ANNUAL REPORT 2022

norwegian

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LETTER FROM THE CEO

2022 was an exciting and positive year for Norwegian. Not only did we put the straining years of the pandemic behind us, but we also took full advantage of the company's new lean and flexible structure. In 2022, Norwegian had close to 18 million passengers, triple the number of passengers from the previous year. Thanks to solid operations and an attractive route network within the Nordics and to popular destinations in Europe, many leisure and business passengers have chosen Norwegian as their preferred airline.

Having successfully undergone a significant transformation the previous year, Norwegian was able to respond to the strong pent-up demand for air travel, further improving the company's financial position, gradually extending the route network, growing the fleet, and welcoming many new colleagues on board.

Norwegian reported NOK 1,5 billion in operating profit (EBIT) last year, despite record-high fuel prices and a strong US dollar. The result is a major improvement from 2021 when we saw a loss of NOK 2,8 billion. In 2022, our total revenue was NOK 18,9 billion, which is a 272 percent increase compared to the previous year. We also expanded our fleet from 51 to 70 aircraft. Thanks to the company's solid financial situation, Norwegian is now able to hedge jet fuel at attractive levels for both 2023 and 2024.

Norwegian's operations performed well in 2022. The busy summer season demonstrated our ability to rapidly ramp up capacity and effectively meet the increasingly strong demand for air travel. Cirium, the global aviation consultancy, named Norwegian the most punctual airline in the Nordics and amongst the best in Europe for 2022. This is a true testament to the efforts of our many dedicated colleagues and an important reason for why an increasing number of customers choose to fly Norwegian.

While Norway remains our home and our largest market, we have a solid presence in all the Nordic countries. In 2022, we launched several new routes from and within Sweden and Denmark, and we celebrated our 20 millionth passenger in Finland.

PAVING THE WAY TO BECOME A LEADING EUROPEAN AIRLINE

Last year, we continued to prioritise the renewal and expansion of our fleet, initiating several leasing and purchasing agreements. The most significant of these was a landmark deal to purchase 50 Boeing 737 MAX 8 aircraft, set to be delivered between 2025 and 2028. This strategic investment in state-of-the-art aircraft is crucial for Norwegian's future success. By adopting more fuel-efficient planes, Norwegian reduces its carbon footprint while providing customers with a modern and comfortable travel experience.

Nevertheless, 2022 also saw challenges. At the beginning of the year, the spread of the Omicron coronavirus variant continued to impact operations. Russia's invasion of Ukraine has devastated the country and the lives of its people, leading to a tragic war in Europe. It also caused an unprecedented energy crisis resulting in soaring global oil prices, which in turn had a negative impact on the company's fuel costs. In the peak summer travel season, operations were hampered by capacity constraints at European airports and an aircraft technician strike in Norway. While operations were undoubtedly under pressure, Norwegian worked tirelessly to operate close to all scheduled flights, maintaining a high level of service.

To meet customers with an attractive product in the years to come, Norwegian undertook several initiatives to further develop and improve its offering.

Last summer, Norwegian and Widerøe signed an agreement to establish a comprehensive partnership. This strategic alliance includes initiatives such as joint ticket sales, allowing passengers to enjoy a seamless travel experience across the entire route network of both airlines through an interline agreement. By leveraging

Geir Karlsen
– Chief Executive Officer

our respective strengths and resources, the two airlines can together deliver enhanced services, increased connectivity, and more travel options.

In the third quarter, Norwegian began preparing for the insourcing of the company's ground handling services at Oslo airport Gardermoen. As of March 2023, the Norwegian Red Handling team initially manages customer facing positions at check-in, boarding and arrivals. This is an important step in bringing key functions in-house to ensure an enhanced and more seamless travel experience.

2022 marked the return of business travels. For Norwegian, this signified a positive development with levels of business travel on par with 2019 on the most travelled domestic routes in Norway. Norwegian has the ambition to become an even more attractive choice for business travellers. To this means, we have started working on, amongst others, further developing our loyalty program Norwegian Reward and tailoring it to meet the needs of our most frequent travellers.

At Norwegian, we take great pride in our long-standing commitment to adopting innovative sustainable practices aimed at reducing emissions across our operations. Our sustainability journey is ongoing, as we continue to implement a range of measures to support this important cause. These measures include targeted training programs for our employees and pilots, as well as the utilisation of cutting-edge technology and modern, fuel-efficient aircraft both now and in the future. By prioritising sustainability, we not only meet our environmental goals, but also successfully reduce one of our primary expenses, aviation fuel.

Last year, Norwegian received the highest possible score for its emissions reduction initiatives in the global climate ranking by Carbon Disclosure Project (CDP) and an overall score of B-. This is a testament to our ambitious target of reducing emissions by 45 percent by 2030 and not the least to the measures within fleet renewal, sustainable aviation fuel and advanced navigational tools.

In September 2022, Norwegian celebrated its 20-year anniversary. The occasion was marked at Oslo airport and on a series of anniversary flights. Since 2002, Norwegian has played a vital role in ensuring healthy competition in Norwegian and Nordic aviation, both by driving low prices and providing valued service offerings to our travellers.

As part of its 20th anniversary celebrations, Norwegian launched a new corporate vision and mission. While the company's vision is to become the most loved and trusted airline in Europe, Norwegian's mission is "to fly above and beyond to serve people the Norwegian way". The vision and mission were developed with input gathered through interviews and workshops from more than 150 colleagues from across the organisation. I am confident that these will guide us in delivering exceptional travel experiences and contribute to growing a strong and loyal customer base to drive the success of our business.

"As I reflect on the achievements of the past year, I am humbled by the dedication and hard work of my colleagues"

LOOKING AHEAD TO A SUCCESSFULL 2023

Looking ahead, Norwegian is well positioned to further cement the position as a leading Nordic airline in 2023. We headed into the year with a strong operational performance, and an offering of more than 300 routes across the Nordics and to attractive European destinations that has been well received by our customers. This summer, we will operate a total of 81 aircraft, and we have so far welcomed many new colleagues on board this year. Recently, we also insourced parts of the ground handling tasks at our home airport Oslo Gardermoen, creating even smoother customer experiences ahead of what we anticipate to be a busy travel season.

The purchase of new aircraft sets the stage for Norwegian to own a larger share of its fleet, which in turn will improve the company's position in the Nordic region and provide opportunities to expand our operations. This exciting development underscores Norwegian's commitment to sustainable growth and to accommodating customer needs in an ever-changing travel industry.

As I reflect on the achievements of the past year, I am humbled by the dedication and hard work of my colleagues. Without their unwavering commitment and effort to serve our customers, we would not have been able to strengthen our presence across the Nordics and in key markets.

At Norwegian, we remain committed to delivering great customer experiences and lasting value, both to our shareholders and to other stakeholders. I am excited about the opportunities that lie ahead.

BOARD OF DIRECTORS' REPORT

BOARD OF DIRECTORS' REPORT

The year of 2022 has been a year of gradual normalisation, both for Norwegian and the overall airline industry in Europe. Norwegian has in 2022 positioned itself as a leading Nordic airline through an attractive and growing network, strong operational performance and dedicated colleagues that put the customers at the heart of the operations.

Operating profit (EBIT) for Norwegian in 2022 amounted to NOK 1,502 million, representing an improvement of NOK 4,288 million from the previous year of 2021. The result was negatively impacted by higher fuel prices following the Russian invasion of Ukraine and positively impacted by the reversal of previously impaired aircraft order prepayments. Revenue increased by 272 percent compared to the previous year following increased production, a higher load factor and increased yield. Punctuality, shares of flights departing on schedule, was 79.4 percent, while regularity, shares of scheduled flights taking place, was 99.4 percent. Carbon efficiency, measured by grams of CO2 emissions per revenue passenger kilometre (RPK), was 77 grams in 2022, a 13 percent improvement from last year.

Norwegian had 17.8 million passengers in 2022, up from 6.2 million passenger in 2021. The capacity, measured by available seat kilometres (ASK), was 27.4 billion in 2022, representing a 190 percent increase from the previous year. Passenger traffic, measured by RPK, amounted to 22.8 billion. The load factor was 83.1 percent, an increase of more than 10 percentage points from the previous year.

The company added 19 aircraft to its fleet in 2022, bringing the total fleet to 70 aircraft at year-end. 51 aircraft had flexible lease terms through power-by-the-hours (PBH) agreements in the first quarter of 2022, while 19 aircraft had PBH agreements in the winter season ending 31 March 2023. The average aircraft utilisation for 2022 was 61 aircraft, with the lowest utilisation recorded in the first quarter with an average of 46 aircraft and the highest in the third quarter with 69 aircraft. Each aircraft was on average utilised 11.0 block hours per day.

Total passengers in 2022:

17.8m

In the first quarter of 2022, the spread of omicron virus and government-imposed travel restrictions had a softening effect on air travel that continued through February. By swiftly adapting its capacity to changes in demand, Norwegian was able to minimise losses through a winter period with already seasonally soft demand.

Travel restrictions were eased in from mid-February and onwards, prompting a marked increase in air travel and bookings.

In February, Russia initiated a military invasion of Ukraine, prompting the imposing of strict sanctions on Russia by the United States, the EU and other countries. While the closure of Russian airspace has not had a significant impact on Norwegian's route network, the increased market volatility has had a negative impact on the company's results through an increased price of jet fuel and a strong USD.

In the second quarter of 2022, Norwegian signed a deal to purchase 50 Boeing 737 MAX 8 aircraft. The aircraft are due for delivery between 2025 and 2028, at a schedule closely corresponding to current lease expirations. The addition of these aircraft enables Norwegian to serve its customers with modern fuel-efficient aircraft, significantly reducing the company's carbon footprint. The agreement also includes the option to purchase an additional 30 aircraft. As a result of the agreement, Norwegian reinstated NOK 2,099 million in previously impaired pre-delivery payments.

The summer season of 2022 marked the first normalised summer since the outbreak of the COVID-19 pandemic, resulting in large pent-up demand as many customers have longed to travel to Norwegian's holiday destinations. While European airports experienced record-high congestions amidst industry challenges, Norwegian demonstrated its position as the reliable Nordic travel option with operating close to all schedule flights. In July, the recorded load factor was close to 95 percent, the highest in many years, while the unit revenue reached a historic high for the company.

In the third quarter, Norwegian finalised an agreement with Widerøe to co-operate on key strategic initiatives, including joint ticket and passenger interlining, enabling passengers to travel seamlessly across the network of both airlines. The co-operation provides both leisure and business travellers with additional choice and flexibility.

Norwegian celebrated its 20-year anniversary on 1 September. The first Norwegian Boeing 737 took off in 2002, marking the start of affordable flying in Norway. Since then, the airline has expanded to new geographies, carried more than 300 million passengers and received more than 60 awards and recognitions. In conjunction with the anniversary, the company launched its new mission, vision and values.

"Most punctual airline in the Nordics"

- Cirium

Cirium, the global aviation consultancy, named Norwegian the most punctual airline in the Nordics and among the most punctual airlines in Europe for 2022. The strong on-time performance and regularity have been key reasons for why many corporate customers have chosen to fly with Norwegian in 2022. For the most frequented domestic business routes, the number of recorded business travellers have been on par with pre-pandemic levels. Norwegian was also named 'Best Low-Cost Airline in Northern Europe' by Skytrax and 'Best Airline in Europe' by Grand Travel Awards.

"Best low-Cost Airline in Northern Europe"

- Skytrax

In the global climate ranking by Carbon Disclosure Project (CDP), Norwegian was awarded with the highest possible score for its emissions reduction initiatives and an overall score of B-. The result is a testament to the company's ambitious target of reducing emissions by 45 percent by 2030 and its targeted measures to achieve this.

KEY EVENTS 2022

- In February, Norwegian started a collaboration with Neste, the world's largest producer of sustainable aviation fuels (SAF), to enable corporate customers to reduce emission from business travel
- Also in February, Norwegian signed lease agreements for ten new Boeing 737 MAX 8 aircraft, originally due for delivery ahead of the summer 2023 season
- March marked the start of the summer 2022 season with over 270 routes, many to re-introduced and new destinations
- In May, Norwegian announced an agreement to purchase 50 Boeing 737 MAX 8 aircraft, due for delivery between 2025 and 2028, and with option to purchase 30 additional aircraft
- Also in May, Norwegian was awarded Norway's joint government agreement for the purchase of flights on 60 routes
- In June, aircraft technicians went on strike after the Aircraft Technician Organisation (NFO) failed to reach an agreement with NHO Luftfart, a strike that was ended after ten days through forced arbitration
- In September, Norwegian celebrated its anniversary, marking 20 years since the start of affordable flying in Norway
- Also in September, Norwegian and Widerøe finalised an agreement to co-operate on key strategic initiatives, including ticket sales and interlining
- In October, Norwegian was named Best Airline in Europe under the Danish Travel Awards
- In November, Norwegian extended the validity of CashPoints awarded as refund for cancelled flights during the pandemic until the end of 2023
- In December, Norwegian announced it will seek legal clarification following the Ministry of Climate and Environment's decision that Norwegian is liable to pay a fee for the failure to meet its EU ETS obligations for 2020, in a period where the company was under reconstruction and thereby prevented from doing so
- Also in December, Norwegian was awarded the highest possible score for emission reduction initiatives and an overall score of B- in the global climate ranking by Carbon Disclosure Project (CDP)

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 of Oslo. Norwegian has a leading position in the Nordic market for air travel, operating short-haul point-to-point domestic and cross-border flights within the Nordics and flights from the Nordics to key destinations in Europe and closely adjacent countries. At year-end 2022, the company and its subsidiaries employed 3,871 staff at its headquarters and its nine operational bases across five countries. Figures include apprentices and temporary employees in administrative positions. Norwegian has additional subsidaries that operate in accordance with local requirements in the operating regions.

BUSINESS STRATEGY

Norwegian has long been recognised as an industry leader in low-cost travel, winning numerous awards during its 20 years in operation. The company built on its strong foundation when renewing its strategy in 2021 to refocus on the core Nordic market and to operate a European short-haul network with a one-type narrow-body aircraft on routes with proven historic profitability. Norwegian's overall business objective is to be the preferred airline within its core market, to generate attractive returns to its shareholders and to add lasting value to other stakeholders.

The airline meets its customers' needs by offering affordable fares for all across a broad range of domestic routes in Norway, Sweden, Denmark and Finland, routes across the Nordics, and routes from the Nordics to key European and closely adjacent destinations. Strong operational performance and the award-winning Norwegian Reward loyalty programme is, together with the attractive and growing route network, key foundations in delivering an attractive offering to customers that chose to fly with Norwegian, both for their leisure and business travels. The company's new vision, launched in September 2022, is to be the most loved and trusted airline in Europe.

STRONG NORDIC-FOCUSED NETWORK

Norwegian's network is an optimised short-haul network, developed and refined since the beginning in 2002 with a core Nordic footprint. Over recent years, the company has rationalised the route portfolio to a network encompassing approximately 300 of the historically strongest-performing routes. The network also ensures that the company maintains the strong presence and connectivity that the customers value highly.

The company is a leading carrier for leisure-oriented traffic in the Nordics and is also taking significant market shares in the corporate market. Within the Nordics, the company is the largest airline measured on production (ASK) in Norway and the second largest in Denmark, Sweden and Finland. The route network is designed to defend and to further strengthen this position. Furthermore, the network is also designed with a goal to deliver higher efficiency in operations, partly through routes to the most popular destinations with the largest traffic flows. Importantly, sufficient scale allows the airline to maintain a clear cost advantage versus its closest peers and potential new entrants.

COMPETITIVE COST BASE

A low-cost operating model with low complexity, high reliability and a rightsized and competitive cost base, is the company's foundation to continue to provide affordable fares while at the same time delivering returns to shareholders. The airline will leverage and strengthen its cost advantage going forward, boosted by the efficiency gains obtained in the restructuring in 2021 and with a clear strategic priority in further improving cost-efficiency and reinforcing cost control. Efficiency-gains are realised from improved asset and resource utilisation, 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 that offered by the ultra low-cost carrier (ULCCs) airlines. 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.

ATTRACTIVE CUSTOMER OFFERING

Norwegian will continue to leverage its brand value and customer satisfaction to be the preferred option for those who seek affordable air travel without compromising on quality. The combination of a competitive cost base and strong customer value offering has been, and will continue to be, Norwegian's winning formula. The company strives to deliver customer value across the entire customer journey, from the very start of the journey by being top-

of-mind and first choice for leisure and business travellers, followed by a hassle-free booking experience across a broad set of booking alternatives that fit with the customer's choice, a smooth check-in and boarding process, a pleasant inflight experience with excellent customer service by the professional Norwegian crew, and by on-time arrivals.

Regularity

99.4%

In addition, Norwegian will continue to develop and leverage the unique and award-winning Norwegian Reward programme, with over four million members in the Nordics, to create customer value and enhanced customer loyalty. This will be enabled though new and existing partnerships, innovative service and product offerings, including a new frequent flyer offering with new and added benefits.

HIGH-PERFORMING ORGANISATION

Norwegian has a strong focus on achieving increased labour efficiency through a crew-friendly network that allows for a right-sized base structure which in turn enables increased utilisation and reduced operational costs. Through a leaner organisation and more flexible agreements, the company is better positioned to manage seasonal fluctuations in demand.

The workforce at Norwegian is highly dedicated, experienced and has a strong fighting spirit. The crew at Norwegian are consistently receiving high scores in customer experience surveys. Going forward, Norwegian will continue to build a strong employer brand that will attract and retain top talent and competence vital to succeed in the future airline environment.

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

MISSION, VISION & VALUES

In 2022, Norwegian launched its new mission, vision and values. More than 150 colleagues contributed with their input on what Norwegian truly care about and what is needed to capture the opportunities that lie ahead. The new vision, mission and values are based on this input.

Vision: The most loved and trusted airline in Europe

Mission: Together, we fly above and beyond to serve people the Norwegian way

Values:
- A caring heart
- In it together
- Courageously inventive
- Passionately Norwegian

CORPORATE STRUCTURE

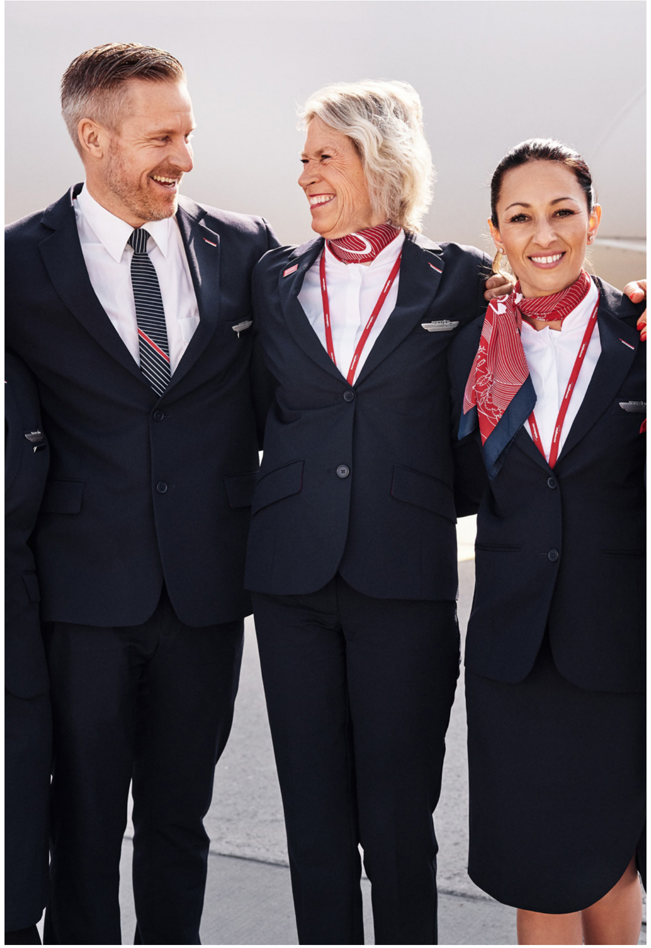
The Norwegian Group consists of the parent company, Norwegian Air Shuttle ASA, and its directly or indirectly owned subsidiaries in Norway, Sweden, Denmark, Finland, Ireland, Spain, Latvia and the United Kingdom.

The group has structured its operations and different functions into several entities with the purpose of having an organisational structure that maintains Norwegian's flexibility and adaptability considering the company's strategy. The respective companies offer permanent employment, with terms and conditions in accordance with local markets, laws, and regulations.

The group does not report profit per entity, as the Executive Management team 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 utilised across the group's geographical segment.

The group's organisation is further organised into four functional business areas:

- Commercial
- Marketing & Customer
- Operations
- Support Functions



COMMERCIAL

The Commercial division is responsible for airline planning, network, and revenue management. The business area is also responsible for all sales activities related to corporate and leisure contracts, distribution, charter, and cargo. The objective for the business area is to optimise the group's results through the development of network strategy, allocation of aircraft and ongoing route management, not just for the commercial production, but also for cargo and charter operations.

MARKETING & CUSTOMER

The business area develops and runs all brand, marketing & loyalty activities, drives the eCommerce operation and customer facing digital platforms, and works to ensure superior customer experiences across all digital and physical customer touchpoints, including running the Customer Care operations, Inflight Retail, and the loyalty programme Norwegian Reward. The business area develops and ensures value creation from ancillary products, in close collaboration with the Revenue Management team, in addition to working the Sales & Distribution team to ensure maximum sales performance.

OPERATIONS

At year-end 2022, Norwegian had three airline operators in two different countries, Norway and Sweden, each holding a unique national air operator's certificate (AOC). The parent company Norwegian Air Shuttle ASA (NAS), based at Fornebu, 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. 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.

Norwegian's commercial airline activities have been operated through local bases in the following countries: Norway, Sweden, Denmark, Finland and Spain.

Red Handling carries out ground handling services in Spain. Red Handling Spain SL 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 five key support functions: Finance & Control, People, IT & Business Services, Communications & Public Affairs and Aircraft Asset Management.

Arctic Aviation Assets DAC is the parent company of a set of subsidiaries based in Dublin, Ireland that manages the group's aircraft assets. This includes the handling of aircraft financing, leasing and ownership.

MARKET CONDITIONS

The financial year of 2022 began with subdued demand following government-imposed restrictions related to the spread of the omicron virus from December of 2021. The use of flexible fleet arrangements through power-by-the-hour lease agreements enabled Norwegian to quickly adapt capacity to changes in demand, minimising losses through the first quarter of 2022. The effects of COVID-19 pandemic on the airline industry dissipated after the first quarter of 2022 and the omicron outbreak, leading to a normalisation for the European air travel industry.

In February, Russia initiated a military invasion of Ukraine. One result was increased volatility in international capital markets and a spike in the oil price, resulting in increased fuel costs for Norwegian. Elevated fuel prices persisted through the summer of 2022, but trended lower in the second half of the year. Large fluctuations in foreign exchange rate also had a significant impact on Norwegian's results for 2022, particularly due to the strong USD against the NOK.

In the summer of 2022, the European air travel industry experienced significant congestions at selected airports, a result of staffing issues as demand for air travel returned faster than previously anticipated. Despite the challenges, Norwegian was able to maintain regularity at a very high level with close to all scheduled flights being completed. This was in stark contrast to a local competitor which suffered from a 15-day pilot strike in July 2022. Load factor and yield level developed favourably through 2022, both reaching a strong level in the third quarter with the unit revenue reaching a record high for the company.

From November 2022 and through the winter season, the company has utilised its fleet flexibility enabled through power-by-the-hour (PBH) lease agreements to reduce capacity by up to 30 percent. By adapting capacity to seasonality, the company is able to minimise cash-burn in the parts of the year when demand for air travel is lower.

Competition in the Nordic air travel market intensified during the COVID-19 pandemic with several competitors entering the market. Since then, some have exited. In January of 2023, a local competitor in Norway filed for bankruptcy and ceased operations. 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 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 in its core Nordic market are far stronger than those of any new entrants.

SAFETY AND COMPLIANCE

Flight Safety is a number one priority at Norwegian.

The Safety Policy is Norwegian's documented commitment to safety and is communicated to all staff and implemented in our management systems and our safety culture. A strong safety culture is a key tool for ensuring that the highest standards of safety are maintained at all times. An effective safety culture begins with strong leadership at all levels of the organisation. In Norwegian, managers demonstrate a commitment to safety and provide the resources and support necessary to establish and maintain a strong safety culture.

Good governance on flight safety is supported by independent compliance and safety departments that report directly to the Accountable Manager, the nominated person who is ultimately responsible for flight safety. Norwegian has several operating licenses from both Norwegian and Swedish national aviation authorities and is audited by both authorities in accordance with European Union Aviation Safety Agency (EASA) regulations.

To ensure transparency, and flow of safety data, operational management is identical across the flight operations with a single management structure providing increased operational flexibility while at the same time enhancing flight safety. This results in a uniform and cohesive approach to safety that encompasses the entire Norwegian organisation.

Norwegian had no fatal accidents in 2022 and have never had a fatal accident throughout its history. The group had no critical personnel injuries during 2022. The safety level is managed to a minimum degree according to regulatory requirements, but often above these requirements through the use of modern data safety systems that receives data input from highly competent and engaged personnel. This comprehensive suite of IT tools assists management in analysis and decision-making by delivering relevant safety and compliance data in real time to the people and departments responsible for overseeing safety at the company.

More details regarding the flight safety at Norwegian is included under the "Flight Safety" under the report on ESG, included as a separate section to this report.

AIRCRAFT MAINTENANCE

Norwegian operates a single aircraft type fleet with all aircraft being either the Boeing 737-800 NG or the Boeing 737 MAX 8.

The national civil aviation authority in Norway or Sweden has approved the air operator's certificate (AOC's) maintenance organisation (CAMO) and maintenance program (AMP).

The company has a Maintenance Repair Organisation (MRO) organised under Norwegian Air AS, with authorisation from the Civil Aviation Authority in Norway under approval number NOA.145.0154. 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 supplies subject to approval by the European Aviation Safety Agency (EASA) and the national aviation authorities. Airframe (base) maintenance for the fleet is currently carried out by Lufthansa Technik in Budapest, Hungary. Lufthansa Technik also undertake the component workshop maintenance.

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.

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 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 2022 was NOK 18,869 million, an increase of 272 percent from NOK 5,068 million in 2021. Passenger revenue accounted for NOK 15,198 million, compared to NOK 3,912 million in 2021. Ancillary passenger revenue amounted to NOK 2,870 million, compared to NOK 941 million in 2021. Other revenue amounted to NOK 802 million, compared to NOK 214 million in 2021 and are primarily related to commission from in-flight sales and revenue from the Norwegian Reward loyalty program.

Unit ticket revenue per available seat kilometre was NOK 0.56 for 2022, up 34 percent from NOK 0.41 in 2021, a result of both a higher yield and an improved load factor. Unit ticket revenue including flight related ancillary revenues was NOK 0.66. Ticket revenue yield was NOK 0.67, compared to NOK 0.57 in 2021. Yield including fight related ancillary revenues was NOK 0.79. Ancillary revenue per passenger was NOK 161, up 6 percent from NOK 152 in 2021.

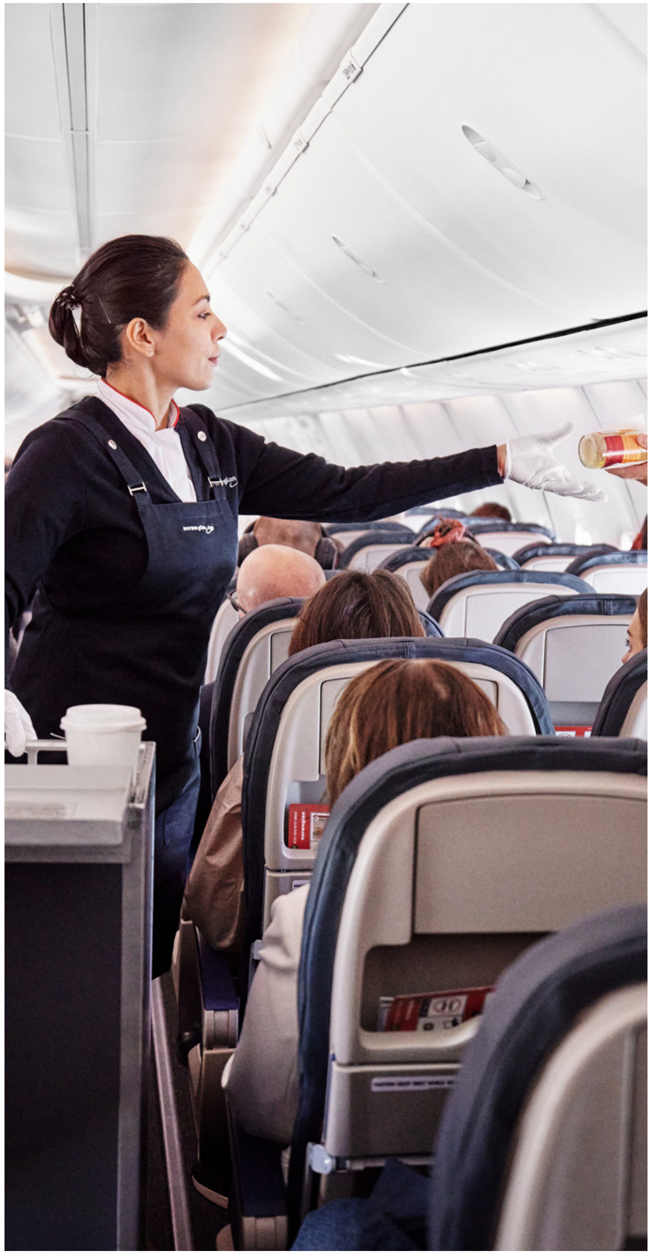
Unit ticket revenue

up 34%

from last year

Norwegian had 17.8 million passengers in 2022, up 188 percent form 6.2 million in 2021. The average sector length increased by 22 percent compared with 2021.

Total operating expenses excluding depreciation, amortization and aircraft lease amounted to NOK 17,615 million in 2022, up 168 percent from NOK 6,584 million in 2021. Following



significant increase in the price of jet fuel, aviation fuel accounted for 42 percent of total operating expenses excluding depreciation, amortization and aircraft lease, up from 21 percent in 2021. Unit cost, which excludes other losses/(gains) and includes aircraft lease, was NOK 0.71, down 22 percent from NOK 0.91 in 2021. Unit cost excluding fuel was NOK 0.44, compared to NOK 0.76 in 2021.

Operating profit excluding lease, depreciation and amortization (EBITDAR) amounted to NOK 1,254 million in 2022, compared to negative NOK 1,516 million in 2021. EBITDAR excluding other losses/(gain) was NOK 1,247 million, compared to negative NOK 2,254 million in 2021. Other losses/(gains) amounted to a net gain of NOK 7 million, compared to a net gain of NOK 737 million in 2021, and primarily include translation of working capital in foreign currency and net gain or loss from realisation of fixed assets.

Aircraft lease, depreciation and amortization amounted to NOK 1,851 million in 2022, up from NOK 1,270 million in 2021, a result of an increased fleet and wet-lease operations over the summer season as sourced aircraft for the company's own fleet were delayed in delivery. Following the completion of the agreement to purchase 50 Boeing 737 MAX 8 aircraft in June 2022, NOK 2,099 million of previously paid in pre-delivery payment (PDP) was reinstated against the purchase. The PDP balance was previously impaired to zero value in 2020.

Operating profit before interest and taxes (EBIT) amounted to NOK 1,502 million in 2022, compared to negative NOK 2,786 million in 2021.

Operating profit:

NOK 1,502 million

Net financial items amounted to a net loss of NOK 456 million in 2022, compared with a gain of NOK 4,662 million in 2021. Net financial items in 2021 was positively impacted by restructuring effects amounting to NOK 5,341 million. Interest expenses amounting to NOK 650 million in 2022 included NOK 330 million in interest expense on lease liabilities recognised according to IFRS 16. Other financial income (expense) amounted to a net gain of NOK 122 million.

Profit before tax (EBT) amounted to NOK 1,046 million in 2022, compared to NOK 1,876 million in 2021. Net profit after tax amounted to NOK 1,005 million, compared to NOK 1,870 million in 2021. Earnings per share for 2022 was positive NOK 0.99 in 2022, compared to NOK 3.52 in 2021. Diluted earnings per share was positive NOK 0.89, compared to NOK 2.68 in 2021.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

Total equity amounted to NOK 4,203 million at the end of 2022, an increase of NOK 934 million from NOK 3,270 million at year-end 2021. The equity ratio was 18.5 percent, up from 17.4 percent at year-end 2021.

Total non-current assets amounted to NOK 12,625 million at the end of 2022, compared to NOK 8,961 million at year-end 2021. Right-of-use aircraft assets amounted to NOK 5,522 million, up from NOK 5,153 million at year-end 2021. Prepayment for ordered aircraft amounted to NOK 2,937 million, and related to both the reversal of previous impaired prepayments and new prepayments for the purchase order of 50 Boeing 737 MAX 8 aircraft placed in the second quarter of 2022. The prepayment balance at year-end 2021 was zero. Deferred tax assets amounted to NOK 1,901 million, compared to NOK 1,890 million at year-end 2021, and primarily related to carry-forward after-tax losses.

Total current assets amounted to NOK 10,045 million at the end of 2022, compared to NOK 9,864 million at year-end 2021.

Trade and other receivables amounted to NOK 2,185 million, compared to NOK 2,153 million at year-end 2021.

Holdback as share of air traffic settlement was 39 percent at year-end, down from 109 percent at year-end 2021. Cash and cash equivalents amounted to NOK 7,759 million at year-end, corresponding to an increase of NOK 64 million from year-end 2021.

Total non-current liabilities amounted to NOK 10,842 million at the end of 2022, compared to NOK 9,488 million at the end of 2021. Non-current debt amounted to NOK 8,696 million, of which NOK 2,739 million related to the zero coupon Retained Claims Bonds and NOK 4,646 million to lease liabilities. Other non-current liabilities amounting to NOK 2,146 million predominately related to NOK 1,884 million in provision for periodic maintenance.

Total current liabilities amounted to NOK 7,624 million at the end of 2022, compared to NOK 6,068 million at year-end 2021. Air traffic settlement liabilities amounted to NOK 2,549 million, compared to NOK 1,324 million at year-end 2021. Trade and other payables amounted to NOK 3,651 million, of which CashPoint Liabilities related to Norwegian Reward amounted to NOK 1,251 million.

CAPITAL STRUCTURE

Net interest-bearing debt at the end of 2022 amounted to NOK 2,326 million. Compared to year-end 2021, net-interest bearing debt increased by NOK 644 million, predominantly a result of the sourcing of additional aircraft and increased lease liabilities from currency revaluations as the USD appreciated against the NOK during the year. A total of 70 aircraft were accounted for in the balance sheet though leased and owned aircraft, up from 51 aircraft at the end of 2021.

The group's gross interest-bearing debt amounted to NOK 10,085 million at the end of 2022, compared to NOK 9,377 million at year-end 2021. Included in gross interest-bearing debt were bond issues of NOK 3,311 million, aircraft financing of own aircraft amounting to NOK 803 million, lease liabilities of NOK 5,837 million and other debt of NOK 135 million.

Equity at the end of 2022 amounted to NOK 4,203 million, corresponding to an equity ratio of 18.5 percent, up from 17.4 percent at year-end 2021.

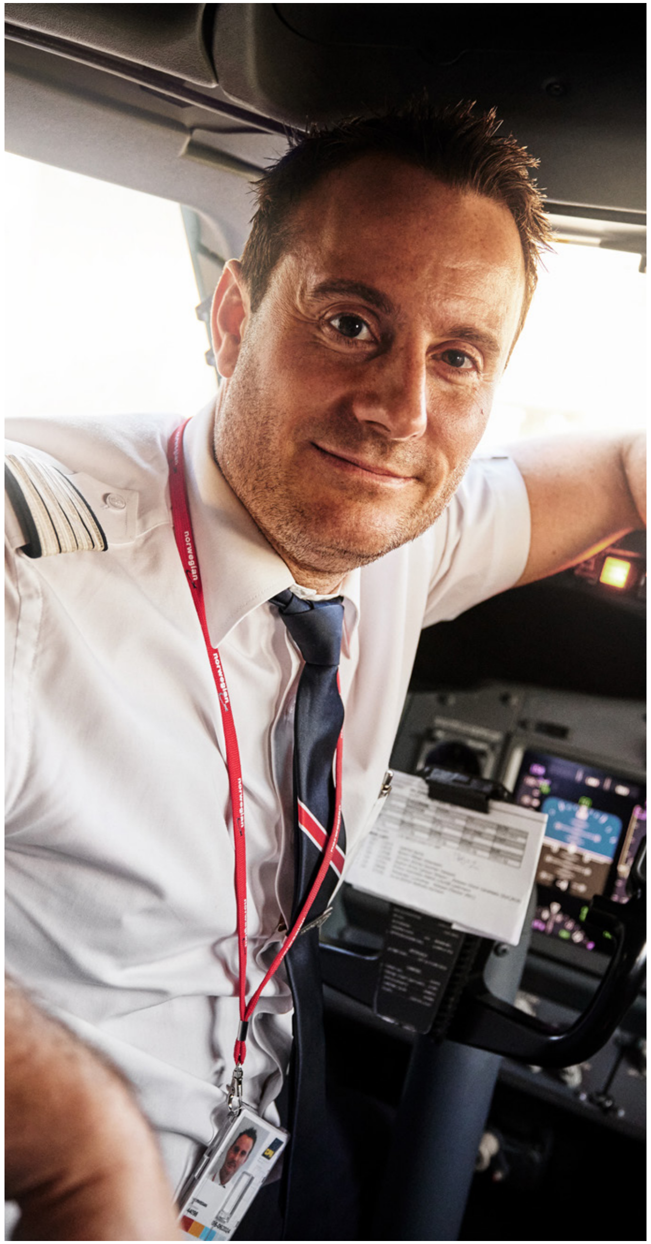
CASH FLOW

Cash and cash equivalents amounted to NOK 7,759 million at the end of 2022, compared to NOK 7,695 million at year-end 2021.

Cash flow from operating activities in 2022 amounted to positive NOK 2,426 million, compared to positive NOK 139 million in 2021. Air traffic settlement liabilities increased by NOK 1,224 million during the year. Changes in inventories, accounts receivable and accounts payable, had a positive cash flow effect in the amount of NOK 62 million. Financial items, interest received and changes in other current assets and current liabilities amounted to positive NOK 893 million during the year.

Cash flow from investing activities in 2022 amounted to negative NOK 801 million and primarily consisted of prepayment for ordered aircraft to aircraft manufacturer Boeing. For 2021, cash flow from investing activities amounted to positive NOK 223 million.

Cash flow from financing activities in 2022 amounted to negative NOK 1,561 million, compared to positive NOK 4,784 million for 2021. Proceeds from the issuance of new shares and perpetual bond in 2021 had a positive NOK 5,863 million effect on cash flow from financing activities in 2021. Principal repayments of NOK 218 million in 2022 related to the repayment of the NAS13 bond of NOK 122 million and repayment on other credit facilities of NOK 96 million. Principal payments on lease liabilities amounted to NOK 891 million.



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, and at a minimum on an annual basis.

The group faces many risks and uncertainties in a global marketplace that has become increasingly uncertain with volatile energy and fuel prices, inflationary pressure, fluctuations in foreign exchange rates and potential impacts of disruptions in the global supply chain. The variety of economic environments and market conditions can be challenging, with the risk of Norwegian's costs not being sufficiently low to protect the airline's results in case of weaker consumer demand and business confidence in its key markets. Large fluctuations in the price for both key input factors and fares may have a significant impact on the group's financial 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 the treasury function in the Corporate Finance team, under policies approved by the Board of Directors. The Corporate Finance team identifies, evaluates and hedges financial risk in close cooperation with the group's operating units. The Board provides principles for overall risk management in relation to foreign currency risk, jet fuel risk, interest rate risk, credit risk, EU ETS emission allowance price risk, and for the use of derivative instruments and investment of excess liquidity.

INTEREST RISK

The group is exposed to changes in the interest rate level, corresponding to the amount of net interest-bearing debt. The group's cash flow interest rate risk arises borrowings with floating interest rate and cash and cash equivalents with floating interest rate. Floating interest rate borrowings consist of unsecured bonds and loan facilities. Fixed interest rate borrowings consist of commercial debt for aircraft, aircraft lease liabilities and unsecured bonds. Borrowings are denominated in USD and NOK, providing a natural hedge as aircraft assets are accounted for in USD.

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, while a significant portion of the group's operational expenses are denominated in EUR. The group also has passenger ticket revenue and ancillary revenue in foreign currencies, predominantly in SEK, EUR and DKK. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. In order to reduce currency risk, the group has a mandate to hedge up to 40 percent of its currency exposure for the following 12 months, and up to 20 percent for the following months up to 24 months. At the end of 2022, the group did not have any currency forward contracts of significance.

JET FUEL PRICE RISK

Expenses for jet fuel represent a substantial part of the group's operating costs, and fluctuations in the price of jet fuel 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 the expected fuel consumption over the next 12 months, and up to 25 percent for the following months up to 24 months, with swap contracts, options and options structures. At the end of 2022, the group had hedged approximately 20 percent of the projected fuel consumption through the use of jet fuel swaps.

LIQUIDITY RISK

The group monitors rolling forecasts of the liquidity reserves, cash and cash equivalents on a weekly basis. 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 to maintain debt financing plans.

CREDIT RISK

Credit risks are managed on a 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. The majority of 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 on an ongoing basis.

CLIMATE-RELATED RISKS

Climate-related risks include transition risks and physical risks. Transition risks refer to transition to a lower-carbon economy, while physical risks refer to the impacts of climate change. Climate-related risks are managed on group level.

Transitioning to a lower-carbon economy may involve changes in government policies, technological development and customer demands. These include risk relating to the EU Emission Trading System (EU ETS), including changes in free allowances and price changes for the allowances, changes in blending mandates and prices for sustainable aviation fuels (SAF), and the risk of reduced customer demand due to "flight shame". The speed and focus of these changes may create financial and reputational risks.

The company emits CO2 emissions by using jet fuel for its flight operations. When flying to destinations within the EEA and the UK, the company is obliged to surrender EU ETS allowances to the authorities. The allowances are freely traded in and the price of these have historically been volatile. The company receives free allowances which cover a share of the annual ETS obligation. Under current EU regulation, free allowances to airlines will be discontinued in 2026.

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.

CONTINGENCIES AND LEGAL CLAIMS

Norwegian is involved in various claims and legal proceedings arising in the ordinary course of business, including claims related to the company's business matters, employment matters and tax matters.

In December 2022, Norwegian was notified that the Ministry of Climate and Environment maintained that the company is liable to pay a fee amount of close to NOK 400 million for the failure to meet its EU ETS obligations for 2020, in a period when the Company was under reconstruction and was thereby prevented to meet these obligations. The company has sought judicial review to resolve the matter.

For further information related to contingencies and legal claims, please refer to note 28 to this report.

THE SHARE

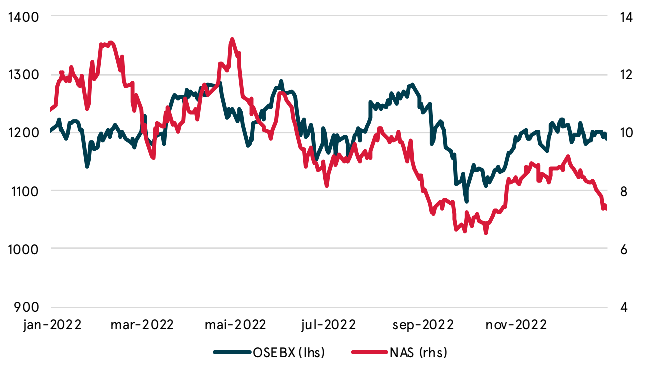
Norwegian aims to deliver competitive and attractive returns to its shareholders. The company's shares are listed are listed on the Oslo Stock Exchange (Oslo Børs) with ticker symbol NAS. The share is included in the OSEBX Benchmark Index and from March 2022, the share was also included in the OBX index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

The company has one class of shares, and all shares carry equal voting rights. As of year-end 2022, the company's share capital amounted to NOK 92,998,973.90 divided between 929,989,739 shares, each with a nominal value of NOK 0.10. The group's articles of association have no limitations regarding the trading of Norwegian Air Shuttle ASA's shares on the Oslo Stock exchange. During the year, 1,471,243 new shares were issued, solely related to exercised share conversions of the New Capital Perpetual Bonds.

As of year-end 2022, the Company had 80,815 shareholders, up from 77,659 shareholders at year-end 2021. The 20 largest shareholders held 62.4 percent of the outstanding shares. Dividends have not been paid out during the last three years.

The Norwegian share had a closing price on the Oslo Stock Exchange of NOK 7.344 as of year-end 2022, compared to a closing price of NOK 10.75 as of year-end 2021, representing a negative return of 32 percent. In the same period, the Oslo Stock Exchange OSEBX Index was down 1 percent, while the US S&P 500 Index was down 19 percent. The average number of Norwegian shares traded on the Oslo Stock Exchange in 2022 was 6.19 million, compared to 5.53 million in 2021. Norwegian had a market capitalisation of NOK 6.8 billion at year-end.

SHARE PRICE DEVELOPMENT 2022



CHANGES IN THE BOARD OF DIRECTORS AND GROUP MANAGEMENT

Sondre Gravir and Chris Browne were re-elected as Board members at the Annual General Meeting on 25 May 2022. Ms Browne resigned from the Board with effect from 31 December 2022.

Katrine Gundersen, Eric Holm and Torstein Hiorth Soland were on 15 March 2022 elected as employee representatives to the Board of Directors.

Tor-Arne Fosser, EVP Product & Digital Development, left the Executive Management group in April 2022.

Hans-Jørgen Wibstad took up the position of Chief Financial Officer and joined the Executive Management group from May 2022.

Tore Jenssen joined the Executive Management group from May 2022 and currently holds the position of Chief Asset Officer.

EVENTS AFTER 31 DECEMBER 2022

On 3 February, Norwegian announced that it had repurchased NOK 485 million through a buy-back of the senior unsecured NOK 3,714 million Retained Claims Bonds, maturing 30 September 2026 at a price of 72.5 percent of par value. The buy-back helps to optimise the company's capital structure at an attractive price, while also reducing overall financing costs.

On 6 February, Norwegian announced that a Letter of Intent was signed with Air Lease Corporation (ALC) to lease six Boeing 737 MAX 8 aircraft, which are in addition to three aircraft leases already agreed with ALC. The aircraft are being delivered to Norwegian in the spring of 2023, which will help to counteract delays from Boeing for other aircraft due for delivery.

On 2 March, it was announced that Norwegian authorities would not grant suspension of payment in relation to the company's ongoing legal dispute over the failure to meet the EU ETS obligations for 2020, in a period when the company was under reconstruction and thereby prevented to meet these obligations. The company has made a payment corresponding to the fee amount of close to NOK 400 million and will seek a return of this plus interest following a final conclusion to the legal proceedings.

On 24 April, Norwegian announced a landmark partnership with Norsk e-Fuel to build the world's first full scale e-fuel plant in Mosjøen, Norway. The plant will produce sustainable aviation fuels (SAF). The partnership is estimated to secure approximately 20 percent of Norwegian's total demand for SAF until 2030. In addition, Norwegian will invest more than NOK 50 million for a minority equity stake in the company.

There have been no other material events subsequent to the reporting period that may have a significant effect on the consolidated financial statements for 2022.

GOING CONCERN

Norwegian is exposed to several risk factors such as market risk, operational risk, financial risk and liquidity risk. Future demand is dependent on sustained consumer and business confidence in key markets. Demand for airline travel is subject to strong seasonal variations. The current macroeconomic environment is uncertain with elevated energy and fuel prices, inflationary pressure, fluctuations in foreign exchange rates, the ongoing war in Ukraine, as well as potential impacts of disruptions in the global supply chain. In the event of industrial actions, operations may be affected and cause disruptions for customers. The impact these factors may have on the company's financial result Is uncertain but does not affect the going concern assumption.

Pursuant to the requirements of Norwegian Accounting Act, the Board of Directors confirm that the requirements for the going concern assumption have been met and that the annual accounts have been prepared on this basis.

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 63 million in 2022, compared with a net profit of NOK 12,994 million in 2021. Total assets at the end of 2022 amounted to NOK 26,911 million, compared to NOK 17,655 million at the end of 2021. Equity amounted to positive NOK 11,536 million, compared to NOK 11,550 million at year-end 2021. In accordance with the company's Corporate Governance policy, the Board recommends the following distribution of funds:

(NOK million)	
Dividend	0
Transferred to equity	62.5
Total allocated	62.5

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Norwegian is committed to creating lasting value for all stakeholders, including customers, shareholders, employees, and society at large. To fulfil this mission, the company places utmost importance on having a sound safety culture and to conduct its operations with responsible and sustainable business practices that are aligned with strong environmental, social and governance (ESG) principles. Norwegian's policies and actions support the UN Nations Sustainability Development Goals (SDGs) with a special emphasis on the below 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

To best assess how the actions of the company impacts society, but also how ESG topics may impact the value of the company, Norwegian recently conducted a materiality assessment. Topics identified with having high impact include direct greenhouse gas emissions, employee welfare, labour practices, health and safety, cyber security and data protection, supply chain sustainability, climate risk and labour and human rights.

Flying brings people together and is of great value to society. But flying also has a cost to the environment in the form of direct greenhouse gas (GHG) emissions. Norwegian is committed to reducing its CO2 carbon emissions by 45 percent by 2030. This will be achieved through a combination of fleet renewal, operational efficiency, and sustainable aviation fuel (SAF). Norwegian is well underway with its fleet renewal program and are making significant strides also within other key emission reduction initiatives. In 2022, carbon efficiency, measured by grams of CO2 emissions per revenue passenger kilometre (RPK), was 77 grams, a 13 percent improvement from 2021.

Norwegian believes in the importance of enabling both employees and customers to make a difference through being good corporate citizens. To achieve this, Norwegian is dedicated to supporting UNICEF through various activities, including relief flights and other projects that support the organisation's important work for children worldwide.

The company has a long-term focus on being an attractive workplace with a strong corporate culture that attracts and retains talented individuals across its geographical locations. The company promotes a positive working environment characterised openness, tolerance and free of any form of discrimination. All forms of discrimination, harassment and bullying are condemned, and several measures are in place to ensure that the company works systematically and purposefully to prevent any unwanted incidents. These measures include the conducting of employment satisfaction surveys, having policies and methodologies in place that promotes equal pay for equal work, having grievance and whistleblowing channels easily accessible to all employees, and promoting fairness in the recruitment process. Norwegian joined the Social Human Equity (SHE) index in 2022, a data driven tool that Norwegian utilises as part of the effort to promote diversity and inclusion. As part of this work, the company has also set concrete gender targets for management positions and to make an impact in the traditionally male and female dominated roles.

Committed to reducing carbon emissions by 45 percent by 2030 through a combination of fleet renewal, operational efficiency, and sustainable aviation fuel

Norwegian has an important role in its procurement of key products and services that the company depend on for its daily operations. By engaging with suppliers, the company can exert positive influence on ESG matters through its

whole supply chain. The company also depends on IT technology, essential to handle external threats, including cyber security related attempts, that may impact system stability and operational disturbances. The company has great respect for its role in processing data on behalf of customers and employees, and work continuously to ensure that each individuals' privacy is protected in accordance with data protection laws, including GDPR. Norwegian is subject to the recently introduced Transparency Act relating to enterprises' transparency and work on fundamental rights and decent working conditions.

Please refer to the separate report on Environmental, Social and Governance (ESG), presented in a separate section of the annual report, for further information on the company's activities related to ESG activities. The requirements of the Norwegian Accounting Act § 3-3c for reporting on corporate social responsibility activities, have been covered in this report. The 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 and its subsidiaries are covered by Directors and Officers Liability Insurance. The insurance indemnifies members of the Board of Directors and members of Executive Management for legal costs and potential legal liability arising from claims made against them while serving on the Board or as part of Executive Management.

CORPORATE GOVERNANCE

Good corporate governance is a priority for the company's Board of Directors. Norwegian's objective for corporate governance is based on accountability, transparency, fairness and simplicity with the ultimate goal of maximising shareholder value while creating lasting 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.lovdata.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 current outlook for Norwegian is encouraging. The company has a leading position in the Nordic travel market, operating a broad range of short-haul flights comprising of domestic routes within Norway, Sweden, Denmark and Finland, routes across the Nordic countries and routes from the Nordics to key European and closely adjacent destinations. Strong operational performance, the awarding winning loyalty programme Norwegian Reward with over 4 million Nordic members is, together with the attractive route network, highly appreciated by customers and key factors for the positive outlook going forward.

In 2021, Norwegian underwent a comprehensive financial and business transformation that put the company on strong financial footing with a robust balance sheet and strong cash position of NOK 7.8 billion at year-end 2022. In 2022, the company placed an order to purchase 50 modern and fuel-efficient Boeing 737 MAX 8 aircraft. The deal sets out a path whereby Norwegian will own a large share of its fleet, resulting in lower all-in costs and increased financial robustness.

Norwegian's fleet comprised 70 aircraft at year-end 2022. To meet the anticipated increase in demand for air travel, Norwegian is increasing its fleet to 81 aircraft for the summer of 2023. The company will add additional aircraft to the fleet for 2024 and thereafter, but projects a limited net increase in the overall fleet due to redeliveries of older aircraft.

The current macroeconomic environment is uncertain with large fluctuations in fuel prices and foreign exchange rates. Fuel prices have come down from the elevated levels seen in 2022, resulting in reduced fuel costs for Norwegian. The company has also put in place fuel hedges for 2023 and 2024 to reduce its exposure to volatile fuel prices. Strength in the USD and EUR against the NOK have led to increased costs for the airline. While higher inflation and interest rates may have a dampening effect on consumer demand for air travel, this have not yet been evident in the booking trends which remain encouraging.

The company has taken significant market share in the corporate market in 2022, with many business travellers placing high value on Norwegian high regularity and strong on-time performance. A higher share of corporate travellers helps to counteract the seasonal effects in the Nordic air travel market, both from the peak leisure summer season to the winter months and from the busy weekend travel days to weekdays. Norwegian is making significant changes to the Norwegian Reward programme by increasing its attractiveness to frequent travellers and thus especially business travellers.

For 2023, Norwegian is targeting an overall production (ASK) of 34,000 million seat kilometres, a 24 percent increase from 2022. The company is also targeting an increased unit revenue and a reduction in unit costs excluding fuel between five to ten percent.

Norwegian's winning formula is the combination of a competitive cost position and strong customer value offering. A high degree of flexibility 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 also 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 emission reduction targets.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Norwegian is committed to creating lasting value for all stakeholders, including customers, shareholders, employees, and society at large. To fulfil this mission, the company places great emphasis on having a sound safety culture and to operate with responsible and sustainable business practices that are aligned with strong environmental, social and governance (ESG) principles.

Flying brings people together and is of great value to society. But flying also comes at a cost to the environment, a cost that must be reduced going forward. Norwegian has committed to improve its carbon efficiency by 45 percent per revenue passenger kilometre (RPK) by 2030 compared to 2010 levels. This will be achieved through a combination of fleet renewal, operational efficiency, and sustainable aviation fuel (SAF). By having point-to-point flights with high load factors, a young fleet and data-driven smart flying, the company starts on a strong footing.

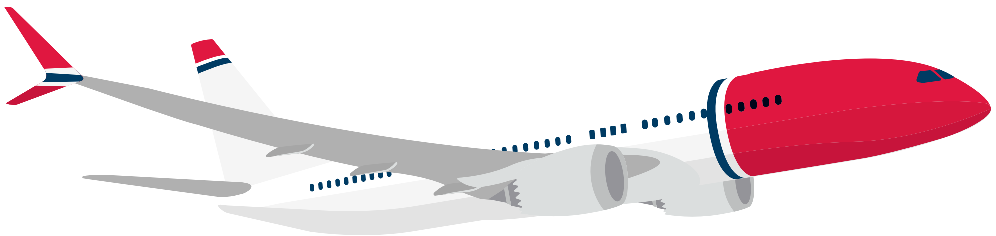
Norwegian is well underway with its fleet renewal program. For the summer of 2023, the company will operate 13 of the latest technology Boeing 737 MAX 8 aircraft. These aircraft reduce emissions by at least 14 percent compared to the previous generation and achieve a noise reduction of 40 percent. In the second quarter of 2022, the company reached a landmark deal with Boeing to purchase 50 Boeing 737 MAX 8 aircraft, due to be delivered between 2025 and 2028 and largely meant to replace the previous generation aircraft.

In 2022, Norwegian entered into a collaboration with Neste, the world's leading producer of SAF, to enable corporate customers to reduce CO_2 emissions from business travel. Norwegian believes the production of SAF is a key component in creating a sustainable airline industry and have engaged with several producers and regulators to promote production.

Norwegian constantly aspires to be a diverse and inclusive company that best reflect the diversity of the whole workforce. In 2022, more than 150 employees have contributed with input on what the future vision, mission and values for the company should be. These were announced in September 2022, when the company marked its 20-year anniversary.

To assess the sustainability impact Norwegian has on environmental, social and governance (ESG) topics with a goal of improving resource allocation and strategy development, the company recently conducted a materiality assessment. The process was undertaken by an independent third-party and involved both key internal and external stakeholders.

In December 2022, Norwegian received the highest possible score for its emissions reduction initiatives in the global climate ranking by Carbon Disclosure Project (CDP) and an overall score of B-. The score is an important acknowledgement of the Company's ambitious emission reduction targets and its targeted measures to achieve this.



ESG GOVERNANCE

CODE OF CONDUCT

Norwegian has a strong commitment to promoting honest conduct and ethical business conducted by all employees and compliance with the laws that govern the conduct of the company's business worldwide. To implement this commitment, Norwegian has developed a code of business ethics and conduct ("the Code"). The foundation of the Code is guided by the corporate vision, values and operational priorities, and has been designed to deter wrongdoing and to promote honesty. It establishes rules and standards regarding behaviour and performance. Any violation of the rules and standards embodied in the Code is not tolerated and will subject those responsible to disciplinary action. The Code applies to all employees, officers and directors in Norwegian Air Shuttle ASA, and to all entities by the company and their personnel.

GOVERNANCE

The Chair of the Board is responsible for approving the company's ESG strategy and is overseeing achievement of key performance indicator targets. The CEO is responsible for the implementation of the ESG strategy with oversight from the Board of Directors.

Members of the Executive Management team have the following clearly defined tasks and key performance indicators with annual targets:

- Chief Financial Officer (CFO) is responsible for governance and KPIs, risk management, ESG reporting, investment analysis, ETS allowance management and compliance with financial regulations
- Chief Operations Officer (COO) is responsible for flight safety, operational fuel efficiency, ETS emissions plans and emissions from the maintenance division
- Chief People Officer (CPO) is responsible for human capital, social governance and Health, Safety and Environment (HSE)
- Chief Commercial Officer (CCO) is responsible for load factor and developing a SAF product
- Chief Asset Officer (CAO) is responsible for fleet renewal
- Chief Marketing & Customer Officer (CMCO) is responsible for customer perception
- Chief IT & Business Services Officer (CIBSO) is responsible for SAF procurement, supplier performance and ETS emission reports
- Chief Communications & Public Affairs Officer (CCPAO) is responsible for company reputation and regulatory framework

The Board of Directors receive an update on major plans and performance two times per year, and an annual performance report. The Board also receive additional updates as important matters arise.

UN SUSTAINABLE DEVELOPMENT GOALS

Norwegian's policies and actions support the United Nations Sustainable Development Goals (SDGs) with a special emphasis on the below 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

Norwegian's supports UN SDG # 1 through corporate and employee engagement for the company's partnership with UNICEF.

UN SDG # 8 is supported through social policies and actions.

UN SDG # 13 is supported through environmental sustainability targets and actions.

UN SDG # 17 is supported through various ESG partnerships, including UNICEF, SHE Index, Terravera, Norsk e-Fuel and CHOOOSE. Norwegian is also an active participant in industry organizations in Norway, Denmark, Sweden and the European Union.

MATERIALITY ASSESSMENT

Norwegian aims to engage with all key stakeholders to get valuable input when making key decisions on resource allocation and strategy development. By conducting a materiality assessment, Norwegian can engage with stakeholders to assess its sustainability impacts.

To prioritise environmental, social and governance (ESG) topics, Norwegian conducted a materiality assessment in December 2022 to January 2023. The assessment was conducted in accordance with the concept of double materiality, meaning that it considered how the actions of the company impacts society but also how ESG topics may impact the value of the company. A third-party conducted the assessment through a process that involved an employee survey, a workshop with Executive Management and interviews with seven key stakeholders, including shareholders, union representatives, customers, suppliers and NGOs.

The result of the assessment has been and calibrated by the Executive Management team. Topics identified as having high impact are direct greenhouse gas emissions, employee welfare, labour practices, health and safety, cyber security and data protection, supply chain sustainability, climate risk and labour and human rights.

	Environment	Social	Governance
ESG topics with High Impact	· Direct GHG emissions · Climate risk	· Employee welfare · Labour practices · Health and safety · Cyber security and data protection · Labour and human rights	· Supply chain sustainability
ESG topics with Medium Impact	· Loss of biodiversity · Indirect GHG emissions · Material consumption · Waste in own operation · Local air pollution · Water pollution · Natural-related risk	· Diversity and inclusion · Human rights in the value chain · Diversity and discrimination · Sustainability competence	· Business ethics · Influence on policy makers

MISSION, VISION & VALUES

In 2022, Norwegian finalised and rolled out its new mission, vision, and values. More than 150 employees contributed with their input on what Norwegian truly care about, what the company's strengths are and what is needed to capture the opportunities that lie ahead. The new vision, mission, and values are based on this input.

Our vision

To become the most loved and trusted airline in Europe

Our mission

Together, we fly above and beyond to serve people the Norwegian way

Our values

A CARING HEART

What matters to our customers matters to us. We are passionate about delivering a personable and great service to our customers with a human touch. We are warm, inclusive, and down to earth and we work with our teammates, customers and partners in a friendly way. We care about people.

IN IT TOGETHER

We are all part of the same family! We support each other to succeed both as individuals, teams and as a company. We rely on, and listen to, each other to solve challenges together with our customers in mind.

COURAGEOUSLY INVENTIVE

Norwegian was built on challenging the rules. We have always had the courage to try new things. We continuously evolve so our colleagues experience a unique place to work and provide a service our customers love.

PASSIONATELY NORWEGIAN

We are proud of who we are and what we have achieved. We are made in Norway, Norwegian is our name. Our team is made up of people from different cultures and backgrounds who share the spirit of equality, fairness, sustainability, respect, and inclusion in everything that we do.

"When the Cultural Ambassador's group was tasked with giving input to the new Vision, Mission and Values I was instantly excited, but also curious about what to expect. Through the bottom-up process that followed, we have not only achieved an end result that resonates with the organisation, but also a process that in itself helped us pull together as colleagues and that gave real insight across the organisation"

- Emil Sørensen, Pilot and Cultural Ambassador

DIVERSITY, EQUITY AND INCLUSION

With the help of tools such as, amongst others, the SHE Index, Norwegian has evaluated its management approach toward Diversity, Equity and Inclusion. Norwegian considers the work on creating a diverse, equal and inclusive work environment a vital part of its business operations and will strive to continue the process of uncovering risks and areas for improvement. An important part of this work is to ensure that the company's management approach reflects the core values and protects the rights and safety of all employees.

GRI

The Global Reporting Initiative (GRI) is a leading standard for sustainability reporting among companies. The framework consists of principles and indicators that can be utilised by companies to measure and report on ESG factors. Norwegian refers to the GRI index in this report, but does not report in accordance with the standard, effective as of 1 January 2023. A GRI content index is included as an appendix to this report.

The company has an ambition to prepare its annual report for the financial year of 2023 in accordance with either the GRI standard or equivalent recognised standard for sustainability reporting.

TRANSPARENCY ACT

Norwegian is subject to the Norwegian act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (the Transparency Act). The purpose of the Transparency Act is to promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure that the general public has access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.

Pursuant to the Transparency Act, Norwegian is obliged to, among other things:

- Conduct due diligence in accordance with the OECD Guidelines for Multinational Enterprises.
- Publish an account of due diligence and make the account easily accessible on the company's website on an annual basis.
- Respond to any written enquiries from any person requesting information about how Norwegian addresses actual and/or contingent risks relating to fundamental human rights and decent working conditions in the enterprise's own activities and supply chain or linked to other goods or services delivered by business partners.

Norwegian is dependent on a large number of service providers and suppliers to carry out its business. Safeguarding that Norwegian's own standards in respect of human rights and working conditions is key, and Norwegian both carries out regular audits and imposes contractual obligations to make sure that the suppliers comply with these standards. In addition, Norwegian is strongly committed to maintaining the standards within its own organisation.

To comply with the obligations under the Transparency Act, Norwegian maintains a full overview over its supply chain and uses EcoVadis, a global provider of business sustainability ratings, to conduct due diligence of suppliers in respect of human rights and working conditions, among other things. EcoVadis provides a third-party audit of the company's suppliers on a regular basis, giving Norwegian an independent verdict on the criteria measured by EcoVadis' research.

Norwegian will publish a due diligence report in relation to the Transparency Act on its website by the 30 June 2023 at the latest.

The general public may request information relating to Norwegian's suppliers and sub-contractors, employee rights, reporting, services and other topics by submitting a written request through Norwegian's designated website.

FLIGHT SAFETY

Flight Safety is a number one priority in Norwegian. Safety is also identified as a having "High Impact" in the company's materiality assessment. The values, beliefs, behaviours, and attitudes of the people who work in Norwegian define the Safety Culture. Norwegian places substantial emphasis on its safety culture as a key safety tool and the safety culture is measured to monitor any trends.

COMPLIANCE

Norwegian's operational approvals are issued by the Civil Aviation Authorities (CAA) in Norway and Sweden in accordance with the regulation legislated by the European Aviation Safety Agency (EASA). EASA is responsible for ensuring safety and environmental protection in air transport in Europe and Norwegian's adherence to the EASA regulations is continually audited by the respective CAA.

To ensure compliance with the EASA regulations, the compliance department performs audits of internal departments and contracted providers within all operational areas. This audit plan is itself subject to approval and audits by the CAA's.

SAFETY

The Accountable Manager at Norwegian, Adrian Dunne, is ultimately responsible for flight safety in Norwegian. The Director of Safety and the Compliance Manager reports directly to him. To streamline decision-making and further increase safety, Norwegian now has one operational management structure for all Air Operator Certificates (AOCs). The approved safety management system (SMS) of the individual approved Norwegian organisations is seamlessly integrated, ensuring complete transparency of safety data across the organisation that supports and enhances performance-based decision-making. Operating procedures in the different AOCs are identical to ensure that interoperability of pilots and cabin crew is possible without a reduction in safety level or restrictions in the operation.

The Safety Policy is Norwegian's documented commitment to safety and is communicated to all staff and implemented in the company's management systems and safety culture.

The safety management system (SMS) is reactive, proactive, and predictive. The reactive part is the traditional processes such as incident investigations and corrective actions. Proactively, the management of change processes effectively ensures that hazards are identified, and any associated risks are managed. Norwegian uses the vast amount of data available from normal operations to predictively identify potential threats. This data is also used to drive a comprehensive data analytics suite that continuously monitors safety performance benchmarked against targets and goals. This Safety data is available to the entire operational management including the Accountable Manager in real time.

The reporting rate below shows how many events are reported in each department and in each risk category. A high number of low-risk events is indicative of a good reporting culture, and this metric is showing a positive development. No high-risk incidents were reported in 2022. 2019 is used for comparison purposes due to the reduced traffic during the COVID-19 pandemic.

SAFETY REPORTING DATA (% OF THE NO. OF FLIGHTS):

Operational department	Low		Medium		High	
	2022	2019	2022	2019	2022	2019
Flight Operations	3.69	2.40	0.05	0.08	0.00	0.00
Ground Operations	1.58	1.09	0.02	0.02	0.00	0.00
Technical Operations	0.49	0.49	0.04	0.05	0.00	0.00
Security	0.36	0.35	0.00	0.00	0.00	0.00
Total	6.19	4.28	0.12	0.16	0.00	0.00

Note: Low, medium, and high describe the risk classification given to the event by using the ERC methodology. The total number of reports may exceed the sum of the individual departments as events may not be related to a specific department.

Norwegian may at certain times choose to source capacity though external providers, known as wet lease operations, typically in peak season. A wet lease operator is a company that provides aircraft, crew, maintenance, and insurance (ACMI) to another company. All wet lease operators are required to follow the same safety standards as Norwegian. They are regulated by the same EASA regulation as Norwegian and are audited by their respective Civil Aviation Authorities (CAAs). Norwegian requires that the wet lease operators' SMS interconnects with Norwegian's own SMS in order to facilitate complete safety transparency and seamless safety oversight.

EMERGENCY RESPONSE

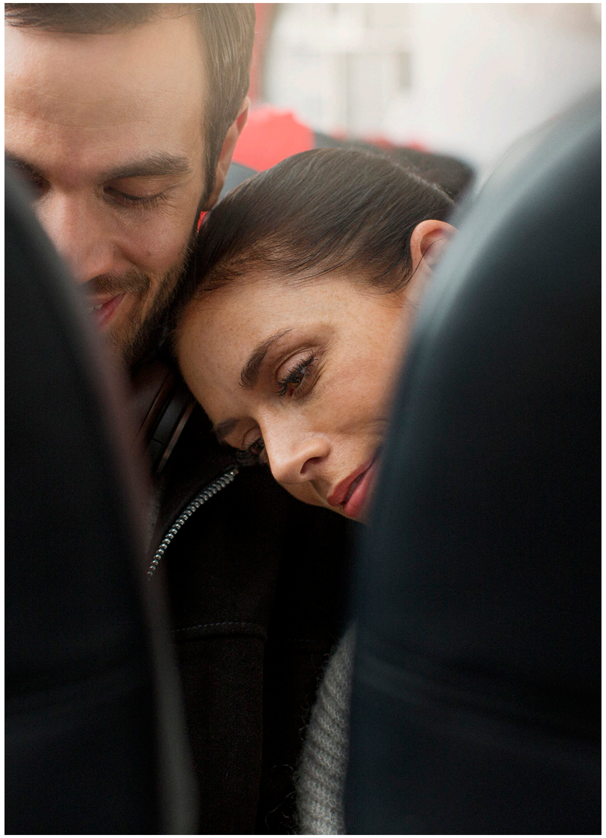
Norwegian has an Emergency Response Organisation (ERO) that ensures trained and qualified personnel are available should there be an incident or accident. The Emergency Response Plan Manual describes managerial responsibilities, procedures, personnel, and roles in case of such an event. This includes the roles and responsibilities of the GoTeam which is the team of trained experts the company will launch to the site of the event. In addition, the manual describes the training provided to the ERO personnel. Exercises are held quarterly, and the emergency response alert system is used in regular operational deviance situations weekly for system verification.

HEALTH, SAFETY AND ENVIRONMENT

The safety and security of Norwegian's people, and integrity of its operations, is the company's top priority. Norwegian focuses on preventing personal injuries, work related illness and major accidents, and the goal of zero injuries is a part of how Norwegian's employees think and work, with a strong focus on continuous improvement.

Norwegian's Health, Safety and Environment (HSE) organisation conducts HSE risk assessments, audits, handling of Grievances, Whistleblowing and occurrence reports, and assess trend analyses presented and discussed in Work Environment Committees (WEC). The HSE department is a key contributor to ensuring that Norwegian is compliant with EASA regulations, especially related to re-establishing a sound Pilot Peer Support Program and a test regime upon employment. All aspects of the group's operations are subject to extensive safety controls and certification.

A safe and healthy workplace is a fundamental right for all Norwegian employees and a business imperative for the company. One top priority is to support the health and well-being, both mental and physical, and minimise absence due to ill-health or injury, through advice, awareness programs and proactive initiatives. In 2022, there were no serious injuries, a few minor incidents in technical departments and no serious injuries amongst crew. Crew reports are mainly related to firm landings and turbulence, for example due to shoulder or neck strains or burn injuries.



Norwegian's Health and Safety Representatives (HSR) actively participate throughout the organisation and participate in WECs and various projects groups. WECs are established within each legal entity and employees have access to WEC minutes of meetings through the company's intranet. Collaboration between Executive Management, the Head of HSR and unions is maintained through bi-annual meetings.

Norwegian is a drug, alcohol and gambling-free workplace. The company has a clear policy accessible for all employees on the intranet. A Pilot Peer Support Group (NORPAN) was re-established in 2021 where any pilots can access the system to discuss issues impacting their wellbeing.

The past years have been volatile and uncertain for the airline industry, and this has resulted in new risks for the health and well-being of the company's employees. Norwegian takes these risks very seriously and has aimed to raise the awareness on mental health issues through various fora, including internal articles, leadership seminars, recommendations on healthy habits for remote work and instructions from physiotherapists. In the first half of 2022, Norwegian updated and closed all HSE risk assessments relating to the COVID-19 pandemic.

CUSTOMER HEALTH AND SAFETY

Norwegian has strict procedures protecting customer health and safety. Operational personnel receive regular training and report on unwanted events to the Safety Department. The Safety Department reports further to the HSE and Customer Care departments. When deemed necessary, the customer Care departments follow up with customers post-flight.

NOISE POLLUTION

All of Norwegian's aircraft meet the International Civil Aviation Organization's (ICAO) Chapter 4 and Chapter 14 requirements for local noise pollution. Norwegian follows local noise regulations and measures noise levels when it is required. The company has a company policy of always flying with minimum noise levels. Compliance with this policy is secured by utilising data to calculate the minimum engine thrust setting prior to departure and during taxi.

Operational personnel conduct hearing tests at regular intervals as part of their medical check, while technical employees conduct a hearing test every third year.

Fleet renewal will drastically improve noise levels for customers, employees and inhabitants close to airports going forward. The Boeing 737 MAX 8 reduces noise with 40 percent compared to the previous generation Boeing 737-800 NG.

AVOIDANCE OF SPILLS

Norwegian's technical department follows mandatory training requirements and procedures at the local basis. This includes training in avoidance of spills, and response procedures in case of spills. Employees also receive internal training for how to avoid and treat spills at each specific station to make sure that specifications in the safety data sheets are followed.

TRAINING

There is an extensive Health, Safety & Environment training program throughout the company. Some of the training is provided in classroom and some as computer-based with interactive tests. Training for crew and technical departments are documented and stored, and all Health and Safety Representatives (HSRs) have mandatory documented certified training.

In September 2022, Norwegian was the first airline in the Nordics to introduce Evidence Based Training (EBT) for all its pilots. The revolutionary training concept is based on strengthening a pilot core competency framework to enhance safety. By focusing on process instead of outcome, Norwegian expects increased effectiveness and efficiency in pilots' decision making going forward.

All Norwegian staff that can have an impact on safety receives training on Safety Management Systems (SMS) in accordance with their role in the organisation. The training system is described in the Safety Management Manual and is audited by the CAAs.

LOCAL COMMUNITIES & HUMANITERIAN ENGAGEMENT

Norwegian is committed to creating economic and social value in its crew bases and destinations, while also striving to be a good corporate citizen. This is aligned with the company's materiality analysis which identifies labour and human rights as having "High Impact". This commitment is demonstrated through the Signature Partnership with UNICEF, a humanitarian organisation dedicated to helping children in need.

Norwegian believes that involving employees in local communities creates a higher quality of work life for them, and it's important to enable both employees and customers to make a difference. To this end, Norwegian is dedicated to supporting UNICEF through various activities, relief flights, and other projects that help the organisation's important work for children worldwide.

Since 2007, Norwegian and UNICEF have had a Signature Partnership, with Norwegian primarily contributing through donations from passengers and fundraisers by employees. The company is proud to have extended this partnership for another three years in 2021, running from 2022-2024.

In 2022, passengers donated NOK 4.6 million to UNICEF's work for children when booking flights on the Norwegian website. NOK 1.1 million was raised for children affected by the war in Ukraine and other measures, bringing the total contribution amount to UNICEF in 2022 to NOK 5.7 million.

Together with passengers, Norwegian was able to provide 4,810 emergency packets to children affected by the war in Ukraine. Additionally, Norwegian's contribution amount can also support the following:

- Fully vaccinating almost 747,000 children against polio
- Installing more than 928 wells equipped with water pumps that can supply an entire village or refugee camp with clean water, which can help increase girls' access to education if the pump is located near a school
- Saving 1,280 severely malnourished children with a month's supply of high-energy peanut paste
- Providing almost 3,900 School-in-a-box sets that provide education to children in need

Norwegian is committed to continuing the support for UNICEF's crucial work and making a positive impact in the world.

SOCIAL

PEOPLE IN NORWEGIAN

Norwegian aims to offer unique opportunities to the people working at the company, in addition to build a strong corporate culture that supports the attraction and retainment of the most talented people in the

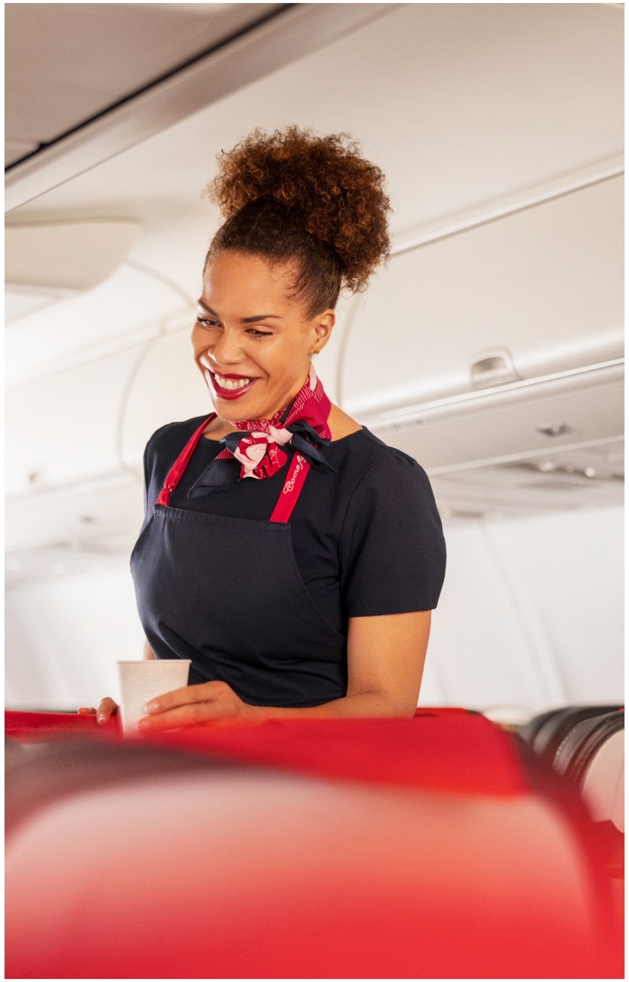
industry across its geographical locations. Creating well-functioning arenas for organisational learning and professional development at all levels of the organisation is key.

Based on the materiality assessment conducted in 2022, described further under ESG Governance, the risks identified are based on the assessment of impacts, both on matters where to company impacts society and ESG topics that may impact the value of the company. Associated risks influence how the company accounts for its social and societal impact. Employee welfare, labour practices, health and safety and labour and human rights are topics identified as having "High Impact" in the materiality assessment. These, in addition to topics with "Medium Impact" are described and accounted for in this section.

Norwegian is sustained by the welfare and well-being of employees, customers, supply chain, and the local communities interacting with the company.

The airline business is a service industry where good relations and mutual respect between people are key factors to achieve success. Norwegian has a long-term focus on creating an attractive workplace for employees by offering exciting opportunities in a global environment. Norwegian's success rests on the ability to maintain a talented workforce of highly skilled employees and leaders who are motivated to contribute to Norwegian's growth and to embody the company's vision, mission and values in their everyday work.

Norwegian's goal is to create a positive working environment and develop a corporate culture that is marked by openness, tolerance and high ethical standards. The company is committed to promote an environment free of any form of discrimination. Norwegian aspires to continuously become a more diverse and inclusive company that reflects the diversity of all stakeholders, including customers and employees, in addition to providing equal opportunities to all. This is considered business critical for Norwegian.



Diversity, Equity, and Inclusion are core values at every level of the company's business practices. By actively fostering a diverse workforce that values differences, Norwegian can better take advantage of different points of view and experiences and use these as a key factor to developing its business and to drive innovation. Norwegian believes that by valuing its people, the company can create a valuable business.

Norwegian is committed to implementing and actively updating actionable policies, practices, and evaluations that will support the company's social sustainability goals.

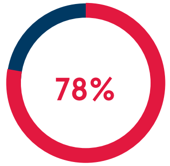
DIVERSITY, EQUALITY & INCLUSION

At the heart of Norwegian are the people who make it all possible.

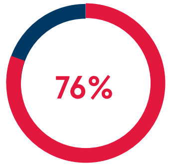
A culture marked by Diversity, Equity and Inclusion is critical to the company's success. Norwegian works to ensure equal opportunities for all people and offer a safe and inclusive workplace, in addition to recognising individual differences. This is considered vital for every aspect of the company's business practice. 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.

Inclusion is the process of involving, accepting and valuing all people regardless of differences and social identity. This applies to both employees in the workplace and customers that the company interacts with. Norwegian is committed to ensuring the promotion of social equity as a fundamental human right.

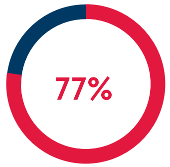
The People Engagement Survey conducted in 2022 measured employees' perception of respect, inclusion as well as job satisfaction. 68 percent of employees said that they believe that everyone can succeed in Norwegian, regardless of gender, age, cultural background, sexual orientation, religious affiliation, and disability.



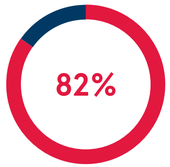
78 percent of employees said they are treated with respect at work



76 percent of employees said that their perspective is valued by their colleagues, even if it is different from their view



77 percent of employees said that they are overall satisfied with Norwegian as a place to work

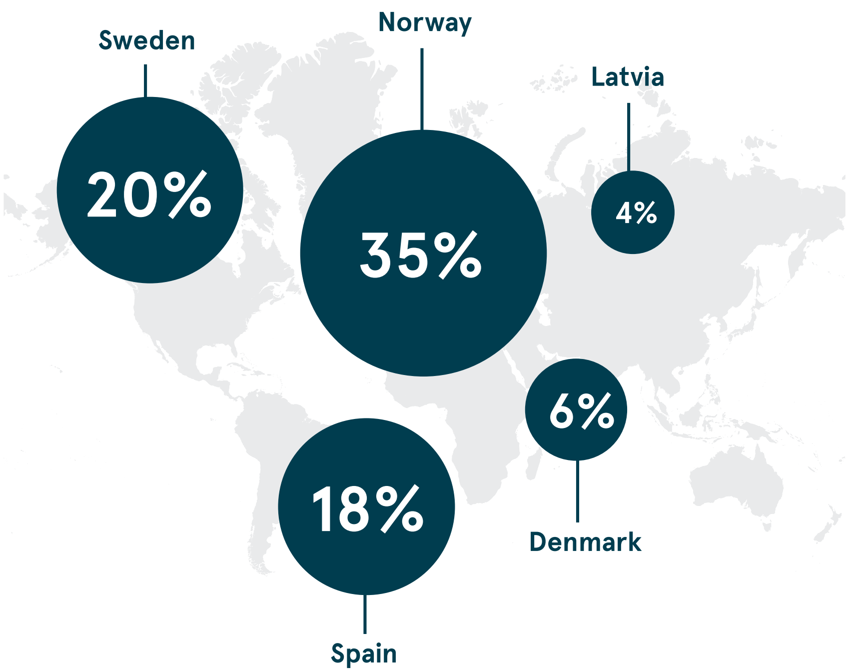


82 percent of employees said that they will be working at Norwegian in one year's time, while only 4 percent said that they are looking for new opportunities

At year-end 2022, Norwegian had 3,871 employees representing 58 different nationalities. This compared to 3,574 employees representing 56 nationalities at year-end 2021.

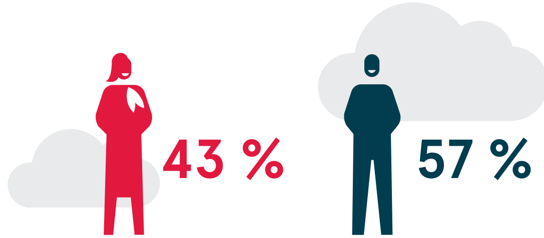
The six most represented nationalities at Norwegian are:

At Norwegian the working environment is inherently international enabling the company to utilise the value of different opinions, perspectives, knowledge, abilities, and cultural references.



In 2022, gender balance was measured in accordance with the company’s “Job Families” in order to distinguish between flying and non-flying employees. Job families are a grouping of roles in the company within the same professional area, meaning jobs that requires similar knowledge, skills and abilities. As illustrated below, gender balance varies greatly based on the respective job families. This also applies to different management levels.

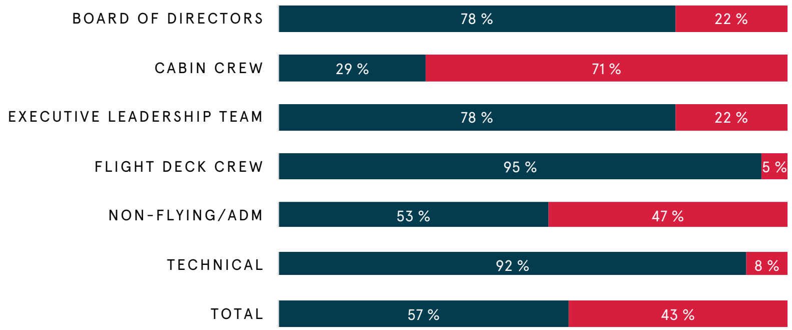
The Norwegian workforce as of year-end 2022 was made up of:



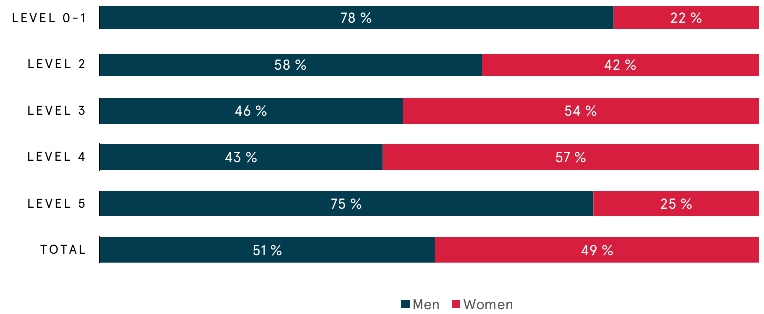
This ratio is unchanged compared to year-end 2021.

For legal group entities incorporated in Norway, the split is 44 percent women and 56 percent men.

GENDER BALANCE



GENDER BALANCE MANAGEMENT LEVELS



REMUNERATION

Norwegian promotes equal pay for equal work and ensures that no employee is unlawfully discriminated against in terms of salary, benefits, incentives, or other forms of compensation or remuneration.

The following section on remuneration applies solely to group entities incorporated in Norway:

Norwegian differentiates between pay scale-based employees and individually salaried employees, representing 83 and 17 percent of number of employees respectively. When looking at the total remuneration regardless, irrespective of them being on pay scale or individual salaries, female employees earned on average 57 percent of what male employees earned. This difference is high due to a high share of males in certain job families with higher pay, for example pilots.

The below table shows share of female employees' average salary as share of male employees' average salary in group entities incorporated in Norway, split across business area:

Total Remuneration Business Area	% Share of women	Women % of men's salary
Communications & Public Affairs	62 %	86 %
Finance & Control	52 %	78 %
IT & Business Services	32 %	80 %
Marketing Sales & Customer Care	54 %	81 %
Network Pricing & Optimisation	49 %	77 %
Norwegian Group	33 %	27 %
Operations	23 %	88 %
People*	47 %	50 %
TOTAL	**43 %**	**57 %**

**People includes crew*

A pay scale, also known as a salary structure, is a fixed system that determines what salary an employee is to receive, often adjusted yearly in increments.

Pay scales and levels are defined in the Collective Bargaining Agreements (CBA) with the relevant unions. At Norwegian employees within Cabin Crew, Flight Deck, Technical, Warehouse and Operational Control Centre are under the agreement with specific pay scales for their employee group. When entering the position, employees are placed on a pay scale level based on education, years of experience and special skills. The employees are then adjusted one level in yearly increments. In Norwegian, approximately 90 percent of the employees are covered by collective bargaining agreements (CBAs) through 19 different labour unions. The remainder are predominately specific groups of administrative personnel.

Pay scale salaries are independent of gender or age. Criteria used to initially place employees on the correct level is agreed with the unions and seniority in the role would determine the level the specific employee is adjusted to each year. Comparing the annual salary of women and men on pay scale salaries for the three largest employee groups in the company, women's salary as a share of men's salary are as follows:

Pay scale salaries	Share of women	Share of men	Women % of men´s salary
Cabin crew	74%	26%	103%
Flight Deck Crew	5%	95%	94%
Technical	7%	93%	76%

Employees that are not on pay scale, predominantly employees in administrative position, receive individually determined salaries. Norwegian is committed to ensuring fair and equitable compensation practices for all employees, regardless of gender or any other personal characteristics. To achieve this, the company utilises the Korn Ferry Hay Grade methodology to evaluate and position all roles that are individually salaried. By doing so, compensation decisions are based on objective criteria such as job complexity, responsibility, accountability, and other relevant factors, rather than personal biases or subjective opinions. This approach allows the company to establish clear and transparent guidelines for compensation, promoting a culture of fairness and equality within the organisation. When controlling for these objective criteria, men have a four percent higher average salary than women for individual salaried employees in group entities incorporated in Norway.

The table below presents the deviation between gender for the employee groups with all individual salaried employees, split in three categories according to the degree of responsibility and complexity, group 1 representing the lowest degree of complexity and group 3 the highest.

Individually salaried	Gender deviation ratio	Total men	Total women
Group 1 (11-17)	3%	129	143
Group 2 (18-22)	11%	41	36
Group 3 (23-30)	5%	14	5
TOTAL	**4%**	**184**	**184**

When comparing individual salaried employees regardless of roles or group, the average fixed salary among women amounts to 80 percent of the average fixed salary of men.

Norwegian aims to ensure that all employees have the same opportunities to advance. Achieving greater equity within job families require concrete actions both regarding internal advancement and hiring practices. The company has implemented the following measures to achieve this:

- Monitoring remuneration practices on an annual basis 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.
- Ensuring that leaves of absence related to pregnancy and parental leave, among other types of leaves, or other events linked to parenting, family care status or other care tasks, do not result in the violation of Norwegian's equal employment opportunities commitment and equal pay commitment.

SOCIAL HUMAN EQUITY (SHE) INDEX

SHE Index is a catalyst for encouraging stakeholders to focus on diversity and inclusion in leadership and in overall workforce, equal compensation and work life balance. Norwegian joined the SHE Index in 2022, marking an important step in being a part of and taking an active role in the journey towards greater diversity and inclusion.

The index is a data-driven tool that Norwegian utilises as part of the effort to promote gender balance and equal opportunities within the company. The results shows that the company needs to improve on concrete measurable targets and gender balance at the top management level.

Norwegian's overall gender target is to have a sound gender balance with a 40/60 ratio, either way between genders, throughout the company, as well as making a difference in the traditional split between female-dominated and male-dominated roles. The explicit targets set to achieve this are as follows:

- In management positions at all levels a 40/60 gender ratio by 2025
- Cabin crew – increase share of male employees with 10 percentage points by 2025
- Pilots – increase share of female employees with 5 percentage points by 2030
- Technical – increase share of female employees with 5 percentage points by 2030

In 2022, Norwegian has had a particular focus on fairness in the company's recruitment process to ensure that all candidates have equal possibilities to be called for an interview. Aviation is an industry where gender differences often are allocated to type of position, especially when considering the job groups of pilots, cabin crew and technical staff. As Norwegian is recruiting new employees with the ramp-up subsequent to the COVID-19 pandemic, the company is well position to impact gender differences across job roles. To achieve this, the company is promoting new ways of thinking gender association in roles, ensuring fairness and transparency in attracting and recruiting the best candidates from all parts of society and creating an even better working environment regardless of gender or background. To ensure this, the company has done the following:

- Incorporated a diversity statement in job advertisements
- Implemented changes to the recruitment process
- Improved the structure of interview processes

PARENTAL LEAVE AND PART-TIME

Norwegian has identified a risk that fewer men than women take parental leave due to historical variations in men and women's home tasks and pay. The company has therefore implemented advance payments of salary for employees eligible for pregnancy related or parental benefits from the National Social Security. Norwegian also offers extended rights to reduce working hours for parents with children under the age of 12. The company has identified that there is a risk that this will influence available resources, especially during the summer peak season and is monitoring the situation to ensure that the initiative will have the planned effect.

Actual weeks of parental leave in 2022 was split as follows:

Parental leave	Women	Men
Average number of weeks paid	19	17
Average number of weeks unpaid	27	13

Norwegian closely monitored any unvoluntary part-time employment. In 2022, only one non-flying department, which had approximately ten employees, had personnel employed in part-time positions. It is foreseen that this potentially may increase in 2023 due to the insourcing of ground handling services at Oslo airport Gardermoen, an area with historically larger share of part-time employees due to variations in production. This will be monitored closely to strive to keep part-time employment at a minimum.

During 2022, the company had 70 pilots hired on full-time temporary contract during the summer peak season. Entering the winter low season, these pilots were offered permanent part-time positions with 50 to 80 percent employment, and permanent full-time positions from March 2023. Norwegian operates in a market with high seasonal variation and strives to adapt to this both through counter seasonal business initiatives and extensive workforce analysis. At the same time, the company strives to minimise unvoluntary part-time employment.

EMPLOYEE WELFARE

Norwegian is always working to protect both the physical and psychological safety of its people. The wellbeing and welfare of the company's people is at the core of its business. Norwegian's number one operational priority is safety, both the safety of passengers and employees. Norwegian provides relevant equipment, training, information, and procedures. The company is proud of having a positive safety culture and actively creating better working conditions.

Norwegian believes in the importance of employees' work-life balance, building a strong culture, create belonging, cultivate a positive working environment and understanding the importance of being part of a community, particularly when adapting to organisational changes. Over the past year, the organisation has demonstrated a strong ability to change and adapt to the new framework conditions brought about by the COVID-19 pandemic. The organisation has moved from being one where employees primarily worked only from the office, to become one where many tasks are being conducted from home or other suitable workplaces. Norwegian strives to combine the best of both worlds and facilitate both physical and digital interaction and have launched flexible workplace guidelines that support two days of remote working per week.

Pension and insurance plans provided at Norwegian are in line with what comparable employers offer in the local market. The plans utilise applicable national insurance systems and social security schemes. The company's competitiveness in the market involves considerations of the entire reward package, not limited to salary or pay scale, but also benefits such as health and pension insurance schemes, compensation packages for duty travel and reallocation.

DISCRIMINATION & HARASSMENT

Norwegian's corporate vision, values and operational priorities form the basis for the company'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 behaviour, sound business principles, rights and duties, as well as safety for all stakeholders.

Norwegian's goal is to create a positive working environment and develop a sound corporate culture marked by openness, tolerance and high ethical standards. The company aims to be a safe and inclusive workplace, promoting equity and condemning all forms of discrimination, harassment, bullying or victimisation, as described in the company's Prevention of Bullying & Harassment policy. Norwegian has a zero-tolerance approach and strict processes to handle cases. The company is committed to transparency in the way cases are handled, and the Equity, Diversity and Inclusion Policy describes Norwegian's commitment to these issues. The company will continue to work systematically and purposefully to prevent and handle unwanted incidents.

Everyone at Norwegian has a joint responsibility for creating a healthy working environment and develop a sound organisational 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 company procedure for reporting. Norwegian's employees have the right to report unacceptable circumstances, and the company aims to have a culture of transparency with a low threshold for speaking out.

At Norwegian, employees are encouraged to try to solve matters at the lowest possible level. If notifying the manager, HR advisory, Health, Safety & Environment (HSE) department or employee representatives of unacceptable circumstances does not lead anywhere, or if an employee is not comfortable raising the matter in any of these channels, it is possible to submit a notification in the Grievance or Whistleblowing channel, easily accessible via the company's intranet. The channels are confidential and handled according to GDPR.

The Grievance Reporting System is used when an employee has personally been treated poorly. This could involve a breach of individual employment rights, or bullying or harassment, and the complainant is seeking redress or justice for themselves.

Whistleblowing is used when raising a concern about danger or illegality that affects others, for example customers, members of the public, the environment or the company. The person blowing the whistle is often not directly or personally affected by the danger or illegality.

Safety Net is the reporting system used for actual or potential health and safety issues in the context of aviation safety, as well as other HSE hazards or concerns that can impact Norwegian's operations.

Norwegian expects to record and follow up all incidents through the company's deviation systems, to identify and mitigate root causes. The company believes in continuous learning, a constructive feedback culture and a diverse and inclusive organisation. There have been zero Whistleblowing reports and four Grievance reports in 2022. The majority of the reported issues were linked to the working environment, and all issues have been followed up as deemed.

While one reported instance is one too many, the company also concern itself regarding instances that might not be brought to the company's attention. Norwegian works to ensure that guidelines and training offers are constantly communicated to crew, management and other personnel. To measure the risk of lack of knowledge, the awareness of guidelines was a topic in the employee survey in 2022.

At Norwegian, transparency and the involvement of employee representatives in various decisions is key. In addition to regular meetings with union and HSE representatives, Norwegian conducts a meeting with all union and HSE representatives twice a year to discuss common topics and solutions across all groups of employees. The company's employees are represented on board level through employee representation on the Board of Directors. In 2022, a new election process for group representation on the Board was implemented.

TRAINING
Norwegian recognises that people are its greatest asset. The company is committed to ensuring that employees have the opportunity to further develop their skills, and that all employees have the same access to career development.

Norwegian has included a section on unconscious bias in training for managers before they initiate cabin crew recruitment. This topic will be further implemented in the company's overall recruitment going forward.

In the third quarter of 2022, the company's new vision, mission and values was launched, with both employees and managers completed various courses and online value games.

Also in 2022, several new leadership principles were designed and launched, following a two-day workshop with more than 60 leaders and one-to-one interviews with members of the Executive Management team. The leadership principles focus in on three core areas, leading self, leading teams and leading business, and these will provide a foundation for leadership training going forward.

ENVIRONMENTAL SUSTAINABILITY

Since 2007, Norwegian has had an ambition to help aviation become carbon neutral by 2050. In 2019, Norwegian 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 the Company to measure, reduce and offset the remaining CO2-emissions by 2050. The Chief Executive Officer (CEO) is responsible for environmental sustainability at Norwegian.

Although Norwegian is on the right track, the company must do more to deliver environmental performance at an acceptable level. In 2019, Norwegian started integrating environmental sustainability into all parts of its 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 Norwegian performs, three key performance indicators have been set:

- Carbon efficiency
- Waste resource optimization
- Accountability

Norwegian's target is to improve carbon efficiency by 45 percent per revenue passenger kilometre (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 emissions must be reduced from 97 grams in 2010 to 53 grams in 2030.

The 45 percent reduction target will be reached through fleet renewal, operational efficiency, and sustainable aviation fuels. Future projections and profitability assessments are becoming more predictable under current market conditions and regulatory framework. Norwegian has worked diligently throughout 2022 to improve visibility and reduce uncertainty of key variables in order to decide upon the most cost-efficient way to achieve the carbon efficiency target.

Unnecessary waste will be taken out of the current product offering. Norwegian will stop all consumption of non-recyclable plastics by the end of 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.

The company's targets are action-oriented and measurable. Norwegian will continue to be open and share its progress actively. Climate-related risks and targets will be integrated into corporate governance, risk management and annual reporting.

CARBON EFFICIENCY
To reach the company's carbon efficiency target the following actions are prioritized:

- Fleet renewal
- Operational efficiency
- Sustainable aviation fuels

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. The average age of the aircraft fleet was 9 years and 1 month at year-end 2022.

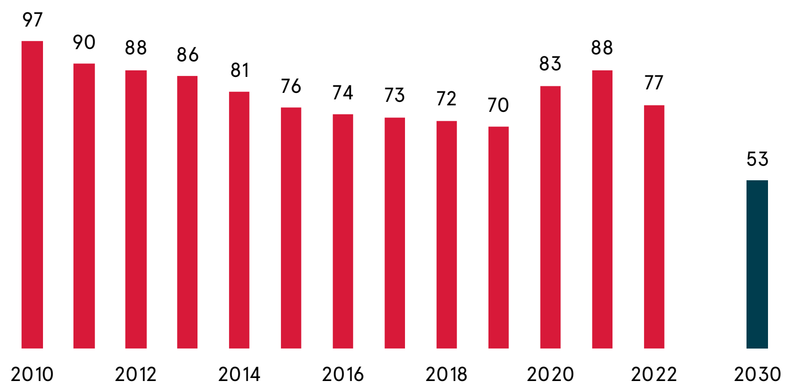
In sum, Norwegian Improved carbon efficiency by nearly 13 percent in 2022 compared to 2021. The improvement is a result of higher load factors, fuel saving by pilots and introduction of more fuel-efficient aircraft.

In 2022, Norwegian laid the foundations for a full fleet renewal by 2030. The company took delivery of 2 Boeing 737 MAX 8 on lease and signed leases for another 26 with delivery in 2023 and 2024. The company also entered into a landmark deal to purchase 50 Boeing 737 MAX 8 with delivery from 2025 to 2028, with an option to purchase another 30. The new aircraft are largely meant to replace the previous generation aircraft.

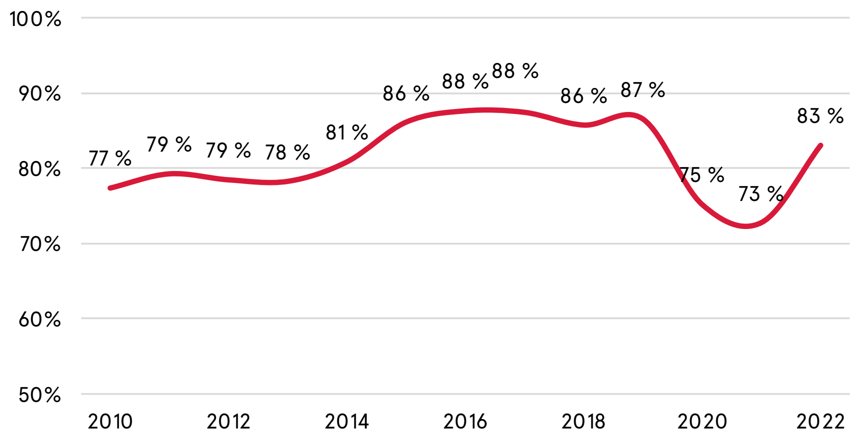
A new Boeing 737 MAX 8 reduce carbon emissions by at least 14 percent compared to a new version of the previous generation Boeing 737-800. Norwegian expects a full fleet renewal to deliver 16-17 percent improvement to the company's carbon efficiency in 2030.

The second most important action an airline can take to improve carbon efficiency today is to improve operational fuel efficiency. 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. In 2022, Norwegian had a load factor of 83 percent, up from 73 percent in 2021. More passengers sharing the fuel consumption means less carbon emissions per passenger.

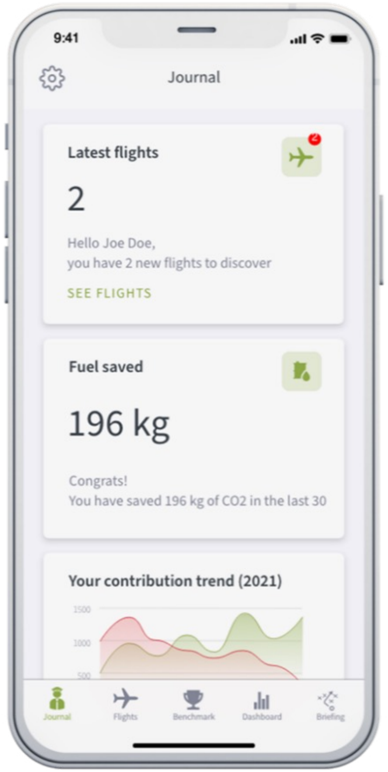
CARBON EFFICIENCY (CO2 GRAMS PER RPK)



LOAD FACTOR



Operational efficiency includes how pilots fly. Norwegian is an industry leader in developing and implementing smart data-tools to improve fuel efficiency performance. The SkyBreathe mobile application help pilots to fly more fuel efficient, while the SkyBreathe aircraft performance monitor allows Norwegian to put the most efficient aircraft in operation at the most fuel consuming routes.



In 2022, Norwegian intensified training to scale and improve performance. All pilots now receive scheduled training on an annual basis to stay updated on the latest fuel saving best practices. The training gives results. According to data provided through SkyBreathe, pilots were able to save 17,000 tonnes of fuel amounting to a total of 53,300 tonnes of CO_2 in 2022. Norwegian pilots also use a Cruise Profile Optimizer developed by AVTECH to make better route choices, helping pilots to calculate the most fuel-efficient altitude depending on the prevailing winds and aircraft performance.

The third most important action to improve carbon efficiency is blending in more sustainable aviation fuel (SAF). Norwegian's aircraft can fly on up to 50 percent certified SAF today. In 2022, Norwegian consumed approximately 0.4 percent SAF of total Jet A-1 uplifted, up from 0.3 percent in 2021. The main part, 1,597 tonnes, was delivered as part of blending mandates in Norway, Sweden and France.

In 2022, Norwegian entered into a collaboration agreement with Neste, the world's leading producer of sustainable aviation fuel, enabling corporate customers to reduce life cycle greenhouse gas (GHG) emissions from business travel by up to 80 percent. To verify the Company's CO_2-calculator methodology, Norwegian partnered with the Terravera Foundation. The company also partnered with Deloitte to map out the accounting principles and rules currently under development for the voluntary market.

In 2022, Norwegian consumed 383 tonnes SAF in the voluntary market. 160 tonnes covered the fuel consumption related to Norwegian's administration flights on the company network. The remaining 223 tonnes was purchased by corporate customers.

Norwegian continued its active engagement with producers of sustainable aviation fuels with the aim to accelerate production of affordable SAF with high sustainability performance. In 2022, Norwegian joined the Power-to-X (PtX) partnership under Green Power Denmark. The company was central in providing input to a report on a Danish PtX-strategy.

WASTE RESOURCE OPTIMISATION

Norwegian aims to gradually design waste out of its operation. By 2023, Norwegian is targeting a 30 percent reduction in the use of single-use plastics. Moreover, the company aims to stop using non-recyclable plastics and recycle 100 percent of single-use plastics, a target which is dependent on legislation and waste treatment systems at airports. The company will map potential hurdles in 2023.

To reach the ambitious targets, Norwegian has prioritized the following actions in 2022:

- Updating inflight service procedure and measuring disposables per revenue passenger
- Updating waste equipment and testing new recycling procedure
- Prevention of food waste

To reduce unnecessary use of disposables, Norwegian has updated its inflight procedure and integrated this into crew training. In 2022, the company started measuring the weight of disposables per revenue passenger. In 2019, Norwegian consumed 6.6 grams of disposables per revenue passenger. To reach 30 percent reduction the company must consume less than 5.9 grams per revenue passenger in 2023.

In 2022, Norwegian updated its onboard waste equipment and tested new recycling procedures for bottles and cans. The company is also implementing actions to prevent food waste through increasing pre-ordered food and testing discounted prices on food on the last flights. Tender and qualification requirements in the company's procurement system have been updated to make sure that Norwegian only procure recyclable plastics by the end of 2023. In 2022, Norwegian has also conducted training of the procurement team.

ACCOUNTABILITY

In 2022, Norwegian reported the company's assessment of climate-related risk and opportunities to the Carbon Disclosure Project for the second time. The company improved from an overall D score in 2021 to an overall B- score in 2022. In the category "emission reduction initiatives" Norwegian received an A, the best possible score in the ranking. For its "business strategy, financial planning and scenario analysis" the company received an A-.

Norwegian also prepared for the second time a carbon accounting report for 2022 in line with the Greenhouse Gas Protocol. The carbon accounting was conducted using CEMAsys' data platform and was verified by the company's auditors at PwC.

Below is a summary of the company's 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 2022, the company emitted 1,742,010 tonnes of CO2 equivalents (CO2e) under Scope 1 and Scope 2, up from 606,881 tonnes CO2e in 2021. Total GHG emissions, including voluntary Scope 3, was 2,111,458 tonnes CO2e.

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.

In 2022, the company consumed 552,745 metric tonnes of fossil Jet A-1 fuel, equivalent to absolute emissions of 1,741,631 metric tonnes CO2e, compared to 192,485 metric tonnes of Jet A-1 fuel and 606,328 metric tonnes of CO2 in 2021. Jet A-1 fuel consumption constituted over 99 percent of Scope 1 emissions and nearly 83 percent of

total GHG emissions in 2022, approximately unchanged from 2021, while GHG emissions from diesel and petrol consumption by ground operations was 157 tonnes in 2022, up from 103 tonnes in 2021. Norwegian's absolute Scope 1 emissions increased by 187 percent in 2022 compared to 2021, mainly due to production ramp up after the pandemic.

Moreover, as seen in the above figure for carbon efficiency, the company had relative fossil emissions from JET A-1 fuel consumption of 77 grams of CO2 per revenue passenger kilometre in 2022, compared to 88 grams in 2021. Biogenic emissions are subtracted from the figure, as these are accounted separately under the GHG Protocol. Norwegian's relative emissions decreased by nearly 13 percent compared to 2021, mainly due to higher load factor, fuel saving by pilots and introduction of more fuel-efficient aircraft.

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 electric vehicles.

Location-based Scope 2 emissions, mainly from electricity consumption at facilities, was 379 tonnes CO2e in 2022, down from 406 tonnes CO2e in 2021. In sum, location-based scope 2 emissions accounted for less than 0.1 percent of Norwegian's total GHG emissions in 2022.

Scope 2 emissions can also be reported according to market-based emission factors. The company's market-based Scope 2 emissions was 1,923 tonnes CO2e in 2022, down from 1,938 tonnes CO2e in 2021. The difference from the location-based method 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 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.

In 2022, Norwegian has included emissions from de-icing in addition to upstream emissions from fuel-and-energy-related activities. Scope 3 emissions from production and transportation of Jet A-1, was 364,021 tonnes CO2e in 2022. Scope 3 emissions from glycol for de-icing was 3,574 tonnes CO2e in 2022. In sum, Scope 3 emissions accounted for a little over 17 percent of Norwegian's total GHG emissions in 2022, similar to 2021.

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 2022, Norwegian consumed 1,597 tonnes of SAF under the Norwegian, Swedish and French blending mandates, up from 517 tonnes in 2021. In 2022, Norwegian also consumed 383 tonnes under the voluntary market, up from 7 tonnes in 2021. As seen in the table below, the total biogenic emissions from SAF consumption were 4,656 tonnes CO2e in 2022, up from 1,725 tonnes CO2e in 2021.

CLIMATE ACCOUNTING

Greenhouse gas emissions	2022	2021
Scope 1	**1,741,631**	606,475
Diesel	**83**	98
Petrol	**71**	5
Jet A-1 (Jet kerosene)	**1,741,147**	606,328
Scope 2	**379**	406
Electricity	**260**	350
District heating/cooling	**119**	101
Electric vehicles	**0**	0
Scope 3	**369,447**	126,885
Upstream emissions from fuel-and-energy related activities	**365,873**	126,885
De-icing	**3,575**	N/A
Total	**2,111,458**	733,766

BIOGENIC EMISSIONS	2022	2021
SAF under blending mandates	**4,232**	1,370
SAF under voluntary market	**1,015**	20
Total biogenic emissions from SAF	**5,247**	1,390

CUSTOMER OFFSETTING

Since 2019 Norwegian have offered customers an easy way to voluntary 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 carefully selected projects. 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 2022, an estimated 316,000 customers compensated almost 40,000 tons of CO2-emissions through the CHOOOSE-solution in the company's booking process. That is equal to 1.8 percent of total customers in 2022, down from 2.7 percent in 2021. Read more about the projects and the partnership with CHOOOSE at www.norwegian.com/chooose.

SUPPLY CHAIN MANAGEMENT

Norwegian has an important role in its procurement of key products and services, critical to the airline's daily operations. By engaging with suppliers, the company can influence the sustainability impacts through the whole supply chain. The importance of supply chain sustainability is demonstrated by this being recognised as "High Impact" in the company's materiality assessment. The Chief IT & Business Services Officer (CIBSO) is responsible for procurement at Norwegian.

To reach the company's sustainability targets, Norwegian needs suppliers that can deliver more sustainable solutions at a competitive price going forward. The company has 2,150 active suppliers across a wide range of business areas including, aircraft and engine manufacturers, airport and ground services, air navigation services, fuel suppliers, catering suppliers, IT vendors and maintenance suppliers. Norwegian has guidelines and routines that both support employees and suppliers in responsible and sustainable purchasing. Careful supplier selection and a robust qualification process are tools utilised to ensure sustainable practices among suppliers.

An important milestone for Norwegian in 2022 was the establishment and implementation of systems for supplier monitoring where suppliers are scored for sustainability and other key metrics. This was finalised through the implementation of SAP Ariba Procurement platform and EcoVadis. These platforms provide key input on how Norwegian can engage with its suppliers to positively influence the whole supply chain on ESG topics.

All suppliers who sign a contract with Norwegian are subject to a risk assessment. New suppliers are registered in the SAP Ariba system. The system is used for supplier monitoring, in addition to providing actionable insight into which suppliers represented the highest risk. The Procurement team can use focused risk alerts and third-party risk assessments to evaluate and mitigate risk exposure in a proactive way, also by receiving daily risk alert notifications. On 1 July 2022, the Norwegian Transparency Act entered into force, and as a response to this, the company is requesting all suppliers to comply with this through the SAP Ariba Procurement platform.

The EcoVadis platform ensures that Norwegian has a platform to systematically evaluate ESG performance of the whole supply chain. The platform also provides a complete assessments of sustainability risk through broad-scale supply chain risk screening, mapping and reliable scorecards with actionable ratings. This provides valuable insights that help identify opportunities to improve sustainability performance, which gives Norwegian and its suppliers a baseline for improvements across various ESG topics. Norwegian started with supply chain risk screening through the EcoVadis platform in December of 2022. By the end of the first quarter of 2023, over 600 suppliers had been screened, covering 94 percent of supplier spend. The company aims to have screened all suppliers for supply chain risk by year-end 2023.

Norwegian has also participated and been assessed in the EcoVadis platform and was placed in the "Bronze" category.

During 2022, the Procurement team at Norwegian have conducted trainings on sustainability to ensure shared knowledge of relevant ESG topics.

IT

Norwegian depends on IT technology, both via own systems and those via suppliers to ensure efficient and secure operations. The company places a high focus on the protection of privacy data and mitigation of cyber security risk, topics which are highlighted as having "High Impact" in the company's materiality assessment. The Chief IT & Business Services Officer (CIBSO) is responsible for the implementation of IT technology in Norwegian.

RELIABILITY

IT technology is essential for Norwegian's operations and crucial for the company to handle external threats, including factors that may impact system stability and operational disturbances. High focus is placed on operational stability and new digital deliveries to support the overall business objectives of the company.

Norwegian is renewing its IT technology to increase security and reduce time-to-market for innovative solutions and lean methodology. Policies are supported by security and safety solutions to ensure good governance of the technology platform. This ensures confidentiality, traceability and accessibility to the platform. Norwegian is working towards cloud-native solutions and through this process, the company is optimising the IT infrastructure with innovative technologies and smart applications, enabling a modern, secure and stable operating platform.

CYBER SECURITY

Norwegian continues to observe an increase in cyber security related attempts across its partners, supply chain and own properties. This increase follows globally observed trends and the current evolution in attacker methodologies.

Trust and security are invaluable across Norwegian's entire value chain and the intersections with cyber security occur across most areas and departments throughout the enterprise. Continued efforts to mature aviation cyber security to rival and eventually surpass the longstanding safety and physical security of the industry have led to continued and increased collaboration through industry specific groups from the Luftfartstilsynet Cyber Security group, the NSM/NCSS, A4E, EASA as well as through more community driven initiatives such as the Aerospace Village (formerly Aviation Village) at DefCon.

As cyber security is a collaborative and shared focus area across the industry, Norwegian also has open relationships with many other airlines and companies in the aviation sector. This further increases the value that Norwegian gains by making continued investments and focus in all areas related to cyber security.

DATA PROTECTION

Norwegian processes large amounts of data to perform tasks on behalf of customers and employees. The company places great respect for the trust given to process personal data of customers and employees, and work continuously to ensure that each individuals' privacy is protected and that the company's practices are in compliance with the data protection laws, including the General Data Protection Regulation (GDPR).

Norwegian has a Data Protection Standard to ensure compliance with GDPR for the processing of personal data within the Group. The Standard contains a set of legally binding and mandatory rules. In addition, a Data Protection Officer (DPO) who is responsible for overseeing the organisation's compliance with GDPR is appointed.

In 2022, the company has put strong emphasis on increasing internal awareness of privacy topics by publishing new internal procedures and conducting training sessions. The company is committed to continuously reviewing and improving data protection measures to ensure that the personal data of customers and employees is not only processed in compliance with the applicable data protection laws, but also to demonstrate the highest degree of respect for the individuals' rights and freedoms when processing their personal data.

CARBON ACCOUNTING REPORT

INTRODUCTION
This report is prepared by CEMAsys to Norwegian Air Shuttle ASA (Norwegian) for the 2022 carbon accounting. It contains an overview of the reporting structure and a walkthrough of the carbon accounting. The reporting structure outlines the main methodological choices upon which the carbon accounting is based. Furthermore, the carbon accounting overview consists of the included emissions in each scope, biogenic CO2 emissions related to consumption of sustainable aviation fuel (SAF), total emissions per greenhouse gas in the Kyoto Agreement and an overview of used emission factors.

REPORTING STRUCTURE

METHODOLOGY
The Greenhouse Gas Protocol initiative (GHG Protocol) was developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). This analysis is done according to A Corporate Accounting and Reporting Standard Revised edition, currently one of four GHG Protocol accounting standards on calculating and reporting GHG emissions. The reporting considers the following greenhouse gases, all converted into CO2-equivalents: CO2, CH4 (methane), N2O (nitrous oxide), SF6, HFCs, PFCs and NF3.

REPORTING APPROACH
Following the GHG Protocol, there are two main avenues for which to consolidate GHG emissions. These are: equity share approach and control approach. Under the equity share approach, the reporting company accounts for emissions from operations in relation to its share of equity, reflecting economic interests. Reporting under the control approach, the reporting company accounts for all emissions of operations under its control.

Norwegian has chosen the control approach for consolidating its carbon accounting.

ORGANISATIONAL BOUNDARY
Within the control approach, a reporting company distinguishes whether its reporting is based on entities in which it holds operational control or financial control. An operational control approach is based on the company's ability to introduce or implement operating policies in the entity. Similarly, a financial control approach is based on a company's ability to implement financial policies in the entity. In most cases, these two approaches carry the same outcome.

Norwegian has chosen the operational control approach for consolidating its carbon accounting.

INCLUSIONS/EXCLUSIONS
There are no significant exclusions of divisions/entities in the 2022 carbon accounting for the chosen reporting categories. Data is viewed as complete for scope 1 + 2 emissions, but some scope 3 categories are missing.

REPORTING PERIOD
The reporting period for consolidating 2022 emission data is set to 1 January 2022 until 31 December 2022.

BASE YEAR
Base year for reporting is not yet determined. Thus, there are no recalculations triggered in the 2022 reporting year.

CARBON ACCOUNTING

SCOPE 1

Scope 1 emissions include all direct emission sources. This includes emissions from fuel consumption of company cars, jet fuel consumption and combustion (CH4 and N2O) of SAF.

Summarised overview:

Diesel	82.5	tCO2e
Diesel	82.5	tCO2e
Petrol	71	tCO2e
Jet A1	1,741,146.7	tCO2e
SAF-combustion	330.7	tCO2e
Biodiesel HVO	0.1	tCO2e
Scope 1 Total	**1,741,631.1**	**tCO2e**

SCOPE 2

Scope 2 emissions include all indirect emission sources from purchased energy. This includes electricity, district heating and district cooling.

Summarised overview:

Electricity		
Denmark	95.5	tCO2e
Finland	1	tCO2e
Ireland	6	tCO2e
Latvia	10.6	tCO2e
Norway	20.8	tCO2e
Spain	95.3	tCO2e
Sweden	7.5	tCO2e
United Kingdom	23.3	tCO2e
District heating		
Latvia	23.4	tCO2e
Denmark	20.4	tCO2e
Norway	73.9	tCO2e
District cooling		
Norway	1.3	tCO2e
Denmark	0.1	tCO2e
Scope 2 Total	**379.1**	**tCO2e**

SCOPE 3

Scope 3 emissions include indirect emission sources from the value chain for which a company takes accountability. These include production of glycol (de-icing chemical), municipal water supply as well as emissions from fuel- and energy related activities not included in Scope 1 and Scope 2.

Summarised overview:

Purchased goods and services		
Glycol (type 1)	2,856.9	tCO2e
Glycol (type 2)	717.1	tCO2e
Water consumption	0.5	tCO2e
Fuel-and-energy-related activities		
Diesel (WTT)	22.7	tCO2e
Petrol (WTT)	18.3	tCO2e
Jet A1 (WTT)	364,021.3	tCO2e
SAF (WTT)	1,736.6	tCO2e
Biodiesel, HVO (WTT)	1.3	tCO2e
Electricity Denmark (upstream)	16.8	tCO2e
Electricity Finland (upstream)	0.3	tCO2e
Electricity Ireland (upstream)	1.9	tCO2e
Electricity Latvia (upstream)	3	tCO2e
Electricity Norway (upstream)	3.2	tCO2e
Electricity Spain (upstream)	32.1	tCO2e
Electricity Sweden (upstream)	2.2	tCO2e
Electricity UK (upstream)	7.5	tCO2e
District heating NO/SE (upstream)	1.4	tCO2e
Heat & Steam (upstream)	4.4	tCO2e
Scope 3 Total	**365,872.7**	**tCO2e**

WTT: Well-to-Tank.

BIOGENIC CO_2 EMISSIONS

Biogenic CO_2 emissions, as the name suggests, include out-of-scope CO_2 emissions originating from the natural carbon cycle. This includes the combustion of SAF.

Summarised overview:

Sustainable Aviation Fuel (blending mandate)	4,232	tCO2e
Sustainable Aviation Fuel (Voluntary market)	424	tCO2e
Biogenic CO2 Emissions Total	**4,656**	**tCO2e**

EMISSIONS BREAKDOWN

In the table below, emissions have been broken down into various, relevant greenhouse gases in tonnes of CO_2 equivalents. This includes carbon dioxide, methane, and nitrous oxide through direct and indirect combustion. HFC, PFC, and NF_3 are used as refrigerants or within industrial production. As none of these apply to Norwegian Air Shuttle, no emissions of these gases occur in this climate account.

Summarised overview:

	CO2	CH4	N2O	Total tCO2e
Scope 1				
	1,741,297.5	20.6	312.9	1,741,631.1
Scope 2, electricity total				
	256.5	1.8	1.1	259.4
Emissions total				
	1,741,554.0	**22.4**	**314.0**	**1,741,890.5**

INDEPENDENT REPORT ON GREENHOUSE GAS (GHG) STATEMENT

To the Board of Directors of Norwegian Air Shuttle ASA

Independent Report on Norwegian Air Shuttle ASA's Greenhouse Gas (GHG) statement

We have undertaken a limited assurance engagement of the accompanying GHG statement of Norwegian Air Shuttle ASA for the period 1 January 2022 - 31 December 2022. The GHG statement, including the explanatory information, is available in the Carbon Accounting Report in the Environmental, Social & Governance section (ESG) in the Annual Report 2022.

Our limited assurance engagement comprises whether Norwegian Air Shuttle has developed measurements and reporting of GHG emissions and whether the GHG emissions are presented according to the GHG Protocol Corporate Accounting and Reporting Standard (2004), applied as explained in the explanatory information in the Carbon Accounting Report (criteria). The GHG Protocol Corporate Accounting and Reporting Standard is available at https://ghgprotocol.org/corporate-standard.

This engagement was conducted by a multidisciplinary team including assurance practitioners and environmental experts.

Management's responsibility

Management is responsible for Norwegian Air Shuttle's preparation of the GHG statement and that the GHG emissions are measured and reported in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Their responsibility includes designing, implementing and maintaining internal controls that ensure appropriate measurement and reporting of GHG emissions.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our independence and quality control

We are independent of the company in accordance with the law 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 ethical obligations in accordance with these requirements. We use ISQM 1 - Quality management for firms that perform audits or reviews of financial statements, or other assurance or related services engagements and maintain a comprehensive system of quality control including documented guidelines and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory claim.

Auditor's responsibilities

Our responsibility is to express a limited assurance conclusion on Norwegian Air Shuttle's GHG statement based on the procedures we have performed and the evidence we have obtained. We have performed our work and will issue our statement in accordance with the International Standard on Assurance Engagements ISAE 3410 Assurance Engagements on Greenhouse Gas Statements. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the GHG statement is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of Norwegian Air Shuttle's use of GHG Protocol Corporate Accounting and Reporting Standard as the basis for the preparation of the GHG statement, assessing the risks of material misstatement of the GHG statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG statement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

The procedures we performed were based on our professional judgment and included inquiries, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Through inquiries, obtained an understanding of Norwegian Air Shuttle's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether Norwegian Air Shuttle's methods for estimating emissions based on energy use and emission factors for the use of different energy sources are appropriate and have been consistently applied and reported.
- Performed analytical procedures to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to estimate emissions from a selection of Norwegian Air Shuttle's emission sources.
- Performed limited substantive testing on a selective basis of the Greenhouse Gas scope 1, scope 2 and scope 3 emissions to check that data had been appropriately measured, recorded, collated and reported. The test procedures were chosen taking into consideration the emission sources' contribution to total emissions and our understanding of the risk of material errors in measurements and reporting of emissions.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Norwegian Air Shuttle's GHG statement has been prepared, in all material respects, in accordance with the criteria.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Norwegian Air Shuttle's GHG statement for the period 1 January 2022 – 31 December 2022, is not prepared, in all material respects, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (2004), applied as explained in the explanatory information in the Carbon Accounting Report

Oslo, 27 April 2023
PricewaterhouseCoopers AS

Thomas Whyte Gaardsø
State authorized public accountant (Norway)

CORPORATE GOVERNANCE

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.

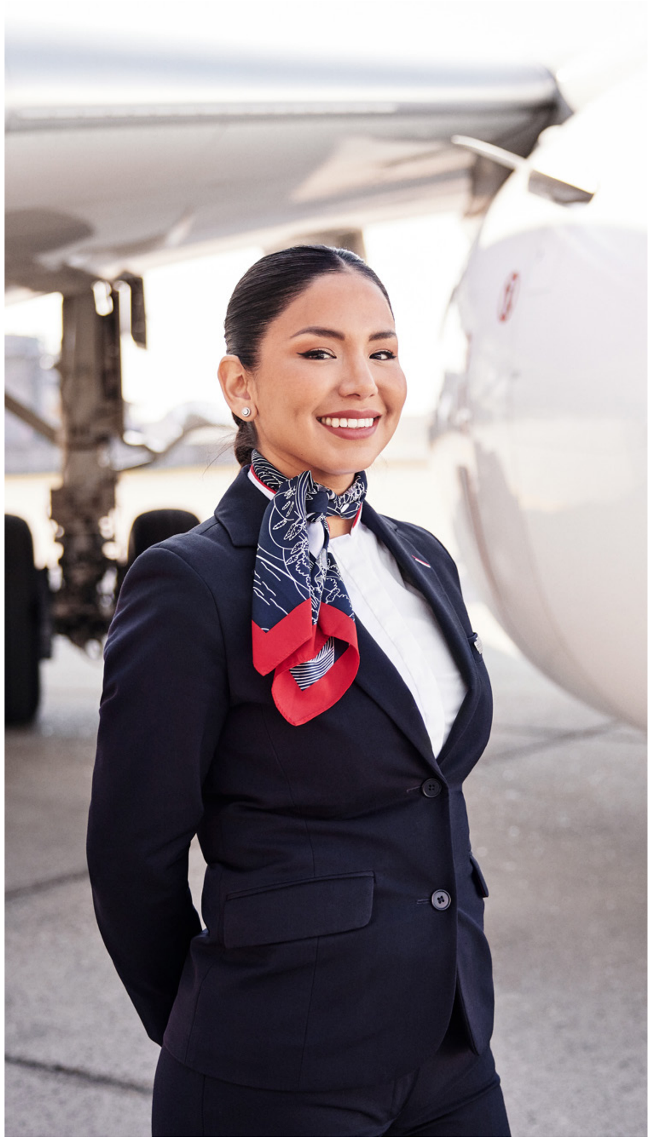
This report follows the system used in the Code and deviations from the Code, if any, is addressed under each section.

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 2022 was NOK 4,203 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 will consider dividend payment to the shareholders at least at the end each fiscal year, as it sees dividends as one suited mechanism to reward the equity contribution of the company's shareholders. When considering the dividend, the Board of Directors will take into account such factors as the net profit for the previous reporting period, the earnings outlook for the business and industry, the historical volatility in the industry, future expected capital expenditures and financing requirements, and the need to maintain a robust balance sheet and liquidity situation.

Dividends should under no circumstances be paid if equity is below what is an appropriate level. The Company's debt facilities currently restrict 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).

BOARD AUTHORIZATIONS

The General Meeting of the Company on 25 May 2022 granted the Board of Directors the following authorizations:

- An authorization to acquire treasury shares with an aggregated nominal value of 9,291,574.73 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 9,291,575 comprising capital increases against non-cash contributions and the right to incur special obligations, including mergers and demergers. The authorization replaces all previous authorizations to increase the share capital.
- An authorization to increase the share capital by up to NOK 1,858,315. 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 2023.

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 ("Luftfartsloven") 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 137,592 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 26 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. It follows from Article 8 of the Articles of Associations 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 2022 the Board of Directors had seven members. During 2022 the Board held a total number of eight members, however Chris Browne resigned from the Board with effect from December 31, 2022.

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 four 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 one woman.

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 2022 has been:

Name	Number of meetings
Chris Browne	12
Eric Holm	13
Geir Olav Øien	3
Ingrid Elvira Øien	13
Kathrine Gundersen	13
Lars Boilesen	13
Sondre Gravir	13
Svein Harald Øygard	13
Torstein Hiorth Soland	10

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.

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.

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 is 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 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 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 department. 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

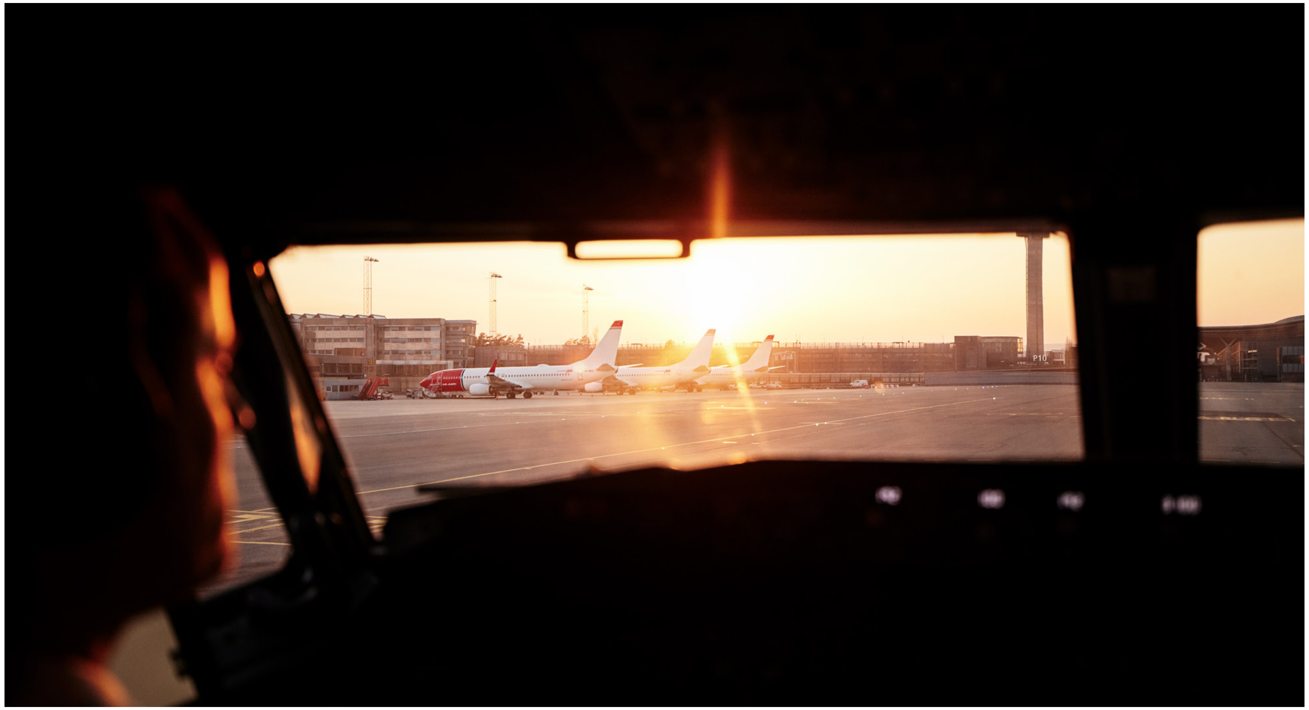
There are no limitations with respect to the purchases of shares in the Company. The Board has established guidelines for how it will act in a take-over situation. In the event of a take-over bid the Board of Directors will act in the best interest of the shareholders and in compliance with all the rules 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 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.



FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS 2022

CONSOLIDATED INCOME STATEMENT 1.1 – 31.12

NOK million	*Note*	2022	2021
Passenger revenue		15,197.7	3,911.8
Ancillary passenger revenue		2,870.0	941.5
Other revenue		801.6	214.5
Total operating revenue	*4*	18,869.3	5,067.8
Personnel expenses	*5, 6, 21, 22*	2,884.8	2,084.9
Aviation fuel		7,371.4	1,413.8
Airport and ATC charges		2,095.5	820.1
Handling charges		1,668.7	757.0
Technical maintenance expenses		1,665.9	855.5
Other operating expenses	*7*	1,936.2	1,390.2
Other losses/(gains) – net	*8*	(7.3)	(737.5)
Total opex excl lease and depreciation		17,615.3	6,583.9
Operating profit excl lease, depreciation and amortization (EBITDAR)		1,254.0	(1,516.0)
Aircraft lease, depreciation and amortization	*12, 13, 14*	1,851.0	1,270.0
Reversal of impairment loss regarding prepayment on aircraft	*13*	(2,099.4)	-
Operating profit (EBIT)		1,502.3	(2,786.0)
Interest income		72.6	13.7
Interest expense		(650.0)	(682.3)
Other financial income (expense)	*9*	121.6	5,330.5
Net financial items		(455.9)	4,662.0
Profit (loss) before tax (EBT)		1,046.4	1,876.0
Income tax expense (income)	*10*	41.0	5.5
Net profit (loss)		1,005.5	1,870.5
Basic earnings per share	*11*	0.99	3.52
Diluted earnings per share	*11*	0.89	2.68
Profits attributable to:			
Owners of the Company		1,005.5	1,870.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 1.1 – 31.12

NOK million	*Note*	2022	2021
Net profit (loss)		1,005.5	1,870.5
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Gains (losses) on cash flow hedges		(1.8)	-
Exchange rate differences on translation of foreign operations	*20*	57.6	(223.4)
Exchange rate differences on disposal of foreign operations	*9*	(43.9)	370.5
Net comprehensive income that may be reclassified		11.9	147.1
Other comprehensive income that will not be reclassified to			
profit or loss in subsequent periods:			
Actuarial gains (losses)	22	(6.8)	14.1
Net comprehensive income that will not be reclassified		(6.8)	14.1
Total comprehensive income for the period		1,010.5	2,031.7
Total comprehensive income attributable to:			
Equity holders of the Company		1,010.5	2,031.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

NOK million	Note	2022	2021
ASSETS			
Intangible assets	12	189.1	180.2
Deferred tax asset	10	1,900.7	1,890.4
Aircraft, parts and installations on leased aircraft	13	1,087.5	1,020.7
Right-of-use aircraft, parts and installations	14	5,522.0	5,152.6
Equipment and fixtures	13	115.2	135.6
Buildings	13	235.6	246.7
Right-of-use buildings	14	180.1	212.0
Financial assets available for sale	19	3.7	3.7
Prepayment to aircraft manufacturers	13	2,937.5	-
Other receivables	15	453.4	119.5
Total non-current assets		12,624.7	8,961.3
Inventory	16	81.3	16.3
Trade and other receivables	15	2,184.8	2,152.9
Derivative financial instruments	19	19.9	-
Cash and cash equivalents	17	7,759.0	7,694.8
Total current assets		10,044.9	9,864.1
TOTAL ASSETS		22,669.6	18,825.4

NOK million	Note	2022	2021
EQUITY AND LIABILITIES			
Share capital	20	93.0	92.9
Share premium	20	25,437.7	25,424.3
Other paid-in equity		717.8	714.4
Perpetual bonds	20	1,800.3	1,808.0
Other reserves	20	271.8	259.9
Retained earnings		(24,117.1)	(25,029.8)
Shareholders' equity		4,203.4	3,269.6
Pension obligation	22	202.3	206.2
Provision for periodic maintenance	23	1,883.9	805.3
Deferred tax	10	59.9	59.9
Borrowings	24	4,050.0	3,981.6
Lease liabilities	14	4,646.2	4,434.8
Total non-current liabilities		10,842.3	9,487.7
Borrowings	24	198.5	183.1
Lease liabilities	14	1,190.6	777.9
Trade and other payables	25	3,651.2	3,782.6
Air traffic settlement liabilities	26	2,548.5	1,324.2
Derivative financial instruments	19	21.7	-
Tax payable		13.4	0.2
Total current liabilities		7,623.9	6,068.0
Total liabilities		18,466.2	15,555.8
TOTAL EQUITY AND LIABILITIES		22,669.6	18,825.4

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	Total equity
Equity at 1 January 2021	397.5	18,805.1	155.8	787.7	112.8	(26,882.7)	(6,623.9)
Profit for the year	-	-	-	-	-	1,870.5	1,870.5
Actuarial gains and losses	-	-	-	-	-	14.1	14.1
Exchange rate differences on translation of foreign operations	-	-	-	-	(223.4)	-	(223.4)
Exchange rate differences on disposal of foreign operations	-	-	-	-	370.5	-	370.5
Total comprehensive income 2021	-	-	-	-	147.1	1,884.6	2,031.7
Share issue	66.9	4,738.2	121.3	(854.7)	-	-	4,071.7
Convertible dividend claim issue	22.0	1,881.0	30.6	-	-	-	1,933.6
Capital decrease	(393.5)	-	393.5	-	-	-	-
Perpetual bonds issue	-	-	-	1,843.3	-	-	1,843.3
Payment-in-kind interest on perpetual bonds	-	-	-	31.8	-	(31.8)	-
Equity changes on employee options	-	-	13.2	-	-	-	13.2
Transactions with owners	(304.6)	6,619.2	558.6	1,020.4	-	(31.8)	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
Profit for the year	-	-	-	-	-	1,005.5	1,005.5
Net movements in cash-flow hedge reserve	-	-	-	-	(1.8)	-	(1.8)
Actuarial gains and losses	-	-	-	-	-	(6.8)	(6.8)
Exchange rate differences on translation of foreign operations	-	-	-	-	57.6	-	57.6
Exchange rate differences on disposal of foreign operations	-	-	-	-	(43.9)	-	(43.9)
Total comprehensive income 2022	-	-	-	-	11.9	998.6	1,010.5
Share issue	0.1	13.4	-	(13.6)	-	-	-
Payment-in-kind interest on perpetual bonds	-	-	-	85.9	-	(85.9)	-
Interest paid on perpetual bonds	-	-	-	(80.1)	-	-	(80.1)
Equity changes on employee options	-	-	3.3	-	-	-	3.3
Transactions with owners	0.1	13.4	3.3	(7.7)	-	(85.9)	(76.7)
Equity at 31 December 2022	93.0	25,437.7	717.8	1,800.3	271.8	(24,117.1)	4,203.4

** See Note 20 for details on share capital, share premium and other reserves*

CONSOLIDATED STATEMENT OF CASH FLOWS 1.1 – 31.12

NOK million	Note	2022	2021
Profit (loss) before tax		1,046.4	1,876.0
Taxes paid	10	(37.0)	-
Depreciation, amortization and impairment	12,13	1,402.3	1,133.5
Reversal of impairment loss regarding prepayment on aircraft	12,13	(2,099.4)	-
Losses/(gains) on disposal of tangible assets	13,19	(65.5)	(269.9)
Fair value losses/(gains) on financial assets	19	-	(49.2)
Reconstruction effects		-	(5,874.5)
Financial items		455.9	1,212.5
Interest received		72.6	13.7
Change in inventories, accounts receivable and accounts payable		61.7	2,270.9
Change in air traffic settlement liabilities		1,224.3	922.7
Change in other current assets and current liabilities		364.2	(1,096.7)
Net cash flow from operating activities		2,425.7	139.1
Purchase of tangible assets	13	(29.0)	(6.1)
Purchase of intangible assets	12	(19.6)	(8.7)
Proceeds from sales of assets	12,13	72.7	237.5
Prepayments on aircraft purchase	29	(825.6)	-
Net cash flow from investing activities		(801.3)	222.6
Principal repayments	24	(218.4)	(408.7)
Principal element of lease payments	14, 24	(891.4)	(52.0)
Interest on borrowings and financing costs	9	(34.1)	(13.3)
Interest element of lease payments		(329.5)	(226.8)
Interest on perpetual bond		(80.1)	-
Paid dividend to creditors		(7.6)	(377.7)
Proceeds from issuing new shares	20	-	5,862.9
Net cash flow from financial activities		(1,561.1)	4,784.4
Net change in cash and cash equivalents		63.2	5,146.1
Foreign exchange effect on cash		1.0	-118.2
Cash and cash equivalents at 1 January		7,694.8	2,666.9
Cash and cash equivalents at 31 December	17	7,759.0	7,694.8

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 at the registered address Oksenøyveien 3, 1366 Lysaker, Norway. 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 2022 were authorized for issue by the Board of Directors on 26 April 2023. The annual general meeting, to be held 23 May 2023, has the power to amend and reissue the financial statements.

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 and the additional requirements of the Norwegian Accounting Act as of December 31, 2022. 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 greater degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below. See paragraph 1.23.

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

New standards, amendments and interpretations that are adopted

No changes in IFRS effective for the 2022 financial statements have had material impact this financial year, nor are any material impacts expected on future financial statements from standards issued but not yet effective.

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 14 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.

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-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.

1.3.2 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 ceased, 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.

1.3.3 Other investments

All other investments are recognized in accordance with IFRS 9, Financial Instruments, and additional information are provided in Note 19.

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 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 aircraft 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 13.

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 12 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 not recognized in the balance sheet commensurate to the extent that emission rights used correspond to 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 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 or measured at fair value through other comprehensive income. 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.

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 always recognizes lifetime expected credit losses (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

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into, and they are subsequently measured to their fair value at the end of each reporting period.

Derivatives are only used for economic hedging purposes and not as speculative investments. The Group applies hedge accounting for these contracts. Where derivatives do not meet the hedge accounting criteria, they are classified as "held for trading" for accounting purposes and are accounted for at fair value through profit and loss. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss and are included in other losses/(gains).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within other losses/ (gains).

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognized in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognized within OCI in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedge reserve within equity.

The full fair value of hedging derivatives is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

1.9.1 Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

Hedge ineffectiveness for jet fuel hedges can be related to different factors such as differences in the purchased fuel and hedged commodity, the hedge ratio of the hedging relationship being different from the ratio of the hedged item actually hedged and the quantity of the hedging instruments actually used for the hedge, the Group's and its counterparties' credit risks. The Group calculates ineffectiveness in its hedging relationships designated for hedge accounting based on own input from budget and cash flow forecasts as well on external input from mark to market valuations from financial institutions.

Hedge ineffectiveness in relation to fuel derivatives is negligible for 2022.

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. Inventory is consumed during 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 current assets. If not, they are presented 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 Bonds are 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 assess 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.

1.61.1 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.

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 2022.

Provisions for pension costs are detailed in Note 22.

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 21.

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 21.

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 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.

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 cargo, expired CashPoints, 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 rates. The contract liability is included in the line-item Trade and other payables in the consolidated statement of financial position. The CashPoint liability is derecognized and recognized as other revenue when the points expire. Unused CashPoints expire 24 months after the end of the calendar year in which the CashPoints were earned.

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 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 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

1.23.1 Estimates

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 23.

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 13 for further details.

1.23.2 Significant judgments

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 Note 10 for further details of tax positions.

The Group has recognized a partial impairment reversal of NOK 2,099 million relating to predelivery payments ("PDP") towards Boeing.

Boeing has agreed to grant the Company a total credit of USD 215 million in relation to the predelivery payments previously made. Management assesses these credits to be re-instated PDP in relation to the new firm aircraft order rather than a future reduction of acquisition cost of the aircraft to be received. See Note 13 for further details.

Related to the claim from the Norwegian Environment Agency for missing surrender of emission allowances for 2020, Management evaluates that the Group was unable to surrender allowances for emissions predating 18 November 2020 and does not accept the fine imposed by the authorities. At the end of 2022, the Group maintains a provision for emissions predating 18 November 2020 of NOK 15 million, corresponding to dividend of 5 percent introduced under the Reconstruction. No provision was made for the imposed penalty at year-end 2022. For further details see Note 28.

1.24 Climate risks

The Group is directly and indirectly exposed to climate risks. Extreme weather events due to climate changes could potentially lead to an increase in flight cancelations, increased waiting time and cost such as fuel consumption and de-icing. Such events and the resulting delays and cancellations could also have a material adverse impact on the Group's financial performance as a consequence of changes in the public's willingness to travel by aircraft within Europe.

Environmental regulations will increase the Group's cost base. In particular, three initiatives included in the EU's ``Fit for 55'' legislative package are relevant for the aviation industry, such as the reform of emissions trading (EU-ETS), the mixing quota for sustainable aviation fuels and the proposed changes to CO_2 taxes.

If the price for CO_2 emission allowances in 2022 had been 1 percent higher/lower with all other variables held constant, pre-tax profit and pre-tax equity effect for the year would have been NOK 5 million lower/higher (2021: NOK 0).

In preparing these consolidated financial statements, the expected impacts of the climate related matters on the Group's results have been considered in Management's profitability and cash flow forecasts, which are used in impairment testing of non-financial assets and evaluation of the recovery of deferred tax assets. The recoverability of those assets is considered not to be significantly affected by climate-related matters at the end of the reporting period.

The Group expects the impact of climate-related matters on the estimated economic life of its fleet to be insignificant, as Management is not aware of such regulations at the balance sheet date that would directly prevent or limit the Group's ability to use its current fleet or any related assets.

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, jet fuel price 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 2022, with all other variables held constant, pre-tax profit effect would have been negative by NOK 12 million (compared to negative NOK 2 million in 2021), 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 47 million lower (compared to NOK 123 million higher in 2021).

2.3 Cash flow and fair value interest rate risk

As the Group has interest-bearing debt, the Group's income and operating cash flows are dependent on changes in the market interest rates. The Group's cash flow borrowings interest rate risk arises from 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 2022 had been 1 percent higher/lower with all other variables held constant, pre-tax profit and pre-tax equity effect for the year would have been NOK 8 million lower/higher (2021: NOK 32 million).

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 3.

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 up to 50 percent of its expected consumption over the next 12 rolling months and 25 percent for the period from 12 to 24 months in the future with forward contracts.

At the end of 2022, the Group has hedged around 15 percent of its planned fuel consumption in 2023 at an average price of USD 891 per metric ton. All hedge contracts expire in 2023.

For further details on derivative financial instruments and hedging activities, please refer to Note 1.9.

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 19 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 acquires 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 17) on the basis of expected cash flows. 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 judgment 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.

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 2022					
Borrowings	198.5	283.6	2,097.6	2,290.7	347.6
Trade and other payables	3,651.2	-	-	-	-
Lease liabilities	1,509.5	1,468.6	1,328.1	1,827.5	588.0
Calculated interest on borrowings	53.3	44.2	35.5	46.7	16.1
Derivative contracts - payments	21.7	-	-	-	-
Total financial liabilities	5,434.2	1,796.4	3,461.2	4,164.9	951.7

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

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)	**2022**	2021
Equity	**4,203.4**	3,269.6
Total assets	**22,669.6**	18,825.4
Equity ratio	**18.5 %**	17.4 %

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 2022 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. Financial instruments in level 2 include forward contracts classified as derivatives. The fair value of forward commodity contracts is determined using mark to market values from financial institutions. Spot prices in the mark to market calculations are based on mid-prices as set be the financial institutions at the reporting date.

Level 3
If one or more of the significant inputs are not based on observable market data, specific valuation techniques are applied. The Group had no financial instruments in this category at end of 2022 or 2021.

The following table presents financial assets and liabilities measured at fair value at 31 December 2022:

NOK million	Level 1	Level 2	Level 3	**Total**
Derivative financial assets, current	-	19.9	-	**19.9**
Total assets at fair value through OCI	-	19.9	-	**19.9**
Derivative financial liabilities, current	-	21.7	-	**21.7**
Total liabilities at fair value through OCI	-	21.7	-	**21.7**

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

Fair value of borrowings
All borrowings per 31 December 2022 and 2021 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 of other non-current borrowings 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 24.

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:

	Carrying amount		Fair value	
NOK million	**2022**	2021	**2022**	2021
Bond issue	**447.4**	575.0	**391.0**	415.4
Retained claims bonds	**2,739.3**	2,524.9	**2,739.3**	2,594.5
Term facility	**134.5**	134.9	**134.5**	145.1
Aircraft financing	**726.7**	744.8	**662.5**	662.3
Other non-current debt	**2.0**	2.0	**2.0**	2.0
Total	**4,050.0**	3,981.6	**3,929.3**	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 departure country of passenger journeys regardless of arrival country. Freight related revenue is based on departure country of freight services regardless of arrival country.

NOK million	**2022**	2021
By activity:		
Passenger transport	**15,197.7**	3,911.8
Ancillary revenue	**2,870.0**	941.5
Other revenue	**801.6**	214.5
Total operating revenue	**18,869.3**	5,067.8

Other revenue for 2022 includes mainly expired 'Norwegian Reward' CashPoints granted in 2018 and 2019.

NOK million	**2022**	2021
By country:		
Norway	**7,330.9**	2,487.0
Spain	**2,734.7**	651.1
Denmark	**2,154.3**	575.8
Sweden	**1,976.8**	524.2
United Kingdom	**829.8**	91.1
Finland	**645.3**	122.0
France	**500.8**	104.8
Italy	**479.1**	66.3
Germany	**270.1**	47.5
Poland	**214.3**	46.2
Other	**1,733.2**	351.7
Total	**18,869.3**	5,067.8
Total outside of Norway	**11,538.4**	2,580.8

NOTE 5: PAYROLL EXPENSES AND NUMBER OF EMPLOYEES

NOK million	**2022**	2021
Wages and salaries	**2,120.5**	1,608.0
Social security tax	**325.4**	242.0
Pension expenses	**239.0**	131.8
Employee stock options	**3.3**	13.2
Other benefits	**140.7**	89.9
Hired operational personnel	**55.9**	-
Total	**2,884.8**	2,084.9

Payroll expenses include hired crew personnel. Some employees are participants in defined pension plans. See Note 22 for details.

	Man-labor years	**Man-labor years**	**Head count *)**	**Head count *)**
	2022	2021	**2022**	2021
Cabin Crew	**1,430**	638	**1,648**	1,375
Flight Deck Crew	**785**	330	**1,008**	774
Non-crew	**957**	841	**1,215**	1,161
Total	**3,172**	1,809	**3,871**	3,310
Norway	**1,966**	1,282	**2,156**	2,111
Spain	**316**	194	**679**	691
United Kingdom	**10**	17	**11**	15
Sweden	**183**	40	**215**	48
Denmark	**410**	151	**459**	267
Finland	**133**	7	**162**	29
Ireland	**9**	22	**9**	12
Latvia	**145**	94	**180**	137
United States	**0**	1	**0**	0
France	**0**	1	**0**	0
Total	**3,172**	1,809	**3,871**	3,310

**)* *head count at 31.12.*

NOTE 6: 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 2022 Annual General Meeting (AGM).

The Nomination Committee proposed to keep the fee level unchanged for the Chair of the board, Directors elected by the shareholders, and the Directors elected by and among the employees. Annual fee for serving as Chair and members of the Audit Committee were also proposed to keep unchanged.

The Nomination Committee proposed an annual fee of NOK 75,000 for serving as the Chair of the Remuneration Committee, to be resolved in advance but paid in arrears after the annual general meeting the following year (2023). Further, the Nomination Committee proposed an extraordinary fee for the Chair of the Remuneration Committee of NOK 75,000 for the period from the annual general meeting in 2021 to the annual general meeting in 2022. This fee was paid after the AGM in 2022.

All Nomination Committees proposals were approved by the AGM.

The Executive remuneration in 2022 complied with the guidelines on remuneration approved by the AGM in 2022.

Geir Karlsen's (CEO) base salary was adjusted upwards by 3.75 percent and Christoffer Sundby's base salary was adjusted upwards by 10 percent. No other Executives had their salary adjusted in 2022. No bonuses were paid out and no share options were exercised by the Executives in 2022. Geir Karlsen was paid NOK 1,500,000 in 2022 for serving as both CEO and CFO from July 2021 to May 2022.

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 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. Total remuneration 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 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 and retain 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.

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 an annual share option plans for Management. 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 options to be offered in the 3rd quarter at the latest and granted in September at the latest.
- The exercise price per share shall be the higher of NOK 13.50 and the average price of the NAS share on trading days during the first 10 calendar days after presentation of Norwegian's 1st quarter financial results plus 10 percent (rounded to the nearest NOK 0.01).
- 1/3 of options granted can be exercised at the earliest after one, two, and three years respectively, and the options shall expire after seven years.
- 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.

The shares reserved for all share plans may not exceed two percent of the Company's issued share capital.

See Note 20 for further details on options held by members of the Executive Management.

Severance pay
The notice period for the CEO and the remaining Executive Management team is six months. The CEO severance pay is six months. EVP Product & Digital Development had six months base salary severance pay. Chief Marketing & Customer Officer has 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 and the CFO has a change of control clause in their 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 legal entity in which they are employed. Executives in the Norwegian entities participate in a defined contribution pension plan. The annual accrual for 2022 was five percent of the annual base salary from 0 to 7.1 G and eight percent from 7.1 to 12 G. G is the base amount of Norwegian Social Security which in 2022 amounted to NOK 111,477. In addition, an early retirement scheme (AFP) is offered in Norway, with the right to retire at the age of 62. AFP is a multi-employer DB plan (accounted for as DC). AFP is market practice, regulated by collective bargaining agreements, and has a modest cost.

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.

Total Compensation year 2022

NOK 1,000	Fee[1]	Salary	Bonus	Other benefits [3]	Pension expense[4]	**Total compensation**
The Board of Directors						
Svein Harald Øygard, Chair of the Board	1,100	-	-	-	-	**1,100**
Sondre Gravir	500	-	-	-	-	**500**
Ingrid Elvira Leisner	675	-	-	-	-	**675**
Lars Rahbæk Boilesen	575	-	-	-	-	**575**
Chris Browne (until 31 December 2022)	625	-	-	-	-	**625**
Eric Holm, elected by the employees[1]	150	-	-	-	-	**150**
Katrine Gundersen, elected by the employees[1]	150	-	-	-	-	**150**
Geir Olav Øien, elected by the employees (until April 2022)[1]	125	-	-	-	-	**125**
Torstein Hiorth Soland, elected by the employees (since June 2022)[1,2]	25	-	-	-	-	**25**
Total board of directors	**3,925**	**-**	**-**	**-**	**-**	**3,925**
Executive Management						
Geir Karlsen (Chief Executive Officer) [6,7]	-	6,215	-	155	99	**6,469**
Anne-Sissel Skånvik (Chief Communications and Public Affairs Officer)	-	2,026	-	155	99	**2,280**
Magnus Thome Maursund (Chief Commercial Officer)	-	2,098	-	161	99	**2,358**
Adrian Dunne (Chief Operations Officer)	-	3,031	-	152	258	**3,441**
Christoffer Sundby (Chief Marketing and Customer Officer)	-	3,237	-	155	117	**3,509**
Tor-Arne Fosser (Executive Vice President Airline Products & Digital Development until 31 August 2022)[5]	-	2,171	-	1,553	66	**3,790**
Knut Olav Irgens Høeg (Chief IT and Business Services Officer)	-	2,331	-	155	111	**2,597**
Guro H. Poulsen (Chief People Officer)	-	2,028	-	155	111	**2,294**
Tore Kristian Jenssen (Chief Asset Officer from 1 May 2022)	-	1,819	-	101	155	**2,075**
Hans-Jørgen Wibstad (Chief Financial Officer from 9 May 2022) [8]	-	1,908	-	352	65	**2,325**
Total executive management	**-**	**26,864**	**-**	**3,094**	**1,180**	**31,138**

1) *For the employee representatives in the Board of Directors, only their fee for serving on the Board of Directors fee is stated*
2) *Employee representative elected in AGM 2022. Fee for period from AGM 2022 to AGM 2023 will be paid in 2023.*
3) *Other benefits include company car/car allowance, insurance, telephone, internet, severance pay, etc.*
4) *Pension expense reflects paid pension premium*
5) *Other benefits include 6 months severance pay*
6) *Geir Karlsen was awarded a one-time payment of NOK 1.5 million as a salary compensation for the period spent as both CEO and acting CFO from 1 July 2021 to 8 May 2022*
7) *Bonus of NOK 5 million paid in 2020 has been reversed, of which the net amount after tax of NOK 2.5 million has been repaid by the employee*
8) *Hans-Jørgen Wibstad received a sign on fee of NOK 250,000, inluded in Other benefits when he was appointed CFO in May 2022*

No share options were exercised by the Management in 2022.

Total Compensation year 2021

NOK 1,000	Fee[4,5]	Salary	Bonus[6]	Other benefits [2]	Pension expense[3]	Total compensation
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 Gravir	500	-	-	-	-	**500**
Ingrid Elvira Leisner	675	-	-	-	-	**675**
Jaan Albrecht Binderberger (until the end of May 2021)	525	-	-	-	-	**525**
Lars Rahbæk Boilesen (since June 2021)	100	-	-	-	-	**100**
Chris Browne	500	-	-	-	-	**500**
Vibeke Hammer Madsen (until the end of May 2021)	400	-	-	-	-	**400**
Eric Holm, elected by the employees1)	150	-	-	-	-	**150**
Katrine Gundersen, elected by the employees[1]	150	-	-	-	-	**150**
Geir Olav Øyen, elected by the employees (until April 2022) [1]	150	-	-	-	-	**150**
Total board of directors	**5,050**	**-**	**-**	**-**	**-**	**5,050**
Executive Management						
Geir Karlsen (Chief Executive Officer from 21 June 2021)	-	4,875	11,000	153	89	**16,117**
Anne-Sissel Skånvik (Executive Vice President Communications and Public Affairs)	-	2,000	1,500	159	89	**3,748**
Magnus Thome Maursund (Executive Vice President Network, Pricing & Optimisation) (since October 2021) [8]	-	525	337	45	30	**937**
Adrian Dunne (Executive Vice President Operations) (joined August 2021) [8, 9]	-	1,270	1,017	74	108	**2,469**
Christoffer Sundby (Executive Vice President Marketing, Sales & Customer Care)	-	3,000	2,250	151	89	**5,490**
Tor-Arne Fosser (Executive Vice President Airline Products & Digital Development) [7]	-	2,900	2,175	153	89	**5,317**
Knut Olav Irgens Høeg (Executive Vice President IT & Business Services)	-	2,300	1,725	153	89	**4,267**
Guro H. Poulsen (Executive Vice President People)	-	2,000	1,500	152	89	**3,741**
Andrew Hodges (Executive Vice President Network, Pricing & Optimisation) (until October 2021)	-	3,075	2,306	-	242	**5,623**
Johan Gauermann (Interim Executive Vice President Operations) (until September 2021)	-	1,795	1,593	-	561	**3,949**
Jacob Schram (Chief Executive Officer until 21 June 2021)	-	7,000	11,000	144	89	**18,233**
Total executive management	**-**	**30,740**	**36,403**	**1,184**	**1,564**	**69,891**

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 prior to the AGM of 2021 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 6)
7) Tor-Arne Fosser 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.

NOTE 7: OTHER OPERATING EXPENSES

NOK million	**2022**	2021
Sales and distribution expenses	**576.5**	165.3
Other flight operation expenses	**617.5**	323.0
General and administrative expenses	**742.3**	901.8
Total other operating expenses	**1,936.2**	**1,390.2**

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.

AUDIT REMUNERATION

NOK million excluding VAT	**2022**	2021
Audit fee	**11.3**	10.5
Other audit related services	**0.8**	0.7
Other services	**3.2**	1.8
Total	**15.3**	**13.0**

NOTE 8: OTHER LOSSES / (GAINS) – NET

NOK million	**2022**	2021
Net losses/(gains) on financial assets at fair value through profit or loss	**-**	(5.3)
Foreign exchange losses/(gains) on operating activities	**128.8**	(487.2)
Losses/(gains) on asset sale	**(65.5)**	(269.9)
Restructuring costs/(gain)	**-**	24.9
Other losses/(gains)	**(70.7)**	-
Total	**(7.3)**	**(737.5)**

Other losses/(gains) are mostly related to the extinguishment of trade payables in 2022. Gains from asset sale in 2022 and 2021 are related to the sale of slots at London Gatwick Airport.

NOTE 9: OTHER FINANCIAL INCOME (EXPENSE)

NOK million	**2022**	2021
Net foreign exchange (loss) or gain	**2.2**	(210.9)
Return from investments in funds	**71.4**	-
Restructuring effects	**-**	5,711.5
Financial gain/loss debt to equity conversion	**-**	23.6
Exchange rate differences on disposal of foreign operations	**43.9**	(370.5)
Other financial items	**4.0**	176.9
Other financial income (expense)	**121.6**	**5,330.5**

A net foreign exchange gain of NOK 2.2 million is recognized in 2022 (2021: NOK 210.9 million loss).

Deposits in money market funds are classified as cash equivalents, as the original maturity of the deposits are 3 months or less. See note 17 for further information.

See Note 3 for fair value estimation and Note 19 for further information concerning investments in financial assets.

In 2021, the Company successfully completed its financial restructuring process. In total, the restructuring improved equity by NOK 13,723 million, of which NOK 5,341.0 million was recognized as restructuring effects and exchange rate differences on disposal of foreign operation in Other financial income (expense). The net income from restructuring in 2021 relates to the extinguishment and new issue of bonds, cram-down of trade and other payables, extinguishment of aircraft related debt as well as the extinguishment and re-instatement of borrowings and the derecognition of disposed and liquidated group entities.

NOTE 10: TAXES

This year's tax expense consists of:

NOK million	**2022**	2021
Tax payable	**35.5**	0.1
Adjustments from previous year	**5.5**	5.4
Income tax expense	**41.0**	**5.5**

Reconciliation from nominal to effective tax rate:

NOK million	**2022**	2021
Profit before tax	1,046.4	1,876.0
Expected tax expense (income) using nominal tax rate (22%)	230.2	412.7
Tax effect of the following items:		
Non-deductible expenses/income	19.7	(374.0)
Adjustments from previous year	5.5	5.5
Tax rate outside Norway other than 22%	(189.6)	756.5
Deferred tax asset not recognized/derecognized	(24.8)	(740.0)
Other items	-	(55.0)
Tax expense	41.0	5.5
Effective tax rate	3.9 %	0.3 %

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

NOK million	**2022**	2021
Intangible assets	**(520.0)**	(522.3)
Tangible assets	**84.1**	(3.3)
Inventories	**(13.1)**	-
Receivables	**(4.2)**	(5.9)
Deferred gains/losses	**486.9**	572.4
Other accruals	**(235.3)**	(37.8)
Pensions	**(44.5)**	(45.4)
Other temporary differences	**61.1**	(430.5)
Loss carried forward	**(2,542.6)**	(3,154.1)
Not recognized deferred tax	**886.8**	1,796.4
Net deferred tax liabilities (assets)	**(1.840.8)**	(1.830.5)
Recognized as deferred tax assets	**(1,900.7)**	(1,890.4)
Recognized as deferred tax liabilities	**59.9**	59.9
Net deferred tax liabilities (assets)	**(1,840.8)**	(1,830.5)

Loss carried forward per country:

NOK million	**2022**	2021
Norway	**(2,358.8)**	(2,484.6)
Ireland	**(166.1)**	(651.1)
Other	**(17.7)**	(19.3)
Total	**(2,542.6)**	(3,154.1)

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 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 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 new focus on short haul markets and routes that have been profitable in the past, supports that there is convincing evidence that carry forward losses will be reversed with the current business model. The Group however acknowledges that there is some uncertainty inherent to forecasts for the future utilization of tax losses carried forward. Based on this uncertainty, the Group does not recognize deferred tax assets on the full amount of tax losses carried forward. Carryforward losses within Norwegian tax jurisdiction do not expire.

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 2022. Deferred tax liabilities and deferred tax assets are presented net to the extent that there is 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	**2022**	2021
Recognized at 1 January	**(1,830.5)**	(1,316.2)
Disposal of tax positions - sale of subsidiary	**-**	(508.4)
Translation differences	**(10.3)**	(5.9)
Recognized at 31 December	**(1,840.8)**	(1,830.5)

NOTE 11: 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.

(NOK million)	**2022**	2021
Profit attributable to the owners of the Company before PIK interest on perpetual bonds	**1,005.5**	1,870.5
Payment-in-kind interest and interests paid on perpetual bonds recognized in equity	**85.9**	31.8
Profit attributable to the owners of the Company after PIK interest	**919.6**	1,838.7
Weighted average number of shares outstanding	**929,579,566**	522,786,820
Weighted average number of shares outstanding after dilution	**1,125,497,085**	698,547,559
Basic earnings per share (NOK)	**0.99**	3.52
Diluted earnings per share (NOK)	**0.89**	2.68

	2022	2021
Number of shares outstanding	**929,989,739**	928,518,496
Potential shares that might become dilutive in future periods		
Perpetual bond	**194,950,792**	195,801,049
Potential number of shares outstanding after dilution	**1,124,940,531**	1,124,319,545

Stock options granted to employees are 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 2022. For further details on outstanding stock options, please refer to Note 21.

NOTE 12: INTANGIBLE ASSETS

NOK million	Software	Goodwill	Other intangible assets	Total
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 cost 31 December 2021	559.5	94.0	53.8	707.3
Acquisition costs 1 January 2022	559.5	94.0	53.8	707.3
Additions	19.6	-	-	19.6
Translation difference acquisition cost	-	-	-	-
Acquisition costs 31 December 2022	579.2	94.0	53.8	726.9
Accumulated amortization 1 January 2021	507.9	-	-	507.9
Amortization	19.2	-	-	19.2
Accumulated amortization 31 December 2021	527.1	-	-	527.1
Accumulated amortization 1 January 2022	527.1	-	-	527.1
Amortization	10.7	-	-	10.7
Accumulated amortization 31 December 2022	537.9	-	-	537.9
Book value at 31 December 2021	32.5	94.0	53.8	180.2
Book value at 31 December 2022	41.3	94.0	53.8	189.1
Useful life	3-5 years	Indefinite	Indefinite	
Amortization plan	Straight-line	None	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.

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 to Note 13.

NOTE 13: TANGIBLE ASSETS

NOK million	Buildings	Aircraft, parts and installations on leased aircraft	Prepayment on aircraft orders	Equipment and fixtures	Total
Acquisition cost 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	-	588.3	3,307.4
Acquisition costs 1 January 2022	289.3	2,429.8	-	588.3	3,307.4
Additions	0.4	20.3	825.6	26.6	872.8
Translation difference acquisition cost	-	185.3	12.6	7.8	205.7
Reversal of impairment loss	-	-	2,099.4	-	2,099.4
Disposals	(5.6)	-	-	(49.8)	(55.4)
Acquisition costs 31 December 2022	284.1	2,635.4	2,937.5	572.8	6,429.8
Accumulated depreciation 1 January 2021	36.9	6,233.2	-	439.5	6,709.5
Depreciation	5.7	212.7	-	26.8	245.2
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
Accumulated depreciation 1 January 2022	42.6	1,409.1	-	452.6	1,904.2
Depreciation	5.8	73.2	-	35.6	114.6
Depreciation disposals	-	-	-	(30.6)	(30.6)
Foreign currency translation	-	65.5	-	-	65.0
Accumulated depreciation 31 December 2022	48.4	1,547.9	-	457.6	2,053.0
Book value 31 December 2021	246.7	1,020.7	-	135.6	1,403.0
Book value 31 December 2022	235.6	1,087.5	2,937.5	115.2	4,376.0

Aircraft
At 31 December 2022, the Group had a total fleet of 70 aircraft of which four are owned (2021: four owned aircraft). The Group did not redeliver any owned Boeing 737-800 in 2022 (2021: 26).

The residual value is NOK 247 million (2021: NOK 221 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.

Prepayments
Prepayments for ordered aircraft amounted to NOK 2,937 million and relate to the purchase order of 50 Boeing 737 MAX 8 aircraft. The group recognized a partial impairment reversal of NOK 2,099.4 million in the second quarter relating to predelivery payments ("PDP") towards Boeing. Prepayments for the ordered aircraft are pledged as securities, additional details in Note 18. The PDP to Boeing are unsecured.

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 rotable 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 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 10.5 percent (2021: 8.75 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 2022, 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. Neither a reduction in the estimated revenue by five percent, an increase in the operating costs by five percent, nor an increase in WACC after tax by five percentage points, all other assumptions held constant, would lead to an impairment loss of the fleet.

Impairment reversal of prepayments to aircraft manufacturers
The Group has recognized a partial impairment reversal of NOK 2,099.4 million relating to predelivery payments ("PDP") towards Boeing. In 2020, PDP balances were impaired by NOK 4,121 million, due to uncertain recoverability of PDP assets related to aircraft purchase agreements. After negotiations with Boeing in relation to a new aircraft purchase agreement dated 22 June 2022, Boeing has confirmed that USD 215 million will be compensated by re-instating USD 200 million for aircraft and USD 15 million advanced payment credit memorandum, confirming future goods and services are already paid for.

Controls have been performed to ensure reliability in the measurement of the reinstated PDPs and the advance credit memorandum.

Management has gathered external valuation report for the aircrafts being ordered. The valuation report confirms the market value based transaction price for the aircraft. Management has also assessed the value of the credit memorandum and concluded that the market value is at least USD 15 million in relation to a future purchase of goods from Boeing.

NOTE 14: 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 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
Acquisition costs 1 January 2022	6,136.7	317.1	-	6,453.7
Additions	977.9	1.6	-	979.5
Translation difference acquisition cost	740.6	3.0	-	743.6
Terminations	-	(5.4)	-	(5.4)
Acquisition costs 31 December 2022	7,855.2	316.4	-	8,171.5
Accumulated depreciation 1 January 2021	2,867.6	80.4	0.1	2,948.1
Depreciation	832.0	37.1	-	869.1
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
Accumulated depreciation 1 January 2022	984.1	105.1	-	1,089.4
Depreciation	1230.3	30.2	-	1,260.4
Foreign currency translation	118.8	1.0	-	119.8
Accumulated depreciation 31 December 2022	2,333.2	136.3	-	2,469.5
Book value 31 December 2021	**5,152.6**	**212.0**	**-**	**5,364.6**
Book value 31 December 2022	**5,522.0**	**180.1**	**-**	**5,702.1**

At the end of 2022, the Group leased 66 (2021: 55) 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.

The Group cannot readily determine the interest rate implicit in the leases entered into in 2022. In the recognition of the new leases in 2022, 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 2022 is 7.7 percent.

All new aircraft lease agreements entered into in 2022 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 1 November 2022 until 31 March 2023. During these periods, the Group pays the fixed minimum lease payment and a variable rate per flight hour operated on the leased aircraft, with a maximum total lease rate not exceeding the agreed monthly lease rates.

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 2022 amounted to NOK 126.5 million (2021: 136.5).

The Group did not realize any gains or losses from sale-leaseback transactions in 2022 (2021: NOK 163.4 million loss), 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

NOK million	**2022**	2021
Opening balance	5,212.7	3,351.1
Additions	901.2	4,937.7
Terminations	(7,7)	(3,116.4)
Accrued interest expense	329.5	226.8
Interest paid	(329.5)	(226.8)
Payment of lease liabilities	(891.4)	(52.1)
Currency differences	621.9	92.6
Lease liabilities 31 December	5,836.8	5,212.7
Due within one year – current	1,190.6	777.9
Due after one year – non current	4,646.2	4,434.8

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

In 2022, the Group had short-term and/or leases of low-value items for cars and 14 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:

NOK million	**2022**	2021
Expenses relating to short-term leases	**53.7**	11.0
Expenses relating to low-value leases	**0.1**	0.5
Variable lease payments	**143.2**	183.2
Total	**197.1**	194.7

Total lease payments for all leasing contracts equals NOK 1,419.0 million for the financial year 2022.

As of 31 December 2022, there are no significant future potential lease payments that are not included in the lease obligations as a result of extension or purchase options.

NOTE 15: TRADE AND OTHER RECEIVABLES

Specifications of receivables

NOK million	**2022**	2021
Trade receivables	187.8	97.5
Credit card receivables	988.2	1,443.0
Deposits	513.5	176.0
Reimbursements claims maintenance costs	2.2	(5.5)
Other claims	405.2	146.0
Sum trade and other receivables	2,096.8	1,857.1
Prepaid costs	382.4	326.3
Public duty debt	133.1	83.0
Prepayments to employees	3.5	6.0
Prepaid rent	22.4	-
Prepayments	541.4	415.3
Total	2,638.2	2,272.4
Maximum credit risk	2,096.8	1,857.1

Due dates, nominal value of receivables

NOK million	**2022**	2021
Within one year	**2,240.4**	2,180.2
After one year	**464.8**	119.9
Total	**2,705.1**	2,300.1

Fair value of trade and other receivables

NOK million	**2022**	2021
Due within one year	**2,184.8**	2,152.9
After one year *)	**453.4**	119.5
Total	**2,638.2**	2,272.4

**) Discount rate 2.5 percent (2021: 2.5 percent).*

Provision for bad debt

NOK million	**2022**	2021
Balance 1 January	**27.3**	35.4
Receivables written off during the year	**2.9**	(16.0)
Increase in provisions	**17.1**	17.5
Unused amounts reversed	**(11.5)**	(9.6)
Balance 31 December	**35.7**	27.3

Overdue trade receivable

NOK million	**2022**	2021
Overdue less than 1 month	**205.4**	202.5
Overdue 1-2 months	**13.0**	7.2
Overdue 2-3 months	**4.2**	40.3
Overdue over 3 months	**0.9**	85.2
Total	**223.5**	335.2

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 16: INVENTORY

NOK million	**2022**	2021
Consumables	**81.3**	16.3
Total	**81.3**	16.3

The Group has not recognized any expenses for obsolete parts in 2022 (2021: NOK 131 million).

NOTE 17: CASH AND CASH EQUIVALENTS

Cash and cash equivalents

NOK million	**2022**	2021
Cash in bank and demand deposit	**5,214.9**	4,672.9
Cash equivalents	**2,544.0**	3,021.9
Total	**7,759.0**	7,694.8

Deposits in money market funds are classified as cash equivalents, as the original maturity of the deposits are 3 months or less. At 31 December 2022, the interest terms of the main cash deposits in folio accounts for the two cash pools are 1 month NIBOR +0.05 percent p.a. and NOWA +0.05 percent p.a.

Restricted cash

NOK million	**2022**	2021
Guarantees for leases and credits from suppliers	**302.0**	270.5
Safety deposits on defined benefit plan	**340.3**	329.9
Slots proceeds	**316.9**	237.8
Taxes withheld	**69.2**	61.3
Fuel hedge pledged account	**81.8**	-
Dividend claims	**42.5**	-
Total	**1 152.8**	899.5

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 2022 was NOK 6,606.2 million.

NOTE 18: ASSETS PLEDGED AS COLLATERALS AND GUARANTEES

Liabilities secured by pledge

NOK million	**2022**	2021
Bond issue	**569.2**	700.0
Aircraft financing	**803.4**	802.9
Total	**1,372.6**	1,502.9

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.

The Group has pledged 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	**2022**	2021
Prepayment and aircraft	**4,020.0**	1,030.8
Total	**4,020.0**	1,030.8

NOTE 19: 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
Derivative financial instruments	-	-	19.9	19.9
Trade and other receivables *)	2,096.8	-	-	2,096.8
Cash and cash equivalents	7,759.0	-	-	7,759.0
Total 2022	9,859.5	-	19.9	9,859.5
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

**) Prepayments not included in trade and other receivables was NOK 541.4 million in 2022 and NOK 415.3 million in 2021.*

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 amortized cost	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through OCI	**Total**
Liabilities per balance sheet				
Borrowings	4,248.5	-	-	4,248.5
Lease liabilities	5,836.8	-	-	5,836.8
Trade and other payables *)	2,267.4	-	-	2,267.4
Derivative financial instruments	-	-	21.7	21.7
Total 2022	**12,352.7**	**-**	**21.7**	**12,374.3**
Borrowings	4,164.6	-	4,164.6	4,164.6
Lease liabilities	5,212.7	-	5,212.7	5,212.7
Trade and other payables *)	1,354.4	-	1,354.4	1,354.4
Total 2021	**10,731.7**	**-**	**10,731.7**	**10,731.7**

**) Public duties and liabilities from customer loyalty program not included in trade and other payables was NOK 1,383.8 million in 2022 and NOK 2,428.2 million in 2021.*

See Note 24 for details related to borrowings.

Credit quality of financial assets

NOK million	**2022**	2021
Trade receivables		
Counterparties with external credit rating		
A or better	**988.2**	1,443.0
Counterparties without external credit rating	**1,108.6**	414.1
Total trade receivables	**2,096.8**	1,857.1
Cash and cash equivalents		
A+ or better	**3,196.9**	4,672.9
BBB +	**4,562.0**	3,021.9
Total cash and cash equivalents	**7,759.0**	7,694.8

Investments in financial assets

NOK million	**2022**	2021
1 January	**3.7**	3.7
31 December	**3.7**	3.7
Current portion	**-**	-

Derivative financial instruments

	2022		2021	
NOK million	**Assets**	**Liabilities**	Assets	Liabilities
Forward commodities contracts	19.9	21.7	-	-
Total	**19.9**	**21.7**	-	-
Current portion	19.9	21.7	-	-

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 commodity contracts designated as cash flow hedges

Forward commodity contracts relate to jet fuel derivatives. The net fair value of the outstanding forward commodities contracts at 31 December 2022 was negative NOK 1.8 million (2021: NOK 0). At 31 December 2022, the Group had secured 132,600 metric tons jet fuel (2021: none) through forward contracts.

Fuel derivatives are categorized as financial assets or financial liabilities at fair value through OCI and are measured at fair value at each reporting date.

NOTE 20: EQUITY AND SHAREHOLDER INFORMATION

Shares and share issues:

NOK million	Number of ordinary shares	Share capital	Share Premium	Total
1 January 2022	928,518,496	92.9	25,424.3	**25,517.2**
Share issue 16.02.2022	425,985	0.0	3.9	**3.9**
Share issue 08.03.2022	212,992	0.0	1.9	**2.0**
Share issue 10.05.2022	638,977	0.1	5.8	**5.9**
Share issue 24.06.2022	193,289	0.0	1.8	**1.8**
31 December 2022	**929,989,739**	**93.0**	**25,437.7**	**25,530.7**

All issued shares are fully paid with a par value of NOK 0.1 per share (2021: NOK 0.1 per share). There is only one category of shares, and all shares have equal rights. For information about employee share options, see Note 21.

On 16 February 2022, the company announced conversion notices from bondholders representing NOK 4 million Early Conversion Bonds, with the issue of 425,985 new shares.

On 8 March 2022, the company announced conversion notices from bondholders representing NOK 2 million Early Conversion Bonds, with the issue of 212,992 new shares.

On 10 May 2022, the company announced conversion notices from bondholders representing NOK 6 million Early Conversion Bonds, with the issue of 638,977 new shares.

On 24 June 2022, the company announced conversion notices from bondholders representing NOK 1,8 million Early Conversion Bonds, with the issue of 193,289 new shares.

All transactions resulted in a total of 929,989,739 shares as of 31 December 2022.

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)**
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**

Description of items recognized Other comprehensive income:

Currency translation differences

Net NOK 13.7 million has been booked as exchange rate differences under comprehensive income in 2022 (2021: NOK 147.1 million). The exchange differences arise from translating the subsidiaries from functional currency to presentation currency and from disposal of foreign operations.

Actuarial gains and losses

During 2022, NOK 6.8 million in actuarial loss arising from defined benefit pension plans was recognised in other comprehensive income (2021: NOK 14.1 million in actuarial gain).

The largest shareholders at 31 December 2022 were:

Name	Country	Shares	Ownership	Voting rights
Geveran Trading Company, Ltd.	Cyprus	133,430,512	14.3%	14.3%
Sundt AS	Norway	106,103,198	11.4%	11.4%
Folketrygdfondet	Norway	46,651,798	5.0%	5.0%
Ballyfin Aviation Limited	Ireland	31,472,703	3.4%	3.4%
Silver Point Capital, L.P.	United States	30,478,125	3.3%	3.3%
Nordnet Bank AB.	Norway	30,070,165	3.2%	3.2%
Keskinäinen eläkevakuutusyhtiö Varma	Finland	27,500,000	3.0%	3.0%
Handelsbanken Kapitalförvaltning AB	Sweden	27,313,039	2.9%	2.9%
Avanza Bank AB	Sweden	24,680,156	2.7%	2.7%
Contrarian Capital Management, LLC	United States	17,708,189	1.9%	1.9%
DNB Asset Management AS	Norway	16,151,037	1.7%	1.7%
Morgan Stanley & Co. International Plc	United Kingdom	12,663,237	1.4%	1.4%
KLP Fondsforvaltning AS	Norway	12,493,863	1.3%	1.3%
BlackRock Institutional Trust Company, N.A.	United States	10,635,493	1.1%	1.1%
Svelland Capital (UK) Ltd	United Kingdom	9,427,617	1.0%	1.0%
Swedbank AB	Sweden	9,390,819	1.0%	1.0%
Nordea Funds Oy	Finland	9,339,301	1.0%	1.0%
BofA Global Research (UK)	United Kingdom	8,748,839	0.9%	0.9%
Brumm AS	Norway	8,285,480	0.9%	0.9%
HSBC Trinkaus & Burkhardt AG	Germany	7,107,742	0.8%	0.8%
Other		350,338,426	37.7%	37.7%
Total number of shares		**929,989,739**	**100.0 %**	**100.0 %**

The largest shareholders at 31 December 2021 were:

Name	Country	Shares	Ownership	Voting rights
Geveran Trading Company, Ltd.	Cyprus	134,123,801	14.4%	14.4%
Sundt AS	Norway	124,003,198	13.4%	13.4%
Folketrygdfondet	Norway	60,165,405	6.5%	6.5%
DNB Asset Management AS	Norway	59,068,682	6.4%	6.4%
Davy Stockbrokers	Ireland	31,840,332	3.4%	3.4%
Keskinäinen eläkevakuutusyhtiö Varma	Finland	27,500,000	3.0%	3.0%
Nordnet Bank AB.	Norway	26,773,193	2.9%	2.9%
Silver Point Capital, L.P.	United States	26,489,130	2.9%	2.9%
Centerbridge Partners, L.P.	United States	22,480,439	2.4%	2.4%
Avanza Bank AB	Sweden	22,176,441	2.4%	2.4%
Contrarian Capital Management, LLC	United States	18,304,923	2.0%	2.0%
Handelsbanken Asset Management	Sweden	17,861,186	1.9%	1.9%
Ludvig Lorentzen AS	Norway	11,249,305	1.2%	1.2%
Nordea Funds Oy	Finland	11,161,001	1.2%	1.2%
KLP Forsikring	Norway	10,288,769	1.1%	1.1%
Brumm AS	Norway	10,000,942	1.1%	1.1%
Swedbank AB	Sweden	9,657,707	1.0%	1.0%
Arctic Fund Management AS	Norway	8,723,966	0.9%	0.9%
BofA Global Research (UK)	United Kingdom	7,423,879	0.8%	0.8%
Citibank N.A. Private Bank	United States	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 %**

Shares directly or indirectly held by members of the Boards of Directors, Chief Executive Officer and Executive Management at 31 December 2022

Name	Title	Shares[1)]
Svein Harald Øygard	Chair	1,834,281
Lars Rahbæk Boilesen	Board Member	578,424
Ingrid Leisner	Board Member	22,927
Sondre Gravir	Board Member	39,052
Chris Browne[2)]	Board Member	16,402
Torstein Hiorth Soland	Board Member – Employee representative	–
Katrine Gundersen	Board Member – Employee representative	–
Eric Holm	Board Member – Employee representative	2,893
Geir Karlsen	Chief Executive Officer	651,478
Hans-Jørgen Wibstad	Chief Financial Officer	70,000
Magnus Thome Maursund	Chief Commercial Officer	2,634
Christoffer Sundby	Chief Marketing and Customer Officer	335,943
Guro Halvorsen Poulsen	Chief People Officer	236,808
Anne-Sissel Skånvik	Chief Communications and Public Affairs Officer	50,095
Knut Olav Irgens Høeg	Chief IT and Business Services Officer	239,846
Adrian Dunne	Chief Operations Officer	243,019
Tore Jenssen	Chief Asset Officer	–

1) Including shares held by related parties.
2) Left 31.12.2022, shareholding could be lower at year-end

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

		Issued in	2018	2019	2021	2022	
		Strike price (NOK)	4,300	4,300	10.10	13.50	
Name	**Title**	Expiry	2025	2026	2026-2029	2029	**Total**
Geir Karlsen	Chief Executive Officer		500	4,500	1,000,000	792,548	**1,797,548**
Hans-Jørgen Wibstad	Chief Financial Officer					422,692	**422,692**
Magnus Thome Maursund	Chief Commercial Officer					184,927	**184,927**
Christoffer Sundby	Chief Marketing and Customer Officer					232,480	**232,480**
Guro Halvorsen Poulsen	Chief People Officer					140,897	**140,897**
Anne-Sissel Skånvik	Chief Communications and Public Affairs Officer		200	500		105,673	**106,373**
Knut Olav Irgens Høeg	Chief IT and Business Services Officer					162,032	**162,032**
Adrian Dunne	Chief Operations Officer					268,536	**268,536**
Tore Jenssen	Chief Asset Officer		200	1,500		190,211	**191,911**

Specification of other reserves

NOK million	OCI associated companies	Translation differences	Hedging	Total
1 January 2021	0.1	112.7	-	**112.8**
Translation differences	-	147.1	-	**147.1**
31 December 2021	0.1	259.8	-	**259.9**
Translation differences	(0.1)	13.7	-	**13.7**
Net movements in cash-flow hedge reserve	-	-	(1.8)	**(1.8)**
31 December 2022	-	273.7	(1.8)	**271.8**

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 717.8 million at 31 December 2022 (2021: NOK 714.4 million). Changes in 2022 relate to stock option expenses.

Perpetual bonds
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 bonds agreement. Conversion price is fixed at NOK 9.39 for each share. The bonds accrue Payment-in-Kind ("PIK") interest with NIBOR plus a margin of 2.5-9.5 percent, increasing over the life of the bonds, 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 2022 is NOK 1,800.3 million (2021: NOK 1,808 million). The perpetual bonds have a dilutive effect on diluted earnings per share, see Note 11.

NOTE 21: OPTIONS

2022 Program
According to the share option plan adopted on 25.05.2022 by the Annual General Meeting of Norwegian Air Shuttle ASA, 2,499,996 options were granted to 9 executives on 30 September 2022, with a strike price of NOK 13.50 per share. 1/3 of options granted can be exercised at the earliest after 1, 2, and 3 years respectively, and the options shall expire after 7 years.

2021 Program
The share option program was not effectuated in 2021. Upon appointment as CEO 21 June 2021, Geir Karlsen was awarded 1,000,000 options with ¼ of the options vest on 21 June 2022, ¼ vest on 21 June 2023, ¼ vest on 21 June 2024, and ¼ vest on 21 June 2025. Options expire four years after the vesting date and the strike price is NOK 10.10.

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. 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.

On 31 December 2022 there were 9,500 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. 2018 program is adjusted for the reverse share split. Strike price is multiplied by 100 and the number of outstanding options is divided by 100.

On 31 December 2022 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 from 2022 and 2021 programs

	2022 shares	Average exerc. price	2021 shares	Average exerc. price
Outstanding 1 January	**1,014,300**	89.12	15,800	5,489.87
Granted	**2,499,996**	13.50	1,000,000	10.10
Forfeited	**(3,000)**	4,300	(1,500)	4,300
Outstanding 31 December	**3,511,296**	31.68	1,014,300	89.12

The average fair value of the options granted during 2022 was 3.1894 per option (2021: 7.6435). The fair value at grant date is independently determined using Black & Scholes option model. The calculations are based on the following assumptions:

Assumptions	2022	2021
Share price on grant date	7.254	10.10
Strike price per option	13.50	10.10
Volatility	0.55	0.78
Lifetime	7	5-8
Risk-free interest rate	2.96-3.29	0.38-1.47

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 2022 amounted to NOK 1.6 million (2021: NOK 1.8 million).

NOTE 22: PENSIONS

The Group operated defined contribution plans in Norway, Denmark, Sweden, Finland, Ireland, UK, 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 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 207.7 million in 2022 (2021: NOK 98.8 million).

Defined benefit plan
As per 31 December 2022, 424 employees were active members (2021: 426) and 68 were on pension retirement (2021: 70). The related pension liability is recognized at NOK 202.3 million (2021: 206.2 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.

	Funded	
NOK million	**2022**	2021
Pension expense		
Net present value of benefits earned	**23.7**	25.6
Net interest on the net defined benefit liability	**3.5**	3.1
Administrative expenses	**0.2**	0.2
Social security tax	**3.9**	4.1
Net pension expense defined benefit plans	**31.3**	32.9
Pension expense on defined contribution plans	**188.3**	87.9
Social security tax	**19.4**	11.0
Total pension expense	**239.0**	131.8

Change in present value of defined benefit liability:		
Gross pension liability 1 January	**458.1**	443.4
Current service costs	**27.6**	29.6
Interest cost	**8.6**	6.6
Actuarial gains/losses	**13.9**	(13.3)
Benefits paid	**(4.9)**	(3.5)
Social security on payments to plan	**(4.9)**	(4.8)
Gross pension liability 31 December	**498.4**	458.1
Change in fair value of plan assets:		
Fair value of pension assets 1 January	**251.9**	215.6
Expected return	**4.9**	3.3
Actuarial gains/losses	**7.1**	0.8
Contributions paid	**39.7**	38.6
Benefits paid	**(2.6)**	(1.7)
Social security on payments to plan	**(4.9)**	(4.8)
Fair value of plan assets 31 December	**296.0**	251.9
Net pension liability	**202.3**	206.2
Net recognized pension liability 31 December	**202.3**	206.2

	2022	2021
Actual return on pension funds	**3.00 %**	4.00 %
Expected contribution to be paid next year	**45.2**	43.7

The net pension liability was based on several assumptions. The discount rate was based on covered bonds. The pension liability's average duration was 16 years. Wage adjustments, pension adjustments and the expected increase in state pensions were based on the Accountancy foundations pension assumption, and an expected long-term inflation rate of 2.0 percent.

	2022	2021
Discount rate	**3.00 %**	1.90 %
Expected return on pension funds	**0-1.90 %**	0-1.90 %
Wage adjustments	**3.50 %**	2.75 %
Increase of social security base amount (G)	**3.25 %**	2.50 %
Future pension increase	**1.50 %**	0.00 %
Average turnover	**0-8.00 %**	0-8.00 %

The Group's pension fund was invested in the following instruments (at 30 September 2022 and 2021):

	2022	2021
Equity	**10.2 %**	9.7 %
Bonds	**14.6 %**	19.6 %
Money market funds	**4.2 %**	10.6 %
Hold-to maturity bonds	**38.1 %**	26.7 %
Real estate	**11.0 %**	13.6 %
Various	**21.9 %**	19.8 %

Historical information

NOK million	**2022**	2021	2020	2019	2018
Present value of defined benefit obligation	**498.4**	458.1	443.4	365.9	293.1
Fair value of plan assets	**296.0**	251.9	215.6	188.3	146.6
Deficit/(surplus) in the plan	**202.3**	206.2	227.8	177.6	146.5
Experience adjustments on plan liabilities	**13.9**	(13.3)	44.9	44.3	(1.9)
Experience adjustments on plan assets	**7.1**	0.8	2.9	2.0	0.6

NOTE 23: PROVISIONS AND OTHER LONG-TERM LIABILITIES

Periodic maintenance on leased aircraft

NOK million	**2022**	2021
Opening balance	**937.0**	2,501.7
Provisions charged to the income statement	**1,112.9**	523.2
Maintenance services performed and invoices received	**(125.7)**	(74.5)
Restructuring effects	**-**	(1,720.4)
Other items	**161.0**	(293,1)
Closing balance	**2,085.2**	937.0
Classified as current liabilities	**201.3**	131.7
Classified as non-current provision	**1,883.9**	805.3

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 2023, and NOK 201.3 million is classified as a current liability for periodic maintenance (2021: NOK 131.7 million). The current part of periodic maintenance is estimated based on the planned maintenance in 2023. Other items in the table above consist of currency effects, credits received from service suppliers and other adjustments.

NOTE 24: BORROWINGS

Term facility
Interest rate of NIBOR and a margin of 2 percent. The term facility is denominated in NOK and matures on 12 April 2027. The coupon is 3-Months NIBOR + 2.00 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.

Bond issue
Interest rate of NIBOR and a margin of 2 percent. The bond issue is denominated in NOK and repayable in five yearly instalments until its maturity on 26 May 2026.

Nominal value at 31 December 2022

NOK million	Nominal Value	Unamortized effective interest cost	Book value	Effective interest rate
Aircraft financing	810.0	(6.6)	803.4	4.7 %
Term facility	134.5	-	134.5	5.3 %
Bond issue	569.2	-	569.2	0.9 %
Retained claims bonds	3,705.4	(966.1)	2,739.3	9.4 %
Other non-current debt	2.0	-	2.0	0.0 %
Total	5,221.2	(972.7)	4,248.5	

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	

Effective interest rate during 2022, recognized as financial items (Note 9) and capitalized borrowing costs (Note 13), is 6.4 percent (2021: 4.1 percent). For information on the fair value of borrowings please refer to Note 3.

Classification of borrowings

NOK million	**2022**	2021
Non-current		
Aircraft financing	**726.7**	744.8
Term facility	**134.5**	134.9
Bond issue	**447.4**	575.0
Retained claims bonds	**2,739.3**	2,524.9
Other non-current debt	**2.0**	2.0
Total	**4,050.0**	3,981.6
Current		
Aircraft financing	**76.6**	58.1
Bond issue	**121.8**	125.0
Total	**198.5**	183.1
Total borrowings	**4,248.5**	4,164.7

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	**2022**	2021
Opening balance total borrowings	**4,164.6**	24,431.1
Repayment	**(218.4)**	(408.7)
Cash changes	**(218.4)**	(408.7)
Conversion- and reconstruction effects	**(14.5)**	(19,660.6)
Net amortization effects	**226.6**	387.7
Currency translation effects	**90.1**	(584.9)
Non-cash changes	**302.2**	(19,857.7)
Closing balance total borrowings	**4,248.5**	4,164.6

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

NOK million	**2022**	2021
USD	**803.4**	802.9
NOK	**3,445.1**	3,361.8
Total	**4,248.5**	4,164.7

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 18.
- 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 agencies. Owned aircraft are pledged as collateral. For more information on assets pledged as collateral, see Note 18.

NOTE 25: TRADE AND OTHER PAYABLES

NOK million	**2022**	2021
Accrued vacation pay	**223.6**	125.4
Accrued airport and transportation taxes	**155.1**	83.6
Accrued expenses	**958.7**	467.0
Trade payables	**529.8**	321.0
Public duties	**132.5**	121.7
Current provisions for MRC (Note 23)	**201.3**	131.7
Cashpoint liabilities	**1,251.3**	2,306.5
Other current provisions	**198.8**	225.6
Total	**3,651.2**	3,782.6

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 Group in 2022 and emission allowances to be surrendered in 2023.

NOTE 26: AIR TRAFFIC SETTLEMENT LIABILITIES

Air traffic settlement liabilities increased from NOK 1,324.2 million on 31 December 2021 to NOK 2,548.5 million on 31 December 2022. The increase is related to a lower level of bookings in 2021 due to travel restrictions and an increased pre-sale volume towards the end of 2022.

NOTE 27: RELATED PARTY TRANSACTIONS

See Note 6 for details on key Management compensations and Note 21 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 2022 or 2021.

No transactions were carried out with related parties.

Transactions between Group companies have been eliminated in the consolidated financial statements and do not represent related party transactions. See Notes 24 Related Parties and 14 Investment in Subsidiaries in the financial statements of Norwegian Air Shuttle ASA for further details.

NOTE 28: CONTINGENCIES AND LEGAL CLAIMS

The Group is involved in various claims and legal proceedings arising in the ordinary course of business. These claims relate to, but are not limited to, the Group's business practices, employment matters, and tax matters. Provisions have been recognized for such matters in accordance with probable and quantifiable loss risks.

On 21 September 2021, the Norwegian Environment Agency concluded in an administrative ruling that the cram down of claims in the Examinership and Reconstruction does not apply to the Group's obligation to surrender emission allowances under EU ETS (see Section 9.6.2 "Environmental regulations") for emissions predating 18 November 2020. The contemplated market value of such allowances is approximately NOK 330 million at year-end 2022. The Reconstructor determined that the Reconstruction applies to the Group's obligation to surrender emission allowances as a different view would have given preference to the EU ETS regime, which the current insolvency legislation does not facilitate. Therefore, the Group was unable to comply with the Norwegian Environment Agency's demand of the Group surrendering emissions allowances. The lack of compliance caused the Norwegian Environment Agency to impose a penalty of approximately NOK 400 million on the Group. The Group appealed the decision, but on 16 December 2022 the Ministry of Climate and Environment decided to uphold the Norwegian Environment Agency's decision. The Group, supported by its advisors and the Reconstructor, are of the view that the Group's obligation to surrender emission allowances for emissions pre-dating 18 November 2020 can be settled by paying dividend of 5 percent introduced under the Reconstruction and the decision to impose a penalty of NOK 400 million is invalid. On this basis, the Group filed a statement of claim to Oslo District Court on 9 January 2023. The trial is expected to be scheduled in the fourth quarter of 2023.

The legal issue concerning treatment of emission allowances in insolvency has never been tried in court before. As a consequence of the Reconstruction, the amount corresponding to the contemplated market value of such allowances was crammed down and the Group has made a provision of NOK 15 million at year-end. The Group has paid the ETS penalty fee in 2023 and will seek a return of this amount plus interest following a final conclusion. For further details see Note 30.

NOTE 29: COMMITMENTS

The Group has aircraft purchase commitments at the end of 2022 with an estimated contractual amount, included estimated cost escalation, of NOK 28.6 billion (2021: zero). The amount of the total commitments is subject to changes in USD/NOK currency rates, delivery schedules and other adjustments of the purchase price. Such adjustments include aircraft equipment which can be added or taken out from the order up until delivery and inflationary adjustments to the extent not mitigated by agreement with the manufacturer. Therefore, the exact purchase price for each individual aircraft is not known until approximately nine months prior to delivery.

See table below for estimated capital expenditure over the years 2023 to 2028.

NOK billion	**2022**	2021
2023	**0.1**	-
2025	**5.5**	-
2026	**8.4**	-
2027	**8.7**	-
2028	**5.9**	-
Total	**28.6**	-

For details on commitments for aircraft leases, see Note 14.

NOTE 30: EVENTS AFTER THE REPORTING PERIOD

On 30 January 2023, Norwegian announced a buy-back with an aggregated nominal value of NOK 412.5 million of the zero-coupon senior unsecured NOK 3,714,318,301 Retained Claims Bonds maturing 30.09.2026 (ISIN: 0010996457) at a price of 72.50 percent of par value. On 3 February 2023, Norwegian announced an additional buy-back with an aggregated nominal value of NOK 72.2 million of the aforementioned Retained Claims Bonds at a price of 72.50 per cent of par value.

On 6 February 2023, Norwegian announced that it has signed a Letter of Intent (LOI) with Air Lease Corporation (ALC) to lease six Boeing 737 MAX 8 aircraft which are in addition to three 737 MAX 8 aircraft Norwegian previously agreed to lease from ALC of which one has already been delivered to Norwegian. The aircraft are to be delivered in short time to Norwegian and ahead of the summer 2023 season.

On 17 February 2023, Norwegian announced the conversion of New Capital Perpetual bonds whereby new share capital was registered. The Company received conversion notices from bondholders representing NOK 15,000,000 Early Conversion Bonds, which pursuant to standard terms set out in the bond terms are convertible into 1,597,444 new shares in the Company.

On 2 March 2023, Norwegian paid the ETS penalty fee amount of close to NOK 400 million. Payment was made after the authorities had notified the Company that suspension of payment would not be granted. The Company disagrees with the authorities' decision to enforce payment prior to a conclusion being reached through legal proceedings given the principled nature of the matter. The Company will seek a return of this amount plus interest following a final conclusion. See Note 28 for further details.

On 24 April, Norwegian announced a landmark partnership with Norsk e-Fuel to build the world's first full scale e-fuel plant in Mosjøen, Norway. The plant will produce sustainable aviation fuels (SAF). The partnership is estimated to secure approximately 20 percent of Norwegian's total demand for SAF until 2030. In addition, Norwegian will invest more than NOK 50 million for a minority equity stake in the company

There have been no other material events subsequent to the reporting period that might have a significant effect on the consolidated financial statements for 2022.

FINANCIAL STATEMENTS OF THE PARENT COMPANY

INCOME STATEMENT 1.1 – 31.12

NOK million	*Note*	2022	2021
Passenger revenue		-	2,581.7
Ancillary passenger revenue		-	630.5
Other revenue		551.1	733.6
Total operating revenue	*3*	551.1	3,945.8
Personnel expenses	*4, 5, 20, 21*	69.5	449.3
Aviation fuel		-	893.2
Airport and ATC charges		0.3	519.0
Handling charges		-	470.1
Technical maintenance expenses		39.8	502.9
Other operating expenses	*6*	473.9	1,355.5
Other losses/(gains) - net	*7*	152.1	(5,389.1)
Total opex excl lease and depreciation		735.6	(1,199.1)
EBITDAR		(184.5)	5,144.9
Aircraft lease, depreciation and amortization	10, 11, 12	75.1	1,867.3
Impairment investment in subsidiaries incl. receivables	24	45.8	949.6
Operating profit (EBIT)		(305.4)	2,328.0
Interest income		739.2	126.9
Interest expense		(560.8)	(317.6)
Other financial income (expense)		498.5	11,315.0
Net financial items	*8*	676.8	11,124.3
Profit (loss) before tax (EBT)		371.5	13,452.3
Income tax expense (income)	*9*	309.0	458.5
Net profit (loss)		62.5	12,993.8
Effective tax rate		83 %	3 %
Basic earnings per share		0.07	24.8
Diluted earnings per share		0.06	18.6

STATEMENT OF COMPREHENSIVE INCOME 1.1 – 31.12

NOK million	*Note*	2022	2021
Net profit (loss)		62.5	12,993.8
Total comprehensive income for the period		62.5	12,993.8
Total comprehensive income attributable to:			
Equity holders of the Company		62.5	12,993.8

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

NOK million	*Note*	2022	2021
ASSETS			
Intangible assets	*10*	158.2	148.0
Deferred tax asset	*9*	1,342.7	1,616.2
Aircraft, parts and installations on leased aircraft	*11*	-	0.1
Equipment and fixtures	*11*	98.7	107.8
Buildings	*11*	235.3	246.7
Right-of-use buildings	*12*	124.0	173.7
Financial assets available for sale	*13*	3.7	3.7
Investments in subsidiaries	*14*	2,034.7	2,034.7
Other receivables	*15*	4,820.0	3,832.7
Total non-current assets		8,817.2	8,163.5
Trade and other receivables	*15*	10,772.7	2,201.3
Derivative financial instruments	*18*	19.9	0
Cash and cash equivalents	*16*	7,301.1	7,290.4
Total current assets		18,093.7	9,491.7
TOTAL ASSETS		26,910.9	17,655.3

NOK million	*Note*	2022	2021
EQUITY AND LIABILITIES			
Share capital	19	93.0	92.9
Share premium		25,437.7	25,424.3
Other paid-in equity		747.7	744.4
Perpetual bonds		1,800.3	1,808.0
Other reserves		1.2	1.2
Retained earnings		(16,543.9)	(16,520.5)
Total equity		11,536.1	11,550.2
Provision for periodic maintenance		-	16.9
Borrowings	22	3,390.1	3,303.6
Lease liability	12	126.1	171.4
Total non-current liabilities		3,516.2	3,491.9
Borrowings	22	121.8	125.0
Lease liability	12	13.9	20.4
Trade and other payables	23	11,701.3	2,467.7
Derivative financial instruments	18	21.7	-
Total current liabilities		11,858.6	2,613.1
Total liabilities		15,374.9	6,105.0
TOTAL EQUITY AND LIABILITIES		26,910.9	17,655.3

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 2021	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 on perpetual bonds	-	-	-	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
Profit for the year	-	-	-	-	-	-	62.5	62.5
Total comprehensive income 2022	-	-	-	-	-	-	62.5	62.5
Share issue	0.1	13.4	-	(13.6)	-	-	-	-
Convertible dividend claim issue	-	-	-	-	-	-	-	-
Capital decrease	-	-	-	-	-	-	-	-
Perpetual bonds issue	-	-	-	-	-	-	-	-
Payment-in-kind interest on perpetual bonds	-	-	-	85.9	85.9	-	(85.9)	-
Interest paid on perpetual bonds	-	-	-	(80.1)	(80.1)	-	-	(80.1)
Equity changes on employee options	-	-	3.3	-	3.3	-	-	3.3
Transactions with owners	0.1	13.4	3.3	(7.7)	9.2	-	(85.9)	(76.7)
Equity at 31 December 2022	93.0	25,437.7	747.7	1,800.3	28,078.9	1.2	(16,543.9)	11,536.1

STATEMENT OF CASH FLOWS 1.1 – 31.12

NOK million	*Note*	2022	2021
Profit (loss) before tax (EBT)		371.5	13,452.3
Taxes paid		(35.5)	-
Depreciation, amortization and impairment	*10, 11*	76.9	162.0
Compensation expense for employee options	*20*	3.3	13.2
Losses/(gains) on disposal of tangible assets		(10.6)	(4,587.7)
Fair value losses/(gains) on financial assets	*18*	1.8	(49.2)
Financial items	*8*	(676.8)	(11,124.3)
Change in inventories, accounts receivable and accounts payable		774.8	1,341.7
Change in air traffic settlement liabilities		-	(401.1)
Change in other current assets and current liabilities		(164.9)	1,230.5
Net cash flow from operating activities		340.6	37.4
Purchase of tangible assets	*11*	(26.0)	(19.1)
Purchase of intangible assets	*10*	(28.6)	(9.6)
Proceeds from sale of tangible assets	*11*	12.9	-
Net investment in subsidiaries	*14*	-	(2.5)
Net cash flow from investing activities		(41.7)	(31.2)
Payment of borrowings	*22*	(158.2)	(376.2)
Principal element of lease payments	*12*	(15.5)	(51.4)
Interest on borrowings and financing costs		(80.1)	(15.8)
Interest element of lease payments		(10.0)	(19.7)
Cash dividend to creditors		-	(377.7)
Proceeds from issuing new shares	*19*	-	5,862.9
Net cash flow from financial activities		(263.8)	5,022.1
Net change in cash and cash equivalents		35.1	5,028.4
Foreign exchange effect on cash		(24.4)	(181.1)
Cash and cash equivalents at 1 January		7,290.4	2,443.2
Cash and cash equivalents at 31 December	16	7,301.1	7,290.4

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.

NOTE 1: GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Norwegian Air Shuttle ASA is the parent in the Norwegian Group. The Company serves the purpose of holding company in the Norwegian Group, and contains the Group Management and Corporate Functions, in addition to serving other Group entities 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 2022 were authorized for issue by the Board of Directors on 26 April 2023. The annual shareholders meeting, to be held 23 May 2023, 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 7 February 2022.

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.

Derivative financial instruments and hedging activities
The Company holds derivative financial instruments such as jet fuel swap contracts to hedge the Group's jet fuel price risk. The Company does not have any own fuel consumption and has not designated any derivatives as hedging instruments for accounting purposes in 2022 or 2021. The Company's derivatives are classified within the category `financial assets/liabilities at fair value through profit or loss'.

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	**2022**	2021
By activity:		
Passenger transport	-	2,581.7
Ancillary revenue	-	630.5
Other revenue	**551.1**	733.6
Total operating revenue	**551.1**	3,945.8
Per geographical markets:		
Domestic Norway	**310.1**	1,770.3
Other	**241.0**	2,175.5
Total operating revenue	**551.1**	3,945.8

Revenue in 2022 is generated from the sale of administrative services to other group entities. In 2021, the Company was a low-cost airline, using its fleet of aircraft. The Company sold its airline operations to other group entities in 2021. 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 in 2021 consists of sales that are not directly related to an airline ticket, e.g. cargo and sales of third-party products.

NOTE 4: PAYROLL EXPENSES AND NUMBER OF EMPLOYEES

Breakdown of payroll and personnel expenses - employees

NOK million	**2022**	2021
Wages and salaries	**29.2**	339.8
Social security tax	**20.0**	41.0
Pension expenses	**6.9**	21.1
Employee stock options	**3.3**	13.2
Other benefits	**10.1**	14.4
Total	**69.5**	429.5

In 2022, NOK 3.0 million (2021: NOK 12.6 million) was charged as an expense to salaries, according to the stock option program (Note 20). The Company has a pension scheme covering all employees. The scheme is compliant with the act on occupational pensions (Note 21).

	2022	2021
Number of man-labor years	**117.6**	336.6

Breakdown of payroll and personnel expenses - employees and hired

NOK million	**2022**	2021
Personnel expenses - employees	**69.5**	429.5
Personnel expenses - hired - Full Scale Crew Services	**-**	19.7
Personnel expenses - hired	**-**	0.1
Total	**69.5**	449.3

NOTE 5: 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 6 in the Group's Consolidated Financial Statements.

NOTE 6: OTHER OPERATING EXPENSES

NOK million	**2022**	2021
Sales and distribution expenses	**1.3**	275.3
Other flight operation expenses	**11.0**	192.3
General and administrative expenses	**461.6**	887.8
Total other operating expenses	**473.9**	1,355.5

Other operating expenses amounts to NOK 473.9 million (2021: NOK 1,355.5 million). General and administrative expenses are related to the operating of systems, back office and consultants.

Auditor remuneration

NOK million excluding VAT	**2022**	2021
Audit fee	**7.5**	**9.6**
Other audit related services	**0.8**	**0.6**
Other services	**3.0**	**1.8**
Total	**11.3**	**12.0**

NOTE 7: OTHER LOSSES / (GAINS) – NET

NOK million	**2022**	2021
Net losses/(gains) on financial assets at fair value through profit or loss	**1.8**	(5.3)
Foreign exchange losses/(gains) on operating activities	**162.1**	(795.6)
Losses/(gains) on asset sale	**(10.6)**	(4,588.2)
Other	**(1.3)**	-
Total	**152.1**	(5,389.1)

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 8: NET FINANCIAL ITEMS

NOK million	**2022**	2021
Interest income	**739.2**	126.9
Interest expense leasing	**(10.0)**	(19.7)
Other interest expense	**(550.8)**	(300.6)
Net foreign exchange (loss) or gain	**(23.6)**	(483.2)
Restructuring effects	**-**	11,596.1
Fair value gain conversion rights	**-**	6.1
Financial gain debt to equity conversion	**-**	217.4
Other financial items	**522.0**	(18.7)
Net financial items	**676.8**	11,124.3

Other financial items for 2022 includes group contribution received of NOK 460.9 million.

NOTE 9: TAXES

The Company's tax expense consists of:

NOK million	**2022**	2021
Tax payable	**35.5**	0.2
Adjustments from previous year	**-**	0.5
Change in deferred tax	**273.5**	457.8
Income tax expense	**309.0**	458.5

Reconciliation from nominal to effective tax rate:

NOK million	**2022**	2021
Profit before tax	**371.5**	13,452.3
Expected tax expense (income) using nominal tax rate (22%)	**81.7**	2,959.5
Tax effect of the following items:		
Non-deductible expenses/income	**(117.5)**	(3,734.2)
Adjustments from previous year	**356.7**	(284.6)
Deferred tax asset not recognized	**(13.6)**	(793.9)
Restructuring effects on tax losses carried forward	**-**	2,300.3
Other items	**1.7**	11.4
Tax expense	**309.0**	458.5
Effective tax rate	**83.2 %**	3.4 %

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

NOK million	**2022**	2021
Intangible assets	**(50.6)**	28.0
Tangible assets	**(21.8)**	(19.8)
Receivables	**(3.5)**	(5.6)
Financial instruments	**(0.4)**	-
Deferred gains/losses	**628.9**	633.5
Other accruals	**-**	(1.1)
Other temporary differences	**203.6**	(323.6)
Net lease liabilities	**(3.5)**	(4.0)
Loss carried forward	**(2,095.4)**	(1,937.3)
Not recognized deferred tax	**-**	13.6
Net deferred tax liabilities (assets)	**(1,342.7)**	(1,616.2)

Reconciliation of net deferred tax liabilities (assets):

NOK million	**2022**	2021
Recognized at 1 January	**(1.616.2)**	(2,074.0)
Charged/credited to the income statement	**273.5**	457.8
Recognized at 31 December	**(1,342.7)**	(1,616.2)

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.

Adjustments from previous years consists of differences in deferred tax positions between the Company's annual report 2021 and its tax reporting finalized later in 2022.

NOTE 10: INTANGIBLE ASSETS

NOK million	Software	Goodwill	Other intangible assets	Total
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**
Acquisition costs 1 January 2022	512.6	95.8	27.0	**626.6**
Additions	28.6	-	-	**28.6**
Disposal	(8.6)	-	-	**(8.6)**
Acquisition costs 31 December 2022	532.6	95.8	27.0	**655.4**
Accumulated amortization 1 January 2021	462.8	-	4.6	**467.4**
Amortization	20.0	-	-	**20.0**
Accumulated amortization 31 December 2021	482.8	-	4.6	**487.4**
Accumulated amortization 1 January 2022	482.8	-	4.6	**487.4**
Amortization	18.1	-	-	**18.1**
Disposal	(8.4)	-	-	**(8.4)**
Accumulated amortization 31 December 2022	492.5	-	4.6	**497.1**
Book value at 31 December 2021	29.8	95.8	22.4	**148.0**
Book value at 31 December 2022	40.1	95.8	22.4	**158.2**

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 HR business in 2021.

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 Company 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. No indications of impairment have been identified in 2022.

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 10.5 percent (2021: 8.5 percent) and based on the Weighted Average Cost of Capital (WACC). The cost of the Company's debt and equity capital, weighted accordingly to reflect its capital structure, gives the Company'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.

NOTE 11: TANGIBLE ASSETS

NOK million	Buildings	Aircraft, spare parts and installations on leased aircraft	Equipment and fixtures	**Total**
Acquisition cost at 1 January 2021	289.3	650.8	505.6	**1,445.7**
Additions	-	13.7	5.4	**19.1**
Disposals	-	(45.5)	-	**(45.5)**
Acquisition cost at 31 December 2021	289.3	619.0	511.0	**1,419.3**
Acquisition cost at 1 January 2022	289.3	619.0	511.0	**1,419.3**
Additions	-	-	26.0	**26.0**
Disposals	(5.6)	(619.0)	(1.1)	**(625.8)**
Acquisition costs 31 December, 2022	283.8	-	535.8	**819.6**
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 on disposals	-	(28.1)	-	**(28.1)**
Accumulated depreciation at 31 December 2021	42.7	619.0	403.2	**1,064.8**
Accumulated depreciation at 1 January 2022	42.7	619.0	403.2	**1,064.8**
Depreciation	5.8	-	34.8	**40.6**
Depreciation disposals	-	(619.0)	(0.8)	**(619.8)**
Accumulated depreciation 31 December 2022	48.5	-	437.1	**485.6**
Book value at 31 December 2021	**246.6**	**0.1**	**107.8**	**354.5**
Book value at 31 December 2022	**235.3**	**-**	**98.7**	**334.0**

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

Buildings
Buildings consists of a hangar at Gardermoen airport. The hangar is estimated to have a useful life of 50 years and is depreciated linearly over is useful economic life. The residual value is NOK 0.

For information regarding assets pledged as collateral, see Note 17.

NOTE 12: LEASES

NOK million	Right-of-use buildings	Right-of-use aircraft, parts and installations	Total
Acquisition cost 1 January 2021	272.1	769.1	1,041.2
Disposals	(14.4)	(762.5)	(776.9)
Acquisition cost at 31 December 2021	257.7	6.6	264.3
Acquisition costs 1 January 2022	257.7	6.6	264.3
Disposals	(58.7)	(6.6)	(65.3)
Acquisition costs 31 December 2022	199.0	-	199.0
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
Accumulated depreciation 1 January 2022	84.0	6.6	90.6
Depreciation	18.1	0.0	18.1
Depreciation terminations	(27.1)	(6.6)	(33.7)
Accumulated depreciation 31 December 2022	75.0	-	75.0
Book value 31 December 2021	**173.7**	**-**	**173.7**
Book value 31 December 2022	**124.0**	**-**	**124.0**

Per 31. December 2022, the Company has recognized two leasing contracts for properties in accordance with IFRS 16. The disposals in 2022 relate to transfer of leasing contracts to other Group entities.

Lease liabilities

NOK million	**2022**	2021
Opening balance	**191.3**	783.3
Terminations	**-**	(523.4)
Disposals	**(35.2)**	-
Accrued interest expense	**10.0**	19.7
Interest paid	**(10.0)**	(19.7)
Payment of lease liabilities	**(15.5)**	(51.4)
Currency differences	**(1.0)**	(16.7)
Lease liabilities 31 December	**140.0**	191.8
Due within one year	**13.9**	20.4
Due after one year	**126.1**	171.4

The Company had in 2022 short-term and/or leases of low-value items for cars and 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 5.7 million in 2022 (2021: NOK 68.7 million).

The following amounts are recognized in the income statement in 2022:

NOK million	**2022**	2021
Expenses relating to short-term leases	**-**	33.9
Expenses relating to low-value leases	**0.1**	0.2
Variable lease payments	**5.6**	34.7
Total	**5.7**	68.7

NOTE 13: INVESTMENTS IN FINANCIAL ASSETS

Norwegian Air Shuttle ASA has the following investments in financial assets (NOK million):

Entity	Country	Industry	Ownership interest 31.12.22	Fair value 31.12.21	Net gain in OCI 2022	Fair value 31.12.22
Norwegian Block Exchange AS	Norway	Payment solutions	3.58 %	21.0	–	3.6

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

Norwegian Block Exchange AS (NBX) was introduced on Euronext Growth Stock Exchange December 2021. The share was traded at NOK 1.47 per share on 31 December 2022. Norwegian owns 2,446,400 shares in the company.

NOTE 14: 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 Resources Latvia SIA	12 Aug 2020	Riga, Latvia	2,800	100 %
Norwegian Support Office Denmark ApS	21 Dec 2021	Kastrup, Denmark	40	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 Arl.,Sweden	500	100 %
Norwegian Crew Resources Latvia SIA	25 Nov 2022	Riga, Latvia	2,800	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	5,000	100 %
NAS Support Office Barcelona S.L	23 Dec 2021	Barcelona, Spain	30	100 %
Norwegian Air Resources Sweden AB	28 Aug 2013	St.holm Arl.,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 Arl.,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 %
Red Handling Norway AS	1 Mar 2021	Fornebu, Norway	3,000	100 %
Norwegian Air Resources SSC US Corp	8 Jun 2018	New York, USA	1	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 %
Ifjorden Ltd	25 Jun 2019	Dublin, Ireland	1	100 %
Sykkylvsfjorden Limited	17 Jun 2022	Dublin, Ireland	1	100 %
Ranfjorden Ltd	14 Dec 2022	Dublin, Ireland	1	100 %
RED Maintenance Spain S.L.	27 Jan 2017	Madrid, Spain	3,000	100 %

Transactions during the year

During 2022, the following transactions were carried out:

New establishments/investments:

- Norwegian Crew Resources Latvia SIA
- Sykkylvsfjorden Limited
- Ranfjorden Ltd

Liquidation/voluntary liquidation:

- Norwegian Air International Limited
- Arctic Leasing No.2 Limited

NOTE 15: TRADE AND OTHER RECEIVABLES

Specifications of receivables

NOK million	**2022**	2021
Trade receivables	**7.2**	15.8
Intercompany receivables	**15,455.8**	5,622.5
Deposits	**51.7**	18.7
Reimbursements claims maintenance costs	**2.3**	(5.5)
Other claims	**14.5**	96.6
Trade and other receivables	**15,531.5**	5,748.2
Prepaid costs	**41.4**	206.6
Public duty-receivables	**16.2**	73.2
Prepayments to employees	**3.5**	6.0
Prepayments	**61.1**	285.8
Total	**15,592.6**	6,034.0
Maximum credit risk	**15,531.5**	5,632.8

Due dates, nominal value of receivables

NOK million	**2022**	2021
Within one year	**10,772.6**	**2,201.3**
After one year	**4,820.0**	**3,832.7**
Total	**15,592.6**	**6,034.0**

Receivables denominated in foreign currency are converted using the prevailing exchange rates on the reporting date. Refer to Note 24 for further information on transactions and outstanding balances with other group companies.

NOTE 16: CASH AND CASH EQUIVALENTS

Cash and cash equivalents

NOK million	**2022**	2021
Cash in bank and demand deposit	**4,757.5**	4,268.5
Cash equivalents	**2,543.6**	3,021.9
Total	**7,301.1**	7,290.4

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 2022, the interest terms of the main cash deposits in folio accounts for the two cash pools are 1 month NIBOR +0.05 percent p.a. and NOWA +0.05 percent p.a.

NAS has provided parent company guarantees for certain subsidiaries.

Restricted cash

NOK million	**2022**	2021
Guarantees for leases and credits from suppliers	**302.0**	258.8
Safety deposits on defined benefit plan	**340.3**	329.9
Slots proceeds	**-**	237.8
Taxes withheld	**8.7**	9.4
Fuel hedge pledged account	**81.8**	-
Dividend claims	**42.5**	-
Total	**775.3**	835.8

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 17: ASSETS PLEDGED AS COLLATERAL AND GUARANTEES

Liabilities secured by pledge

NOK million	**2022**	2021
Bond issue	**447.3**	700.0
Total	**447.3**	700.0

The Company has pledged the following assets:

- Pledge of the shareholding by NAS Eire Invest AS in Norwegian Air Norway AS. The shares have a book value of NOK 750 million.
- Pledged Account (including both present and future credit balances, any interest and any commission payable thereon).

For references to pledged assets, see Note 11 and for borrowings related to those assets, see Note 22.

NOTE 18: 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
Derivative financial instruments	-	19.9	-	19.9
Trade and other receivables *)	15,531.5	-	-	15,531.5
Cash and cash equivalents	7,301.1	-	-	7,301.1
Total 2022	**22,836.4**	19.9	-	**22,856.2**
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**

**) Prepayments not included in trade and other receivables was NOK 61.1 million in 2022 and NOK 285.8 million in 2021.*

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 liabilitiesat amortized cost	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through OCI	**Total**
Liabilities per balance sheet				
Borrowings	3,511.9	-	-	3,511.9
Derivative financial instruments	-	21.7	-	21.7
Lease liabilities	140.0	-	-	140.0
Trade and other payables *)	11,686.5	-	-	11,686.5
Total 2022	**15,338.5**	**21.7**	**-**	**15,360.1**
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**

**) Public duties not included in trade and other payables was NOK 14.7 million in 2022 and NOK 2.1 million in 2021.*

The accounting policies for financial instruments have been applied to the line items below:

Credit quality of financial asset

NOK MILLION	**2022**	2021
Trade receivables		
Counterparties with external credit rating A or better	-	-
Counterparties without external credit rating	**15,531.6**	5,748.2
Total trade receivables	**15,531.6**	5,748.2
Cash and cash equivalents		
A+ or better	**4,757.5**	4,268.5
BBB +	**2,543.6**	3,021.9
Total cash and cash equivalents	**7,301.1**	7,290.4
Derivative financial assets		
A+ or better	**19.9**	-
Total derivative financial assets	**19.9**	-

Investments in financial assets

NOK million	**2022**	2021
1 January	**3.7**	3.7
Additions	**-**	-
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

	2022		2021	
NOK million	**Assets**	**Liabilities**	Assets	Liabilities
Forward commodities contracts	19.9	21.7	-	-
Total	**19.9**	**21.7**	**-**	-
Non-current portion:	-	-	-	-
Current portion	19.9	21.7	-	-

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 2022 were negative NOK 1.8 million (2021: NOK 0). At 31 December 2022, the Company had secured 132,600 metric tons of jet fuel (2021: none) through forward contracts.

NOTE 19: SHAREHOLDER'S EQUITY AND SHAREHOLDER INFORMATION

Refer to Note 20 in the Group's consolidated financial statements.

NOTE 20: OPTIONS

Refer to Note 21 in the Group's consolidated financial statements.

NOTE 21: 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 6.9 million in 2022 (2021: NOK 21.1 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 is compliant with the Occupational Pensions Act.

NOTE 22: BORROWINGS

Nominal value at 31 December 2022

NOK million	Nominal Value	Unamortized effective interest cost	Book value	Effective interest rate
Term facility	134.5	-	134.5	5.3 %
Bond issue	569.2	-	569.2	0.9 %
Retained claims bonds	3,705.4	(966.1)	2,739.3	9.4 %
Other non-current debt	68.9	-	68.9	0.0 %
Total	4,478.1	(966.1)	3,512.0	

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	

Classification of borrowings

NOK million	**2022**	2021
Non-current		
Term facility	**134.5**	134.9
Bond issue	**447.4**	575.0
Retained claims bonds	**2,739.3**	2,524.9
Other non-current debt	**68.9**	68.9
Total	**3,390.2**	3,303.6
Current		
Bond issue	**121.8**	125.0
Total	**121.8**	125.0
Total borrowings	**3,512.0**	3,428.7

Collateralized borrowings are detailed in Note 17.

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 14.
- 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	121.8	202.1	2,011.7	2,142.3
Total liabilities at 31 December 2022	**121.8**	**202.1**	**2,011.7**	**2,142.3**
Borrowings	125.0	154.5	162.2	4,212.1
Total liabilities at 30 December 2021	**125.0**	**154.5**	**162.2**	**4,212.1**

NOTE 23: TRADE AND OTHER PAYABLES

NOK million	**2022**	2021
Accrued vacation pay	**37.8**	36.8
Accrued airport and transportation taxes	**-**	7.0
Accrued expenses	**16.6**	96.2
Trade payables	**18.9**	56.5
Intercompany liabilities	**10,483.3**	1,536.5
Public duties	**14.7**	2.1
Other current provisions	**1,129.9**	732.6
Total	**11,701.3**	2,467.7

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 2022.

NOTE 24: 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 6 in the Consolidated Financial Statements for details on key management compensations and Note 21 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 2022	Current	Non-current
Trade & other receivables – nominal amount	10,988.9	4,816.7
Trade & other receivables – book value	10,639.1	4,816.7
Payables	10,483.3	-

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 sales (-) and purchases (+)	**2022**	2021
Sales and financial revenue	1,094.9	795.0
Purchases and financial expenses	237.0	2,195.5
Dividend	460.9	2.5
Impairment of trade and other receivables	45.8	903.6
Impairment of investment in subsidiaries	-	46.0

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 have been assessed and impairment intercompany receivables have been performed accordingly.

No loans or guarantees have been issued to related parties in 2022 or 2021.

Transactions and balances with other related parties
No transactions were carried out with related parties.

NOTE 25: CONTINGENCIES AND LEGAL CLAIMS

Refer to Note 28 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 26: EVENTS AFTER THE REPORTING PERIOD

Refer to Note 30 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.

DECLARATION FROM THE BOARD OF DIRECTORS AND CEO

We confirm to the best of our knowledge that:

- the consolidated financial statements for 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations, as adopted by the EU and the additional requirements of the Norwegian Accounting Act as of December 31, 2022,
- the financial statements for the parent company for 2022 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 7 February 2022

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.

Fornebu, 26 April 2023

Board of Directors of Norwegian Air Shuttle ASA

/s/ Svein Harald Øygard
Chair

/s/ Ingrid Elvira Leisner
Director

/s/ Lars Rahbæk Boilese
Director

/s/ Sondre Gravir
Director

/s/ Torstein Hiorth Soland
Director (employee representative)

/s/ Eric Holm
Director (employee representative)

/s/ Katrine Gundersen
Director (employee representative)

/s/ Geir Karlsen
Chief Executive Officer

INDEPENDENT AUDITORS REPORT

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 as at 31 December 2022, 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 as at 31 December 2022, 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 as at 31 December 2022, 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, 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 Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway 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 3 years from the election by the general meeting of the shareholders on 30 June 2020 for the accounting year 2020.

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

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. *Carrying value of aircraft and right of use aircraft* and *Recoverability of deferred tax asset* involve similar complexity and risks as the previous year and continues to be key areas of focus for the 2022 audit.

Key Audit Matters	How our audit addressed the Key Audit Matter
Carrying value of aircraft and right of use aircraft	
We refer to note 1 and note 13 where management describes their impairment process. The carrying value of aircraft, parts and installations on leased aircraft, and right-of-use aircraft, parts and installations, amounted to NOK 1,087.5 million and NOK 5,522.0 million, respectively on 31 December 2022. Management reviews the Group's assets for impairment whenever there are indicators of impairment. An impairment test was performed at year end. The test did not result in recognition of impairment charges in 2022. The impairment test required exercise of management judgement, mainly related to estimating future cash flows and determining the applied discount rate. We focused on these matter because of the level of management judgement involved.	We obtained an understanding of management's process for impairment tests. 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 assessed the mathematical integrity of management's impairment model. We challenged management's use of assumptions in the future cash flow estimate. The most significant assumptions include ticket revenue, fuel cost and discount rate. We found that the estimates were based on a detailed budgeting process and cash flow forecasts. We tested the appropriateness and accuracy of management's budgeting by comparing the input used to actual historical 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 estimated future cash flows were also compared to business forecasts and approved budgets by the Board of Directors. Based on our testing and discussions with management, we found management's budgeting for the purpose of this impairment test, to be reasonable. 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 13 and found that the disclosures appropriately explained management's valuation

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INDEPENDENT AUDITORS REPORT

Recoverability of deferred tax asset

We refer to note 10 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 1,900.7 million on 31 December 2022.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it no longer is 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 judgement, 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 judgement involved.

process and the uncertainties inherent in the most important management's assumptions.

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 estimates of future taxable income. We found that the estimates were based on a detailed budgeting process. We tested the appropriateness and accuracy of management's budgeting by comparing the input used to actual historical 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 has been 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 10 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 appear to be materially misstated. We are required 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 statutory 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 and the Group's internal control.

INDEPENDENT AUDITORS REPORT

- 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's 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 Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Norwegian Air Shuttle ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "nasasa-2022-12-31-en" have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the

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preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

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, 27 April 2023
PricewaterhouseCoopers AS

Thomas Whyte Gaardsø
State Authorised Public Accountant

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BOARD & MANAGEMENT

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 independept board member.

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. He 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 Frende Forsikring, Fædrelandsvennen and Finn.no. Mr. Gravir has been a member of the board since 2018. Mr. Gravir is re-elected for the period 2022-2024 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. He has a Bachelor's degree in Business Economics from Aarhus School of Business in Denmark and a Postgraduate Diploma from Kolding Business School. Mr. Boilesen has been elected for the period 2021-2023 and is an independent board member.

BOARD OF DIRECTORS

INGRID ELVIRA LEISNER
Director

Ingrid Elvira Leisner (born 1968) has long experience as head of audit committees and member of a number of 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. She has a Bachelor in Business Administration from University of Texas in Austin, USA. Ms. Leisner has been a member of the board since 2019. Ms. Leisner is re-elected for the period 2021-2023 and 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 was elected for the period 2022-2024 and was an independent board member. Ms. Browne resigned as board member December 2022.

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 Director of Norwegian's Board from 2016-2018 and was elected as Director in 2019. Ms. Gundersen is re-elected for the period 2022-2024.

BOARD OF DIRECTORS

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. Mr. Holm has been a member of the board since 2019. Mr. Holm is re-elected for the period 2022-2024.

TORSTEIN HIORTH SOLAND

Director, employee representative

Mr. Torstein Hiorth 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 2019-2022. Mr. Soland is elected for the period 2022-2024.

MANAGEMENT

GEIR KARLSEN
Chief Executive Officer (CEO)

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
Chief Financial Officer (CFO)

Hans-Jørgen Wibstad (born 1964) was appointed Chief Financial Officer in May 2022. He has more than 20 years' experience from various CFO and senior management roles within industry/engineering, shipbuilding, shipping and offshore. From 2019-2022 he was CFO in Multiconsult ASA and from 2012-2017 he was CFO in Kongsberg Gruppen ASA. Mr Wibstad has broad experience from the financial markets, including having worked as a corporate banker for several years with Danske Bank, Credit Agricole and Nordea. He holds a Master of Business Administration (MBA) from the University of Colorado at Boulder, USA.

MAGNUS THOME MAURSUND
Chief Commercial Officer (CCO)

Magnus Thome Maursund (born 1981) was appointed Executive Vice President (EVP) for Network, Pricing & Optimisation in October 2021.Maursund 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. Maursund has a MSc in Economics from BI Norwegian Business School, with a specialization in strategy.

MANAGEMENT

CHRISTOFFER SUNDBY

Chief Marketing & Customer Officer (CMCO)

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.

GURO H. POULSEN

Chief People Officer (CPO)

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

Chief Communications and Public Affairs Officer (CCPAO)

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. She was the Deputy Director General in The Norwegian Ministry of Finance between 1996 and 2004 and 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

MANAGEMENT

ADRIAN DUNNE

Chief Operations Officer (COO)

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. Adrian has a Master of Science Degree in Aviation Management and Leadership from Dublin City University.

KNUT OLAV IRGENS HØEG

Chief IT & Business Services Officer (CIBSO)

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).

TORE JENSSEN

Chief Asset Officer (CAO)

Mr. Tore Jenssen (born 1978) was appointed Senior Vice President (SVP) of Arctic Aviation Assets DAC in 2020. Mr. Jenssen joined Norwegian in 2007 as cost controller for the company's technical department. From 2010 Mr. Jenssen worked as Fleet Director, and in 2013 he moved to Ireland to become Chief Operating Officer of Norwegian's fully owned asset company, Arctic Aviation Assets DAC (AAA). From 2015 to 2020 he was the CEO & Accountable Manager for Norwegian Air International Ltd (NAI) in Ireland and from 2019 to 2020 also Chief Operating Officer for Norwegian Group. Before he started his career at Norwegian he worked for Grilstad. Mr. Jenssen has a MSc in Business from Bodø Graduate School of Business.

APPENDIX

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) 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). 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) adjusted for other losses/(gains)-net	Enables comparability of profitability regardless of capital structure or taxsituation, 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).	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) 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
Operating expenses excl. other losses /(gains), depreciation and lease	Total operating expenses not including other losses/(gains) depreciation, amortization, impairment and lease expenses	A measure of operating expenses that includes leasing but is not affected by other losses /(gains) depreciation, amortization, impairment and lease expenses, relevant to monitor the company's ability to reduce operating expenses during the COVID-19 pandemic and disregarding certain highly volatile and certain fixed costs

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 (EBT) to EBT 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

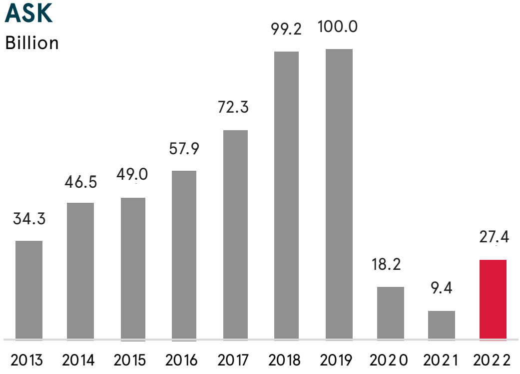
Item	Description
Aircraft lease expenses	Lease and rental expenses on aircraft including both dry leases and wet leases
Ancillary revenue per passenger	Ancillary passenger revenue divided by number of passengers
ASK / Production	Available seat kilometres. Number of available passenger seats multiplied by flight distance
Average sector length	Total flown distance divided by number of flights
Book equity per share	Total equity divided by number of shares outstanding
CO2 per RPK	Amount of CO2 emissions divided by RPK
Constant currency	A currency exchange rate that excludes the impact of exchange rate fluctuations from comparable period, e.g. 2019 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*
RPK	Revenue passenger kilometres. Number of sold seats multiplied by flight distance
Unit cost	Total operating expenses, excluding impairment and other losses/(gains)-net, divided by ASK
Unit cost excl fuel	Total operating expenses, excluding impairment, other losses/(gains)-net and aviation fuel expenses, divided by ASK
Unit revenue - ticket	Passenger ticket revenue divided by ASK
Unit revenue - total	Passenger ticket revenue and flight related ancillary revenue divided by ASK
Yield - ticket	Passenger ticket revenue divided by RPK. A measure of average fare per kilometre
Yield - total	Passenger ticket revenue and flight related ancillary revenue divided by RPK. A measure of average passenger revenue per kilometre

ANALYTICAL INFORMATION

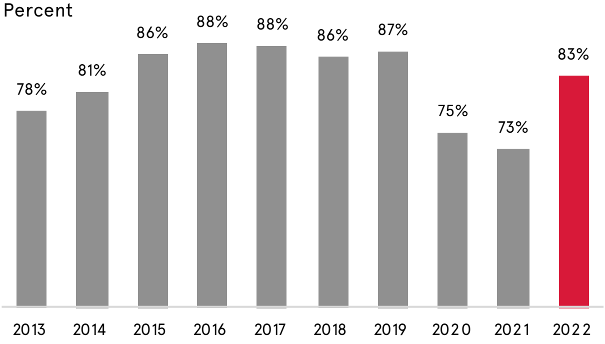
	"Incl. IFRS 16"									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating revenue (NOK million)	18,869	5,068	9,096	43,522	40,266	30,948	25,951	22,491	19,534	15,580
EBITDAR* (NOK million)	1,254	(1,516)	(4,755)	7,313	2,171	3,948	5,958	3,694	1,186	2,784
EBITDAR* excl other losses/(gains) (NOK million)	1,247	(2,254)	(1,751)	6,468	3,165	3,516	5,278	4,169	1,770	2,295
EBIT (NOK million)	1,502	(2,786)	(23,768)	856	(3,851)	(2,002)	1,821	348	(1,412)	970
Profit (loss) before tax (EBT) (NOK million)	1,046	1,876	(22,133)	(1,688)	(2,490)	(2,562)	1,508	75	(1,627)	438
Net profit (loss) (NOK million)	1,005	1,871	(23,040)	(1,609)	(1,454)	(1,794)	1,135	246	(1,072)	319
Earnings per share (NOK) - Basic*	1.0	3.5	(1,022.1)	(12.6)	(19.5)	(28.5)	18.0	4.0	(17.3)	5.2
Earnings per share (NOK) - Diluted*	0.9	2.7	(1,022.1)	(12.6)	(19.5)	(28.5)	17.9	3.9	(17.3)	5.1
Equity ratio	18.5%	17.4%	-13.4%	4.7%	3.0%	5.0%	11.0%	9.4%	9.0%	19.0%
Net interest-bearing debt*	2,326	1,683	40,222	58,282	31,917	22,265	21,151	17,131	11,273	4,346
Cash and cash equivalents (NOK million)	7,759	7,695	2,667	3,096	1,922	4,040	2,324	2,454	2,011	2,166
Yield - ticket revenue	0.67	0.57	0.47	0.41	0.38	0.39	0.42	0.44	0.43	0.50
Yield - total	0.79	0.69								
Unit revenue - ticket	0.56	0.41	0.36	0.35	0.33	0.34	0.36	0.38	0.35	0.39
Unit revenue - total	0.66	0.51								
Unit cost (CASK)	0.71	0.91	0.94	0.43	0.43	0.45	0.43	0.44	0.44	0.44
Unit cost (CASK) excluding fuel	0.44	0.76	0.83	0.31	0.31	0.35	0.34	0.34	0.30	0.30
ASK (million)	27,382	9,437	18,168	100,031	99,220	72,341	57,910	49,028	46,479	34,318
RPK (million)	22,757	6,869	13,680	86,616	85,124	63,320	50,798	42,284	37,615	26,881
Load factor	83.1%	72.8%	75.2%	86.6%	85.8%	87.5%	87.7%	86.2%	80.9%	78.3%
Passengers (million)	17.8	6.2	6.9	36.2	37.3	33.1	29.3	25.8	24.0	20.7
Block hours	11.0	9.0	9.8	12.4	12.5	11.4	11.3	11.6	11.6	11.5
Average sector length (km)	1,163	1,035	1,385	1,876	1,843	1,607	1,473	1,407	1,338	1,168
Fuel consumption (metric tonnes)	555	193	362	1,918	1,956	1,465	1,190	1,015	966	735
Number of aircraft (at year end)	70	51	131	156	164	144	116	99	95	85

KEY OPERATIONAL FIGURES

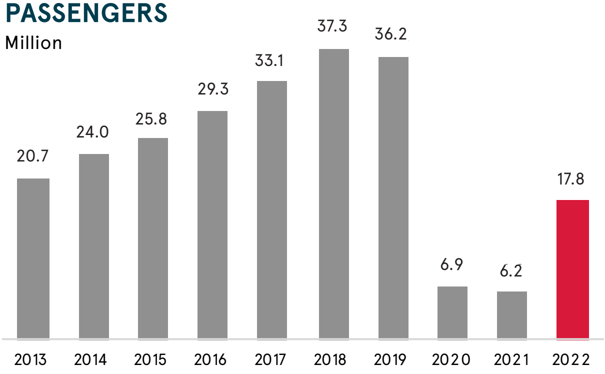
ASK
Billion



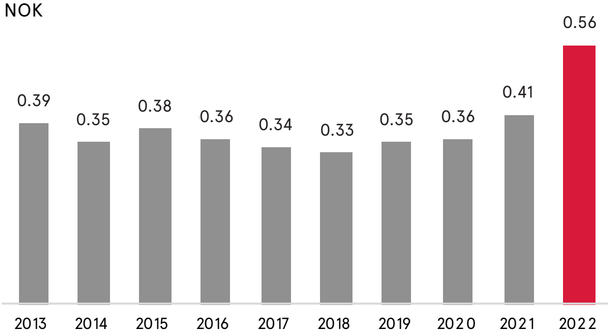
LOAD FACTOR
Percent



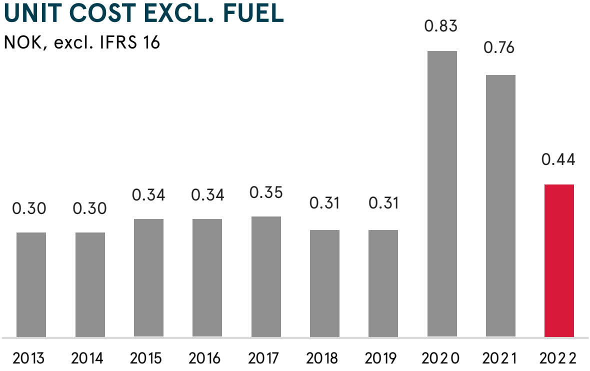
PASSENGERS
Million



UNIT REVENUE – TICKET
NOK

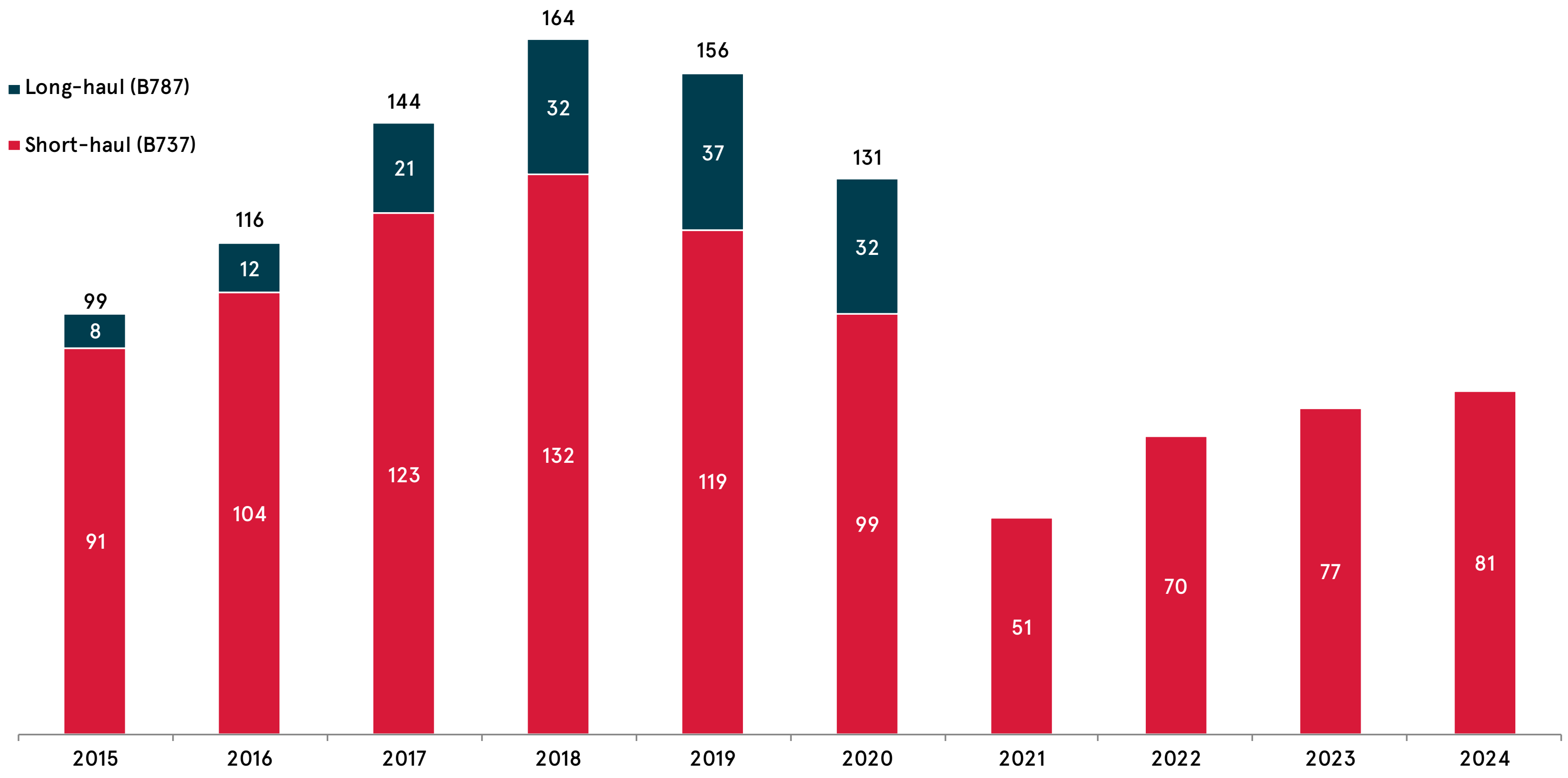


UNIT COST EXCL. FUEL
NOK, excl. IFRS 16



HISTORIC, CURRENT AND PLANNED FLEET

Number of aircraft operated by Norwegian at year-end 2015-2022 and planned fleet year-end 2023-2024



GRI INDEX

The Global Reporting Initiative is a leading standard for sustainability reporting. The framework consists of principles, guidance and performance indicators that can be used to measure and report on economic and environmental, social and governance (ESG) topics. Norwegian refers to GRI in this report, but does not report in accordance with the standard with effective date of 1 January 2023. Further information on the reporting standard can be found on www.globalreporting.org.

Statement of use	Norwegian Air Shuttle ASA has reported information cited in this GRI index for the period 01.01.2022-31.12.2022 with reference to the GRI standards.	
GRI 1 used	GRI 1: Foundation 2021	

GRI Standard	Disclosure	Norwegian Air Shuttle reporting for 2022	Annual Report page
GRI 2: General Disclosures 2021			
	2-1 Organizational details	Annual Report - Board of Directors Report: "Group Overview", "Corporate Structure"	8-10
	2-2 Entities included in the organization's sustainability reporting	Annual Report - Board of Directors Report: "Corporate Structure"	9-10
	2-3 Reporting period, frequency and contact point	Reporting period 01.01.2022-31.12.2022, annual reporting frequency, contact point: jesper.hatletveit@norwegian.com, investor.relations@norwegian.com	
	2-5 External assurance	Independent Report on Greenhouse Gas (GHG) Statement	45
	2-6 Activities, value chain and other business relationships	Annual Report - Environmental, Social & Governance (ESG): "Transparency Act", "Supply Chain Management"	26, 40-41
	2-7 Employees	Annual Report - Environmental, Social & Governance (ESG): "Social"	30-36
	2-9 Governance structure and composition	Annual Report - Corporate Governance	47-52
	2-10 Nomination and selection of the highest governance body	Annual Report - Corporate Governance: "Nomination Committee"	50
	2-11 Chair of the highest governance body	Chair of Board of Directors Svein Harald Øygard	124
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report - Corporate Governance: "The Work of the Board of Directors"	50
	2-13 Delegation of responsibility for managing impacts	Annual Report - Corporate Governance: "The Work of the Board of Directors", "Risk Management and Internal Control"	50-51
	2-14 Role of the highest governance body in sustainability reporting	Annual Report - Environmental, Social & Governance (ESG): "ESG Governance" Signing of the Report of the Board of Directors and the Financial Statements	23, 119
	2-15 Conflicts of interest	Annual Report - Corporate Governance: "Equal Treatment of Shareholders and Transactions with Close Associates"	48-49
	2-18 Evaluation of the performance of the highest governance body	Annual Report - Corporate Governance: "The Work of the Board of Directors"	50
	2-19 Remuneration policies	Remuneration Policy www.norwegian.no/om-oss/selskapet/investor-relations/annual-general/	
	2-20 Process to determine remuneration	Remuneration Policy, page 2 www.norwegian.no/om-oss/selskapet/investor-relations/annual-general/	

	2-22 Statement on sustainable development strategy	Annual Report - Environmental, Social & Governance (ESG): "Environmental Sustainability"	36-40
	2-23 Policy commitments	Annual Report - Letter from the CEO Annual Report - Board of Directors Report: "Climate-related Risks", "Environmental, Social and Governance"	4, 15-16, 18-19
	2-24 Embedding policy commitments	Annual Report - Environmental, Social & Governance (ESG): "ESG Governance", "Flight Safety"	23-28
	2-25 Processes to remediate negative impacts	Annual Report - Environmental, Social & Governance (ESG): "Flight Safety", "Discrimination & Harassment"	27-28, 35-36
	2-26 Mechanisms for seeking advice and raising concerns	Annual Report - Environmental, Social & Governance (ESG): "Health, Safety and Environment", "Discrimination & Harassment"	28-30, 35-36
	2-27 Compliance with laws and regulations	Annual Report - Board of Directors Report: "Safety and Compliance", Corporate Governance"	11, 19
	2-29 Approach to stakeholder engagement	Annual Report - Environmental, Social & Governance (ESG): "Materiality Assessment"	24
	2-30 Collective bargaining agreements	Annual Report - Environmental, Social & Governance (ESG): "Remuneration"	33-34
GRI 3: Material Topics 2021			
	3-1 Process to determine material topics	Annual Report - Environmental, Social & Governance (ESG): "Materiality Assessment"	24
	3-2 List of material topics	Annual Report - Board of Directors Report: "Environmental, Social and Governance" Annual Report - Environmental, Social & Governance (ESG): "Materiality Assessment"	18-19, 24
GRI 201: Economic Performance 2016			
	201-1 Direct economic value generated and distributed	Annual Report - Board of Directors Report: "The Share"	16
	201-2 Financial implications and other risks and opportunities due to climate change	Annual Report - Board of Directors Report: "Climate Related Risks"	15-16
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report - Note 22: Pensions	92-93
GRI 203: Indirect Economic Impacts 2016			
	203-2 Significant indirect economic impacts	Annual Report - Board of Directors Report: "Climate Related Risks" Annual Report - Environmental, Social & Governance (ESG): "Carbon Efficiency"	15-16, 37-38
GRI 205: Anti-corruption 2016			
	205-2 Communication and training about anti-corruption policies and procedures	Annual Report - Corporate Governance: "Business"	47-48
GRI 305: Emissions 2016			
	305-1 Direct (Scope 1) GHG emissions	Annual Report - Environmental, Social & Governance (ESG): "Accountability" Annual Report - Carbon Accounting Report 2022	40, 44
	305-2 Energy indirect (Scope 2) GHG emissions	Annual Report - Environmental, Social & Governance (ESG): "Accountability" Annual Report - Carbon Accounting Report 2022	40, 44
	305-3 Other indirect (Scope 3) GHG emissions	Annual Report - Environmental, Social & Governance (ESG): "Accountability" Annual Report - Carbon Accounting Report 2022	40, 44
	305-5 Reduction of GHG emissions	Annual Report - Environmental, Social & Governance (ESG): "Carbon Efficiency"	37-38
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Annual Report - Carbon Accounting Report 2022	42-44
GRI 306: Waste 2020			
	306-2 Management of significant waste-related impacts	Annual Report - Environmental, Social & Governance (ESG): "Waste Resource Optimisation"	38-39

GRI 308: Supplier Environmental Assessment 2016			
	308-1 New suppliers that were screened using environmental criteria	Annual Report - Environmental, Social & Governance (ESG): "Supply Chain Management"	40-41
GRI 401: Employment 2016			
	401-3 Parental leave	Annual Report - Environmental, Social & Governance (ESG): "Parental leave and part-time"	34
GRI 403: Occupational Health and Safety 2018			
	403-1 Occupational health and safety management system	Annual Report - Environmental, Social & Governance (ESG): "Flight Safety", "Health, Safety and Environment"	27-29
	403-2 Hazard identification, risk assessment, and incident investigation	Annual Report - Environmental, Social & Governance (ESG): "Flight Safety", "Health, Safety and Environment"	27-29
	403-3 Occupational health services	Annual Report - Environmental, Social & Governance (ESG): "Data Protection"	41
	403-4 Worker participation, consultation, and communication on occupational health and safety	Annual Report - Environmental, Social & Governance (ESG): "Flight Safety", "Health, Safety and Environment"	27-29
	403-5 Worker training on occupational health and safety	Annual Report - Environmental, Social & Governance (ESG): "Health, Safety and Environment"	27-29
	403-6 Promotion of worker health	Annual Report - Environmental, Social & Governance (ESG): "Health, Safety and Environment"	27-29
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Annual Report - Environmental, Social & Governance (ESG): "Health, Safety and Environment"	27-29
	403-9 Work-related injuries	Annual Report - Environmental, Social & Governance (ESG): "Health, Safety and Environment"	28
GRI 405: Diversity and Equal Opportunity			
	405-1 Diversity of governance bodies and employees	Annual Report - Environmental, Social & Governance (ESG): "Diversity, Equality & Inclusion" Annual Report - Corporate Governance: "Board of Directors, Composition and Independence"	31-32, 50
	405-2 Ratio of basic salary and remuneration of women to men	Annual Report - Environmental, Social & Governance (ESG): "Remuneration"	33-34
GRI 413: Local Communities 2016			
	413-1 Operations with local community engagement, impact assessments, and development programs	Annual Report - Environmental, Social & Governance (ESG): "Local Communities & Humanitarian Engagement"	30
GRI 414: Supplier Social Assessment 2016			
	414-1 New suppliers that were screened using social criteria	Annual Report - Environmental, Social & Governance (ESG): "Supply Chain Management"	40-41
GRI 415: Public Policy 2016			
	415-1 Political contributions	Norwegian Air Shuttle does provide financial support to any policitical party or politician	
GRI 416: Customer Health and Safety 2016			
	416-1 Assessment of the health and safety impacts of product and service categories	Annual Report - Environmental, Social & Governance (ESG): "Flight Safety"	27-28

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