</i>		
Opening balance	3,351.1	34,274.3
Additions	4,937.7	21,866.1
Terminations	(3,116.4)	(25,725.7)
Conversion to equity	-	(10,105.1)
Reclassification to disposal group	-	(15,106.6)
Accrued interest expense	226.8	1,472.4
Interest paid	(226.8)	(1,472.4)
Payment of lease liabilities	(52.1)	(878.8)
Currency differences	92.6	(973.2)
Lease liabilities 31 December	5,212.7	3,351.1
Due within one year – current	777.9	3,165.4
Due after one year – non-current	4,434.8	185.7

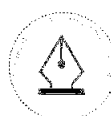
Maturity profile of nominal minimum lease payments are presented in Note 2.6.

In 2021, the Group had short-term and/or leases of low-value items for 12 cars and 28 properties in Oslo, Barcelona and Riga, in addition to properties in other bases. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases. Instead, the rental payments are expensed when they occur.

The following amounts are recognized in the income statement:

<i>in NOK million</i>	2021	2020
Expenses relating to short-term leases	11.0	13.0
Expenses relating to low-value leases	0.5	0.6
Variable lease payments	183.2	121.3
Total	194.7	134.9

As of 31 December 2021, there are no significant future potential lease payments that are not included in the lease obligations as a result of extension or purchase options.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



NOTE 13: TRADE AND OTHER RECEIVABLES

Specifications of receivables

NOK million	2021	2020
Trade receivables	97.5	597.7
Credit card receivables	1,443.0	1,776.1
Deposits	176.0	306.2
Reimbursements claims maintenance costs	(5.5)	(54.7)
Other claims	146.0	1,526.1
Sum trade and other receivables	1,857.1	4,151.4
Prepaid costs	326.3	512.7
Public duty debt	83.0	(102.1)
Prepayments to employees	6.0	0.3
Prepaid rent	-	78.9
Prepayments	415.3	489.9
Total	2,272.4	4,641.4
Maximum credit risk	1,681.1	3,836.6

Other claims in 2020 included receivables from Boeing of NOK 1,056.9 million related to the grounding of 737MAX aircraft beginning in March 2019. These claims were crammed down together with outstanding debt against Boeing in the financial restructuring in 2021.

Due dates, nominal value of receivables

NOK million	2021	2020
Within one year	2,180.2	4,614.2
After one year *	119.9	63.0
Total	2,300.1	4,677.2

Fair value of trade and other receivables

NOK million	2021	2020
Due within one year	2,152.9	4,578.8
After one year *	119.5	62.6
Total	2,272.4	4,641.4

* Discount rate 2.5 percent (2020: 2.5 percent).

Provision for bad debt

NOK million	2021	2020
Balance 1 January	35.4	17.0
Receivables written off during the year	(16.0)	(22.5)
Increase in provisions	17.5	40.9
Unused amounts reversed	(9.6)	-
Balance 31 December	27.3	35.4

Overdue trade receivable

NOK million	2021	2020
Overdue less than 1 month	202.5	33.5
Overdue 1-2 months	7.2	28.7
Overdue 2-3 months	40.3	(0.8)
Overdue over 3 months	85.2	212.7
Total	335.2	274.1

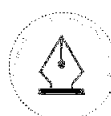
Provisions for bad debt relates to trade receivables. The provisions for bad debts on trade receivables relate to overdue trade receivables that are not impaired at 31 December. Impairment losses on trade receivables and other receivables are presented as net impairment losses included in the line item "other operating expenses". Subsequent recoveries of amounts previously written off are credited against the same line item.

Non-interest-bearing deposits are measured at amortized cost in the statement of financial position. Deposits denominated in foreign currencies are converted using the prevailing exchange rates on the reporting date.

NOTE 14: INVENTORY

NOK million	2021	2020
Consumables	16.3	64.1
Total	16.3	64.1

Charges for obsolete parts in 2021 were NOK 131 million (2020: NOK 114.3 million).



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



NOTE 15: EQUITY AND SHAREHOLDER INFORMATION

Shares and share issues:

NOK million	Number of ordinary shares	Share capital	Share Premium	Total
1 January 2020	163,558,377	16.4	6,664.0	6,680.3
Share issue 20.05.2020	2,906,066,430	290.6	9,536.0	9,826.6
Share issue 10.06.2020	47,819,487	4.8	173.6	178.4
Share issue 17.06.2020	108,938,080	10.9	326.0	336.9
Share issue 26.06.2020	40,164,731	4.0	111.7	115.7
Share issue 02.07.2020	4,569,611	0.5	17.0	17.5
Share issue 20.07.2020	6,280,732	0.6	22.8	23.4
Share issue 21.07.2020	289,664,273	29.0	817.5	846.5
Share issue 03.08.2020	571,201	0.1	2.0	2.1
Share issue 06.08.2020	55,070,783	5.5	105.2	110.7
Share issue 07.08.2020	6,183,077	0.6	10.8	11.4
Share issue 18.08.2020	4,775,564	0.5	6.1	6.6
Share issue 03.09.2020	6,046,802	0.6	22.3	22.9
Share issue 23.10.2020	56,314,248	5.6	29.8	35.4
Share issue 05.11.2020	4,555,868	0.5	14.1	14.6
Share issue 08.12.2020	18,778,583	1.9	5.7	7.6
Share issue 11.12.2020	253,970,846	25.4	934.6	960.0
Share issue 15.12.2020	7	-	-	-
Reverse split 18.12.2020	(3,933,595,413)	-	-	-
Share issue 23.12.2020	16,079	0.2	5.9	6.1
31 December 2020	39,749,366	397.7	18,805.1	19,202.7

NOK million	Number of ordinary shares	Share capital	Share Premium	Total
1 January 2021	39,749,366	397.7	18,805.1	19,202.7
Capital reduction 19.02.2021	(393.5)	(393.5)	-	(393.5)
Share issue 22.02.2021	485,054	0.0	41.0	41.0
Share issue 19.03.2021	135,875	0.0	51.3	51.4
Share issue 30.03.2021	113,108	0.0	42.7	42.8
Share issue 03.05.2021	1,569,069	0.2	592.5	592.7
Share issue 25.05.2021	256,696	0.0	72.8	72.8

Share issue 26.05.2021	658,945,686	65.9	4,059.1	4,125.0
Share issue 11.06.2021	4,474,787	0.4	40.9	41.3
Share issue 25.06.2021	1,605,727	0.2	14.7	14.8
Share issue 27.07.2021	94,961,294	9.5	812.0	821.5
Share issue 09.09.2021	125,038,910	12.5	1,069.0	1,081.5
Share issue 03.11.2021	292,439	0.0	2.7	2.7
Share issue 01.12.2021	890,485	0.1	8.1	8.2
Transaction costs	-	-	(187.6)	(187.6)
31 December 2021	928,518,496	92.9	25,424.3	25,517.2

All issued shares are fully paid with a par value of 0.1 NOK per share (2020: 0.1 NOK per share). There is only one category of shares, and all shares have equal rights. For information about employee share options, see Note 17.

The completion of the capital reduction, initiated by the extraordinary general meeting held 17 December 2020, was subject to a creditor notice period of six weeks. The creditor notice period expired on 28 January 2021 without any objections from creditors being raised. The share capital reduction was registered as completed with the Norwegian Registry of Business Enterprises 19 February 2021.

On 22 February 2021, the Company announced conversion notices from bondholders representing USD 1.8 million of USD Perpetual Bonds and USD 17.7 million of Future Maintenance Bonds, with the issue of 485,054 new shares.

On 19 March 2021, the Company announced conversion notices from bondholders representing USD 5.5 million of USD Perpetual Bonds, with the issue of 135,875 new shares.

On 30 March 2021, the Company announced conversion notices from bondholders representing EUR 0.5 million of EUR Perpetuals Bonds and USD 4.1 million of USD Perpetuals Bonds, with the issue of 113,108 new shares.

On 3 May 2021, the Company announced conversion notices from bondholders representing USD 46 thousand of USD Convertible Bonds and USD 63.1 million of USD Perpetuals Bonds, with the issue of 1,569,069 new shares.

On 25 May 2021, the Company announced conversion notices from bondholders representing USD 0.2 million of USD Convertible Bonds and EUR 0.8 million of EUR Perpetuals Bonds, with the issue of 256,696 new shares.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



On 24 May 2021, the Company announced that the shares from the capital raise, raising gross proceeds of approximately NOK 4,125 million by issuing 658,945,686 new shares, had been registered in the Norwegian Register of Business Enterprises (Nw. Foretaksregisteret).

On 11 June 2021, the Company announced conversion notices from bondholders representing NOK 42 million Early Conversion Bonds, with the issue of 4,474,787 new shares.

On 25 June 2021, the Company announced conversion notices from bondholders representing NOK 15 million Early Conversion Bonds, with the issue of 1,605,727 new shares.

On 27 July 2021, the Company announced that Dividend Claims in an amount of NOK 821.9 million have been converted to 94,961,294 new shares.

On 9 September 2021, the Company announced that No-Sale Dividend Claims in an amount of NOK 1,081.9 million have been converted to 125,038,910 new shares.

On 3 November 2021, the Company announced conversion notices from bondholders representing NOK 2.7 million Early Conversion Bonds, with the issue of 292,439 new shares.

On 1 December 2021, the Company announced conversion notices from bondholders representing NOK 8.3 million Early Conversion Bonds, with the issue of 890,485 new shares.

All transactions resulted in a total of 928,518,496 shares as of 31 December 2021.

Description of items booked directly on shareholder's equity: Other comprehensive income

Net NOK 147.1 million has been booked as exchange rate differences under comprehensive income in 2021 (2020: NOK -979.4 million). The exchange differences arise from translating the subsidiaries from functional currency to presentation currency and from disposal of foreign operations. In addition, the Company's share of other comprehensive income in associated companies during 2021 amount to zero (2020: NOK 2.0 million).

Actuarial gains and losses

During 2021, NOK 14.1 million in actuarial loss arising from defined benefit pension plans was booked directly to equity (2020: NOK -42 million).

Share option plan

Upon appointment as CEO 21 June 2021, Geir Karlisen was awarded 1,000,000 options with $\frac{1}{4}$ of the options vest on 21 June 2022, $\frac{1}{4}$ vest on 21 June 2023, $\frac{1}{4}$ vest on 21 June 2024, and

$\frac{1}{4}$ vest on 21 June 2025. Options expire 4 years after the vesting date and the strike price is NOK 10.10.

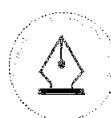
In 2020 no stock option program was offered.

2018 and 2019 programs are adjusted for the reverse share split. Strike price is multiplied by 100 and the number of outstanding options is divided by 100.

On 7 May 2019 the Annual General Meeting of Norwegian Air Shuttle ASA adopted a share option program limited to 12,000 share options. 12,000 options under this program were granted to 10 executives in May 2019. Options may be exercised at the earliest in 2022, and any remaining options in 2026 at the latest. The exercise price is NOK 4,300, which was the average price of the NAS share on trading days the first 10 calendar days after presentation of Norwegian's 1st quarter 2019 financial results, plus 15%. On 20 November 2019 6,000 additional options were granted to 2 executives. On 31.12.2021 there were 12,500 outstanding share options under this plan.

On 8 May 2018 the Annual General Meeting of Norwegian Air Shuttle ASA adopted a share option program limited to 4,000 share options. 3,800 options under this program were granted to 11 executives in September 2018. Options may be exercised at the earliest in 2021, and any remaining options in 2025 at the latest. The exercise price was NOK 27,800, which was the average price of the NAS share on trading days the first 10 calendar days after presentation of Norwegian's 2nd quarter 2018 financial results, plus 15%. To maintain the incentive of the plan, the Board approved an adjustment to the strike price from NOK 27,800.00 to NOK 4,300.00 on 24 September 2019. On 31.12.2021 there were 1,000 outstanding share options with strike price NOK 4,300.00 and 800 outstanding share options with strike price NOK 27,800.00.

Total share option expense in 2021 amounted to NOK 12.6 million (2020: NOK 6.0 million). See Note 17 for further details.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

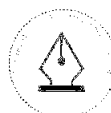
Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

**The largest shareholders at 31 December 2021 were:**

	Shares	Ownership	Voting rights
Geveran Trading Company, Ltd.	134,123,801	14.4%	14.4%
Sundt AS	124,003,198	13.4%	13.4%
Folketrygdfondet	60,165,405	6.5%	6.5%
DNB Asset Management AS	59,068,682	6.4%	6.4%
Davy Stockbrokers	31,840,332	3.4%	3.4%
Keskinäinen eläkevakuutusyhtiö Varmia	27,500,000	3.0%	3.0%
Nordnet Bank AB.	26,773,193	2.9%	2.9%
Silver Point Capital, L.P.	26,489,130	2.9%	2.9%
Centerbridge Partners, L.P.	22,480,439	2.4%	2.4%
Avanza Bank AB	22,176,441	2.4%	2.4%
Contrarian Capital Management, LLC	18,304,923	2.0%	2.0%
Handelsbanken Asset Management	17,861,186	1.9%	1.9%
Ludvig Lorentzen AS	11,249,305	1.2%	1.2%
Nordea Funds Oy	11,161,001	1.2%	1.2%
KLP Forsikring	10,288,769	1.1%	1.1%
Brumm AS	10,000,942	1.1%	1.1%
Swedbank AB	9,657,707	1.0%	1.0%
Arctic Fund Management AS	8,723,966	0.9%	0.9%
BoFA Global Research (UK)	7,423,879	0.8%	0.8%
Citibank N.A. Private Bank	6,698,455	0.7%	0.7%
Other	282,527,742	30.4%	30.4%
Total number of shares	928,518,496	100.0 %	100.0 %

The largest shareholders at 31 December 2020 were:

	Shares	Ownership	Voting rights
Avanza Bank AB	5,791,956	14.6 %	14.6 %
Nordnet Bank AB	3,340,991	8.4 %	8.4 %
MG Aviation Limited	3,257,450	8.2 %	8.2 %
BOC Aviation Limited	1,821,223	4.6 %	4.6 %
AerCap Holdings N.V.	1,778,931	4.5 %	4.5 %
Swedbank AB	1,593,824	4.0 %	4.0 %
DP Aircraft Ireland Limited	1,541,897	3.9 %	3.9 %
OSM Aviation Group	1,430,958	3.6 %	3.6 %
DNB Markets	1,258,167	3.2 %	3.2 %
Svenska Handelsbanken AB	737,115	1.9 %	1.9 %
Interactive Brokers, L.L.C.	736,454	1.9 %	1.9 %
Insinet Europe Limited, meglerkonto innland	659,003	1.7 %	1.7 %
Chatsworth Aviation Ltd.	562,625	1.4 %	1.4 %
PFA Pension Forsikringsaktieselskab	541,018	1.4 %	1.3 %
BoFA Global Research (UK)	513,684	1.3 %	1.2 %
Saxo Bank A/S	481,564	1.2 %	0.9 %
Nordea Bank AB (publ)	353,864	0.9 %	0.7 %
Nykredit Bank AS	278,047	0.7 %	0.7 %
Handelsbanken Asset Management	257,528	0.6 %	0.6 %
LGT Bank Ltd.	237,944	0.6 %	0.6 %
Other	12,575,123	31.6 %	31.6 %
Total number of shares	39,749,366	100.0 %	100.0 %



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Shares directly or indirectly held by members of the Boards of Directors, Chief Executive Officer and Executive Management at 31 December 2021:

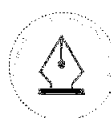
Name	Title	Shares ¹⁾
Svein Harald Øygard	Chair	1,534,281
Lars Bollesen	Board Member	568,424
Ingrid Leisner	Board Member	12,927
Sondre Gravr	Board Member	33,052
Chris Browne	Board Member	9,502
Geir Olav Øien	Board Member - Employee representative	-
Karinne Gundersen	Board Member - Employee representative	-
Eric Holm	Board Member - Employee representative	1,011
Geir Karlson	Chief Executive Officer	651,478
Magnus Thome Maursund	Executive Vice President Network, Pricing & Optimisation	888
Christoffer Sundby	Executive Vice President Marketing, Sales & Customer Care	335,943
Guro H. Poulsen	Executive Vice President People	236,808
Anne-Sissel Skårvik	Executive Vice President Communications and Public Affairs	50,095
Knut Olav Irgens Høeg	Executive Vice President IT & Business Services	239,846
Tor Arne Fossar ²⁾	Executive Vice President Products & Digital Development	95,847
Adrian Dunne	Executive Vice President Operations	243,019

¹⁾ Including shares held by related parties.

²⁾ Left the Executive management Group in April 2022

Options directly held by the Chief Executive Officer and members of Executive Management:

Name	Title	Issued in Strike price (NOK)	Expiry	Total
Jacob Schram	Chief Executive Officer (until 21.06.2021)	2018 4,300	2019 4,300	3,000
Geir Karlson	Chief Executive Officer	2025 500	2026 4,500	1,005,000
Anne-Sissel Skårvik	Communications and Public Affairs	2025 200	2026 500	700



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

Specification of other reserves

NOK million	OCI associated companies	Translation differences	Total
1 January 2020	(1.9)	1,087.4	1,085.6
Translation differences	-	(979.4)	(979.4)
Share of other comprehensive income of associated companies	2.0	-	2.0
Transactions with non-controlling interest	-	4.6	4.6
31 December 2020	0.1	112.7	112.8
Translation differences	-	147.1	147.1
31 December 2021	0.1	259.8	259.9

See also consolidated statement of changes in equity for overview of total changes in equity.

Other paid-in equity

Other paid-in equity amounts to NOK 714.4 million at 31 December 2021 (2020: NOK 155.8 million) and consists of equity effects from the capital decrease from issuing convertible dividend claims and accumulated stock option expenses.

Perpetual bond

As a part of the restructuring in May 2021, the parent company issued Convertible Perpetual Bonds for the nominal amount of NOK 1,875 million. There is no maturity or instalments in the bond agreement. Conversion price is fixed at NOK 9.39 for each share. The bond accrues Payment-in-Kind ("PIK") interest with NIBOR plus a margin of 2.5-9.5 percent, increasing over the life of the bond, but no obligation to make any payments for the accrued interest. Accrued interest is convertible at similar terms as the principal. The holders of the bonds can only require repayment as a part of a liquidation and the conversion element is considered by itself an equity component, hence the whole instrument is considered and classified as equity.

The equity increase upon initial recognition was NOK 1,875 million less transaction costs. The nominal amount is considered as fair value at initial recognition.

Nominal amount outstanding at the end of 2021 is NOK 1,808 million. The perpetual bond has a dilutive effect on diluted earnings per share, see Note 16.

NOTE 16: EARNINGS PER SHARE

Basic earnings per share calculations are based on the weighted average number of common shares outstanding during the period, while diluted earnings per share calculations are performed using the average number of common shares and dilutive common shares equivalents outstanding during each period.

	2021	2020
Profit attributable to the owners of the Company (NOK million)	1,870.5	(23,050.9)
Profit attributable to the owners of the Company after PIK interest	31.8	-
Weighted average number of shares outstanding	1,838.7	(23,050.9)
Weighted average number of shares outstanding after dilution	522,786,820	22,552,180
Basic earnings per share (NOK)	698,547,559	25,114,751
Diluted earnings per share (NOK)*	3.52	(1,022.11)
	2.68	(1,022.11)

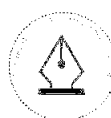
	2021	2020
--	------	------

Number of shares outstanding	928,518,496	39,749,366
Potential shares that might become dilutive in future periods		
Stock options	-	15,800
Convertible bond	-	69,377
Perpetual bond	195,801,049	2,477,393
Potential number of shares outstanding after dilution	1,124,319,545	42,311,936

*) Diluted earnings per share is equal to earnings per share in the event of negative earnings per share.

The subscription price for the share issue in May 2021 is considered the best estimate of the fair value of subscribed shares. Adjustment for bonus shares is therefore not applicable.

Stock options granted to employees is considered dilutive if they are "in the money" after vesting conditions is considered. None of the outstanding stock options granted to employees had dilutive effect at the end of 2021. For further details on outstanding stock options, please refer to Note 17.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

NOTE 17: OPTIONS

2021 Program

Upon appointment as CEO 21 June 2021, Geir Karlsen was awarded 1,000,000 options with 1/4 of the options vest on 21 June 2022, 1/4 vest on 21 June 2023, 1/4 vest on 21 June 2024, and 1/4 vest on 21 June 2025. Options expire four years after the vesting date and the strike price is NOK 10.10.

2020 Program

In 2020 no stock option program was offered.

2019 program is adjusted for the reverse share split. Strike price is multiplied by 100 and the number of outstanding options is divided by 100.

2019 Program

On 7 May 2019 the Annual General Meeting of Norwegian Air Shuttle ASA adopted a share option program limited to 12,000 share options. 12,000 options under this program were granted to 10 executives in May 2019. Options may be exercised at the earliest in 2022, and any remaining options in 2026 at the latest. The exercise price is NOK 4,300, which was the average price of the NAS share on trading days the first 10 calendar days after presentation of Norwegian's 1st quarter 2019 financial results, plus 15%. On 20 November 2019 6,000 additional options were granted to 2 executives.

On 31 December 2021 there were 12,500 outstanding share options under this plan.

2018 Program

On 8 May 2018 the Annual General Meeting of Norwegian Air Shuttle ASA adopted a share option program limited to 4,000 share options. 3,800 options under this program were granted to 11 executives in September 2018. Options may be exercised at the earliest in 2021, and any remaining options in 2025 at the latest. The exercise price was NOK 27,800, which was the average price of the NAS share on trading days the first 10 calendar days after presentation of Norwegian's 2nd quarter 2018 financial results, plus 15%. To maintain the incentive of the plan, the Board approved an adjustment to the strike price from NOK 27,800.00 to NOK 4,300.00 on 24 September 2019.

On 31 December 2021 there were 1,000 outstanding share options with strike price NOK 4,300.00 and 800 outstanding share options with strike price NOK 27,800.00.

Outstanding options

	2021 shares	Average exerc. price	2020 shares	Average exerc. price
Outstanding 1 January	15,800	5,489.87	2,130,000	51.83
Granted	1,000,000	10.10	0	0
Forfeited	(1,500)	4,300	(550,000)	43.00
Outstanding 31 December	1,014,300	89.12	1,580,000	54.90
Outstanding 31 December adjusted for reverse share split	1,014,300	89.12	15,800	5,489.87

Total share option expense in 2021 amounted to NOK 12.6 million (2020: NOK 6.0 million).

Share savings program

Norwegian offers employees hired in a Scandinavian legal entity participation in an employee share savings plan. The objective of the plan is to align and strengthen employee and shareholder's interests and remunerate for long-term commitment and value creation.

Under this plan, Norwegian will match 50% of the individuals' investment, limited to NOK 6,000 per annum. Provided that the employee contributes NOK 12,000 annually, Norwegian's contribution is NOK 6,000. The grant has a one-year vesting period. If shares are kept for two calendar years, the participants will be allocated bonus shares proportionate to their purchase. One bonus share will be earned for every tenth share allocated under this scheme.

The fair value of the bonus shares is measured at the grant date using the Black & Scholes option-pricing model. The fair value of the bonus shares and the corresponding estimated social security cost are expensed as personnel costs over the vesting period. Changes in estimated social security costs are expensed over the remaining vesting period.

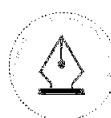
Total share savings program expense in 2021 amounted to NOK 1.8 milli (2020: NOK 3.0 milli).

NOTE 18: PENSIONS

The Group operated defined contribution plans in Norway, Denmark, Sweden, Finland, Ireland, UK, France, Italy, Spain and Latvia, and defined benefit plans in Norway.

Defined contribution plan

The defined contribution plans require that the Group pays premiums to public or private administrative pension plans on a mandatory, contractual or voluntary basis. The Group has no further obligations once these premiums are paid. The premiums are accounted for as



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



personnel expenses as soon as they are incurred. Pre-paid premiums are accounted for as an asset to the extent that future benefits can be determined as plausible.

Defined contribution plans comply with local Pension legislation.

Pension expenses on defined contribution plans are NOK 98.8 million in 2021 (2020: NOK 207.6 million).

Defined benefit plan

As per 31 December 2021, 426 employees were active members (2020: 454) and 70 were on pension retirement (2020: 49). The related pension liability is recognized at NOK 206.2 million (2020: 227.8 million).

The pension plans are in compliance with the Occupational Pensions Act and actuarial calculations comply with IAS 19.

The mortality and disability estimates are based on up-to-date mortality tables K2013 BE.

NOK million	Funded	
	2021	2020
Pension expense		
Net present value of benefits earned	25.6	25.5
Interest cost on pension liability	3.1	8.4
Return on plan assets	0.0	(4.5)
Administrative expenses	0.2	0.1
Recognized settlement	0	-
Social security tax	4.1	4.2
Net pension expense defined benefit plans	32.9	33.8
Pension expense on defined contribution plans	87.9	185.8
Social security tax	11.0	21.8
Total pension expense	131.8	241.4

Change in present value of defined benefit liability:

Gross pension liability 1 January	443.4	365.9
Current service costs	29.6	29.8
Interest cost	6.6	8.3
Actuarial gains/losses	(13.3)	44.9
Benefits paid	(3.5)	(2.5)
Social security on payments to plan	(4.8)	(3.0)
Gross pension liability 31 December	458.1	443.4

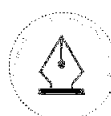
Change in fair value of plan assets:

Fair value of pension assets 1 January	215.6	188.3
Expected return	3.3	4.4
Actuarial gains/losses	0.8	2.9
Contributions paid	38.6	24.3
Benefits paid	(1.7)	(1.4)
Social security on payments to plan	(4.8)	(3.0)
Fair value of plan assets 31 December	251.9	215.6
Net pension liability	206.2	227.8
Net recognized pension liability 31 December	206.2	227.8

	2021	2020
Actual return on pension funds	4.00 %	1.70 %
Expected contribution to be paid next year	43.7	27.3

The net pension liability was based on several assumptions. The discount rate was based on covered bonds, with adjustments for duration. The pension liability's average duration was 20 years. Wage adjustments, pension adjustments and the expected increase in state pensions were based on historical observations for the Group, and an expected long-term inflation rate of 1.75 percent.

	2021	2020
Discount rate	1.90 %	1.50 %
Expected return on pension funds	0-1.90 %	0-1.50 %
Wage adjustments	2.75 %	2.00 %
Increase of social security base amount (G)	2.50 %	1.75-2.00 %
Future pension increase	0.00 %	0.00 %
Average turnover	0-8.00 %	0.5-8.00 %



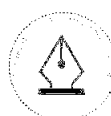
This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

The Group's pension fund was invested in the following instruments (at 30 September 2020 and 2021):

	2021	2020
Equity	9.7 %	7.2 %
Bonds	19.6 %	20.4 %
Money market funds	10.6 %	10.6 %
Hold-to maturity bonds	26.7 %	30.8 %
Real estate	13.6 %	13.6 %
Various	19.8 %	17.4 %

Historical information	2021	2020	2019	2018	2017
NOK million					
Present value of defined benefit obligation	458.1	443.4	365.9	293.1	267.6
Fair value of plan assets	251.9	215.6	188.3	146.6	118.0
Deficit/(surplus) in the plan	206.2	227.8	177.6	146.5	149.7
Experience adjustments on plan liabilities	(13.3)	44.9	44.3	(1.9)	44.0
Experience adjustments on plan assets	0.8	2.9	2.0	0.6	1.0



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

NOTE 19: PROVISIONS AND OTHER LONG-TERM LIABILITIES

Periodic maintenance on leased aircraft

NOK million	2021	2020
Opening balance	2,501.7	3,924.1
Provisions charged to the income statement	523.2	1,235.5
Maintenance services performed and invoices received	(74.5)	(1,494.8)
Res structuring effects	(1,720.4)	-
Other items	(293.1)	(1,163.1)
Closing balance	937.0	2,501.7
Classified as current liabilities	131.7	902.9
Classified as non-current provision	805.3	1,598.8

For aircraft held under lease agreements, Norwegian is contractually committed to either return the aircraft in a certain condition or to compensate the lessor based on the actual condition of the airframe, engines, and life-limited parts upon return. In addition, during the lease term the Group is obliged to follow the maintenance program as defined by the aircraft manufacturers. In order to fulfil the conditions of the lease and maintenance obligations, in the form of major airframe overhaul, engine maintenance checks, and restitution of major life-limited parts, the Group is required to perform these obligations during the period of the lease and upon return of the aircraft to the lessor. The estimated maintenance costs are accrued and charged to profit or loss over the lease term for this contractual obligation, based on the estimated current cost of the major airframe overhaul, engine maintenance checks and restitution of major life-limited parts, calculated by either reference to the number of hours flown or cycles operated since last maintenance event or since the aircraft was new, or the age of the aircraft.

The estimated costs of overhauls and maintenance are based on the Group's maintenance program, the Group's and industry experience, and contractual and catalog prices. Changes in estimated maintenance event costs over time are charged to the income statement as incurred with reference to number of hours flown or cycles operated during the period since the last maintenance event or since the aircraft was new. Additional provisions are also set to meet specific redelivery conditions if these are deemed to be other or higher than the estimated maintenance costs. The Group's aircraft leases are typically between two and nine years in length, and several of the maintenance events will occur within the leasing period.

For some of the leases, the Group is invoiced by the lessor for Maintenance Reserve Contribution (MRC), which is reclaimable at time of actual maintenance event, or forfeited

if the maintenance event occurs after leasing period ends. Paid and unclaimed MRC is offset against the accumulated accrual balances in the Statement of Financial Position. For these lease contracts, the accrual and charge to the income statement is based on the larger of the Maintenance Reserve Contribution and the estimated maintenance cost. In the case of lease extension, estimates on maintenance costs will be revised.

Parts of the periodic maintenance will be conducted in 2022, and NOK 131.7 million is classified as a current liability for periodic maintenance (2020: NOK 902.9 million). The current part of periodic maintenance is estimated based on the planned maintenance in 2022. Other items in the table above consist of currency effects, credits received from service suppliers and other adjustments.

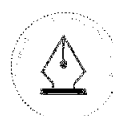
NOTE 20: FINANCIAL INSTRUMENTS

Financial Instruments by category

NOK million	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Total
Assets as per balance sheet				
Investments in financial assets	3.7	-	-	3.7
Trade and other receivables *)	1,857.1	-	-	1,857.1
Cash and cash equivalents	7,694.8	-	-	7,694.8
Total 2021	9,555.6	-	-	9,555.6
Assets as per balance sheet				
Investments in financial assets	3.7	-	-	3.7
Trade and other receivables *)	4,151.4	-	-	4,151.4
Cash and cash equivalents	2,666.9	-	-	2,666.9
Total 2020	6,822.0	-	-	6,822.0

*) Prepayments not included in trade and other receivables was NOK 415.3 million in 2021 and NOK 489.9 million in 2020.

Investments in financial assets consist of an investment in shares of Norwegian Block Exchange AS. Changes in the share price of Norwegian Block Exchange AS are not reflected as a change in fair value in profit or loss due to immateriality of the investment.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



NOK million	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through amortized cost	Total
Liabilities per balance sheet			
Borrowings	-	4,164.6	4,164.6
Lease liabilities	-	5,212.7	5,212.7
Trade and other payables *)	-	1,354.4	1,354.4
Total 2021	-	10,731.7	10,731.7
Borrowings	-	8,769.9	8,769.9
Lease liabilities	-	3,351.1	3,351.1
Liabilities included in disposal group	-	30,767.8	30,767.8
Derivative financial instruments	52.5	-	52.5
Trade and other payables *)	-	7,767.0	7,767.0
Total 2020	52.5	50,655.8	50,708.2

*) Public duties and liabilities from customer loyalty program not included in trade and other payables was NOK 2,428.2 million in 2021 and NOK 2,561.8 million in 2020.

See Note 22 for details related to borrowings.

Credit quality of financial assets

NOK million	2021	2020
Trade receivables		
Counterparties with external credit rating		
A or better	1,443.0	1,776.1
Counterparties without external credit rating	414.1	2,375.3
Total trade receivables	1,857.1	4,151.4
Cash and cash equivalents		
A+ or better	4,672.9	2,646.2
BBB +	3,021.9	20.8
Total cash and cash equivalents	7,694.8	2,666.9

Investments in financial assets

NOK million	2021	2020
1 January		
Additions	3.7	-
31 December	3.7	3.7
Current portion	-	-

Derivative financial instruments

NOK million	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Forward commodities contracts	-	-	-	49.2
Conversion rights	-	-	-	3.2
Total	-	-	-	52.5
Non-current portion:	-	-	-	3.2
Current portion	-	-	-	49.2

Trading derivatives are classified as current or non-current assets or liabilities depending on the maturity profile and net value of individual forward contracts.

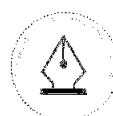
Forward commodities contracts

Forward commodities contracts relate to jet fuel derivatives. The net fair value of the outstanding forward commodities contracts at 31 December 2021 were NOK 0 (2020: negative NOK 49.2 million). At 31 December 2021, the Group had not secured any jet fuel (2020: 18,000 tons) through forward contracts.

Fuel derivatives are categorized as financial assets or financial liabilities at fair value through profit or loss and are measured at fair value at each reporting date with changes in fair value recognized as other gains and losses within operating expenses.

NOTE 20A: OTHER LOSSES / (GAINS) – NET

NOK million	2021	2020
Net losses/(gains) on financial assets at fair value through profit or loss	(5.3)	882.9
Foreign exchange losses/(gains) on operating activities	(487.2)	(27.8)



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Losses/(gains) on asset sale	(269.9)	930.0
Restructuring costs	24.9	1,219.5
Total	(737.5)	3,004.7

Net gains of NOK 5.3 million (2020: losses of NOK 882.9 million) is related to net gains on jet fuel derivatives.

NOTE 21: TRADE AND OTHER PAYABLES

NOK million	2021	2020
Accrued vacation pay	125.4	139.5
Accrued airport and transportation taxes	83.6	221.7
Accrued expenses	467.0	671.2
Trade payables	321.0	3,984.6
Public duties	121.7	165.1
Current provisions for MRC (Note 19)	131.7	902.9
Cashpoint liabilities	2,306.5	2,396.8
Other current provisions	225.6	1,847.0
Total	3,782.6	10,328.8

The current payables and provisions are non-interest bearing and are due within the next twelve months. Accrued expenses are related to goods and services delivered and not invoiced to the Group in 2021.

NOTE 21A: AIR TRAFFIC SETTLEMENT LIABILITIES

Air traffic settlement liabilities increased from NOK 401.5 million on 31 December 2020 to NOK 1,324.2 million on 31 December 2021. The increase is related to a low level of bookings in 2020 due to travel restrictions and an increase of bookings in the second half of 2021 as travel restrictions were eased.

NOTE 22: BORROWINGS

Term facility

Interest rate of NIBOR and a margin. The term facility is denominated in NOK and matures on 26 May 2026. The coupon is 3-Months NIBOR + 2.00 percent. The effective interest rate is 3.9 percent. The facility is repaid in quarterly instalments of NOK 9.3 million from 1 June 2023.

Retained claims bonds

No interest payments. The effective interest rate is 9.4 percent. The bond issue is denominated in NOK and 50 percent each mature on 30 September 2025 and 30 September 2026.

Aircraft financing

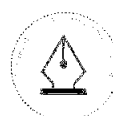
Fixed interest rates between 4.1 and 4.8 percent. The borrowings mature quarterly after the delivery of aircraft. The aircraft financing is denominated in USD.

Nominal value at 31 December 2021

NOK million	Nominal Value	Unamortized effective interest cost	Book value	Effective interest rate
Aircraft financing	810.4	(7.5)	802.9	4.7 %
Term facility	134.9	-	134.9	3.9 %
Bond issue	700.0	-	700.0	0.9 %
Retained claims bonds	3,750.0	(1,225.1)	2,524.9	9.4 %
Other non-current debt	2.0	-	2.0	0.0 %
Total	5,397.2	(1,232.5)	4,164.7	

Nominal value at 31 December 2020

NOK million	Nominal Value	Unamortized effective interest cost	Book value	Effective interest rate
Disposal group aircraft financing	16,344.6	(683.4)	15,661.2	4.0 %
Aircraft financing	3,879.5	(67.5)	3,812.0	3.6 %
Loan with state guarantee	2,989.0	-	2,989.0	3.9 %
Bond issue	2,434.8	(903.2)	1,531.6	32.3 %
Other current debt	437.2	-	437.2	8.0 %
Total	26,085.2	(1,654.1)	24,431.1	



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Effective interest rate during 2021, recognized as financial items (Note 8) and capitalized borrowing costs (Note 11), is 4.1 percent (2020: 9.3 percent).

For information on the fair value of borrowings please refer to Note 3.

In 2020, the value of the conversion rights related to the USD convertible bond issued 5 November 2019 of NOK 52.5 million, is not included as part of Bond issue and is classified under Derivative financial instruments in the consolidated statement of financial position.

Classification of borrowings

NOK million

	2021	2020
Non-current		
Aircraft financing	744.8	-
Term facility	134.9	-
Bond issue	575.0	-
Retained claims bonds	2,524.9	-
Other non-current debt	2.0	-
Total	3,981.6	-

Current

Disposal group aircraft financing	-	15,661.2
Aircraft financing	58.1	3,812.0
Loan with state guarantee	-	2,989.0
Bond issue	125.0	1,531.6
Other current debt	-	437.2
Total	183.1	24,431.1
Total borrowings	4,164.7	24,431.1

Cash and non-cash changes in total borrowings

Changes in total borrowings over a period consist of both cash effects (disbursements and repayments) and non-cash effects (conversion- and reconstruction effects, amortization and currency translation effects). The following is the changes in the Group's borrowings stemming from cash effects and non-cash effects:

NOK million	2021	2020
Opening balance total borrowings	24,431.1	26,734.0
Disbursement	-	3,290.5

Repayment	(408.7)	(2,351.2)
Cash changes	(408.7)	939.3
Conversion- and reconstruction effects	(19,660.6)	(4,293.2)
Net amortization effects	387.7	833.4
Currency translation effects	(584.9)	543.7
Other	-	(326.1)
Non-cash changes	(19,857.7)	(3,242.3)
Closing balance total borrowings	4,164.7	24,431.1

The carrying amounts of the Group's borrowings are denominated in the following currencies:

NOK million	2021	2020
USD	802.9	11,991.4
NOK	3,361.8	3,940.9
SEK	-	270.1
EUR	-	8,228.7
Total	4,164.7	24,431.1

Financial covenants on borrowings

Bond issue (NAS13)

- The bonds are secured by a pledge of the shareholding by NAS Eire Invest AS in Norwegian Air Norway AS and via a pledged account, see Note 23.
- No indebtedness and minimum liquidity of USD 2 million in Norwegian Air Norway AS
- No dividend payment

Term facility

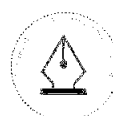
- No dividend payment

Retained claims bonds

- No dividend payment

Aircraft financing

- Aircraft financing does not include covenant requirements. Aircraft in the Group are financed with guarantees by either the parent company and/or by export credit



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



agencies. Owned aircraft are pledged as collateral. For more information on assets pledged as collateral, see Note 23.

NOTE 23: ASSETS PLEDGED AS COLLATERALS AND GUARANTEES

Liabilities secured by pledge

NOK million	2021	2020
Bond issue	700.0	242.5
Bonds refinanced	-	968.0
Aircraft financing	802.9	19,473.3
Total	1,502.9	20,683.8

Owned aircraft are pledged as collateral to the providers of the relevant financing for the aircraft. The Group provides guarantees to the benefit of lenders. The Group has not issued any guarantees for third parties.

In 2021 the NAS07 and NAS08 bonds were replaced by the secured bond NAS13 following approval by the bondholders. In order to secure approval of the restructuring, the Group continued to pledge the following assets:

- Pledge of the shareholding by NAS Eire Invest AS in Norwegian Air Norway AS.
- Pledged Account (including both present and future credit balances, any interest and any commission payable thereon).

The above pledges of the shareholding by in Norwegian Air Norway AS and the pledged account are not shown in the table below as these assets do not have a book value in the Group.

Book value of assets pledged as security and guarantees

NOK million	2021	2020
-------------	------	------

Prepayment and aircraft	1,030.8	6,019.6
Buildings	-	246.8
Total	1,030.8	6,266.4

NOTE 24: BANK DEPOSITS

Cash and cash equivalents	2021	2020
NOK million		
Cash in bank	4,672.9	2,646.1
Cash equivalents	3,021.9	20.8
Total	7,694.8	2,666.9

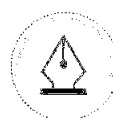
Deposits in money market funds are classified as cash equivalents, as the underlying maturity of the deposits are 3 months or less. At 31 December 2021, the interest terms of the main cash deposits in folio accounts for the two cash pools are 1 month NIBOR flat 0.0 percent p.a. and NOWA -0.3 percent p.a.

Receivables from credit card companies are included in trade receivables. See note 13.

Restricted cash

NOK million	2021	2020
Guarantees for leases and credits from suppliers	270.5	570.1
Safety deposits on defined benefit plan	329.9	297.9
Slots proceeds	237.8	-
Taxes withheld	61.3	38.4
Total	899.5	906.4

Bank guarantees are granted for leasing liabilities for aircraft, suppliers of fuel and handling services, as well as airport charges from airports and governments. Cash proceeds from sale of slots is classified as restricted as it can only be used to buy new slots, or make repayments on the NAS13 bond. There is also a guarantee/deposit in place to secure a pension program. Restricted cash is included in the line item Cash and cash equivalents in the statement of financial position. Unrestricted cash at 31 December 2021 was NOK 6,795.3 million.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

NOTE 25: RELATED PARTY TRANSACTIONS

See Note 7 for details on key Management compensations and Note 15 for shares and options held directly or indirectly by members of the Board of Directors, the CEO and the Executive Management.

No loans or guarantees have been issued to related parties in 2021 or 2020.

The following transactions were carried out with related parties:

NOK million (excl. VAT)	2021	2020
Sales (-) and purchases (+) of goods and services		
OSM Aviation Ltd. (incl. subsidiaries; crew management services)	-	841.1

Transactions between Group companies have been eliminated in the consolidated financial statements and do not represent related party transactions. See Notes 25 Related Parties and 23 Shares in Subsidiaries in the financial statements of Norwegian Air Shuttle ASA for further details.

NOTE 26: CONTINGENCIES AND LEGAL CLAIMS

In March 2017 and June 2018, the Norwegian Tax Authorities made a reassessment pertaining to an EEC cross-border restructuring that took place in 2013 and 2014. The restructuring was carried out under the rules of contingent tax-free group reorganizations. The disputed question is if the rules on contingent tax-free group reorganization, as they applied in 2013 and 2014, are contrary to EU law. The case was heard by the Oslo Municipality court 12-20 April 2021 and the court issued a ruling dated 21 May 2021 in favour of the tax authorities. Norwegian and its tax advisor are of the opinion that the ruling is without merit, thus the ruling is appealed. The maximum total potential cost increase would be NOK 650 million. As a consequence of the Reconstruction, the amount is crammed down to NOK 33.7 million, and the Company has made a provision for this amount.

On 21 September 2021, the Norwegian Environment Agency (Nw.: Miljødirektoratet) concluded in an administrative ruling that the cram down of claims in the Examership 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 pre-dating 18 November 2020. The contemplated market value of such allowances was approximately NOK 300 million at year-end. The Reconstructor determined that the Restructuring applies to the Company's obligation to surrender emission allowances

because 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 has caused the Norwegian Environment Agency to impose a fine of NOK 400 million on the Company. The Company filed a complaint on 25 October 2021 and on 4 February 2022 the Norwegian Environment Agency sent the complaint to the Ministry of Climate and Environment. The Company, supported by its advisors and the Reconstructor, are of the view that such fine either is invalid as the Company is incapable of complying with the EU ETS regime or – if at all valid – will be subject to the cram-down introduced in the Restructuring. The Company has appealed the administrative ruling and expects the appeal to probably be effective and has therefore not made a provision for the fine. As a consequence of the Reconstruction, the amount corresponding to the contemplated market value of such allowances was crammed down and the company has made a provision of NOK 15 million at year end.

NOTE 27: COMMITMENTS

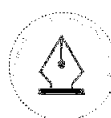
Norwegian previously held aircraft purchase commitments with Airbus and Boeing. These purchase commitments were terminated as part of the Irish examership and Norwegian reconstruction processes during 2021. Norwegian is currently in dialog with both manufacturers evaluating the strategy going forward on a fleet renewal plan as well as for expanding the fleet.

NOTE 28: EVENTS AFTER THE REPORTING PERIOD

On 11 January 2022, Norwegian reported the Post-Conversion Report from the Overseer, confirming that the Structured Sale Process (including the distribution of proceeds thereof) and the distribution of No-Sale Conversion Shares to the relevant Creditors have been completed in accordance with the terms set out in these Dividend Claim Terms.

16 February 2022, Norwegian announced the conversion of New Capital Perpetual bonds whereby new share capital was registered. The Company received conversion notices from bondholders representing NOK 4,000,000 Early Conversion Bonds, which pursuant to standard terms set out in the bond terms are convertible into 425,985 new shares in the Company.

On 28 February 2022, Norwegian announced it has entered into agreements with AerCap to lease aircraft, of which ten are new Boeing 737 MAX 8, to be delivered in the first half of 2023. Norwegian has a long-standing relationship with AerCap, the world's largest aviation leasing company. The signed lease agreements also include eight Boeing 737-800 NG, which



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

are part of the 70 aircraft fleet operational for the summer 2022 season. With these additions, Norwegian will have a total fleet of 80 aircraft by the summer of 2023.

On 28 February 2022, Norwegian announced that a total of 107,051 shares were purchased on behalf of employees in Norwegian Air Shuttle participating in the Company's Employee Share Savings Plan. The average purchase price was NOK 11.02 per share.

On 8 March 2022, Norwegian announced the conversion of New Capital Perpetual bonds whereby new share capital was registered. The Company received conversion notices from bondholders representing NOK 2,000,000 Early Conversion Bonds, which pursuant to standard terms set out in the bond terms are convertible into 212,992 new shares in the Company. Following the conversion, the Company has New Capital Perpetual Bonds in issue in the nominal amount of NOK 1,800,796,249, of which NOK 1,738,293,310 constitute Ordinary Conversion Bonds and NOK 62,502,939 constitute Early Conversion Bonds. The remaining New Capital Perpetual Bonds may be converted into approximately 191.8 million shares in the Company at a conversion price of NOK 9.39, subject to anti-dilution provisions. The Company's share capital is increased by NOK 21,299.20 by issue of 212,992 shares. The Company's new share capital is NOK 92,915,747.30 divided into 929,157,473 shares, each with a nominal value of NOK 0.10.

On 23 March 2022, Norwegian was contemplating a buy-back of the zero-coupon senior unsecured NOK 3,758,929,711 bond issue maturing 30.09.2026 (Retained Claims Bonds with ISIN NO0010996457).

On 30 March 2022, Norwegian announced that the "Reverse Dutch Auction" closed at 29 percent of par value (the "Buy-Back Price"). The Company confirmed to buy back bonds with a total nominal value of NOK 44,611,470 by paying the Buy-Back Price. Cash settlement for the repurchase is expected to occur on Tuesday, 5 April 5, 2022. Following the buy-back, the Company holds zero-coupon Retained Claims Bonds (ISIN: NO0010996457) for a total nominal amount of NOK 44,611,470. The acquired bonds will be cancelled following settlement.

On 22 April 2022, Norwegian published listing prospectus to list Norwegian Air Shuttle ASA FRN perpetual subordinated convertible bonds with ISIN NO 001157331 and NO 001157356 (jointly, the "New Capital Perpetual PIK Bonds"), and (ii) Norwegian Air Shuttle ASA zero coupon senior unsecured NOK 3,758,932,275 bonds 2021/2026 with ISIN NO 0010996457 (the "Retained Claims Bonds").

There have been no other material events subsequent to the reporting period that might have a significant effect on the consolidated financial statements for 2021.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



FINANCIAL STATEMENTS OF THE PARENT COMPANY

INCOME STATEMENT 1.1 – 31.12

STATEMENT OF COMPREHENSIVE INCOME 1.1 – 31.12

NOK million	Note	2021	2020	NOK million	Note	2021	2020
Passenger revenue		2,581.7	3,860.4	Net profit (loss)		12,993.8	(33,850.7)
Ancillary passenger revenue		630.5	1,000.1	Total comprehensive income for the period		12,993.8	(33,850.7)
Other revenue		733.6	2,041.5				
Total operating revenue	3	3,945.8	6,902.0	Total comprehensive income attributable to: Equity holders of the Company		12,993.8	(33,850.7)
Personnel expenses		449.3	1,159.1				
Aviation fuel	5, 6	893.2	1,189.7				
Airport and ATC charges		519.0	567.6				
Handling charges		470.1	1,079.7				
Technical maintenance expenses		502.9	1,276.9				
Other operating expenses	4	1,355.5	2,681.4				
Other losses/(gains) - net	19A	(5,389.1)	(1,100.2)				
Total opex excl lease and depreciation		(1,199.1)	6,854.2				
EBITDAR		5,144.9	47.8				
Aircraft lease, depreciation and amortization	9, 10	1,867.3	4,912.6				
Impairment non-financial items	9	-	1,114.3				
Impairment investment in subsidiaries incl. receivables	25	949.6	29,782.7				
Operating profit (EBIT)		2,328.0	(35,761.8)				
Interest income		126.9	306.4				
Interest expense		(317.6)	(627.9)				
Other financial income (expense)		11,315.0	2,232.7				
Net financial items	7	11,124.3	1,911.2				
Profit (loss) before tax (EBT)		13,452.3	(33,850.7)				
Income tax expense (income)	8	458.5	0.0				
Net profit (loss)		12,993.8	(33,850.7)				
Effective tax rate		3 %	0 %				
Basic earnings per share		24.8	(1,501.0)				
Diluted earnings per share		18.6	(1,501.0)				



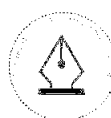
This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

NOK million	Note	2021	2020	NOK million	Note	2021	2020
ASSETS							
Intangible assets	9	148.0	159.2	Share capital	14	92.9	397.5
Deferred tax asset	8	1,616.2	2,074.0	Share premium		25,424.3	18,805.1
Aircraft, parts and installations on leased aircraft	10	0.1	47.7	Other paid-in equity		744.4	155.8
Right-of-use aircraft, parts and installations	11	-	544.2	Perpetual bonds		1,808.0	786.5
Equipment and fixtures	10	107.8	145.7	Other reserves		1.2	1.2
Buildings	10	246.7	252.4	Retained earnings		(16,520.5)	(29,482.5)
Right-of-use buildings	11	173.7	211.5	Total equity		11,550.2	(9,336.5)
Financial assets available for sale	19, 24	3.7	3.7				
Investments in subsidiaries	23	2,034.7	1,328.1	Provision for periodic maintenance	17	16.9	1,077.9
Lease receivable	25	-	498.9	Other non-current liabilities		0.0	425.0
Other receivables	12	3,832.7	405.3	Borrowings	22	3,303.6	0.0
Total non-current assets		8,163.5	5,670.7	Lease liability	19	171.4	634.1
				Derivative financial instruments	2, 19	-	3.2
Inventory	13	-	63.3	Total non-current liabilities		3,491.9	2,140.3
Trade and other receivables	12	2,201.3	4,119.1				
Cash and cash equivalents	21	7,290.4	2,443.2	Borrowings	22	125.0	5,539.8
Total current assets		9,491.7	6,625.6	Lease liability	19	20.4	149.1
				Trade and other payables	18	2,467.7	13,354.5
TOTAL ASSETS		17,655.3	12,296.3	Air traffic settlement liabilities		-	401.1
				Derivative financial instruments	2, 19	-	49.2
				Tax payable		-	(1.3)
				Total current liabilities		2,613.1	19,492.5
				Total liabilities		6,105.0	21,632.8
				TOTAL EQUITY AND LIABILITIES		17,655.3	12,296.3



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

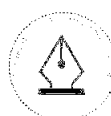
Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



STATEMENT OF CHANGES IN EQUITY 1.1 – 31.12

NOK million

	Share Capital	Share Premium	Other paid-in equity	Perpetual bonds	Total paid-in equity	Other reserves	Retained earnings	Total equity
Equity at 1 January 2020	16.4	6,664.0	149.2	-	6,829.5	1.2	4,368.1	11,198.8
Profit for the year	-	-	-	-	-	-	-	-
Total comprehensive income 2020	-	-	-	-	-	-	(33,850.7)	(33,850.7)
Share issue	381.1	12,141.1	-	(1,006.2)	11,516.1	-	-	11,516.1
Perpetual bonds issue	-	-	-	1,792.6	1,792.6	-	-	1,792.6
Equity changes on employee options	-	-	6.6	-	6.6	-	-	6.6
Transactions with owners	381.1	12,141.1	6.6	786.5	13,315.3	-	-	13,315.3
Equity at 31 December 2020	397.5	18,805.1	155.8	786.5	20,144.9	1.2	(29,482.5)	(9,336.5)
Profit for the year	-	-	-	-	-	-	12,993.8	12,993.8
Total comprehensive income 2021	-	-	-	-	-	-	12,993.8	12,993.8
Share issue	66.9	4,738.2	181.9	(853.5)	4,133.5	-	-	4,133.5
Convertible dividend claim issue	22.0	1,881.0	-	-	1,903.0	-	-	1,903.0
Capital decrease	(393.5)	-	393.5	-	-	-	-	-
Perpetual bonds issue	-	-	-	1,843.3	1,843.3	-	-	1,843.3
Payment-in-kind interest	-	-	-	31.8	31.8	-	(31.8)	-
Equity changes on employee options	-	-	13.2	-	13.2	-	-	13.2
Transactions with owners	(304.6)	6,619.2	588.6	1,021.6	7,924.8	-	(31.8)	7,892.9
Equity at 31 December 2021	92.9	25,424.3	744.4	1,808.0	28,069.7	1.2	(16,520.5)	11,550.2



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

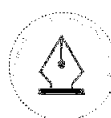
Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



STATEMENT OF CASH FLOWS 1.1 – 31.12

NOK million	Note	2021	2020
OPERATING ACTIVITIES			
Profit (loss) before tax (EBT)		13,452.3	(33,850.7)
Depreciation, amortization and impairment	9, 10, 25	182.0	31,181.4
Compensation expense for employee options	16	13.2	6.6
Losses/(gains) on disposal of tangible assets		(4,587.7)	(2,968.7)
Fair value losses/(gains) on financial assets	19	(49.2)	49.2
Financial items	7	(11,124.3)	(1,911.2)
Change in inventories, accounts receivable and accounts payable		1,341.7	15,574.3
Change in air traffic settlement liabilities		(401.1)	(5,705.1)
Change in other current assets and current liabilities		1,230.5	(5,314.1)
Net cash flow from operating activities		37.4	(2,938.3)
INVESTING ACTIVITIES			
Purchase of tangible assets	10	(19.1)	(286.5)
Purchase of intangible assets	9	(9.6)	(16.6)
Net investment in subsidiaries	23	(2.5)	-
Net cash flow from investing activities		(31.2)	(303.1)
FINANCING ACTIVITIES			
Proceeds from long-term debt	22	-	3,290.5
Payment of borrowings	22	(376.2)	(298.1)
Principal element of lease payments	11	(51.4)	(151.3)
Interest on borrowings and financing costs		(15.8)	(379.9)
Interest element of lease payments		(19.7)	(50.4)
Transaction cost		-	(5.7)
Cash dividend to creditors		(377.7)	-
Proceeds from issuing new shares	14	5,862.9	328.4
Net cash flow from financial activities		5,022.1	2,733.5
Foreign exchange effect on cash		(181.1)	152.1
Net change in cash and cash equivalents		4,847.3	(355.8)
Cash and cash equivalents at 1 January		2,443.2	2,799.0
Cash and cash equivalents at 31 December	21	7,290.4	2,443.2

The Company participates in cash pool arrangements, and deposits and overdrafts by subsidiaries within these arrangements are presented as other receivables and other payables in the statement of financial position. The net deposits in cash pool arrangements are included as cash equivalents.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

NOTE 1: GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Norwegian Air Shuttle ASA is the parent in the Norwegian Group. Besides being an operative airline, it also serves the purpose of holding company in the Norwegian Group, and contains the Group Management and Corporate Functions, in addition to serving other Group airlines and other business areas with shared services. The information provided in the consolidated financial statements covers the Company to a significant degree. Please refer to the consolidated financial statement of the Group for a description of the operative activities of Norwegian Air Shuttle ASA.

The financial statements of Norwegian Air Shuttle ASA for the year ended 31 December 2021 were authorized for issue by the Board of Directors on 28 April 2022. The annual shareholders meeting, to be held 25 May 2022, have the power to amend and reissue the financial statements.

The financial statements of the Company have been prepared in accordance with simplified IFRS pursuant to the Norwegian Accounting Act § 3–9, and regulations regarding simplified application of IFRS issued by the Ministry of Finance on 21 January 2008.

The financial statements have been prepared on the going concern basis.

The Company's significant accounting principles are consistent with the accounting principles of the Group, as described in Note 1 of the consolidated financial statement. Where the notes for the parent company are substantially different from the notes for the Group, these are shown below. Otherwise, refer to the notes to the Group's Consolidated Financial Statements (hereinafter referred to as the Group's Consolidated Financial Statements).

Additions to Note 1 of the Group Financial Statements:

Dividends and group contribution

Dividend and group contributions are recognized as financial income, unless dividends or group contributions are received out of pre-acquisition profits of its subsidiary, in such cases they are deducted from the cost of investment rather than included in profit or loss. Dividends and group contributions are recognized in the period in which they are decided by the relevant decision making body in the subsidiary.

Investments in subsidiaries and associates

Shares in subsidiaries are valued at cost and tested for impairment. Any impairment losses and reversal of impairment losses are classified as net gains (loss and impairment) on investments in subsidiaries in the income statement. Loans provided to subsidiaries are measured at cost in accordance with IFRS 9.

NOTE 2: FINANCIAL RISKS

The Company's exposure to, and management of, financial risk is primarily the same as disclosed for the Group. For further information, please refer to Note 2 in the consolidated financial statements.

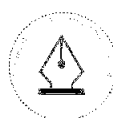
NOTE 3: OPERATING REVENUE

NOK million	2021	2020
By activity:		
Passenger transport	2,581.7	3,860.4
Ancillary revenue	630.5	1,000.1
Other revenue	733.6	2,041.5
Total operating revenue	3,945.8	6,902.0
Per geographical markets:		
Domestic Norway	1,770.3	3,262.4
Other	2,175.5	3,639.5
Total operating revenue	3,945.8	6,902.0

The Company is a low-cost airline, using its fleet of aircraft. Revenues from this business are specified in the table above. Passenger revenue consists of revenue generated from sales of airline tickets, while ancillary revenue consists of other services directly generated from ticket sales. Other revenue consists of sales that are not directly related to an airline ticket, e.g. cargo and sales of third-party products.

NOTE 4: OTHER OPERATING EXPENSES

NOK million	2021	2020
Sales and distribution expenses	275.3	693.6
Other flight operation expenses	192.3	914.9
General and administrative expenses	887.8	1,072.8
Total other operating expenses	1,355.5	2,681.4



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Other operating expenses amounts to NOK 1,355.5 million (2020: NOK 2,681.4 million). Other operating expenses are related to sales and distribution, the operating of systems, marketing, back office, consultants and other costs not directly attributable to operation of the aircraft fleet and related airline-specific costs.

NOTE 5: PAYROLL EXPENSES AND NUMBER OF EMPLOYEES**Breakdown of payroll and personnel expenses – employees**

NOK million	2021	2020
Wages and salaries	339.8	377.9
Social security tax	41.0	43.6
Pension expenses	21.1	29.8
Employee stock options	13.2	6.6
Other benefits	14.4	22.6
Total	429.5	480.6

In 2021, NOK 12.6 million (2020: NOK 6.0 million) was charged as an expense to salaries, according to the stock option program (Note 16). The Company has a pension scheme covering all employees. The scheme compliant with the act on occupational pensions (Note 16).

NOK million	2021	2020
Personnel expenses – employees	429.5	480.6
Personnel expenses – hired – Full Scale Crew Services	19.7	626.0
Personnel expenses – hired	0.1	52.6
Total	449.3	1,159.1

Breakdown of payroll and personnel expenses – employees and hired**NOTE 6: REMUNERATION OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT**

For information on remuneration of the Board of Directors and Executive management, please refer to Note 7 in the Group's Consolidated Financial Statements.

NOTE 6A: AUDITOR REMUNERATION

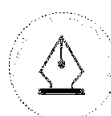
NOK million excluding VAT	2021	2020
Audit fee	9.6	7.9
Other audit related services	0.6	2.5
Other services	1.8	0.6
Total	12.0	11.0

The Company elected PricewaterhouseCoopers AS as their new auditor with effect for the financial year 2020.

NOTE 7: NET FINANCIAL ITEMS

NOK million	2021	2020
Interest income	126.9	306.4
Interest expense leasing	(19.7)	(50.4)
Other Interest expense	(300.6)	(583.7)
Net foreign exchange (loss) or gain	(483.2)	(691.2)
Appreciation cash equivalents	-	0.4
Restructuring effects	11,596.1	-
Fair value gain conversion rights	6.1	786.1
Financial gain debt to equity conversion	217.4	1,845.9
Other financial items	(18.7)	297.7
Net financial items	11,124.3	1,911.2

Restructuring effects of NOK 11,596 million include effects from the restructuring process successfully completed in May 2021. In total, the restructuring improved equity by NOK 19,476 million. The impact of the restructuring on share and paid-in capital and on income/(loss) are presented in the table below.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



NOK million	Footnotes	Share and paid in capital	Income (loss)
Bonds	1	41.9	385.4
Trade and other payables and related receivables	2	0.0	12,405.8
Aircraft and related liabilities	3	0.0	398.5
Borrowings, Perpetual and Retained claims bond	4	1,843.3	866.8
Private placement/Rights issue	5	4,029.7	0.0
Dividend claim	6	1,964.8	(2,020.8)
Cash dividend	7	0.0	(439.5)
Total		7,879.7	11,596.1

negative NOK 2,021 million that has to be assessed together with the effect related to Trade and other payables and related receivables. Cash dividend: This amount reflects the cash dividend payable to unsecured creditors, that did not participate in the rights issue or new capital perpetual bond issue, as compensation for extinguished debt.

7) This amount reflects the cash dividend payable to unsecured creditors, that did not participate in the rights issue or new capital perpetual bond issue, as compensation for extinguished debt.

NOTE 8: TAXES

This year's tax expense consists of:

NOK million	2021	2020
Tax payable	0.2	0.0
Adjustments from previous year	0.5	0.0
Change in deferred tax	457.8	0.0
Income tax expense	458.5	0.0

Reconciliation from nominal to effective tax rate:

NOK million	2021	2020
Profit before tax	13,452.3	(33,850.7)
Expected tax expense (income) using nominal tax rate (22%)	2,959.5	(7,447.1)
Tax effect of the following items:		
Non-deductible expenses/income	(3,734.2)	6,376.0
Adjustments from previous year	(284.6)	789.6
Change in tax rate	-	-
Deferred tax asset not recognized	(793.9)	293.8
Restructuring effects on tax losses carried forward	2,300.3	-
Other items	11.4	(12.3)
Tax expense	458.5	0.0
Effective tax rate	3.4 %	0.0 %

- 1) Bonds: These amounts reflect the net effect of the extinguishment of unsecured Bond debt issued prior to 18 November 2020 (NAS07, NAS08 and the US convertible) and the issue of the new Bond NAS13. The effect is a net reduction in debt with a corresponding increase in equity through Income. The portion recognized as increase in Share and paid in capital reflects the conversion of zero-coupon perpetual bonds with floor protection from debt to equity during the first half year in 2021.
- 2) Trade and other payables and related receivables: These amounts reflect the extinguishment of vendor debt and related receivables from the same vendors, from the period before 18 November 2020. The effect is a reduction in net debt and increase in other equity through Income.
- 3) Aircraft and related liabilities: This amount reflect the net effect of reduced maintenance obligations, aircraft financing liabilities and deposits on aircraft leases. The net effect is a reduction in net liabilities with a corresponding increase in other equity through Income.
- 4) Borrowings, Perpetual and Retained Claim Bond: These amounts reflect extinguishment of the unsecured part of loan with state guarantee and other borrowings, the issue of the new Perpetual Bond classified as equity and the related Retained Claim Bond. The effect is a net reduction in outstanding debt with a corresponding increase in share and paid in capital with NOK 1,843 million and other equity through Income of NOK 667 million.
- 5) Private placement/Rights issue: This amount reflects the net proceeds from share issue in the private placement and the rights issue in May 2021.
- 6) Dividend claim: Reflects the issue of the Dividend Claim with conversion rights, followed by conversion of dividend claim to shares. The Dividend Claim was granted to unsecured creditors, that did not participate in the rights issue or new capital perpetual bond issue, as a 4% compensation for extinguished debt in addition to the Cash Dividend. The effect is an increase in debt with NOK 69 million, and an increase in Share and paid in capital with NOK 1,965 million representing the value of the conversion element and a net corresponding effect on other equity of



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Adjustments from previous years consists of differences in deferred tax positions between the Company's annual report 2020 and its tax reporting finalized later in 2021.

Details of deferred tax assets in the balance sheet:

NOK million	2021	2020
Intangible assets	28.0	(103.0)
Tangible assets	(19.8)	(16.8)
Inventories	-	(14.7)
Receivables	(5.6)	(9.2)
Financial instruments	-	(11.5)
Deferred gains/losses	633.5	1,149.1
Other accruals	(1.1)	(327.4)
Other temporary differences	(323.6)	(316.9)
Net lease liabilities	(4.0)	(6.1)
Loss carried forward	(1,937.3)	(3,225.1)
Not recognized deferred tax	13.6	807.6
Net deferred tax assets	(1,616.2)	(2,074.0)

Reconciliation of deferred tax assets and liabilities:

NOK million	2021	2020
Recognized at 1 January	(2,074.0)	(2,062.0)
Charged/credited to the income statement	457.8	-
Charged directly to equity	-	(12.0)
Recognized at 31 December	(1,616.2)	(2,074.0)

Deferred tax assets are based on unused tax loss carry forwards and temporary differences in assets and liabilities. The tax loss carried forward is expected to be utilized by future taxable profits. The deferred tax assets are partially explained by the historical tax losses of the Company. Unused tax losses are recognized to the extent that taxable profits are probable. Significant management judgment is required to determine the amounts of deferred tax assets that can be recognized, based on the anticipated timing and level of future taxable profits together with future tax planning strategies. In situations where the Company has experienced recent losses, the Company will evaluate whether there are convincing other evidence supporting taxable profits and the future utilization of its carry-forward losses. The future operations with focus on markets that has been profitable in the past, supports that there are convincing evidence to support expectations that the Company will generate taxable profits in the upcoming periods.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



NOTE 9: INTANGIBLE ASSETS

NOK million	Software	Goodwill	Other intangible assets	Total
Acquisition costs 1 January 2020	488.9	1,208.5	27.0	1,736.6
Additions	16.6	-	-	16.6
Impairment	-	(1,114.3)	-	(1,114.3)
Acquisition costs 31 December 2020	505.5	94.2	27.0	626.6
Acquisition costs 1 January 2021	505.5	94.2	27.0	626.6
Additions	7.1	1.6	-	8.7
Acquisition costs 31 December 2021	512.6	95.8	27.0	635.4
Accumulated amortization 1 January 2020	442.3	-	4.6	446.9
Amortization	20.6	-	-	20.6
Accumulated amortization 31 December 2020	462.8	-	4.6	467.4
Accumulated amortization 1 January 2021	462.8	-	4.6	467.4
Amortization	20.0	-	-	20.6
Accumulated amortization 31 December 2021	482.8	-	4.6	487.4
Book value at 31 December 2020	42.6	94.2	22.4	159.2
Book value at 31 December 2021	29.8	95.8	22.4	148.0

Software

Capitalized software is related to external consulting fees for the development of Norwegian's own systems for bookings and ticket-less travels, various sales portals, back office, and maintenance system. These costs are amortized over their estimated useful lives (three to five years).

Goodwill and other intangible assets

Goodwill is related to the purchase of FlyNordic in Sweden July 2007, and the transfer of long-haul operations based in Ireland from NAI to NAS in 2018.

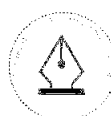
Other intangible assets from business combinations consist of estimated fair value of Brand name, charter operations, slots and the Air Operating Certificate. Other intangible assets

also consist of intellectual property rights that are related to purchases of internet domains. The Group has developed international web portals in major markets.

Goodwill, slots and intellectual property rights are determined to have indefinite useful lives and are not amortized. Slots and intellectual property rights do not expire over time, as long as the management has the intention to continue using the assets.

Impairment

The Company tests goodwill and assets with indefinite useful lives annually at year-end for impairment. Intangible and tangible assets with definite lives are tested for impairment if indicators of impairment are identified. The effects on the airline industry and the



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

Company's level of operation is considered a triggering event, and an impairment testing has been performed for the Company's non-current assets.

The method used to estimate the recoverable amount is value in use, based on discounted cash flow analysis. The analysis reflects the cash flow projections in the financial business plan covering the next four years which is approved by the Board of Directors. Key assumptions used in the calculation are growth rates, operating costs, terminal value and discount rate. Cash flows beyond the four-year period are extrapolated with a long-term growth rate. Estimated cash flows and discount rate are after tax.

Discount rate

The applied after-tax discount rate is 8.5 percent (2020: 7.3 percent) and based on the Weighted Average Cost of Capital (WACC). The cost of the Group's debt and equity capital, weighted accordingly to reflect its capital structure, gives the Group's weighted average cost of capital. The WACC rates which are used to discount future cash flows are based on market risk free interest rates adjusted for inflation differentials and include the debt premium, market risk premium, gearing corporate tax rate and asset beta. An increase of the discount rate of 1 percentage point will not result in impairment of goodwill and intangible assets.

Growth rates

The basis for calculating future growth rate is in accordance with the Company's current management approved business plans for the upcoming four years.

Operating costs

The operating costs are calculated based on the business plan period.

Terminal value

A growth rate of 0 percent is used in calculating cash flow beyond the four-year period.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

**NOTE 10: TANGIBLE ASSETS**

NOK million	Buildings	Aircraft, spare parts and installations on leased aircraft	Equipment and fixtures	Total
Acquisition cost at January 1, 2020	294.8	645.8	514.5	1,455.1
Additions	0.0	248.9	17.1	266.0
Disposals	(5.4)	(243.7)	(26.0)	(275.1)
Acquisition cost at December 31, 2020	289.3	650.8	505.6	1,445.7
Acquisition cost at 1 January 2021	289.3	650.8	505.6	1,445.7
Additions	-	13.7	5.4	19.1
Disposals	-	(45.6)	-	(45.5)
Acquisition costs 31 December, 2021	289.3	619.0	511.0	1,419.3
Accumulated depreciation at January 1, 2020	31.1	526.1	346.9	904.1
Depreciation	-	61.4	36.3	103.5
Impairment	-	22.7	-	22.7
Depreciation on disposals	5.8	(7.0)	(23.4)	(30.4)
Accumulated depreciation at December 31, 2020	36.9	603.2	359.8	999.9
Accumulated depreciation at 1 January, 2021	36.9	603.2	359.8	999.9
Depreciation	5.8	43.9	32.1	81.8
Impairment	-	-	11.2	11.2
Depreciation disposals	-	(28.1)	-	(28.1)
Accumulated depreciation 31 December, 2021	42.7	619.0	403.2	1,064.8
Book value at 31 December 2020	252.4	47.7	145.7	445.8
Book value at 31 December 2021	246.6	0.1	107.8	354.5

Installations on leased aircraft

The installations on leased aircraft include cabin interior modifications and other improvements to the aircraft after lease commencement. The capitalized value is depreciated over the remainder of the aircraft leases, which are between 1–10 years. Linear depreciation is applied, and residual value is NOK 0.

Spare parts

Spare parts consist of rotatable parts for aircraft and are depreciated over their useful life. The useful life of spare parts ranges between 5 to 8 years. Linear depreciation is applied, and 25 percent of the acquisition cost is calculated as residual value.

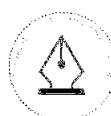
Equipment and fixtures

Equipment and fixtures consist of purchased software and technical equipment on leased facilities.

Buildings

Buildings consists of one apartment in Seattle purchased in 2010 by the Group. The apartment is carried at acquisition cost. The residual value is estimated to equal the acquisition cost. In 2014, a new hangar at Gardermoen airport was constructed. The hangar is estimated to have a useful life of 50 years and is depreciated linear over useful economic life. The residual value is NOK 0.

For information regarding assets pledged as collateral, see Note 20.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



NOTE 11: LEASES

NOK million	Right-of-use buildings	Right-of-use aircraft, parts and installations	Total
Acquisition cost 1 January 2020	281.7	752.7	1,034.4
Additions	2.7	87.4	90.1
Terminations	(12.3)	(71.0)	(83.3)
Acquisition cost at 31 December 2020	272.1	769.1	1,041.2
Acquisition costs 1 January 2021	272.1	769.1	1,041.2
Terminations	(14.4)	(762.5)	(776.9)
Acquisition costs 31 December 2021	257.7	6.6	264.3
Accumulated depreciation 1 January 2020	30.2	116.9	147.1
Depreciation	31.4	129.0	160.4
Depreciation terminations	(0.9)	(21.0)	(21.9)
Accumulated depreciation 31 December 2020	60.7	224.9	285.6
Accumulated depreciation 1 January 2021	60.7	224.9	285.6
Depreciation	27.6	31.6	59.3
Depreciation terminations	(4.3)	(250.0)	(254.3)
Accumulated depreciation 31 December 2021	84.0	6.6	90.6
Book value 31 December 2020	211.5	544.2	755.6
Book value 31 December 2021	173.7	0.0	173.7

In 2021, the Company leased Boeing 737 and 787 aircraft from other group entities. All group-internal aircraft leases are classified as short-term leases as both contract partners have an option to terminate the lease agreements with a notice period of three months. The agreements do not foresee a termination penalty for either of the contract partners. The Company makes use of the recognition exemption for short-term leases. At the end of 2021, the Company has no aircraft on lease (2020: 37). During 2021 37 (2020: 13) aircraft were redelivered to the lessor or novated to other Group companies.

Lease liabilities

NOK million	2021	2020
Opening balance	783.3	914.9
Additions	-	84.1
Terminations	(523.4)	(70.2)
Conversion to equity	-	(6.9)
Accrued interest expense	19.7	50.4
Interest paid	(19.7)	(50.4)
Payment of lease liabilities	(51.4)	(151.3)
Currency differences	(16.7)	12.5
Lease liabilities 31 December	191.8	783.3
Due within one year	20.4	149.1
Due after one year	171.4	634.1

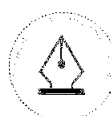
Outstanding nominal minimum lease payments at the end of 2021 were NOK 242.4 million.

Besides aircraft leases, the Company had in 2021 short-term and/or leases of low-value items for 12 cars and 18 properties in Oslo and other operating bases. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases. The Company recognized expenses related to these lease contracts for which the recognition exemptions of IFRS 16 were applied of NOK 34.1 million in 2021 (2020: NOK 3,207.9 million).

The following amounts are recognized in the income statement in 2021:

NOK million	2021	2020
Expenses relating to short-term leases	33.9	3,207.6
Expenses relating to low-value leases	0.2	0.3
Variable lease payments	34.7	84.7
Total	68.7	3,292.6

For the Company's leasing commitments on behalf of other Group Companies, see Note 25.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



NOTE 12: RECEIVABLES

Specifications of receivables

NOK million	2021	2020
Trade receivables	15.8	203.6
Intercompany receivables	5,622.5	731.3
Credit card receivables	-	1,480.4
Deposits	18.7	116.6
Reimbursements claims maintenance costs	(5.5)	(15.0)
Other claims	96.6	1,413.9
Trade and other receivables	5,748.2	3,930.8
Prepaid costs	206.6	524.8
Public duty receivables	73.2	54.8
Prepayments to employees	6.0	(0.1)
Prepaid rent	-	14.1
Prepayments	285.8	593.6
Total	6,034.0	4,524.4
Maximum credit risk	5,632.8	3,805.5

Due dates, nominal value of receivables

NOK million	2021	2020
Within one year	2,201.3	4,119.1
After one year	3,832.7	405.3
Total	6,034.0	4,524.4

Receivables denominated in foreign currency are converted using the prevailing exchange rates on the reporting date. Refer to Note 25 for further information on transactions and outstanding balances with other group companies.

NOTE 13: INVENTORY

NOK million	2021	2020
Consumables	-	63.3
Total	-	63.3

NOTE 14: SHAREHOLDER'S EQUITY AND SHAREHOLDER INFORMATION

Refer to Note 15 in the Group's consolidated financial statements.

NOTE 15: PENSIONS

The Company operates defined contribution plans. Pension plans are placed with DNB Liv.

Defined contribution plan

The defined contribution plans require that the Company pays premiums to public or private administrative pension plans on mandatory, contractual or voluntary basis. The Company has no further obligations once these premiums are paid. The premiums are accounted for as payroll expenses as soon as they are incurred. Pre-paid premiums are accounted for as an asset to the extent that future benefits can be determined as plausible.

Defined contribution plans comply with Norwegian Pension legislation.

Pension expenses on defined contribution plans were NOK 21.1 million in 2021 (2020: NOK 29.8 million).

In addition, employees are included in the early retirement scheme (AFP), with the right to retire at the age of 62. The AFP is a multi-employer plan, where the Norwegian government finances 1/3 of the contribution to plans. The AFP pension plan is a defined benefit plan administered by a separate legal entity ("Fellesordningen"). The plan is temporarily accounted for as a defined contribution plan, as the plan's administrators have not been able to calculate the pension obligation for each entity participating in the plan.

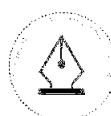
The scheme compliant with the Occupational Pensions Act.

NOTE 16: OPTIONS

Refer to Note 17 in the Group's consolidated financial statements.

NOTE 17: PROVISION FOR PERIODIC MAINTENANCE

The Company pays a fee to maintenance funds held by the lessor on leased aircraft. The accrued provisions in the accounts are estimated payments for periodic maintenances in excess of payments to the maintenance funds and are provided on the basis of aircraft utilization and estimates of current maintenance costs. For some of the contracts, there is



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



a degree of uncertainty about what kind of maintenance is covered by the maintenance funds, and the provision for this increase in expenses for the Company is distributed over the period until the maintenance is performed.

On 31 December 2021, the Company had NOK 16.9 million (2020: NOK 1,319.9 million) in provision for maintenance reserves.

NOTE 18: TRADE AND OTHER PAYABLES

NOK million	2021	2020
Accrued vacation pay	36.8	39.3
Accrued airport and transportation taxes	7.0	117.3
Accrued expenses	96.2	498.7
Trade payables	56.5	2,438.4
Intercompany liabilities	1,536.5	10,264.9
Payables to related party (Note 25)	-	0.7
Public duties	2.1	8.6
Other current provisions	732.6	(13.3)
Total	2,467.7	13,354.6

The current payables and provisions are non-interest bearing and are due within the next twelve months. Accrued expenses are related to goods and services delivered and not invoiced to the Company in 2021.

NOTE 19: FINANCIAL INSTRUMENTS

The accounting policies for financial instruments have been applied to the line items below:

NOK million	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value through OCI	Total
Assets as per balance sheet				
Investments in financial assets	3.7	-	-	3.7
Trade and other receivables *)	5,748.2	-	-	5,748.2
Cash and cash equivalents	7,290.4	-	-	7,290.4

Total 2021	13,042.3	-	-	13,042.3
Assets as per balance sheet				
Investments in financial assets	3.7	-	-	3.7
Trade and other receivables *)	3,930.8	-	-	3,930.8
Cash and cash equivalents	2,443.2	-	-	2,443.2
Total 2020	6,377.6	-	-	6,377.6

*) Prepayments not included in trade and other receivables was NOK 285.8 million in 2021 and NOK 593.6 million in 2020.

Investments in financial assets consist of an investment in shares of Norwegian Block Exchange AS. Changes in the share price of Norwegian Block Exchange AS are not reflected as a change in fair value in profit or loss due to immateriality of the investment.

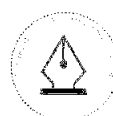
NOK million	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Liabilities per balance sheet			
Borrowings	-	3,428.6	3,428.6
Lease liabilities	-	191.8	191.8
Trade and other payables *)	-	2,465.6	2,465.6
Total 2021	-	6,086.0	6,086.0

Borrowings	-	5,539.8	5,539.8
Lease liabilities	-	783.3	783.3
Derivative financial instruments	52.5	-	52.5
Trade and other payables *)	-	13,346.0	13,346.0
Total 2020	52.5	19,669.0	19,721.5

*) Public duties not included in trade and other payables was NOK 2.1 million in 2021 and NOK 8.6 million in 2020.

The accounting policies for financial instruments have been applied to the line items below:

NOK million	2021	2020
Credit quality of financial asset		
Trade receivables		
Counterparties with external credit rating A or better	-	1,480.4
Counterparties without external credit rating	5,748.2	2,450.4
Total trade receivables	5,748.2	3,930.8



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Cash and cash equivalents		
A+ or better	4,268.5	2,442.4
BBB +	3,021.9	20.8
Total cash and cash equivalents	7,290.4	2,443.2

Investments in financial assets		
<i>NOK million</i>	2021	2020

1 January	3.7	-
Additions	-	3.7
31 December	3.7	3.7
Non-current portion	3.7	3.7
Current portion	-	-

Investments in financial assets consist of the investment in shares of Norwegian Block Exchange AS.

Derivative financial instruments

	2021		2020	
<i>NOK million</i>	Assets	Liabilities	Assets	Liabilities
Forward commodities contracts	-	-	-	49.2
Conversion rights	-	-	-	3.2
Total	-	-	-	52.5
Non-current portion:	-	-	-	3.2
Current portion	-	-	-	49.2

Trading derivatives are classified as current or non-current assets or liabilities depending on the maturity profile and net value of individual forward contracts.

Forward commodities contracts

Forward commodities contracts relate to jet fuel derivatives. The net fair value of the outstanding forward commodities contracts at 31 December 2021 were NOK 0 (2020: negative NOK 49.2 million). At 31 December 2021, the Group had not secured any jet fuel (2020: 18,000 tons) through forward contracts.

NOTE 19A: OTHER LOSSES / (GAINS) – NET

<i>NOK million</i>	2021	2020
Net losses/(gains) on financial assets at fair value through profit or loss	(5.3)	882.9
Foreign exchange losses/(gains) on operating activities	(795.6)	(4,952.1)
Losses/(gains) on asset sale	(4,588.2)	2,968.9
Total	(5,389.1)	(1,100.2)

Net gains of NOK 5.3 million (2020: losses of NOK 882.9 million) is related to net gains on jet fuel derivatives. Losses/(gains) on asset sale in 2021 includes gains of NOK 3,783 million from the sale of airline and technical operations to Norwegian Air AS and gains of NOK 812 million from the sale of the Company's operations as a marketing carrier to Norwegian Air Shuttle AOC AS.

NOTE 20: ASSETS PLEDGED AS COLLATERAL AND GUARANTEES

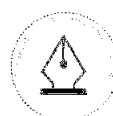
Liabilities secured by pledge

<i>NOK million</i>	2021	2020
Bond issue	700.0	242.5
Bonds refinanced	-	968.0
Aircraft financing	-	581.9
Total	700.0	1,792.5

In 2021 the NAS07 and NAS08 bonds were replaced by the secured bond NAS13 following approval by the bondholders. In order to secure approval of the restructuring, the Group continued to pledge the following assets:

- Pledge of the shareholding by NAS Eire Invest AS in Norwegian Air Norway AS
- Pledged Account (including both present and future credit balances, any interest and any commission payable thereon).

For references to pledged assets, see Note 10 and for borrowings related to those assets, see Note 22.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Book value of assets pledged as security and guarantees

NOK million	2021	2020
Buildings	-	246.8
Total	-	246.8

NOTE 21: BANK DEPOSITS

Cash and cash equivalents

NOK million	2021	2020
Cash in bank	4,268.5	2,422.4
Cash equivalents	3,021.9	20.8
Total	7,290.4	2,443.2

Deposits in money market funds are classified as cash equivalents, as the underlying maturity of the deposits are 3 months or less. At 31 December 2021, the interest terms of the main cash deposits in folio accounts for the two cash pools are 1 month NIBOR flat 0.0 percent p.a. and NOWA -0.3 percent p.a.

Receivables from credit card companies are included in trade receivables for 2020. See Note 12.

NAS has provided parent company guarantees for certain subsidiaries.

Restricted cash

NOK million	2021	2020
Guarantees for leases and credits from suppliers	258.8	570.1
Safety deposits on defined benefit plan	329.9	297.9
Slots proceeds	237.8	-
Taxes withheld	9.4	14.4
Total	835.8	882.4

Bank guarantees are granted for leasing liabilities for aircraft, suppliers of fuel and handling services, as well as airport charges from airports and governments. There is also a guarantee/deposit in place to secure a pension program.

NOTE 22: BORROWINGS

Nominal value at 31 December 2021

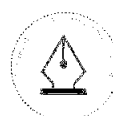
NOK million	Nominal Value	Unamortized effective interest cost	Book value	Effective interest rate
Term facility	134.9	-	134.9	3.9 %
Bond issue	700.0	-	700.0	0.9 %
Retained claims bonds	3,750.0	(1,225.1)	2,524.9	9.4 %
Other non-current debt	68.9	-	68.9	0.0 %
Total	4,653.8	(1,225.1)	3,428.7	

Nominal value at 31 December 2020

NOK million	Nominal Value	Unamortized effective interest cost	Book value	Effective interest rate
Loan with state guarantee	2,989.0	-	2,989.0	3.9 %
Bond issue	2,434.8	(903.2)	1,531.6	32.3 %
Other current debt	437.2	-	437.2	8.0 %
Aircraft financing	596.6	(14.6)	581.9	2.9 %
Total	6,457.6	(917.8)	5,539.8	

Classification of borrowings

NOK million	2021	2020
Non-current		
Term facility	134.9	-
Bond issue	575.0	-
Retained claims bonds	2,524.9	-
Other non-current debt	68.9	-
Total	3,303.6	-



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Current		
Loan with state guarantee	-	2,989.0
Bond issue	125.0	1,531.6
Other current debt	-	437.2
Aircraft financing	-	581.9
Total	125.0	5,539.8
Total borrowings	3,428.7	5,539.8

Collateralized borrowings are detailed in Note 20.

Financial covenants

Bond issue (NAS13)

- The bonds are secured by a pledge of the shareholding by NAS Eire Invest AS in Norwegian Air Norway AS and via a pledged account, see Note 23.
- No indebtedness and minimum liquidity of USD 2 million in Norwegian Air Norway AS
- No dividend payment

Term facility

- No dividend payment

Retained claims bonds

- No dividend payment

Maturity of borrowings

NOK million	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Borrowings	125.0	154.5	162.2	4,212.1
Total liabilities at 31 December 2021	125.0	154.5	162.2	4,212.1
Borrowings	6,457.6	-	-	-
Total liabilities at 30 December 2020	6,457.6	-	-	-

NOTE 23: INVESTMENTS IN SUBSIDIARIES

Name	Date of establishment	Office	Number of shares	Ownership
Norwegian Reward AS	14 Jan 2008	Fornebu, Norway	1,000,000	100 %
Norwegian Brand Limited	9 Dec 2013	Dublin, Ireland	151,711,820	100 %
Norwegian Air International Limited	3 Apr 2013	Dublin, Ireland	1,036,449,936	100 %
Norwegian Air Resources Latvia SIA	12 Aug 2020	Riga, Latvia	2,800	100 %
Norwegian Support Office Denmark ApS	1 Dec 2021	Kastrup, Denmark	40	100 %
NAS Property AS	1 Mar 2021	Fornebu, Norway	3,000	100 %
Norwegian Crew Services AS	15 Jul 2008	Fornebu, Norway	100	100 %
Norwegian Cabin Services Norway AS	27 Jan, 2014	Fornebu, Norway	30	100 %
Norwegian Pilot Services Norway AS	11 Nov 2014	Fornebu, Norway	1,000	100 %
Norwegian Air Resources Spain SL	6 Oct 2014	Madrid, Spain	3,000	100 %
Norwegian Crew Resources Denmark ApS	21 Dec 2014	Kastrup, Denmark	40	100 %
Norwegian Crew Resources Finland OY	28 Apr 2021	Vantaa, Finland	2,500	100 %
Norwegian Crew Resources Sweden AB	21 Dec 2021	St.holm Art., Sweden	500	100 %
NAS Eire Invest	10 Oct 2018	Fornebu, Norway	30,000	100 %
Norwegian Air Norway AS	28 May 2013	Fornebu, Norway	225	100 %
Norwegian Air AS	1 Dec 2020	Fornebu, Norway	4,000	100 %
NAS Support Office Barcelona SL	23 Dec 2021	Barcelona, Spain	30	100 %
Norwegian Air Resources Sweden AB	28 Aug 2013	St.holm Art., Sweden	50,000	100 %
Norwegian Air Shuttle AOC AS	1 Dec 2020	Fornebu, Norway	4,000	100 %
Norwegian Air Sweden AOC AB	15 Dec 2020	St.holm Art., Sweden	500	100 %
Norwegian Red Handling Spain S.L	11 Jun 2015	Madrid, Spain	3,000	100 %
Red Technics Denmark ApS	26 Oct 2021	Kastrup, Denmark	40	100 %
Arctic Aviation Assets DAC	9 Aug 2013	Dublin, Ireland	479,603,659	100 %
Oslofjorden Ltd	22 Aug 2013	Dublin, Ireland	1	100 %
Drammensfjorden Leasing Ltd	24 Sep 2013	Dublin, Ireland	1	100 %
Larviksfjorden Ltd	4 Sep 2013	Dublin, Ireland	1	100 %
Lysakerfjorden Leasing Ltd	5 Jul 2016	Dublin, Ireland	1	100 %
Ilfjorden Ltd	25 Jun 2019	Dublin, Ireland	1	100 %
Arctic Leasing No.2 Ltd	2 Nov 2015	Dublin, Ireland	1	100 %
RED Maintenance Spain S.L.	27 Jan 2017	Madrid, Spain	3,000	100 %
Norwegian Air Resources SSC US Corp	8 Jun 2018	New York, USA	1	100 %



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Transactions during the year

During 2021, the following transactions were carried out:

New establishments/investments:

- Norwegian Support Office Denmark ApS
- NAS Property AS
- Norwegian Crew Resources Denmark ApS
- Norwegian Crew Resources Finland OY
- Norwegian Crew Resources Sweden AB
- Norwegian Air AS
- NAS Support Office Barcelona SL
- Norwegian Air Shuttle AOC AS
- Norwegian Air Sweden AOC AB
- Red Technics Denmark ApS

Sold:

- Red Handling UK Limited was sold December 23, 2021

Merged:

- Norwegian Air Resources SSC AS merged with Norwegian Air AS, 1 December 2021.

Liquidation/voluntary liquidation:

- During the reconstruction process, a total of 42 entities with offices in Norway, Sweden, Denmark, United Kingdom and Ireland entered into liquidation or voluntary liquidation during 2021.

NOTE 24: INVESTMENTS IN FINANCIAL ASSETS

Norwegian Air Shuttle ASA has the following investments in financial assets (NOK million):

Entity	Country	Industry	Ownership interest 31.12.21	Fair value 31.12.20	Net gain in OCI 2021	Fair value 31.12.21
Norwegian Block Exchange AS	Norway	Payment solutions	3.77 %	N/A	-	21.0

Entity	Country	Industry	Ownership interest 31.12.20	Fair value 31.12.19	Net gain in OCI 2020	Fair value 31.12.20
Norwegian Block Exchange AS	Norway	Payment solutions	6.20 %	N/A	-	N/A

Norwegian Block Exchange AS (NBX) was introduced on Euronext Growth Stock Exchange December 2021. The share was traded at NOK 8.60 per share on 31 December 2021. Norwegian owns 2,446,400 shares in the company.

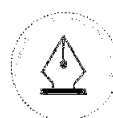
NOTE 25: RELATED PARTIES

The Company's related parties are key management personnel, close members of the family of a person and entities that are controlled or jointly controlled by any of these and owners with significant influence. The Company's subsidiaries, and associates.

See Note 7 in the Consolidated Financial Statements for details on key management compensations and Note 15 in the Consolidated Financial Statements for shares and options held directly or indirectly by members of the Board of Directors, the CEO and the Executive Management.

Transactions and balances with subsidiaries (NOK million):

Intercompany balances 31 December 2021	Current	Non-current
Trade & other receivables – nominal amount	2,335.1	3,829.3
Trade & other receivables – book value	1,793.2	3,829.3
Payables	1,536.5	-
Intercompany balances 31 December 2020	Current	Non-current
Lease receivables	-	498.9
Trade & other receivables – nominal amount	10,716.6	386.4
Trade & other receivables – book value	346.3	386.4
Payables	10,998.6	-



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

**Intercompany sales (-) and purchases (+)**

	2021	2020
Sales and financial revenue	795.0	1,908.2
Purchases and financial expenses	2,195.5	6,927.8
Dividend	2.5	323.5
Impairment of trade and other receivables	903.6	10,370.3
Impairment of investment in subsidiaries	46.0	19,412.3

Norwegian Air Shuttle ASA has provided some of the Group's external stakeholders with parent company guarantees for some of the obligations of subsidiaries. The issued guarantees are mainly in relation to aircraft financing and leasing contracts. To the extent subsidiaries receive an economic benefit from the issued guarantees, the guarantee is priced according to the risk undertaken by the parent company. Guarantee fees are included in the above intercompany transactions.

Impairment

Investments in subsidiaries and intercompany trade and other receivables from group companies under restructuring have been assessed to have a recoverable amount of zero and were consequently fully impaired in 2021.

No loans or guarantees have been issued to related parties in 2021 or 2020.

Transactions and balances with related parties:

NOK million	2021	2020
-------------	------	------

Sales (-) and purchases (+) of goods and services

OSM Aviation Ltd. (incl. subsidiaries; crew management services)	-	1.6
--	---	-----

NOK million (incl. VAT)

	2021	2020
--	------	------

Year-end balances arising from sales/purchases of goods/services

Payables to related parties		
OSM Aviation Ltd. (incl. subsidiaries; crew management services)	-	0.7

NOTE 26: CONTINGENCIES AND LEGAL CLAIMS

Refer to Note 26 of the Group's consolidated financial statements.

There are no other contingencies or legal claims that might have a significant effect on the parent company financial statements.

NOTE 27: COMMITMENTS

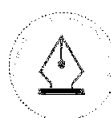
For details regarding aircraft commitments, please see Note 27 in the Consolidated Financial Statements. The 100 percent owned subsidiary Arctic Aviation Assets DAC was established in 2013 for the purpose of leasing aircraft to internal and external operators. All future deliveries of aircraft on order will be received in Arctic Aviation Assets DAC and its subsidiaries, and the Company as operator will receive aircraft on operating leases.

For details on commitments for aircraft leases, see Note 11.

NOTE 28: EVENTS AFTER THE REPORTING PERIOD

Refer to Note 28 of the Group's consolidated financial statements.

There have been no other material events subsequent to the reporting period that might have a significant effect on the parent company financial statements.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

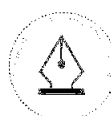
Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



ANALYTICAL INFORMATION

	Including IFRS 16										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating revenue (NOK million)	5,068	9,096	43,522	40,266	30,948	25,951	22,491	19,534	15,580	12,859	10,532
EBITDAR* (NOK million)	-1,516	-4,755	7,313	2,171	3,948	5,958	3,694	1,186	2,784	1,822	1,540
EBITDAR* excl other losses/(gains) (NOK million)	-2,254	-1,751	6,468	3,165	3,516	5,278	4,169	1,770	2,295	2,150	1,316
EBIT (NOK million)	-2,786	-23,768	856	-3,851	-2,002	1,821	348	-1,412	970	404	416
EBIT excl other losses/(gains) (NOK million)	-3,524	-20,764	10	-2,857	-2,434	1,140	822	-828	480	732	192
Profit (loss) before tax (EBT) (NOK million)	1,876	-22,133	-1,688	-2,490	-2,562	1,508	75	-1,627	438	623	167
Net profit (loss) (NOK million)	1,871	-23,040	-1,609	-1,454	-1,794	1,135	246	-1,072	319	457	122
Earnings per share (NOK) – Basic	3.5	-1,022.1	-12.6	-19.5	-28.5	18.0	4.0	-17.3	5.2	7.4	2.0
Earnings per share (NOK) – Diluted	2.7	-1,022.1	-12.6	-19.5	-28.5	17.9	3.9	-17.3	5.1	7.4	2.0
Equity ratio	17.4%	-13%	5%	3%	5%	11%	9%	9%	19%	20%	22%
Net interest-bearing debt*	1,683	40,222	24,008	31,917	22,265	21,151	17,131	11,273	4,346	3,797	3,145
Cash and cash equivalents (NOK million)	7,695	2,667	3,096	1,922	4,040	2,324	2,454	2,011	2,166	1,731	1,105
Yield	0.57	0.47	0.41	0.38	0.39	0.42	0.44	0.43	0.50	0.55	0.52
Unit revenue (RASK)	0.41	0.36	0.35	0.33	0.34	0.36	0.38	0.35	0.39	0.43	0.41
Unit cost (CASK)	0.91	0.94	0.44	0.43	0.45	0.43	0.44	0.44	0.44	0.47	0.47
Unit cost (CASK) excluding fuel	0.76	0.83	0.32	0.31	0.35	0.34	0.34	0.30	0.30	0.32	0.33
ASK (million)	9,437	18,168	100,031	99,220	72,341	57,910	49,028	46,479	34,318	25,920	21,958
RPK (million)	6,869	13,680	86,616	85,124	63,320	50,798	42,284	37,615	26,881	20,353	17,421
Load factor	72.8%	75.2%	86.6%	85.8%	87.5%	87.7%	86.2%	80.9%	78.3%	78.5%	79.3%
Passengers (million)	6.2	6.87	36.2	37.3	33.1	29.3	25.8	24.0	20.7	17.7	15.7
Block hours	9.0	9.8	12.4	12.5	11.4	11.3	11.6	11.6	11.5	10.9	11.0
Average sector length (km)	1,035	1,385	1,876	1,843	1,607	1,473	1,407	1,338	1,168	1,048	1,000
Fuel consumption (1,000 metric tons)	193	362	1,918	1,956	1,465	1,190	1,015	966	735	569	498
Number of operational aircraft (at year-end)	51	131	156	164	144	116	99	95	85	68	62

*) For definitions see last pages of the report

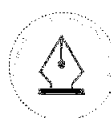
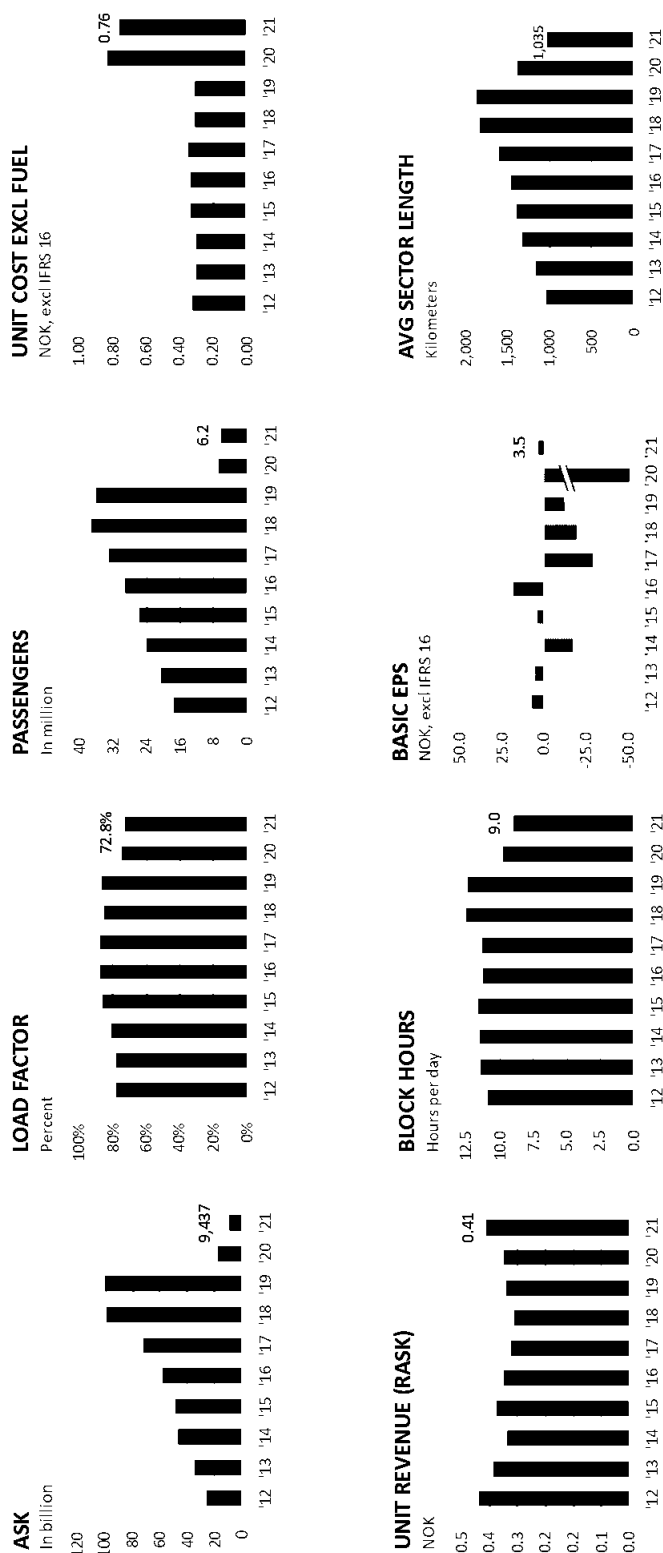


This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



KEY OPERATIONAL FIGURES



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

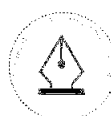
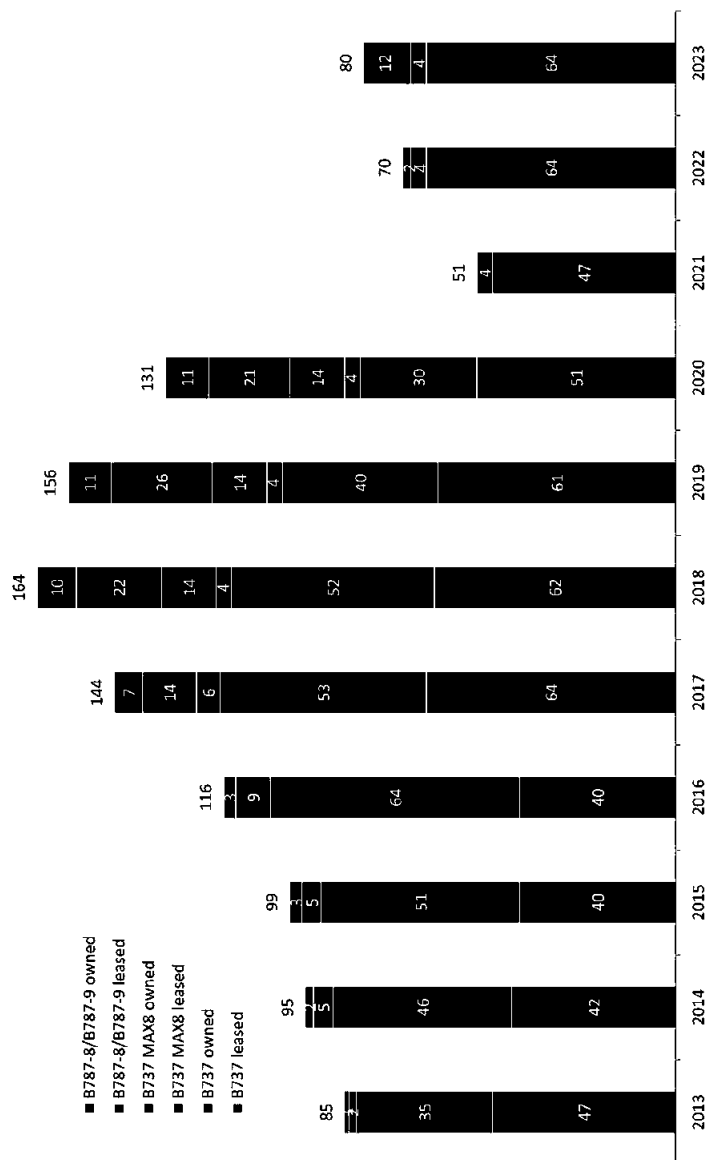
Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



FLEET PLAN

HISTORIC, CURRENT AND PLANNED FLEET PLAN

Number of aircraft operated by Norwegian at year-end 2013–2021 and planned fleet summer 2022–2023



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

CORPORATE RESPONSIBILITY

Norwegian strives to be a good corporate citizen in all areas of its operation. The Company is committed to operate in accordance with responsible, ethical, sustainable and sound business principles, that respects people and environment.

Norwegian's business activities bring people, cultures and economies together. Travel boost local tourism and create new jobs, and is a key driver of economic growth and social progress. Since 2002, Norwegian has safely carried around 300 million passengers to destinations all over the world. Safety is the number one priority and at the heart of all our operations. It is essential for customers and staff, and imperative for the sustainability of air travel. In addition to safety, we focus our policies

and actions within three pillars of corporate responsibility:

- **Local development and humanitarian engagement:** Norwegian creates economic and social value for our investors, customers, employees and other businesses in the travel and tourism industry. In 2021, we renewed our 15 year partnership with UNICEF for another three years to help giving children all over the world basic human rights and better living conditions.
- **Responsible people culture:** Norwegian's goal is to create a positive working environment and develop a sound corporate culture marked by openness, tolerance and high ethical standards. We are committed to promote an

environment free from any discrimination. Norwegian aspires to become a more diverse and inclusive company to reflect the diversity of our people – both customers and employees, in addition to equal opportunities and fairness for all as we consider this business critical.

- **Environmental sustainability:** In 2019 we pledged to become carbon neutral by 2050, and in 2020 we launched our environmental sustainability strategy targeting 45 percent emission reduction per passenger kilometer by 2030 compared to 2010.

Our policies and actions support the following UN Sustainable Development Goals:

- # 1: End poverty in all its forms everywhere
- # 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- # 13: Take urgent action to combat climate change and its impacts
- # 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

The next sections provide more detail to our work on local development, humanitarian engagement and responsible people culture. A more extensive update on environmental sustainability is provided in the next section of the report.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



LOCAL DEVELOPMENT AND HUMANITARIAN ENGAGEMENT

Creating economic and social value at crew bases and destinations underlines Norwegian's ambition to be a good corporate citizen. This ambition is also realized through the Signature Partnership with the humanitarian organization UNICEF, to help children in need.

POLICIES

Our goal is to involve staff in their local communities, as Norwegian believes that employee involvement creates greater quality of work life for staff. For Norwegian, it is important to enable employees and customers to make a difference. Through activities, relief flights and other projects, Norwegian is committed to supporting UNICEF and the important work the organization does for children in need all over the world.

ACTIONS

Norwegian and UNICEF have had a Signature Partnership since 2007. Norwegian's support to UNICEF primarily consists of donations from passengers and fundraisers from Norwegian's employees. In 2021 we signed a new collaboration agreement extending the partnership for another three years.

RESULTS

In 2021, Norwegian's customers donated NOK 1,343,500 to UNICEF's work for children when booking flights on the

website. As part of the reorganization creditors donated NOK 765,000.

Norwegian also gave NOK 300,000 as a Christmas gift to employees.

The total amount for contribution to UNICEF's work for children was NOK 2,408,500 in 2021. This amount can i.e. contribute to the following:

- Almost 615,000 children can be fully vaccinated against polio
- Installing more than 755 wells equipped with water pumps that can supply and entire village or refugee camp with clean water. Often it is the girl's job to get water, which may mean that they do not have time to go to school. If the water pump is located near to the school, it increases girls' chance to receive an education.
- Help save 6,800 severely malnourished children with a month's supply of high-energy peanut paste
- Provide 1,650 School-in-a-box sets, which provide education to children.
- Full COVID-19 vaccination for 9,400 people.

RESPONSIBLE PEOPLE CULTURE

The airline business is a service industry where good relations and respect between people are key success factors. Norwegian has a long-term focus on creating an attractive workplace for staff which offers exciting opportunities in a global environment. Norwegian's success rests on the ability to maintain a

talented workforce of highly skilled staff and leaders, who are motivated to contribute to Norwegian's growth and to deliver on the vision of affordable fares for all.

At the end of 2021, the total workforce in the Norwegian Group amounted to 3,310 people (headcount), compared to 6,365 at the end of 2020. Figures include apprentices, temporary employees in administrative positions and employees in companies that are in a bankruptcy process due to the discontinuation of long-haul operations (UK, France, US and Italy).

POLICIES

Our people's rights, diversity, inclusion equality, non-discrimination, business ethics and anti-corruption are key priorities regardless of location. We place great importance in ensuring compliance with basic human rights as outlined by the UN's Universal Declaration of Human Rights. We are committed to ensure compliance with human rights as outlined in the International Labour Organisation's (ILO) Conventions. No employees or suppliers shall in any way cause or contribute to the violation or circumvention of human rights.

Our goal is to offer unique opportunities to the people working for Norwegian as well as a corporate culture that helps the Company attract and retain the most talented people in the industry, regardless of location. Creating effective arenas for organizational learning and professional development at all levels of

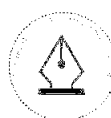
the organization is a goal, guiding the work with organizational development

All aspects of the Group's operations are subject to extensive safety controls and certification. Our operations meet the strictest standards and the highest level of regulations in the industry, set by the European Aviation Safety Agency (EASA).

A safe and healthy workplace is a fundamental right for all of us and a business imperative. One of our top priorities is therefore to support health and well-being (psychological and physical), and minimize absence due to ill-health or injury, through advice, awareness programs and proactive initiatives.

Norwegian's corporate vision, values and operational priorities form the basis of the Group's ethical guidelines. Norwegian's Code of Ethics provides guidelines and directions for a good working environment and highlights the Group's guidelines for corporate and individual behavior, sound business principles, rights and duties, and safety for all – including staff, customers and partners.

According to our Group People Policy the culture we strive for in Norwegian is to include conduct that is professional, impartial, positive and contribute to a respectful, open and including working environment. We shall all behave with respect and integrity towards anyone we encounter through our work. We shall help create an environment free from any discrimination and free from bullying, harassment or similar. We do



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



not tolerate any behavior that can be perceived as degrading or threatening.

Our remuneration policy strives to be equitable, fair, neutral and non-discriminatory. Norwegian has an equal gender pay policy and encourages diversity in its daily business.

In Norwegian everyone has a joint responsibility to create a healthy working environment and develop a sound organizational culture marked by respect, openness and tolerance and be compliant with the Code of Ethics.

Any violations of the rules and guidelines of the Code of Ethics and other company policies shall be reported to Norwegian's Whistleblowing channel in accordance with the Group procedure for reporting. The procedure is set up to facilitate internal whistleblowing and clarify the process for reporting.

HEALTH, SAFETY AND ENVIRONMENT (HSE)

Norwegian has a well-functioning HSE-organization throughout the group in compliance with relevant laws and regulations. All HSE-activities are conducted in compliance with labor laws, corporate policies, and guidelines. This includes HSE risk assessments, audits, handling of Grievance, Whistleblowing and occurrence reports. Trend analyses are presented and discussed in Work Environment Committees and preventative actions are taken as deemed.

2021 has been another challenging year due to still ongoing pandemic and the

Company reconstruction process. Travel restrictions has impaired production, but the Company has a sound ramp up project where HSE has participated. The occurrence report rate has naturally been low due to the low production, but has gradually increased throughout the year. There have been no serious or critical personnel injuries reported.

HSE has completed numerous COVID-19 HSE safety risk assessments in close cooperation with relevant stakeholders. HSE has been responsible for making sure that the Company has been updated on and compliant to COVID-19 governments regulations, supporting the whole Company with COVID-19 related issues including updated information and procedures. Norwegian has been compliant to a strict COVID-regime. Focus on employees wellbeing has been a priority throughout the pandemic period.

HSE has been a key contributor in ensuring that Norwegian is compliant to new EASA regulations, especially related to re-establishing a sound Pilot Peer Support Program and a test regime upon employment (test of psychoactive substance (Regulation (EU) No 965/2012 (2018), Appendix A-EASA Regulations CAT.GEN.MPA.170 (14.02.21) Psychoactive substances). Active monitoring of relevant HSE indicators, focus on maintaining a healthy and positive work environment, reduction of sickness rate in close cooperation with internal and external stakeholders remains a priority.

REMUNERATION

Norwegian's competitiveness in the market involves consideration of the entire reward package – not just base salary or pay scale, but also benefits such as health benefits, pension and insurance schemes. During 2021 we have been implementing a salary matrix for positions at the support offices to make sure that all Norwegian's employees receive a fair salary based on their role, experience and level of education. Salaries are benchmarked versus salary statistics provided by global third party provider.

Norwegian Air Shuttle ASA is a member of NHO Aviation, which is a member of Enterprise. General salary levels are usually reviewed annually in accordance with the relevant collective bargaining agreements and based on consideration of the following criteria: (i) the Company's financial performance, (ii) productivity, (iii) competitiveness, (iv) the future market outlook.

Individual salaries are usually reviewed on an annual basis based on the individual's performance and behavior. In 2021, the salary increases carried out in Norwegian were below the average market increase for the year. People working at Norwegian are employed in the country they are based and follow the laws and regulations of their respective country in addition to the global policies and guidelines provided by Norwegian.

DIVERSITY

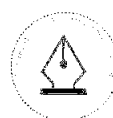
The airline industry has historically been male dominated, but Norwegian has a strong tradition of practicing equality since its inception in 2002. Norwegian has talented and highly competent staff and is committed to recruiting both women and men to key positions.

EQUALITY, DIVERSITY AND INCLUSION

Norwegian constantly aspires to become even more diverse and inclusive to reflect the diversity of our people, customers and employees, and to ensure equal opportunities and fairness for all.

Norwegian recognize that diversity is found in any social identity, such as gender, age, culture, nationality, ethnicity, physical abilities, political and religious beliefs, sexual orientation, and other attributes. Norwegian involves, accept and value all people in the workplace regardless of their differences and social identity and all customers that we are in contact with through our work, respecting and valuing our equality and different ways of contributing to and sharing our common goals and Norwegian's product.

In addition to various People and Culture Policies and Guidelines, Norwegian is finalizing an Equality, Diversity and Inclusion Policy which describes Norwegian's commitment to equality, diversity and inclusion, including specifying expectations and approach, as well as focus areas. Norwegian aim to have a fully transparent and including



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

working environment and Norwegian will not unlawfully discriminate, nor accept any instruction from our customers, contractors or any third party to direct or indirect discriminatory actions and contributes to equality and inclusion. The commitment of Norwegian to equality, diversity and inclusion concerns all aspects of the employment relationship, including, but not limited to; recruitment & selection, training, promotion and career advancement, remuneration and working conditions.

For instance, Norwegian's Talent Acquisition team and all recruiting managers are committed to creating equal employment opportunities for all potential employees and to ensure that candidates to offered employment, embrace Norwegian's equality, diversity, and inclusion goals and commitments, and do not discriminate or treat people differently based on a protected status.

Further, Norwegian is committed to ensure that there are equal opportunities for all employees to develop their potential through promotions and career advancement and through training and development. The People Business Area aim to contribute to the empowerment of women, minorities, and different ethnic groups, by providing training and/or mentoring that offers employees of all backgrounds the opportunity, skills, experience, and information necessary to perform well and to advance to upper-level jobs.

Consideration is given to equal opportunity principles in all work

processes including, but not limited to, evaluating employees' performance, making recommendations on internal transfers and promotions, evaluation of employee skills or professional development opportunities.

The People Business Area aims to put in place a performance evaluation system under which no advancement is blocked or favored due to favoritism (see Code of Ethics and Performance Management Policy) and under which unbiased individuals evaluate an employee for promotion and/or advancement based on objective and job-related criteria.

Norwegian is committed to provide working conditions that are free of, and that prevent, any kind of unlawful harassment, including harassment related to any non-discrimination basis protected by anti-discrimination laws as from time to time in force, amongst others ethnicity, religion, gender, sexual orientation/ LGBTQ+ and allies, community, national origin, citizenship, ancestry, age, disability, genetic information (ref. Prevention of Harassment Policy).

Norwegian promotes equal pay for equal work and ensures that no worker is unlawfully discriminated against in terms of salary, benefits, incentives, or other forms of compensation or remuneration. Norwegian monitor remuneration/compensation practices to identify areas of potential concern in terms of equal pay and put in place remedial measures when deemed appropriate and consistent with applicable law. Norwegian also ensures

that leaves of absence related to pregnancy and parental leave, among other types of leaves, or other events linked to parenting/family care status/care tasks, do not result in a violation of Norwegian's equal employment opportunities commitment and equal pay commitment.

Norwegian aims to promote policies and working arrangements that prevents involuntary part time/temporary employment. Further, Norwegian strived to ensure work life balance to benefit the Company as well as employees in terms of their family, personal and work time – encouraging efficiency in the use of work time and making effective measures and tools available for this purpose.

ANTI-COMPETITIVE PRACTICES

Everyone working for Norwegian is expected to exercise sound judgment and discretion and observe professional secrecy. We shall never offer or accept illegal or inappropriate monetary gifts – or any other gifts – in order to achieve business or personal advantage. Gifts should not be accepted if they in any way can be seen to influence business decisions. All forms of conflict of interest are to be avoided.

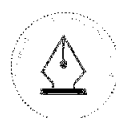
It is not permitted for employees of Norwegian to offer Norwegian's products or services to friends, family or colleagues at a reduced rate or free of charge and it is not permitted for Norwegian's employees to accept any.

RESULTS

2021 was a very challenging year for Norwegian due to the impacts of COVID-19. Management in cooperation with the People department has made continuous assessments of personnel needs in a very reduced operation and scaled the furloughs up and down according to needs in each country. At year end, Norwegian had called back all crew that was furloughed/temporary laid-off and mostly all our non-crew. Non-crew includes technical operation responsible for aircraft maintenance.

Sickness leave for the Group across all units was 6.9 percent in 2021, a decrease of 0.7 percentage points from 2020.

In 2021, 43 percent of staff were female and 57 percent male, compared to 45 percent female and 55 percent male in 2020. Most pilots are male, and women represent around a 4 percent share of pilots, compared to around 5 percent in 2020. Most cabin personnel are female, while males account for approximately 30 percent in 2021, compared to 34 percent in 2020. Among administrative staff there is roughly an equal ratio of male to female staff. Technicians and engineers have historically been men, but in the past few years, the number of female employees is increasing. The Group's Board of Directors has a 38 percent female representation, reduced from 44 percent in 2020.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



AMBITIONS AND PLANS FOR 2021

Norwegian will continue its commitment to operate in accordance with responsible, ethical, sustainable and sound business principles, with respect for people and the environment.

EMPLOYEE GROUP HEADCOUNT

	Female	Male	Total	Percentage female	Percentage male
Board of Directors	3	5	8	38 %	62 %
Executive Management	2	5	7	29 %	71 %
Non-Crew	409	745	1,154	35 %	65 %
Cabin Crew	988	387	1,375	72 %	28 %
Flight Deck	32	742	774	4 %	56 %
Total	1,434	1,884	3,318	43 %	57 %

TOTAL HEADCOUNT BY AGE GROUP

Employees > 50 years	639
Employees 41-50 years	1,031
Employees 31-40 years	1,120
Employees < 30 years	520
Total	3,310

PARENTAL LEAVE AND PART-TIME BY GENDER

Employee Group	Total number of employees		Parental Leave		Part-time	
	Female	Male	Average number of weeks	Female	Male	employees
Total all employees, ex. Board of dir.	1,432	1,878	30	11	252	246



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Area	Back-ground for action	Action	Goals	Responsible	Deadline	Result and status
Recruitment and career possibilities	The Airline Industry is traditionally, gender specific based on positions, in particular for flying personnel.	A performance evaluation system preventing that advancement is blocked or favored due to favoritism, selection, training, promotion and career advancement.	Equal opportunities for all in recruitment & selection, promotion and career advancement.	EVP People	Continuously monitored	Implemented
Salary / employment terms	Based on the gender differences in the Airline Industry, Norwegian continuously strives to monitor and correct differences in salary and employment terms for various positions.	To ensure equal pay for equal work and to prevent unlawfully discrimination in salary, benefits etc., Norwegian has dedicated specific functions in the People Remuneration Team that monitor remuneration practices throughout the Group, including in-placing all new hires on a correct salary scale ensuring equal treatment.	A fully transparent and including working environment concerning all aspects of the employment relationship, including, team remuneration and working conditions.	EVP People and Compensation & Benefits team	Continuously monitored	Implemented
Work life balance	Feedback related to work life balance and some employee's concerns related to returning to the office due to sickness etc.	Trial period with guideline Flexible workplace autumn 2021 – spring 2022 (prolonged due to Governmental restrictions to work from home during part of the trial period).	Flexibility for most employees, including those who have family responsibilities, sickness or disability reasons etc. to work from home up to two days a week.	EVP People	Permanent Guideline from May 2, 2022	Implemented
Harassment	Norwegian constantly work with prevented all kind of not none appreciated behavior, including channels for Whistleblowing, Grievance and Safety reporting, but also found it necessary to include a specific anti-Harassment Policy.	Norwegian has implemented a Prevention of Harassment Policy.	Provide working conditions free of and prevent, unlawful harassment, including harassment related to any non-discrimination basis protected by anti-discrimination laws as from time to time in force.	EVP People	Implemented	Implemented
Others	Based on our People and Culture Policies and Guidelines, we see the need of an independent Equality, Diversity and Inclusion Policy.	Norwegian is finalizing an Equality, Diversity and Inclusion Policy.	Describes Norwegian's commitment to equality, diversity and inclusion, including specifying expectations and approach, as well as focus areas.	EVP People	ASAP – spring 2022	Focus on positivity's due to different social identities.

We focus on all social identity, such as gender, age, culture, nationality, ethnicity, disability, parental leave rights, physical abilities, political and religious beliefs, sexual orientation, and other attributes.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

ENVIRONMENTAL SUSTAINABILITY

Flying brings people together and is of great value to society. But flying also comes at an environmental cost that must be reduced. Norwegian is well-positioned to tackle the transition to a low carbon economy. Over the last decade, our business model has reduced fuel and resource consumption mainly through fleet renewal and operational efficiency – cutting costs, ticket prices and carbon emissions at the same time.

OVERALL GOAL

Since 2007, Norwegian has had an ambition to help aviation become carbon neutral by 2050. In 2019, we became the first airline in the world to join the UN Climate Secretariat's (UNFCCC) Climate Neutral Now-initiative, pledging to work systematically to become carbon neutral. The pledge commits us to measure, reduce and offset our remaining CO₂-emissions by 2050.

Although we are on the right track, we must do more to deliver environmental performance at an acceptable level. In 2019, we started integrating environmental sustainability into all parts of our business. The overall goal of the environmental sustainability strategy is to use fewer natural resources and increase profitability. The goal rests on the principle that environmental actions must deliver a profit to be economically sustainable and operationally scalable.

TARGETS

To measure how we perform, we have decided upon the following three key performance indicators:

- Carbon efficiency
- Waste resource optimization
- Accountability

CARBON EFFICIENCY

Norwegian will improve carbon efficiency by 45 percent per revenue passenger kilometer (RPK) by 2030 compared to 2010 levels, in line with recommendations from the International Panel on Climate Change 1.5°C-report from 2018. That means that we are going down from 97 grams in 2010 to 53 grams in 2030.

The 45 percent reduction target can be reached through a mix of fleet renewal, operational efficiency and sustainable aviation fuels. Future projections and profitability assessments remain uncertain under current market conditions and regulatory framework. Greater visibility and reduced uncertainty of key variables are necessary before deciding upon the most cost-efficient way to achieve the carbon efficiency target.

WASTE RESOURCE

OPTIMIZATION

Unnecessary waste will be designed out from our product offer. Norwegian will stop all consumption of non-recyclable

plastics by 2023. In the same period, consumption of single-use plastics will be reduced by 30 percent and all single-use plastics in Scandinavia will be recycled.

ACCOUNTABILITY

Our targets are action oriented and measurable. Norwegian will be open and share our progress actively. Climate-related risks and targets will be integrated into corporate governance, risk management and annual reporting.

ACTIONS

We know where we are and where we want to go. The big question now, is how to get there in the most cost-efficient way. To reach our targets we are prioritizing the following actions:

FLEET RENEWAL

The single most important action an airline can take to improve carbon efficiency today is to invest in new aircraft. Norwegian operates a modern and fuel-efficient fleet. In 2021 we entered into agreement to lease two Boeing 737 MAX 8. The average age of the aircraft fleet was seven years and six months at year end 2021.

Aviation also causes local noise pollution. Norwegian's modern fleet plays an important part in the efforts to reduce the negative impact on the local environment. The Boeing 737 MAX 8 reduces noise with 40 percent

compared to the previous generation Boeing 737-800. Norwegian's operations follow all international environmental regulations. All of Norwegian's aircraft meet The International Civil Aviation Organization's (ICAO) Chapter 4 and Chapter 14 requirements for local noise pollution.

OPERATIONAL EFFICIENCY

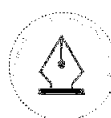
The second most important action an airline can take to improve carbon efficiency today is to improve fuel efficiency in operations.

In aviation an empty seat is a waste of resources. Competitive prices give higher load factor and less emissions per passenger. Direct point-to-point flights use less fuel and reduce emissions.

Norwegian is an industry leader in developing and implementing smart data-tools to improve our pilot's fuel efficiency performance. Our SkyBreathe mobile application helps pilots to fly more fuel efficient. Our pilots also use a Cruise Profile Optimizer developed by AVTECH to make better route choices, helping our pilots to calculate the most fuel-efficient altitude depending on the prevailing winds and aircraft performance. In 2021, we intensified training to scale and improve performance.

SUSTAINABLE AVIATION FUELS

The third most important action to improve carbon efficiency is blending in more sustainable aviation fuel (SAF).



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Norwegian's aircraft can fly on up to 50 percent certified SAF today.

In 2021, Norwegian consumed approximately 0.3 percent sustainable aviation fuel of total Jet A-1 uplifted, in compliance with the Government of Norway's and Sweden's blending mandate requirements.

The Company continued its active engagement with producers of sustainable aviation fuels with the aim to accelerate production of affordable SAF with high sustainability performance.

Norwegian also entered into a collaboration agreement with Neste, the world's leading producer of sustainable aviation fuel, enabling our corporate customers to reduce life cycle greenhouse gas (GHG) emissions from business travel by up to 80 percent.

WASTE MANAGEMENT

To make sure that we only procure recyclable plastics by 2023 we have updated tender and qualification requirements in our procurement system. We also planned a pilot test to reduce consumption of inflight disposables by 30 percent in December. The pilot test was postponed due to COVID-19.

REPORTING

In 2021, we reported our assessment of climate-related risk and opportunities to the Carbon Disclosure Project for the first time. We have also for the first time prepared a carbon accounting report in line with the Greenhouse Gas Protocol.

CUSTOMER OFFSETTING

Since 2019 Norwegian have offered our customers an easy way to voluntarily offset their emissions seamlessly in the booking process through a partnership with climate-tech company CHOOOSE. The initiative was warmly welcomed by the United Nations Framework Convention on Climate Change (UNFCCC).

The money funds purchasing of carbon offsets issued from three carefully selected projects in Laos, Vietnam and Thailand. The projects are certified by the United Nations and the Gold Standard, which sets the standard for climate and development interventions to quantify, certify and maximize their impact.

In 2021, an estimated 168,000 customers compensated for 19,800 tons of CO₂-emissions through the CHOOOSE-solution in our booking process. That is equal to 2.7 percent of total customers in 2021, up from 2.5 percent in 2020.

Read more about the projects and our partnership with CHOOOSE at norwegian.com/choose.

RESULTS

Below is a summary of our carbon efficiency performance. The input data is based on consumption data from internal and external sources, which are converted into tonnes CO₂-equivalents (tCO₂e). The carbon accounting is based on the *Corporate Accounting and Reporting Standard* developed by the

Greenhouse Gas Protocol Initiative (GHG Protocol).

In 2021, the Company emitted 606,881 tonnes of CO₂ equivalents (CO₂e) under Scope 1 and Scope 2, the two mandatory reporting scopes under the GHG Protocol. Total GHG emissions, including voluntary Scope 3, was 733,766 tonnes CO₂e.

SCOPE 1

Scope 1 accounts for emissions stemming from direct operations where the organization has operational control. This includes use of fossil fuels for mobile and stationary combustion, whether they are owned, leased, or rented. Scope 1 includes emissions from consumption of Jet A-1, diesel and petrol from facility cars and natural gas from the Company's hangar in Copenhagen.

In 2021, the Company consumed 192,485 metric tonnes of fossil Jet A-1 fuel, equivalent to absolute emissions of 606,328 metric tonnes CO₂e, compared to 355,000 metric tonnes of Jet A-1 fuel and 1.1 million tonnes of CO₂ in 2020. Jet A-1 fuel consumption constituted over 99 percent of Scope 1 emissions and nearly 83 percent of total GHG emissions in 2021. GHG emissions from diesel and petrol consumption by ground operations was 10.3 tonnes in 2021, while stationary combustion from natural gas emitted 44 tonnes of CO₂e.

Moreover, as seen in Figure on the next page, the Company had relative fossile emissions from Jet A-1 fuel consumption of 88 grams of CO₂ per

revenue passenger kilometer in 2021, compared to 83 grams of CO₂ per revenue passenger kilometer in 2020. The figure for 2021 does not include biogenic emissions, as these are accounted separately under the GHG Protocol.

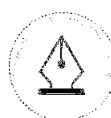
Norwegian's absolute Scope 1 emissions decreased by 46 percent compared to 2020, mainly due to lower load factor and shorter average sector length. Moreover, our relative emissions increased by 6 percent compared to 2020, mainly due to a lower load factor because of COVID-19.

SCOPE 2

Scope 2 accounts for emissions stemming from indirect consumption of purchased energy, split between electricity and heating/cooling. This category includes buildings/locations owned, leased, and rented. Scope 2 includes emissions from electricity and district heating consumption for all locations, including hangars, offices and crew rooms, and electricity consumption from one electric vehicle.

Location-based Scope 2 emissions, mainly from electricity consumption at facilities, was 406 tonnes CO₂e in 2021. In sum, location-based scope 2 emissions accounted for 0.06 percent of Norwegian's total GHG emissions in 2021. According to the location-based method, the renewable energy share of the Company's Scope 2 energy consumption was 75 percent.

Scope 2 emissions can also be reported according to market-based emission



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



factors. The Company's market-based Scope 2 emissions was 1,938 tonnes CO₂e in 2021. The difference is explained by the effect of Guarantees of Origin in the electricity market, which is included in the market-based method but not in location-based method.

SCOPE 3

Scope 3 accounts for indirect emission connected parts outside of the Company's direct activities. This includes but is not limited to upstream emissions from the supply chain.

Norwegian has included upstream emissions from fuel-and-energy-related activities. Scope 3 emissions, mainly from production and transportation of Jet A-1, was 126,885 tonnes CO₂e in 2021. In sum, Scope 3 emissions

accounted for a little over 17 percent of Norwegian's total GHG emissions in 2021. Energy consumption in MWh has not been calculated for Scope 3.

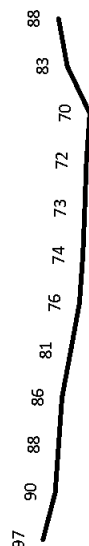
BIOGENIC EMISSIONS

The consumption of sustainable aviation fuel is accounted for as a separate item under biogenic emissions, in accordance with guidance from the GHG Protocol and based on a standard emission factor from the Department of Environment, Food and Rural Affairs (DEFRA) in the United Kingdom.

In 2021, Norwegian consumed 517 tonnes of SAF under the Norwegian and Swedish blending mandates, and 7 tonnes under the voluntary market. As seen in the table below, the total biogenic emissions from SAF

consumption were 1,725 tonnes CO₂e in 2021. When accounting for SAF consumption the total renewable energy share for Scope 1 and 2 is nearly 0.5 percent of total energy consumption.

FIGURE X: GRAMS CO₂ PER REVENUE PASSENGER KILOMETER



2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

Greenhouse gas emissions	MWh	Tonnes CO ₂ e
Scope 1	2,358,589	606,475
Transportation	2,358,349	606,431
Diesel	387	98
Petrol	21	5
Jet A-1 (Jet kerosene)	2,357,941	606,328
Stationary combustion from natural gas	240	44
Scope 2	7,780	406
Electricity	7,081	350
District heating	698	57
Electric vehicles	0.5	0
Scope 3	N/A	126,885
Upstream emissions from fuel-and-energy related activities	N/A	126,885
Total	2,366,369	733,766
Biogenic emissions	MWh	Tonnes CO₂e
SAF under blending mandates	5,558	1,370
SAF under voluntary market	80	20
Total biogenic emissions from SAF	5,638	1,390



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

CORPORATE GOVERNANCE

Norwegian is subject to Corporate Governance reporting requirements according to the Norwegian Accounting Act, section 3-3b, the Norwegian Code of Practice for Corporate Governance ("the Code") as revised on 14 October 2021 and the Continuing Obligations of Listed Companies as approved by Oslo Børs ASA, available at www.lovdata.no, www.nues.no and www.oslobors.no, respectively.

This report follows the system used in the Code and deviations from the Code, if any, is addressed under each section.

IMPLEMENTATION AND REPORTING OF CORPORATE GOVERNANCE

Norwegian's objective for Corporate Governance is accountability, transparency, fairness and simplicity with the goal of maximizing shareholder value while creating added value for all stakeholders. The objectives are designed in compliance with laws, regulations and ethical standards.

Norwegian's Board of Directors promotes and support open and clear communication of the Company's Corporate Governance processes.

The Board believes that good Corporate Governance is distinguished by responsible interaction between the owners, the Board and Management in a long-term, productive and sustainable perspective. It calls for effective cooperation, which means a

defined division of responsibilities and roles between the shareholders, the Board and the Management, and respect for the Company's other stakeholders as well as open and honest communication with the communities in which the Company operates.

No deviations from the Code.

BUSINESS

Norwegian's scope of business is defined in its Articles of Association section 3: "The Company's objective is to be engaged in aviation, other transport and travel related business activities as well as activities connected therewith. The Company may also be engaged directly or indirectly in other forms of internet-based provision of goods and services, including car rental, hotel booking, payment services, financial services and services related to credit cards. Participation in such activities as mentioned may take place through cooperation agreements, ownership interests or by any other means."

The Articles of Association is published in full on the Company's website.

Policies and procedures have been established to manage risks and the Board of Directors evaluate the overall risk management systems on a regular basis.

The Board of Directors evaluates the Company's objectives, strategies and risk profile every year. Norwegian strives to be

a good corporate citizen in every area of its operation.

The Company is committed to operating in accordance with responsible, ethical, sustainable and sound business principles, with respect for people, the environment and the society.

The Company's core values are clearly defined and are reflected in the Company's Code of Ethics. The Code of Ethics includes ethical guidelines and guidelines for corporate social responsibility, hereunder bribery and anti-corruption, unlawful discrimination and human rights, health, safety and environmental issues.

More information on how Norwegian integrates Corporate Responsibility in its operations can be found in the separate report of Corporate Responsibility at Norwegian, presented in a separate section of the annual report and available on the Company's website www.norwegian.com.

No deviations from the Code.

EQUITY AND DIVIDENDS

CAPITAL STRUCTURE

The Company shall have an equity capital which, over a period of time, is at an appropriate level for its objective, strategy and risk profile. Total equity at year end 2021 was NOK 3,270 million. The Board of Directors deems the capital structure to be

adequate considering the Company's objectives, strategy and risk profile.

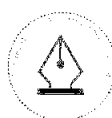
DIVIDEND POLICY

The Board of Directors recommends not to distribute dividends in order to retain funds in line with the Company's objective to restore profitability. Dividends should under no circumstances be paid if equity is below what is an appropriate level. The Company's debt facilities restricts dividend payments, repurchase of shares or other contributions or loans to shareholders (except repurchase of shares in connection with any option or similar incentive program made for the benefit of the employees and/or management and/or directors) until maturity of the last bond in April 2027.

BOARD AUTHORIZATIONS

The General Meeting of the Company on 04 June 2021 granted the Board of Directors the following authorizations

- An authorization to acquire treasury shares with an aggregated nominal value of 11,344,836 at a maximum price of NOK 200 and a minimum price of NOK 0.10. The Board may at its discretion determine the method of acquisition and any disposal of the shares.
- An authorization to increase the Company's share capital by up to NOK 11,344,836 comprising capital increases against noncash contributions and the right to incur



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

special obligations, including mergers and demergers. The authorization to replace all previous authorizations to increase the share capital.

- An authorization to increase the share capital by up to NOK 2,268,967. The authorization can only be used to issue new shares in connections with the Company's incentive programs.
- An authorization to borrow up to NOK 2 billion (or a corresponding amount in another currency) in convertible bonds.

The authorizations are valid for a period up until next Annual General Meeting, however not beyond 30 June 2022.

No deviations from the code.

EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

CLASS OF SHARES

Norwegian Air Shuttle ASA has only one class of shares and all shares have equal rights in the Company. The articles of association impose no voting restrictions.

RESTRICTIONS ON SHAREHOLDERS THAT ARE NOT BEING DOMICILED WITHIN EEA

The Norwegian Civil Aviation Act ("Luftfartsløven") with accompanying regulations pertaining to adoption of the EC Regulation NO. 1008/2008 set forth a requirement that non-EEA nationals may

not own more than 50 percent of the shares in companies that are subject to said regulation. In the general meeting in May 2016, the Articles of association was amended in order to ensure that the Company in an efficient manner could intervene if it is a risk that the license(s) of the Company may be revoked.

TRADING IN TREASURY SHARES

Share buy-back transactions are generally carried out via stock exchanges. Buy-backs of treasury shares are carried out at market prices. Employee share allocations are granted at a discount to market value. The Company holds a total of 134,588 treasury shares.

TRANSACTIONS WITH RELATED PARTIES

Material transactions between the Group and key stakeholders, in particular the shareholders, the members of the Board and the Executive Management, are subject to the approval of the Board of Directors. Such transactions are duly noted in the minutes from the Board meeting and are also explicitly stated in the notes to the consolidated accounts.

In cases where members of the Board of Directors or the Executive Management have other direct or indirect material interests in transactions entered into by the Group, this is stated in the notes to the consolidated accounts. Note 25 to the consolidated financial statements describes transactions with close associates (related parties). Financial relationships related to the Directors and

Executive personnel are described in Note 7 and 15.

GUIDELINES FOR DIRECTORS AND EXECUTIVES

Norwegian's code of ethics includes guidelines for handling possible conflicts of interest. The code applies to all Board members and Norwegian staff. In addition, the Board has drawn up specific procedures for handling of conflicts of interest for Board members and members of the corporate Management Board.

No deviations from the Code.

FREELY NEGOTIATED SHARES

There are no restrictions on owning, trading or voting for shares in the Company.

No deviations from the Code.

GENERAL MEETINGS

The notice of calling the Annual General Meeting is given in writing no later than 21 days prior to the meeting.

Relevant documents, including proposals for resolutions to be considered by the General Meeting and recommendations by the Nomination Committee, are available at the Company's website from the same date.

The Board of Directors has ensured that the shareholders may exercise their rights at the General Meeting by facilitating proxy attendance. Forms for the granting of proxies are enclosed in the summons to the

General Meetings and allows for voting on each individual matter.

The shareholder can nominate the Chair of the Board or appoint a person to vote on their behalf as proxy. The Board of Directors, Nomination Committee and the Auditor will attend the meeting. To the extent possible, the Executive Management is represented by the Chief Executive Officer and the Chief Financial Officer and other key personnel on specific topics.

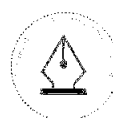
The agenda is set by the Board of Directors, and the main items are specified in Article 7 of the Article of Association. The minutes of the General Meeting are available on the Company's website. The General Meeting elects the chair of the Annual General Meeting.

No deviations from the Code.

NOMINATION COMMITTEE

The duties of the Nomination Committee are to make recommendations to the General Meeting for the election of shareholder elected board members and members of the Nomination Committee, and the remuneration to the members of the Board of Directors and Nomination Committee.

The Nomination Committee will justify its proposal on each candidate separately and present relevant information about the candidates together with an evaluation of their independence. In connection with the Committee's work with proposing candidates, the Committee stays in contact with major shareholders, the Board of Directors and the Executive Management.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

It follows from Article 8 of the Articles of Association that the Committee consists of minimum three members, who shall be shareholders or representatives of shareholders. Committee members are elected for two years at a time.

The current composition of the committee consists of:

- Mr Nils A. Foldal (chair of the Nomination Committee)
- Mr Tor Svelland
- Mr Jakob Iqbal
- Mr Nils Bastiansen

None of the members of the Nomination Committee represent Norwegian's Management. The members are considered as Independent of Management and the Board.

No deviations from the Code.

BOARD OF DIRECTORS, COMPOSITION AND INDEPENDENCE

According to the Articles of Association, the Board must consist of between five and twelve members. At year end 2021 the Board of Directors had eight members.

The Company has three Directors elected by the employees on the Board of Directors. The shareholder-elected members of the Board of Directors have been nominated by the Nomination Committee to ensure that the Board of Directors possesses the necessary expertise, capacity and diversity. The Board members have competencies in and experiences from the transport sector and

other competitive consumer sectors, relevant network connections and experiences from businesses, finance, capital markets and marketing.

The Board members are elected for a period of two years. The majority of the shareholder-elected members of the Board are considered to be autonomous and independent of the Company's executive personnel and material business contacts. The five members of the Board who are elected by shareholders are considered autonomous and independent of the Company's main shareholder(s). Among the shareholder-elected Directors, there are three men and two women.

Detailed information on the individual director can be found on the website at www.norwegian.com. None of the directors are members of the executive management team. Directors of the Board are encouraged to own shares in Norwegian.

Participation in Board meetings in 2021 has been:

Name	Number of meetings
Ingrid Elvira Leisner	24
Sondre Gravr	24
Katrine Gundersen	24
Geir Olav Øien	24
Chris Browne	23
Eric Holm	23
Niels Smedegaard	13
Vibeke Hammer Madsen	13
Jaan Albrecht Binderberger	13
Svein Harald Øygard	11

No deviations from the Code.

RISK MANAGEMENT AND INTERNAL CONTROL

Quarterly financial reports are prepared and made available to the capital market in accordance with the reporting requirements applicable to listed companies on Oslo Børs.

The quarterly financial reports are reviewed by the Audit Committee prior to Board approval and disclosure. Moreover, financial reports, risk reports and safety reports are drawn up, all of which are subject to review at Board meetings. The auditor meets with the entire Board in connection with the presentation of the interim annual financial statements, and when otherwise required.

The auditor also participates in Audit Committee meetings. Policies and procedures have been established to manage risks.

The Company's Board of Directors reviews and evaluates the overall risk management systems and environment in the Company on a regular basis. The Board ensures sound internal controls and systems for risk management through, for example, annual Board reviews of the most important risk factors and internal controls. Risk assessment and the status of the Company's compliance and corporate social responsibility are reported to the Board annually.

The Company's financial position and risks are thoroughly described in the Board of Directors' Report.

Name	Number of meetings
Lars Boilesen	11

No deviations from the Code.

THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors' perform their work in accordance with the rules and requirements as set out in Norwegian law.

The Board of Directors issues instructions for its own work. If the Chair of the Board of Directors is or has been actively engaged in a given case, another Board member will normally lead discussions concerning that particular case. There is a clear division of responsibilities between the Board and the Executive Management.

The Chair is responsible for ensuring that the Board's work is conducted in an efficient, correct manner and in accordance with the Board's terms of reference. The Chief Executive Officer is responsible for the Company's operational management.

The Board has drawn up special instructions for the Chief Executive Officer. The Board of Directors conducts an annual self-assessment of its work competence and cooperation with the Management.

The Board of Directors has established an Audit Committee, consisting of two shareholder-elected members of the Board. The Board ensures that nominees meet requirements of expertise, capacity and diversity.



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



No deviations from the Code.

REMUNERATION OF THE BOARD OF DIRECTORS

Based on the consent of the General Meeting, it is assumed that the remuneration of Board members reflects the respective members' responsibilities, expertise, time commitments and the complexities of the Company's activities.

In cases where Board members take on specific assignments for the Company, which are not taken on as part of their office, the other Board members must be notified immediately and, if the transaction is of a substantial nature, this will be explicitly stated in the notes to the consolidated accounts.

Details of the remuneration of individual Board members are available in the notes to the consolidated accounts. The Board of Directors are not entitled to performance related compensation.

The Board members are not granted share options.

No deviations from the Code.

REMUNERATION OF EXECUTIVE PERSONNEL

In accordance with the Public Limited Liability Companies Act, section 6-16 (a), the Company prepares guidelines for salary and other remuneration of its executives, which is presented to the Annual General Meeting for approval.

The principles of executive remuneration in Norwegian are to stimulate a strong and lasting performance-oriented culture, enabling the Company to deliver on its business strategy.

Remuneration design shall align the interest of the executives with those of the shareholders. The remuneration policy shall reward performance that contributes to the Company's business strategy, long-term interests, and financial sustainability. The remuneration must not have negative effects on the Company, nor damage the reputation and standing of the Company to the public eye.

In accordance with the Public Limited Liability Companies Act, section 6-16 (b), the Company prepares a report on salary and other remuneration of its executive personnel. The report will be presented at the 2022 Annual General Meeting for consultative voting.

Deviations from the guidelines on salary and other remuneration will be covered in the report.

Details of salary and other remuneration of individual members of the Executive Management are available in the notes to the consolidated accounts.

No deviations from the Code.

INFORMATION AND COMMUNICATIONS

Norwegian has established guidelines for the Company's reporting of financial information based on transparency and the

requirement of equal treatment of all parties in the market.

The Board of Directors annually reviews these guidelines. A financial calendar is prepared and published on the Company's website and is also distributed in accordance with the rules of the Public Companies Act and the rules applicable to companies listed on the Oslo Stock Exchange.

Information distributed to the shareholders is also published on the Company's website. The Company holds regular investor meetings and public interim result presentations and has an investor relations.

Norwegian has separate instructions for investor relations regarding communication with investors and how insider information shall be treated.

The Board of Directors has prepared guidelines for the Company's contact with shareholders outside the General Meeting.

The Board considers that these measures enable and ensure continuous informative interactions between the Company and the shareholders.

No deviations from the Code.

TAKEOVERS

There are no limitations with respect to the purchases of shares in the Company.

The Board has established guidelines for how it will act in a take-over situation. In the event of a take-over bid the Board of Directors will act in the best interest of the shareholders and in compliance with all the

rules and regulations applicable for such an event as well as practices recommended in the Code.

In the case of a take-over bid, the Board will refrain from taking any obstructive action unless agreed upon by the General Meeting. No deviations from the Code.

AUDITOR

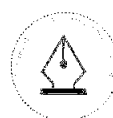
The auditor annually presents the main features of the audit plan for the Company to the Audit Committee.

The auditor participates in the meetings of the Board of Directors that deal with the annual accounts. At these meetings the auditor reviews any material changes in the Company's accounting principles, comments on any material estimated accounting figures and reports all material matters on which there has been a disagreement between the auditor and the Executive Management of the Company.

The auditor presents a review of the Company's internal control procedures at least once a year to the Audit Committee, including identified weaknesses and proposals for improvements.

The auditor participates in meetings with the Audit Committee and present the report from the auditor that addresses the Company's accounting policy, risk areas and internal control routines.

The Chief Executive Officer and the Chief Financial Officer are present at all meetings with the Board of Directors and the auditor, except for one meeting a year, in which only the auditor, the Board and the Audit



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

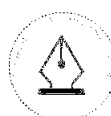


Committee are present. The Management and the Audit Committee evaluate the use of the auditor for services other than auditing.

The Audit Committee and the Board receives annual confirmation that the auditor continues to meet the requirement of independence.

The Board of Directors reports the remuneration paid to the auditor at the annual General Meeting, including details of the fee paid for audit work and any fees paid for other specific services.

No deviations from the Code.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

DECLARATION FROM THE BOARD OF DIRECTORS AND CEO

We confirm to the best of our knowledge that:

- the consolidated financial statements for 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as additional information requirements in accordance with the Norwegian Accounting Act,
 - the financial statements for the parent company for 2021 have been prepared in accordance with simplified IFRS pursuant to the Norwegian Accounting Act § 3-9, and regulations regarding simplified application of IFRS issued by the Ministry of Finance on 21 January 2008,
- the information presented in the financial statements gives a true and fair view of the Company's and Group's assets, liabilities, financial position and results for the period viewed in their entirety, the board of directors' report, including the chapters on corporate governance and corporate responsibility, gives a true and fair view of the development, performance and financial position of the Company and group, and includes a description of the key risks and uncertainties the companies are faced with.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

Fornebu, 28 April 2022

The board of directors of Norwegian Air Shuttle ASA

/s/ Svein Harald Øygard Chair	/s/ Ingrid Elvira Leisner Director	/s/ Lars Boilesen Director	/s/ Chris Browne Director	/s/ Sondre Gravir Director
/s/ Eric Holm Director (elected by the employees)	/s/ Katrine Gundersen Director (elected by the employees)	/s/ Torstein Soland Director (elected by the employees)		/s/ Geir Karlsen Chief Executive Officer



Independent Auditor's Report - Norwegian Air Shuttle ASA



Audit of the Financial Statements section of our report. We are independent of the Company and the Group 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 53, have been provided.

We have been the auditor of the Company for a years from the election by the general meeting of the shareholders on 30 June 2020 for the accounting year 2020.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the Company and the Group for the year ended 31 December 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The "Effects from the financial restructuring on the financial statements in 2021" and the "Carrying value of aircraft and right of use aircraft" involve similar complexity and risks as the previous year, and continues to be a key area of focus. In addition, we have focused on the "Recoverability of deferred tax asset" during the 2021 audit.

Key Audit Matter

How our audit addressed the Key Audit Matter

Effects from the financial restructuring on the financial statements in 2021

We refer to note 2 to the consolidated financial statements, which management describes the elements of the financial restructuring.

After the COVID-19 outbreak in the first half of 2020, the Group was forced into business restructuring measures to ensure cash inflows. The Group entered into an examination-process in Ireland and a reconstruction process in Norway late 2020 (together the "financial restructuring").

In May 2021, the Group successfully exited the examination and reconstruction process.

The financial restructuring resulted in an increased equity of NOK 13,773 million, including a total effect on income of NOK 5,875 million.

(2)

To the General Meeting of Norwegian Air Shuttle ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Norwegian Air Shuttle ASA, which comprise:

- the financial statements of the parent company Norwegian Air Shuttle ASA (the Company), and the consolidated financial statements of the Company and its subsidiaries (the consolidated financial statements), for the year ended 31 December 2021, and its cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies; and
- the consolidated financial statements of Norwegian Air Shuttle ASA and its subsidiaries (the consolidated financial statements), for the year ended 31 December 2021, and its 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;
- the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the financial statements give a true and fair view of the financial position of the Group 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 the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Responsibility 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

Prøveutøverne Cooper AS, Drøining utførelse på 71. Postboks 748 Sentrum, NO-0106 Oslo
T: 02216, org. nr.: 987 009 713 MVA, www.pwc.no
Statistiske revisorer, medlemmer av Den norske Revisorsforening og autorisert regnskapsførerselskap



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Independent Auditor's Report - Norwegian Air Shuttle ASA

As a consequence of the inherent complexity of the financial restructuring as well as the material effects on the financial statements, the financial restructuring has been a focus area in the audit of the Group.

Carrying value of aircraft and right of use aircraft

We refer to note 1 and note 11 where management describes their impairment process.

The carrying value of the line buses, aircraft, parts and installations on leased aircraft, parts and installations on leased aircraft, amounted to NOK 1,020.7 million and NOK 5,152.6 million, respectively, as of 31 December 2021. Management reviews their assets for impairment whenever there are indicators of impairment. The effects of the COVID-19 virus outbreak on the airline industry and the Group's level of operation was considered a triggering event. As of year-end, an impairment test was performed. The test did not result in recognition of impairment changes in 2021.

The impairment test required exercise of management judgment, mainly related to estimating future cash flows and determining the applied discount rate. We focused on these issues because of the level of management judgment involved.

be reasonable based on our knowledge and available evidence.

We performed substantive procedures to test the accuracy and completeness of recorded amounts. We also tested whether the presentation in the financial statements and related disclosures was in accordance with IFRS requirements.

We obtained an understanding of management's process related to impairment review. We obtained, evaluated and challenged management's impairment model. We corroborated the elements in the model to the requirements in IFRS and found no material inconsistencies. Further, we tested whether the impairment model performed mathematical calculations as expected.

We challenged management's use of assumptions in the future cash flow estimate. We found that the estimates were based on a detailed budgeting process and cash flow forecasts. We tested management's budgeting accuracy by comparing the input used, to actual historical route data. When we found deviations, we assessed management's explanations and corroborated them with other evidence available to us. In order to challenge management's assumptions, we held discussions with management. The future cash flows were also compared to business forecasts and approved budgets by the Board of Directors. In particular we discussed the effects on the future forecast from continuously high fuel prices with management. Based on our testing and discussions with management, we found management's budgeting for the purpose of this impairment test, to be reasonable.

In order to evaluate the assumptions used to build the discount rate, we used external market data and observable data from comparable companies. We found the assumptions to be reasonable based on our knowledge and available evidence. We evaluated the adequacy of the disclosures in note 11 and found that the valuation process and the uncertainties inherent in the most important management's assumptions.

(3)



Independent Auditor's Report - Norwegian Air Shuttle ASA

Recoverability of deferred tax asset

We refer to note 9 where management describes the Group's tax position and note 1.7 where the principles of accounting for deferred income tax is described.

The carrying value of the deferred tax asset amounted to NOK 1,890.4 million as of 31 December 2021.

The carrying amount of the deferred tax asset was reviewed at each reporting date. It was reduced to the extent that it no longer was deemed probable that sufficient taxable profit would be available to allow all or part of the deferred tax asset to be utilized.

The assessment of the deferred tax asset involved management judgment, mainly related to estimating the taxable future cash flows which are expected forward and other deferred tax assets are expected to be utilized. We focused on this assessment because of the level of management judgment involved.

We obtained, evaluated and challenged management's assessment of the deferred tax asset. We corroborated the elements in the assessment to the requirements in IFRS and found no material inconsistencies.

We challenged management's use of assumptions in the estimate of future taxable income. We found that the estimates were based on a detailed budgeting process. We tested the reasonableness of management's budgets by comparing input in the budget to actual historical route data. When we found deviations, we assessed management's explanations and corroborated them with other evidence available to us. In order to challenge each of the assumptions in the forecast, we held discussions with management. The future cash flows were also compared to business forecasts and approved budgets by the Board of Directors. In particular we discussed with management the reasonableness of including a deferred tax asset after a prolonged period of historic losses. Management explained that the business now is restructured and that the profitable parts of the business will be continued. Based on our testing and discussions with management, we found management's budgeting and forecast for the purpose of this assessment, to be reasonable.

We evaluated the adequacy of the disclosures in notes 9 and 1.7 and found that the disclosures appropriately reflect management's process for evaluating the deferred tax asset.

(4)

Other information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. Management is responsible for the preparation of the financial statements and the other 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 nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements for the purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Independent Auditor's Report - Norwegian Air Shuttle ASA

to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. 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.

Our opinion on the Board of Directors' report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

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 simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation of true and fair view of the consolidated financial statements of the Group 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 and the Group'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 Group 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; we design and perform audit procedures responsive to those risks, and we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are effective in the circumstances; we evaluate the effectiveness of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

(5)



Independent Auditor's Report - Norwegian Air Shuttle ASA

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If such a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units comprising the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

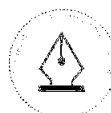
Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name 54936001E4H2PBM216951-2021-12-31-en have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdpapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

(6)



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



Independent Auditor's Report - Norwegian Air Shuttle ASA

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorsforeningen.no/revisjonsberetninger>

Oslo, 28 April 2022

PricewaterhouseCoopers AS

Thomas Whyte Gaarder
State Authorised Public Accountant

(7)



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

BOARD OF DIRECTORS

SVEIN HARALD ØYGARD
Chair



Mr. Svein Harald Øygard (born 1960) has many years of experience from both the public and private sector. In 1985, he joined the Ministry of Finance where he held several positions, including State Secretary of Finance. Between 1995 and 2016, Mr. Øygard worked at McKinsey & Company. In 2009, he was called to serve as the Interim Central Bank Governor of the Icelandic Central Bank where he also headed the Bank restructuring Coordination Committee. Mr. Øygard later worked as Senior Partner Corporate Finance at Sparebank1 Markets, and as industry advisor until the beginning of 2021. Today, he is an independent advisor and holds board appointments in various international companies like TGS-NOPEC, Seadrill, DBO Energy, AGR Petroleum

Services, Holu, Nettbil, Labrida and Akershus University Hospital. He has a degree in Economics (Cand. Oecon); Microeconomics, Macroeconomics, Finance, Industrial Economics, Statistics and Econometrics. Mr. Øygard has been elected for the period 2021-2023 and is an independent board member.

LARS BOILESEN
Director

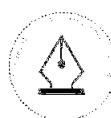


Mr. Lars Boilesen (born 1967) is the CEO of Otello Corporation (formerly Opera Software ASA). He has previous experience in both sales and marketing from the Lego Group, Tandberg and Alcatel-Lucent. Mr. Boilesen served on the Board of Directors for Opera from 2007 to 2009 until he became CEO. He has been the chairman of Napatech ASA since 2018 and is currently a board member at Airthings ASA. Mr. Boilesen has a Bachelor's degree in Business Economics from Aarhus School of Business in Denmark and a Postgraduate Diploma from Kolding Business School. He has been elected for the period 2021-2023 and is an independent board member.

INGRID ELVIRA LEISNER
Director



Ms. Ingrid Elvira Leisner (born 1968) has long experience as head of audit committees and member of several boards, currently including Self Storage Group ASA, Techstep ASA, Maritime and Merchant ASA, Elliptic Laboratories ASA and Xplora Technologies AS. Over several years, she has held several positions with Statoil, including Head of Portfolio Management Electric Power, Portfolio Manager and Trader. Ms. Leisner has a Bachelor's in Business Administration from University of Texas in Austin, USA. Ms. Leisner has been a board member since 2019 and is elected for the period 2021-2023. She is an independent board member.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



SONDRE GRAVIR
Director



Mr. Sondre Gravir (born 1977) is CEO of SATS, a position he has held since 2018. Prior to this, he was CEO of Schibsted Marketplaces, Executive Vice President of Schibsted Established Markets, as well as CEO of Finn.no, Aftenposten and Bergens Tidende. He has also worked as a management consultant in McKinsey. Gravir holds a Master of Science in Economics and Business Administration from the Norwegian School of Economics (NHH) and selected MBA courses in international finance and business from the National University of Singapore. Gravir has experience from several Schibsted boards internationally both as chairman and board member, and has also had board appointments in Frelse Forsikring, Fædrelandsvennen and Finn.no. Mr. Gravir has been a board member since 2018 and is elected for the period 2020–2022. He is an independent board member.

CHRIS BROWNE
Director



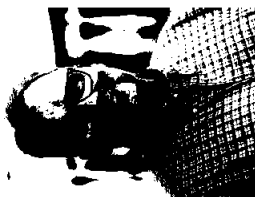
Ms. Chris Browne (born 1960) has extensive experience from the airline and travel industry, including Iberia, First Choice Airways and TUI. At TUI, Ms. Browne was the Managing Director of Thomson Airways for seven years and then took on the role as Chief Operating Officer at TUI Airlines from 2014 to 2015. Ms. Browne also held the position of Chief Operating Officer at easyJet from 2016 until she stepped down in 2019. She was awarded an OBE for services to aviation in 2013. Ms. Browne is elected for the period 2020–2022. She is an independent board member.

KATRINE GUNDERSEN
Director, employee representative



Ms. Katrine Gundersen (born 1974) holds the position as Crew Tracker at Norwegian's Integrated Operational Control Centre (IOCC). She started working in the airline industry in the late 1990s and has been with Norwegian since August 2002. She holds a bachelor's degree in economics from the University of BI. Ms. Gundersen was Deputy member to the board from 2016–2018 and has been a board member since 2019. Ms. Gundersen is elected for the period 2022–2024. She is an independent board member.

ERIC HOLM
Director, employee representative



Mr. Eric Holm (born 1967) joined Norwegian in March 2010 and is currently employed in Norwegian Cabin Services Norway AS. Mr. Holm holds a MA degree in International Security Studies from the University of Leicester. Mr. Holm has been Deputy Board Member at Norwegian Cabin Services Norway, Chairman at Parat Luftfart and Board Member (employee representative) at Lufthansa Service Group Norway. He has been a board member since 2019 and is elected for the period 2022–2024. He is an independent board member.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

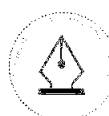
Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

TORSTEIN HIORT SOLAND

Director, employee representative



Mr. Torstein Hiort Soland (born 1987) joined Norwegian's Technical Operations Department in 2014. He holds a BSc in Aeronautical Engineering from Mälardalen University and a MSc in Wind Energy. In 2017, he transferred to the Network department within Commercial Department as Fleet Manager. Mr. Soland accepted the role as Vice President Fleet Strategy in 2019 and during the pandemic he was asked to take the role as Director of Lean. Mr. Soland was deputy member to the board from 2019-2022 and is now elected board member for the period 2022-2024. He is an independent board member.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

MANAGEMENT

GEIR KARLSEN
Chief Executive Officer and Acting Chief Executive Officer*)



Mr. Geir Karlsen (born 1965) has been Chief Executive Officer in Norwegian since June 2021. He held the position of Chief Financial Officer (CFO) since April 2018, and served as Acting Chief Executive Officer from July to December 2019. He has extensive experience from listed companies within shipping and offshore. Mr. Karlsen has over the last 12 years held various CFO positions at international companies such as Golden Ocean Group and Songa Offshore. Before Norwegian, he held the position Group CFO at London-based Navig8 Group, the world's largest independent pool and management company. Geir Karlsen has a degree in Business Administration from BI Norwegian Business School.

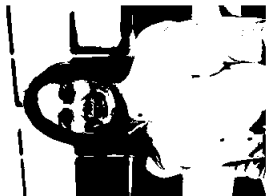
*) Hans-Jørgen Wibstad has been appointed new Chief Financial Officer and will take up the position in May 2022.

ADRIAN DUNNE
EVP Operations



Mr. Adrian Dunne (born 1968) was appointed Executive Vice President (EVP) Operations (COO) in March 2021. Adrian has more than 30 years of experience in airline operations initially at Aer Lingus (1989 – 2005) where he held several senior operations leadership roles in both the UK and Ireland, and with Ryanair from 2005 – 2021 where he held a number of senior leadership roles including Director of Ground Operations and Director of Operations. Mr. Dunne has a Master of Science Degree in Aviation Management and Leadership from Dublin City University.

GURO H. POULSEN
EVP People

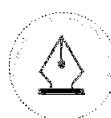


Ms. Guro H. Poulsen (born 1975) was appointed Executive Vice President (EVP) People in June 2020. She has been with Norwegian since 2010, starting as a Financial Controller and later working as the Finance Manager for Norwegian Air Resources and SVP Crew Management. She has several years of experience from large international companies, including Goodyear Dunlop and Wrigley as Business Controller. Ms. Poulsen holds a Master of Business Administration within Marketing from Griffith University in Australia and a Bachelor of Business Administration within Travel and Tourism Management from BI Norwegian Business School.

ANNE-SISSEL SKÅNVIK
EVP Communications and Public Affairs



Ms. Anne-Sissel Skånvik (born 1959) was appointed Executive Vice President (EVP) Communications and Public Affairs in June 2020. She was Norwegian's Chief Communications Officer 2009 – 2020. Ms. Skånvik joined Norwegian from a position as Senior Vice President at Telenor ASA, responsible for corporate communications and governmental relations. Ms. Skånvik was the Deputy Director General in The Norwegian Ministry of Finance between 1996 and 2004. She has also years of experience from Statistics Norway (SSB) and various media. Ms. Skånvik has a Master's degree in political science ("Cand. Polit") from the University of Oslo, a degree in Journalism from Norwegian College of Journalism and the Executive Management Course at Norwegian Defence University College.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

KNUT OLAV IRGENS HØEG
EVP IT & Business Services



Mr. Knut Olav Irgens Høeg (born 1973) was appointed Executive Vice President (EVP) IT, Supply Chain & Process Improvement in June 2020. He joined Norwegian in August 2019 as SVP Procurement and has been acting in the role as SVP IT and Customer Care from February 2020. Mr. Høeg has extensive experience in procurement and IT from several large operations, like Circle K, TINE, Storebrand and Skandia. He has also been a Management Consultant at Deloitte. Mr. Høeg has been driving several different Change and Cost-Out Projects and in addition building up organizations both locally and Near-Shore. He has a Master of Science Degree in Economics from Norwegian School of Management (BI) and an MBA from the Norwegian School of Economics (NHH).

CHRISTOFFER SUNDBY
EVP Marketing, Sales & Customer Care



Mr. Christoffer Sundby (born 1978) was appointed Executive Vice President (EVP) Customer in September 2020 and EVP Sales, Marketing & Customer Care in March 2021. Christoffer has 10 years of leadership experience in merchandising, including operations, marketing, sales, product & concept development and customer service. He was Senior Vice President of Circle K Norway in 2017–2019 before he was appointed CEO of the healthcare company Unicare in August 2019. Christoffer started his professional career as a consultant at McKinsey & Company in 2006, after several years as a member of the Norwegian Olympic team in sailing. Christoffer has a MSc in Economics from BI Norwegian Business School.

MAGNUS THOME MAURSUND
EVP Network, Pricing & Optimisation



Mr. Magnus Thome Mårsund (born 1981) was appointed Executive Vice President (EVP) for Network, Pricing & Optimisation in October 2021. Mr Mårsund started working in Norwegian in 2007. He has held several management positions over a decade and has experience in supply chain management, route planning, charter and partnerships. From 2019 to 2021 he held the position of SVP for short haul network in Norwegian. Mr Mårsund has a MSc in Economics from BI Norwegian Business School, with a specialization in strategy.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7

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 Company has updated its definitions considering the adoption of IFRS 16. EBITDA (Earnings before net financial items, income tax expense (income), depreciation,

amortization and impairment, restructuring, and share of profit (loss) from associated companies) is no longer presented as it is not comparable to previous periods and in essence very similar to EBITDAR (see definition below). EBITDAR excludes both depreciation and aircraft lease expenses and is hence a more consistent measure for operational performance over time, excluding ownership costs and the most significant changes arising from the adoption of IFRS 16.

Prior to 2018, the Company presented unit cost primarily excluding depreciation. Since 2018, the Company has included depreciation in unit cost.

Measure	Description	Reason for including
EBIT (operating profit)	Earnings before net financial items, income tax expense (income) and share of profit (loss) from associated companies. Equivalent to operating profit in the consolidated income statement in the annual report	Enables comparability of profitability regardless of capital structure or tax situation
EBIT excl other losses/(gains)	Earnings before net financial items, income tax expense (income) and share of profit (loss) from associated companies, adjusted for other losses/(gains)-net	Enables comparability of profitability regardless of capital structure or tax situation, excluding effects for certain volatile operating expenses
EBITDAR/ Operating profit excluding lease, depreciation and amortization ("EBITDAR")	Earnings before net financial items, income tax expense (income), depreciation, amortization and impairment, restructuring, aircraft leasing expenses and share of profit (loss) from associated companies	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	Earnings before net financial items, income tax expense (income), depreciation, amortization and impairment, restructuring, 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
EBT (profit/(loss) before tax)	Earnings before income tax expense (income). Equivalent to profit (loss) before income tax expense (income) in the Consolidated Income Statement in the annual report	Enables comparability of profitability regardless of capital structure or tax situation
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 foreign currency contracts, forward fuel contracts, adjustment of market value for total return swaps, translation of working capital in foreign currency, net gain or loss from sale of fixed assets and restructuring costs	Included as a specification to operating expenses to separate certain volatile effects from other operating expenses



This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



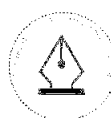
ALTERNATIVE PERFORMANCE MEASURES – RECONCILIATIONS

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

NOK million	2021	2020
Operating profit (EBIT) to EBIT excl other losses/(gains)		
Operating profit (EBIT)	(2,786.0)	(23,768.4)
- Other losses/(gains) *	(737.5)	3,004.7
EBITDAR excl other losses/(gains)	(3,523.5)	(20,763.7)
EBITDAR to EBITDAR excl other losses/(gains)		
EBITDAR	(1,516.0)	(4,755.2)
- Other losses/(gains) *	(737.5)	3,004.7
EBITDAR excl other losses/(gains)	(2,253.5)	(1,750.5)
Net profit (EBIT) to EBIT excl other losses/(gains) and impairment		
Profit/(loss) before tax (EBT)	1,876.0	(22,133.0)
- Impairment assets held for sale	-	12,815.7
- Other losses/(gains) *	(737.5)	3,004.7
EBT excl other losses/(gains) and impairment	1,138.5	(6,312.6)

OTHER DEFINITIONS

Item	Description
Aircraft lease expenses	Lease and rental expenses on aircraft including both dry leases and wet leases
Ancillary revenue / PAX	Ancillary passenger revenue divided by number of passengers
ASK	Available seat kilometers. Number of available passenger seats multiplied by flight distance. Note that blocked mid-seats on domestic routes in Norway following virus containment measures do not count as available seats
Average sector length	Total flown distance divided by number of flights
Book equity per share	Total equity divided by number of shares outstanding
Block hours	Time of block off to block on – industry standard measure of aircraft utilization
CO₂ per RPK	Amount of CO ₂ emissions divided by RPK
Constant currency	A currency exchange rate that excludes the impact of exchange rate fluctuations from comparable period, e.g. last year as comparable period
Equity ratio	Book equity divided by total assets
Fixed asset investment	Consists of the following non-current assets presented in the statement of financial position in the annual report: Investments in financial assets, investment in associate and other receivables
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*. *Note that during the COVID-19 outbreak, no-show passengers are not included
RPK	Revenue passenger kilometers. 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 excl fuel	Total operating expenses excluding impairment, other losses/(gains)-net and aviation fuel expenses, divided by ASK
Unit revenue	Passenger revenue divided by ASK
Yield	Passenger revenue divided by RPK. A measure of average fare per kilometer



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



NORWEGIAN AIR SHUTTLE ASA

Organization number
NO 965 920 358 MVA

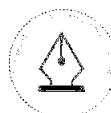
Postal address
P.O. Box 113
NO-1366 Lysaker

Visiting address
Oksenøyveien 3, Fornebu

Telephone
+47 67 59 30 00
www.norwegian.com

Investor Relations

Geir Karlisen Chief Executive Officer and Chief Financial Officer
Jesper Hatletveit Investor Relations
investor.relations@norwegian.com



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.

Document ID:
55820EF641604AF7AB7A6DA51B71BCD7



To the General Meeting of Norwegian Air Shuttle ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Norwegian Air Shuttle ASA, which comprise:

- the financial statements of the parent company Norwegian Air Shuttle ASA (the Company), which comprise the statement of financial position at 31 December 2021, the income statement, statement of comprehensive income, 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, and
- the consolidated financial statements of Norwegian Air Shuttle ASA and its subsidiaries (the Group), which comprise the statement of financial position at 31 December 2021, the income statement, statement of comprehensive income, 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,
- the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the financial statements give a true and fair view of the financial position of the Group 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 the EU.

Our opinion is consistent with our additional report to the Audit Committee.

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*

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - Norwegian Air Shuttle ASA

Audit of the Financial Statements section of our report. We are independent of the Company and the Group 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 2 years from the election by the general meeting of the shareholders on 30 June 2020 for the accounting year 2020.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The *Effects from the financial restructuring on the financial statements in 2021* and the *Carrying value of aircraft and right of use aircraft* involve similar complexity and risks as the previous year, and continues to be a key area of focus. In addition, we have focused on the *Recoverability of deferred tax asset* during the 2021 audit.

Key Audit Matter	How our audit addressed the Key Audit Matter
<i>Effects from the financial restructuring on the financial statements in 2021</i>	We refer to note 2 to the consolidated financial statements where management describes the elements of the financial restructuring. After the COVID - 19 outbreak in the first half of 2020, the Group was forced into hibernation and almost completely ceased operations. As a result of the reduced cash inflows, the Group entered into an examinership-process in Ireland and a reconstruction process in Norway late 2020 (together the "financial restructuring"). In May 2021, the Group successfully exited the examinership and reconstruction process. The financial restructuring resulted in an increased equity of NOK 13,723 million, including a total effect on income of NOK 5,875 million.

(2)



Independent Auditor's Report - Norwegian Air Shuttle ASA

As a consequence of the inherent complexity of the financial restructuring as well as the material effects on the financial statements, the financial restructuring has been a focus area in the audit of the Group.

be reasonable based on our knowledge and available evidence.

We performed substantive procedures to test the accuracy and completeness of recorded amounts. We also tested whether the presentation in the financial statements and related disclosures was in accordance with IFRS requirements.

Carrying value of aircraft and right of use aircraft

We refer to note 1 and note 11 where management describes their impairment process.

The carrying value of the line items, aircraft, parts and installations on leased aircraft, and right of use aircraft, parts and installations, amounted to NOK 1,020.7 million and NOK 5,152.6 million, respectively as of 31 December 2021.

Management reviews their assets for impairment whenever there are indicators of impairment. The effects of the COVID - 19 virus outbreak on the airline industry and the Group's level of operation was considered a triggering event. As of yearend, an impairment test was performed. The test did not result in recognition of impairment charges in 2021.

The impairment test required exercise of management judgment, mainly related to estimating future cash flows and determining the applied discount rate. We focused on these issues because of the level of management judgment involved.

We obtained an understanding of management's process related to impairment review. We obtained, evaluated and challenged management's impairment model. We corroborated the elements in the model to the requirements in IFRS and found no material inconsistencies. Further, we tested whether the impairment model performed mathematical calculations as expected.

We challenged management's use of assumptions in the future cash flow estimate. We found that the estimates were based on a detailed budgeting process and cash flow forecasts. We tested managements' budgeting accuracy by comparing the input used, to actual historical route data. When we found deviations, we assessed management's explanations and corroborated with other evidence available to us. In order to challenge each of the assumptions in the forecast, we held discussions with management. The future cash flows were also compared to business forecasts and approved budgets by the Board of Directors. In particular we discussed the effects on the future forecast from continuously high fuel prices with management. Based on our testing and discussions with management, we found management's budgeting for the purpose of this impairment test, to be reasonable.

In order to evaluate the assumptions used to build the discount rate, we used external market data and observable data from comparable companies. We found the assumptions to be reasonable based on our knowledge and available evidence. We evaluated the adequacy of the disclosures in note 11 and found that the disclosures appropriately explained management's valuation process and the uncertainties inherent in the most important management's assumptions.

(3)



Independent Auditor's Report - Norwegian Air Shuttle ASA

Recoverability of deferred tax asset

We refer to note 9 where management describes the Group's tax position and note 1.17 where the principles of accounting for deferred income tax is described.

The carrying value of the deferred tax asset amounted to NOK 1,890.4 million as of 31 December 2021.

The carrying amount of the deferred tax asset was reviewed at each reporting date. It was reduced to the extent that it no longer was deemed probable that sufficient taxable profit would be available to allow all or part of the deferred tax asset to be utilized.

The assessment of the deferred tax asset involved management judgment, mainly related to estimating future taxable income against which tax losses carried forward and other deferred tax assets are expected to be utilized. We focused on this assessment because of the level of management judgment involved.

We obtained, evaluated and challenged management's assessment of the deferred tax asset. We corroborated the elements in the assessment to the requirements in IFRS and found no material inconsistencies.

We challenged management's use of assumptions in the estimate of future taxable income. We found that the estimates were based on a detailed budgeting process. We tested the reasonableness of management's budgets by comparing input in the budget to actual historical route data. When we found deviations, we assessed management's explanations and corroborated with other evidence available to us. In order to challenge each of the assumptions in the forecast, we held discussions with management. The future cash flows were also compared to business forecasts and approved budgets by the Board of Directors. In particular we discussed with management the reasonableness of including a deferred tax asset after a prolonged period of historic losses. Management explained that the business now is restructured and that the profitable parts of the business will be continued. Based on our testing and discussions with management, we found management's budgeting and forecasting for the purpose of this assessment, to be reasonable.

We evaluated the adequacy of the disclosures in notes 9 and 1.17 and found that the disclosures appropriately reflect management's process for evaluating the deferred tax asset.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. 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 nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required

(4)



Independent Auditor's Report - Norwegian Air Shuttle ASA

to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. 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.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

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 simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation and true and fair view of the consolidated financial statements of the Group 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 and the Group'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 Group 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

(5)



Independent Auditor's Report - Norwegian Air Shuttle ASA

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name 549300IEUH2FEM2Y6B51-2021-12-31-en have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

(6)



Independent Auditor's Report - Norwegian Air Shuttle ASA

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 28 April 2022

PricewaterhouseCoopers AS

Thomas Whyte Gaardsø
State Authorised Public Accountant



Independent Auditor's Report - Norwegian Air Shuttle ASA