norwegian

Annual report 2023

Contents

Letter from the CEO

2023 was a great year for Norwegian, with remarkable achievements and significant progress in several areas. By year-end, we had 4,470 employees taking care of our business. During the full year, Norwegian had more than 20 million passengers, an increase of 16 percent from the previous year. Our airline was among the best carriers in Europe on punctuality and regularity, much due to the operational excellence demonstrated through all seasons of the year.

Our flexible structure and lean operational model have yielded results. The financial position has improved throughout the year, and our production has been adequately adapted to the increased demand. Furthermore, we have onboarded many new colleagues, and we increased our fleet size.

Norwegian reported NOK 2.2 billion in operating profit (EBIT) last year, the highest operating profit in company history. This result is a 49 percent increase compared to the 2022 figures. In 2023, our total revenue was NOK 25.5 billion, which is a 35 percent increase compared with the previous year. Our fleet was expanded from 70 to 87 aircraft, and our solid financial position allows us to hedge fuel at attractive levels.

Operationally, 2023 was a good and eventful year for Norwegian. The busy summer season was characterised by a remarkably strong operational performance, while we at the same time ramped-up to manage the increased demand. The month of July marked the highest peak, with 2.3 million passengers and a load factor of 92.4 percent. Cirium, the global aviation consultancy, ranked Norwegian Air Shuttle (DY) as Europe's top performer on regularity in 2023. It also named Norwegian among Europe's most punctual airlines for the full year. This shows that our continued efforts pay off, and we appreciate that regularity and punctuality are weighty considerations for our increasing number of customers when choosing to fly with Norwegian.

Norwegian has increased its presence in all markets, most notably in our Nordic home market. During the high season, we had close to 300 routes to 114 unique destinations on offer. April 5th marked Norwegian's 20-year anniversary with international flights.

Further developing our leading position

In April last year, we announced a landmark partnership with Norsk e-Fuel. The company plans to build what could be the world's first full scale e-fuel plant in Mosjøen, Norway. E-fuels are manufactured using captured carbon dioxide, together with green hydrogen obtained from sustainable electricity sources. The EU has decided that e-Fuels is going to make up 35 percent of all aviation fuel sourced in Europe in 2050. This kind of sustainable aviation fuel will be crucial in contributing to reaching our goal of a 45 percent CO2 emission reduction by 2030. Norwegian obtained a minority ownership stake in Norsk e-Fuel in January 2024.

Last summer, we announced an agreement to acquire Widerøe, Scandinavia's largest regional carrier. Mainly operating the short-runway airports in rural Norway, Widerøe operates several state contract routes in addition to its own commercial network. The acquisition was approved by the competition authorities in late December last year, and the ownership transfer of the 90 year old airline was executed in the beginning of January 2024. The closer cooperation between the two airlines will create a streamlined and more comprehensive offer for all customers, and we look forward to offering seamless travel across both route networks.

In March last year, Norwegian insourced parts of the ground handling services at Oslo Airport Gardermoen. Since then, Norwegian Red Handling has successfully managed customer facing positions at check-in, boarding and arrivals.

Geir Karlsen
– Chief Executive Officer

We are now in the process of expanding the insourcing of similar services at other airports, most notably in Copenhagen. Going forward, we will reap the benefits from ground handling services synergies by maximising the utilisation of Norwegian's and Widerøe's ground handling organisations.

In June 2023, we announced our plans of establishing a joint company together with Strawberry, which will provide a wider selection of services to the members of our respective loyalty programmes. The new company will create a common loyalty currency and a platform where members can earn and use loyalty points across different programmes. The entity will be jointly owned by Norwegian and Strawberry, each retaining an equal ownership stake. We plan for a launch in 2024.

Norwegian has an ambition of becoming an even more attractive choice for business travellers, and 2023 saw a continued increase in clients and travellers. In addition to signing agreements with a large number of companies, Norwegian was also awarded a four-year contract with the Norwegian defence sector. The agreement took effect in January 2024, and covers around 250,000 journeys a year for employees in the Armed Forces, the Ministry of Defence and the Norwegian Defence Materiel Agency.

Last year, we continued to renew and expand our fleet. In the beginning of the year, we entered into an agreement of leasing six Boeing 737 MAX 8. This agreement counteracted the delivery delays for other aircraft that were due to be delivered at that time. The MAX 8 is at least 14 percent more fuel-efficient than the 737-800 model, significantly reducing our carbon footprint.

At Norwegian, we always strive for implementing new measures to reduce our carbon footprint. In addition to the Norsk e-Fuel project, we implement different kinds of sustainable best practices. To us, environmental sustainability is not about doing good, it is about doing what is expected from us – by ourselves and our community. Reducing emissions is simply a question about how to do it, not if. We join other actors in this industry in hunting for solutions that are viable also financially. At the same time, we consider low-emission flying as a license to future operations.

The Danish government has announced its goal of having one "green domestic route" in Denmark by 2025. To address this, Norwegian and Aalborg Airport proved that operating flights with fossil-free aviation fuel on a large scale is possible already. Norwegian therefore purchased fossil-free aviation fuel in October last year in amounts large enough to power the equivalent of 100 flights between Aalborg and Copenhagen.

For 2023, Norwegian improved the company score in the global climate ranking done by the Carbon Disclosure Project (CDP). Norwegian received an overall score B and the highest possible score in the categories for risk management processes, risk disclosure, and in reporting and verification of direct and indirect energy supply emissions. It is both rewarding and motivating to see that our measures lead to improvement in more categories, confirming our strategy works.

"Thinking of 2023, I am reminded of the invaluable contributions made by our our dedicated colleagues"

Norwegian's most important flight of the year was bound for drought-hit Ethiopia in March 2023. The flight marked the return of Norwegian and UNICEF's "Fill a Plane" initiative. Our entire plane was loaded with emergency aid for children affected by the severe drought, leading to the region's worst hunger crisis in 40 years.

This was the sixth time Norwegian, in collaboration with UNICEF Norway, sent a plane with emergency aid to one of the world's major crisis zones. Our newest 737 MAX 8 aircraft was loaded with 10 tonnes of emergency aid from UNICEF's warehouse in Copenhagen. Norwegian's long-standing partnership with UNICEF goes back to 2007 and is a great source of pride internally at Norwegian. Most importantly, we see that our contributions have meaningful and immediate results.

Looking ahead

The scene is set for 2024 to become a year where Norwegian can further build on the leading position we have achieved over the last years. Our growing route network to popular destinations all over Europe forms the basis for a compelling product offering. We anticipate operating a fleet of around 90 aircraft this summer, and our ground handling operation is even stronger than last year. Our excellent planning and everyday execution at our integrated operation control centre, combined with our skilled and dedicated crew, paves the way for high regularity and punctuality also this high season.

As we progress the fleet renewal process, we provide opportunities to further expand our operations and to meet customers' needs for a comfortable, modern and less carbon-intensive service offering.

Thinking of 2023, I am reminded of the invaluable contributions made by our dedicated colleagues. Their hard work has been instrumental in our achievements, allowing us to strengthen our presence across all of our key markets. Without their dedication, our progress would not have been possible.

At Norwegian, our focus remains on delivering exceptional customer experiences, and to maintaining strong relationships and upholding our responsibilities to our customers, shareholders, and the broader community. With Widerøe onboard our team, we diversify our business, making us able to develop and offer full-fledge services to our customers.

As we look to the future, I am optimistic about the opportunities that lie ahead and confident in our ability to navigate them together.

Board of Directors' Report

Board of Directors' Report

The year of 2023 has been a strong year for Norwegian, characterised by operational performance as one of the best carriers in Europe for punctuality and regularity. An attractive and growing network, strong operational performance has, together with dedicated colleagues that put the customers at the heart of operations, ensured that Norwegian has captured significant market shares during the year, both for leisure and corporate travel. Norwegian recorded a record high operating margin of 9 percent in 2023, a demonstration of the improved underlying results from the flexible and lean operational model.

Operating profit (EBIT) for Norwegian in 2023 was NOK 2,232 million, up from NOK 1,502 million in 2022 and the highest operating profit in company history. The corresponding operating margin was 9 percent, also a record high for the company. Profit before tax (EBT) amounted to NOK 1,804 million, compared to NOK 1,046 million in 2022. The liquidity position improved during the year with cash and cash equivalents amounting to NOK 9.5 billion at year-end, up NOK 1.7 billion from year-end 2022. Revenue increased by 35 percent compared to the previous year, a result of increased production, a higher load factor and increased yield. Carbon efficiency, measured by grams of CO_2 emissions per revenue passenger kilometre (RPK), was 75 grams in 2023, a 2.5 percent improvement from last year.

Norwegian had 20.6 million passengers in 2023, up 16 percent from 17.8 million passengers in 2022. The capacity, measured by available seat kilometres (ASK), was 32.3 billion in 2023, representing an 18 percent increase from the previous year. Passenger traffic, measured by RPK, amounted to 27.4 billion seat kilometres. The load factor was 84.7 percent, an increase of 1.6 percentage points from the previous year. Punctuality, shares of flights departing on schedule, was 81.5 percent, while regularity, shares of scheduled flights taking place, was 99.5 percent.

The Norwegian fleet comprised 87 aircraft at year-end, up from 70 aircraft at year-end 2022. A total of 20 aircraft were latest technology 737 MAX 8 aircraft, up from two the previous year. The average aircraft utilisation for 2023 was 72 aircraft, up from 61 aircraft in 2022. The lowest utilisation recorded in the first quarter with an average of 64 aircraft being utilised, while the highest was during the third quarter with an average of 80 aircraft being utilised. Each aircraft was on average utilised 10.9 block hours per day.

Total passengers in 2023

20.6

million

In the first quarter of 2023, Norwegian reduced its production to match capacity to the seasonally lower demand while at the same time preparing for a busy summer season. To improve customer experience at Oslo Airport Gardermoen, Norwegian insourced customer facing ground handling services and welcomed 150 new colleagues. The company also secured six latest generation Boeing 737 MAX 8 aircraft on lease, helping to counteract delivery delays from Boeing and ensuring that Norwegian did not require external wet-lease capacity for the summer 2023 season.

In the second quarter 2023, Norwegian announced a landmark partnership with Norsk e-Fuel to build the world's first full scale e-fuel plant in Mosjøen, Norway. The partnership is estimated to secure approximately 20 percent of Norwegian's total demand for SAF by 2030, and Norwegian is due to invest more than NOK 50 million for a minority equity stake in the venture. In June, Norwegian announced a new partnership with Strawberry, formerly Nordic Choice Hotels, to establish a joint company for loyalty programmes.

In July, Norwegian announced an agreement to acquire Widerøe, the regional carrier in Norway with a fleet predominantly consisting of 45 turboprop aircraft, for a cash consideration of NOK 1,125 million, subject to certain closing conditions. The transaction was approved by the Norwegian Competition Authority (NCA) in December and completed in January 2024 following a comprehensive review where the NCA initially warned of a preliminary halt to the transaction. The transaction will create an improved customer offering with better connectivity and a seamless end-to-end travel experience, in addition to being accretive for Norwegian's shareholders through the realisation of synergies and added diversification through Widerøe's PSO routes.

In the third quarter of 2023, Norwegian delivered one of its strongest quarterly results in the company's history. Also in the third quarter, the global aviation consultancy Cirium, placed Norwegian as one of the top three most punctual airlines in Europe. This, in combination with a very low number of cancellations, were key contributors to customer surveys showing passengers regard Norwegian as an airline they can trust. In August, Norwegian was awarded a four-year contract with the Norwegian Armed Forces for the defence sector's air travel in Norway and the Nordics.

In the fourth quarter of 2023, following the escalation of Israeli-Palestinian conflict, Norwegian cancelled all flights to Tel Aviv from October onwards, but operated evacuation flights to bring Norwegians home. In December, an extraordinary general meeting decided to grant the Board of Directors an authorisation to decide on dividend for 2022 of up to NOK 0.25 per share. The distribution is subject to approval from holders of the company's debt instruments and the Board has proposed to set up a dividend fund if approval is not obtained.

"Top Five Punctual Airline in Europe"

- Cirium

Cirium, the global aviation consultancy, named Norwegian Air Shuttle (DY) the fifth most punctual airline in Europe in 2023. The strong on-time performance and regularity have been key reasons for why many corporate customers have chosen to fly with Norwegian during 2023. The number of recorded business travellers was in the fourth quarter above pre-pandemic levels when considering a comparable route network. At the Grand Travel Awards, Norwegian was named ʽBest Airline in Europe' and ʽBest Domestic Airline'.

"Best Airline in Europe"

- Grand Travel Awards

In the global climate ranking by Carbon Disclosure Project (CDP) for 2023, Norwegian was awarded an overall score of B, an improvement of the B- score received for 2022. The company received the highest possible score for emissions verification and risk disclosure. 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.

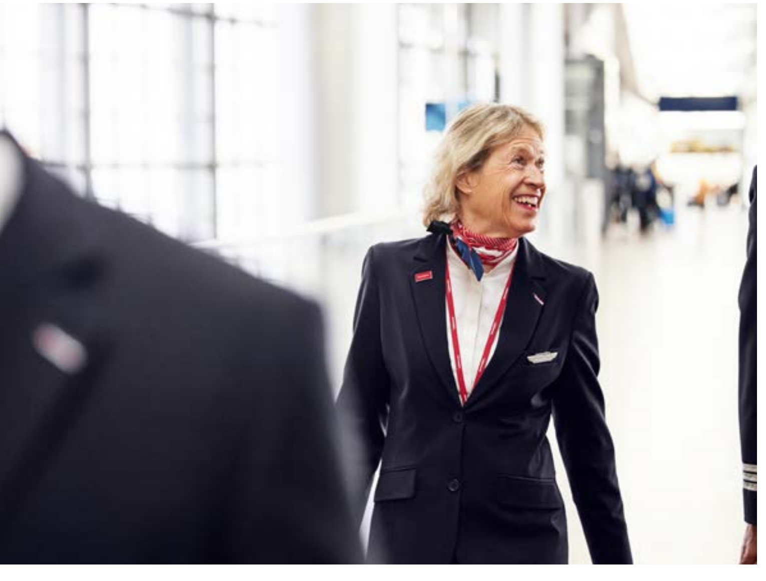
Key events 2023

- In February, Norwegian completed a repurchase of the Retained Claims Bonds for an aggregate nominal value of NOK 485 million at a price of 72.5 percent.
- Also In February, Norwegian entered into agreement to lease six Boeing 737 MAX 8 aircraft with delivery ahead of the summer 2023 season.
- March marked the start of the summer 2023 season with close to 300 routes to 114 different destinations
- Norwegian insourced customer facing handling services at Oslo airport Gardermoen from March and welcomed new colleagues to the organisation.
- In April, Norwegian announced a landmark partnership and investment with Norsk e-Fuel to build the world's first full scale e-fuel plant in Mosjøen, Norway.
- In June, Norwegian and Strawberry announced its plan to create a new partnership to establish a joint company for loyalty programmes.
- In July, Norwegian announced that it had reached an agreement to acquire regional carrier Widerøe.
- In August, it was announced that Norwegian was awarded four-year contract with the Norwegian Armed Forces, one of the largest corporate contracts in the Nordics.
- In September, Norwegian redeemed the NAS13 bond as part of an ongoing process to ensure that the company has a capital structure fit-for-purpose.
- In November, Norwegian settled a trademark dispute with Bank Norwegian, ensuring the continuation of the parties' CashPoints collaboration.
- Also in November, the Norwegian Competition Authority (NCA) warned of a possible halt to the acquisition of Widerøe.
- In December, an extraordinary general meeting authorised to Board of Directors to decide on distribution of up to NOK 0.25 per share for 2022.
- Also in December, the NCA gave its go-ahead for Norwegian to complete the acquisition of Widerøe.

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 2023, the company and its subsidiaries employed 4,470 employees at its headquarters and ten operational bases across five countries, Norway, Sweden, Denmark, Finland and Spain. Figures include apprentices and temporary employees in administrative positions.

In January 2024, Norwegian completed the acquisition of Widerøe, a regional carrier based in Norway. Following this, Widerøe AS and its subsidiaries became part of the Norwegian Group.



Business strategy

Norwegian has long been recognised as an industry leader in low-cost travel, winning numerous awards during its over 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 all 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, routes from the Nordics to key European and closely adjacent destinations, and a select few routes outside the Nordics. 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 travel needs. The company's vision 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 above 300 of the historically strong performing routes. The network also ensures that the company maintains the strong presence and connectivity that the customers highly value.

The company is a leading carrier for leisure-oriented traffic in the Nordics and has in recent years also been taking significant market share within the corporate travel 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.

In December 2023, Norwegian got the go-ahead to acquire Widerøe, a major regional carrier in Norway with around 3,500 employees and a fleet of 48 aircraft, of which 45 turbo-propelled aircraft. Widerøe holds a market share of approximately 20 percent in the domestic market in Norway and has a significant Public Service Obligation (PSO) operation for routes operated on government demand. The acquisition of Widerøe will enable the airlines to link highly complementary route networks, enabling both an improved overall offering with more travel options and seamless travel across networks.

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 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 and regularity close to 100 percent. Cirium, the global aviation consultancy, named Norwegian as one of Europe's most punctual airlines in 2023.

Regularity in 2023

99.5%

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 frequent flyer offering with new and added benefits launched in 2023.

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 high utilisation and low operational costs. Through a leaner organisation and more flexible agreements, the company is well 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 consistently receive 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 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

Norwegian launched its new mission, vision and values in 2022, in conjunction with the company's 20-year anniversary. 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 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.

For 2023, the group does not report profit per entity. 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 Commercial division, and in particular the Revenue Management team and the Sales & Distribution team to ensure maximum sales performance.

Operations
At year-end 2023, Norwegian had two 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, while the fully owned subsidiary Norwegian Air Sweden AB (NSE), based in Stockholm, Sweden, holds 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 that is fully aligned with the company's business plan and strategy.

Norwegian's commercial airline activities are operated through local bases in the following countries: Norway, Sweden, Denmark, Finland and Spain. During the first half of 2024, the company opened a local base in Riga, Latvia.

Red Handling carries out ground handling services in Spain and at Oslo Airport. 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), while Red Handling Norway carries customer facing services at Oslo Airport (OSL). From the first half of 2024, Red Handling will also carry out customer facing services at Copenhagen Airport (CPH).

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

Norwegian is the largest low-cost carrier in the Nordic market and among the top two largest airlines in the core markets where it operates, Norway, Sweden, Denmark and Finland. It is a leading carrier both for domestic air travel, travel between Nordic countries and for travel to city and beach destinations across Europe and closely adjacent locations.

Demand for Norwegian's air travel offering has been strong and robust throughout 2023. While many consumers in the company's key markets have been impacted by increased inflation and interest rates, Norwegian's customers have continued to prioritise air travel. Norwegian recorded a 16 percent growth in the number of passengers for 2023, demonstrating that an increasing number of passengers have chosen to fly with Norwegian, both for leisure and business travel purposes.

In the first months of 2023, Norwegian reduced capacity in accordance with seasonally lower demand during the winter season. By adapting capacity to the quieter winter trading period, Norwegian was able to support unit revenues and minimise cash-burn in the part of the year when demand is softer.

Following a successful ramp-up through the spring of 2023, passenger demand grew significantly across all markets into the peak summer travel season, prompting improving yields, a high load factor and a historically high unit revenue. When entering the winter trading period during the fourth quarter, the company again reduced its capacity to match seasonal demand fluctuations. Demand during this period was stronger than anticipated, resulting in a marked increase in load factor from the previous year.

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 high value compared to other carriers 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 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 2023 and have never had a fatal accident throughout its history. The group had no critical personnel injuries during 2023. The safety level is always managed in accordance with regulatory requirements and 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. At year-end 2023, the total fleet comprised 87 aircraft, 67 Boeing 737-800 NG aircraft and 20 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 suppliers 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 provide component access and repair support, while heavy engine maintenance is undertaken by GE Aerospace.

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 statements in accordance with the IFRS Accouting Standards (IFRS) and IFRIC interpretatons, as adopted by the EU and the additonal requirements of the Norwegian Accouting Act as of 31 December 2023.

The preparation of the accounts and application of the chosen accounting principles involve using assessments and estimates which 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 Executive Management when preparing the financial statements.

Consolidated income statement
The group's total operating revenue for 2023 was NOK 25,539 million, an increase of 35 percent from NOK 18,869 million in 2022. Passenger revenue accounted for NOK 20,617 million, compared to NOK 15,198 million in 2022. Ancillary passenger revenue amounted to NOK 3,700 million, compared to NOK 2,870 million in 2022. Other revenue amounted to NOK 1,223 million, compared to NOK 802 million in 2022 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 0.64 for 2023, up 15 percent from NOK 0.56 in 2022, a result of both a higher yield and an improved load factor. Unit revenue including flight related ancillary revenues was NOK 0.75. Ticket revenue yield was NOK 0.75, compared to NOK 0.67 in 2022. Yield including flight related ancillary revenues was NOK 0.89. Ancillary revenue per passenger was NOK 179, up 12 percent from NOK 161 in 2022.

Unit ticket revenue

↑15%

from last year

Norwegian had 20.6 million passengers in 2023, up 16 percent form 17.8 million in 2022. The average sector length was 1,222 kilometres, an increase of 5 percent compared with 2022.

Total operating expenses excluding depreciation, amortization and aircraft lease amounted to NOK 19,785 million in 2023, up 20 percent from NOK 16,506 million in 2022. Aviation fuel accounted for 39 percent of total operating expenses excluding depreciation, amortization and aircraft lease, a reduction from 45 percent in 2022. Unit cost, which excludes other losses/(gains) and includes aircraft lease, was NOK 0.72, up 1 percent from NOK 0.71 in 2022. Unit cost excluding fuel was NOK 0.48, compared to NOK 0.44 in 2022.

Operating profit excluding lease, depreciation and amortization (EBITDAR) amounted to NOK 5,754 million in 2023, compared to NOK 2,363 million in 2022. EBITDAR excluding other losses/(gain) was NOK 5,789 million, compared to NOK 2,356 million in 2022. Other losses/(gains) amounted to a net loss of NOK 35 million, compared to a net gain of NOK 7 million in 2022, and primarily relates to currency effects from the translation of monetary operating assets and liabilities.

Aircraft lease, depreciation and amortization amounted to NOK 3,522 million in 2023, up from NOK 2,960 million in 2022, predominately a result of the addition of latest technology 737 MAX 8 aircraft. Aircraft lease, depreciation and amortization also includes depreciation related to heavy maintenance for leased aircraft following a change in accounting policy from 2023 and applied retrospectively for 2022. Please refer to note 30 for additional information.

Operating profit before interest and taxes (EBIT) amounted to NOK 2,232 million in 2023, compared to NOK 1,502 million in 2022. Operating profit in 2022 was positively impacted by the partial reversal of NOK 2,099 million in previously paid in pre-delivery payment (PDP) against a purchase order for 50 Boeing 737 MAX 8 aircraft placed in the second quarter of 2022. The EBIT margin was 9 percent, up from 8 percent in 2022.

Operating profit

2,232

million

Net financial items amounted to negative NOK 428 million in 2023, compared with a negative NOK 456 million in 2022. Interest expenses amounting to NOK 848 million in 2023 included NOK 544 million in interest expense on lease liabilities recognised according to IFRS 16. Other financial income (expense) amounted to a net gain of NOK 189 million.

Profit before tax (EBT) amounted to NOK 1,804 million in 2023, compared to NOK 1,046 million in 2022. Net profit after tax amounted to NOK 1,737 million, compared to NOK 1,005 million in 2022. Earnings per share was NOK 1.70 in 2023, compared to NOK 0.99 in 2022. Diluted earnings per share was NOK 1.54, compared to NOK 0.89 in 2022. The Board of Directors' proposed dividend provision of NOK 0.60 per share for 2023 corresponds to a payout ratio of 35 percent, an increase from the dividend provision for 2022 of NOK 0.25 per share that corresponded to a payout ratio of 25 percent. Distribution of dividends for both 2022 and 2023, in total corresponding to an aggregate amount of NOK to an aggregate amount of NOK 820 million, is subject to approval from the company's shareholders and holders of the company's debt instruments.

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 5,773 million at the end of 2023, an increase of NOK 1,569 million from NOK 4,203 million at year-end 2022. The equity ratio was 18.9 percent, up from 18.5 percent at year-end 2022.

Total non-current assets amounted to NOK 17,506 million at the end of 2023, compared to NOK 12,625 million at year-end 2022. Right-of-use aircraft assets amounted to NOK 9,818 million, up from NOK 5,522 million at year-end 2022. Prepayment for ordered aircraft amounted to NOK 3,072 million and related to the purchase order of 50 Boeing 737 MAX 8 aircraft placed in the second quarter of 2022. Deferred tax assets amounted to NOK 1,901 million, unchanged from year year-end 2022 and primarily related to carry-forward of tax losses.

Total current assets amounted to NOK 13,044 million at the end of 2023, compared to NOK 10,045 million at year-end 2022. Trade and other receivables amounted to NOK 2,313 million, compared to NOK 2,185 million at year-end 2022. Holdback as share of air traffic settlement was 16 percent at year-end, down from 39 percent at year-end 2022. Cash and cash equivalents amounted to NOK 9,478 million at year-end, corresponding to an increase of NOK 1,719 million from year-end 2022.

Total non-current liabilities amounted to NOK 15,817 million at the end of 2023, compared to NOK 10,842 million at year-end 2022. Non-current debt amounted to NOK 12,312 million, of which NOK 2,622 million related to the zero coupon Retained Claims Bonds and NOK 8,689 million to lease liabilities. Other non-current liabilities amounting to NOK 3,505 million, of which NOK 3,163 million related to provision for periodic maintenance.

Total current liabilities amounted to NOK 8,960 million at the end of 2023, compared to NOK 7,624 million at year-end 2022. Air traffic settlement liabilities amounted to NOK 3,203 million, compared to NOK 2,549 million at year-end 2022. Trade and other payables amounted to NOK 3,859 million, of which CashPoint Liabilities related to Norwegian Reward amounted to NOK 567 million.

Capital structure

Net interest-bearing debt at the end of 2023 amounted to NOK 4,548 million. Compared to year-end 2022, net-interest bearing debt increased by NOK 2,221 million, predominantly a result of the sourcing of additional aircraft, recognised in the balance sheet through lease obligations and right-of-use assets. A total of 87 aircraft were accounted for in the balance sheet though leased and owned aircraft, up from 70 aircraft at the end of 2022. 20 aircraft were latest technology 737 MAX 8 aircraft, up from two at year-end 2022.

The group's gross interest-bearing debt amounted to NOK 14,025 million at the end of 2023, compared to NOK 10,085 million at year-end 2022. Included in gross interest-bearing debt were bond issues of NOK 2,622 million, aircraft financing of own aircraft amounting to NOK 1,021 million, lease liabilities of NOK 10,280 million and other debt of NOK 102 million. A total of NOK 935 million in principle bond repayments were completed during 2023 through the repurchase of the Retained

Claims Bonds in February and the redemption of the NAS13 bond in September.

Equity at the end of 2023 amounted to NOK 5,773 million, compared to NOK 4,203 million at year-end 2022. The corresponding equity ratio was 18.9 percent, up from 18.5 percent at year-end 2022.

Cash flow
Cash and cash equivalents amounted to NOK 9,478 million at the end of 2023, an increase of NOK 1,719 million from NOK 7,759 million at year-end 2022.
Cash flow from operating activities in 2023 amounted to positive NOK 5,258 million, compared to positive NOK 2,426 million in 2022. Air traffic settlement liabilities increased by NOK 654 million during the year, compared to an increase of NOK 1,224 million in 2022.

Changes in inventories, accounts receivable and accounts payable had a negative cash flow effect in the amount of NOK 63 million, compared to a positive cash flow effect of NOK 62 million in 2022.

Cash flow from investing activities in 2023 amounted to negative NOK 578 million and included the purchase of two spare engines. For 2022, cash flow from investing activities amounted to negative NOK 801 million.

Cash flow from financing activities in 2023 amounted to negative NOK 2,967 million, compared to negative NOK 1,561 million in 2022. Principal payment for leases amounted to NOK 1,460 million, compared to NOK 891 million in 2022. Principal repayments amounting to NOK 1,052 million included the redemption of the NAS13 bond and repurchase of the Retained Claims Bonds for a combined cash outflow of NOK 820 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 at times be challenging to manage, 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 ticket 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 and euro.

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 price 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 from borrowings with floating interest rate and cash and cash equivalents with floating interest rate. Floating interest rate borrowings consist of bonds and loan facilities. Fixed interest rate borrowings consist of commercial debt for aircraft and aircraft lease liabilities. 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 is 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, in addition to DKK and SEK. 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, management 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 period up to 24 months. At the end of 2023, 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 general 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 option structures. For 2024, the management has an updated mandate to hedge up to 60 percent of expected fuel consumption. At the end of 2023, the group had hedged approximately 50 percent of the projected fuel consumption for 2024 and 15 percent for 2025 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 towards suppliers and 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 allocation of 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 CO_2 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. In March 2023, the company was notified that suspension of payment for this fee would not be granted, despite the fee being subject to legal proceedings. To avoid enforcement, the company has made a payment corresponding to the fee amount, an amount that the company will seek a return of plus interest following a final conclusion. 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 the OSEFX Mutual Fund Index. From September 2023, the share was included in the OBX Index which comprises the 25 companies on the Oslo Stock Exchange with the highest turnover.

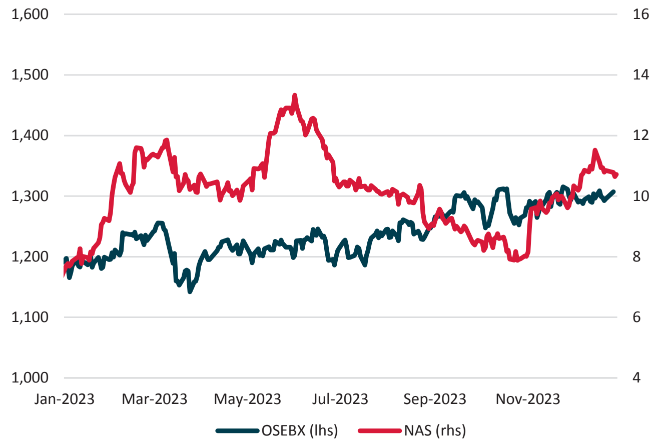
The company has one class of shares, and all shares carry equal voting rights. As of year-end 2023, the company's share capital amounted to NOK 96,177,090.60 divided between 961,770,906 shares, each with a nominal value of NOK 0.10. The group's articles of association have no limitations regarding the trading of Norwegian Air Shuttle ASA's shares on the Oslo Stock exchange. During the year, 31,781,167 new shares were issued, solely related to exercised share conversions of the New Capital Perpetual Bonds. At year-end, the outstanding New Capital Perpetual Bonds were convertible into approximately 162 million new shares.

As of year-end 2023, the Company had 79,882 shareholders, compared to 80,815 shareholders at year-end 2022. The 20 largest shareholders held 55.1 percent of the outstanding shares, down from 62.3 percent at year-end 2022.

The Norwegian share had a closing price on the Oslo Stock Exchange of NOK 10.72 as of year-end 2023, compared to a closing price of NOK 7.344 as of year-end 2022, representing a positive return of 46 percent. In the same period, the Oslo Stock Exchange OSEBX Index increased 10 percent, while the US S&P 500 Index increased 24 percent. The Norwegian share also performed better than the majority of its main competitors. The average number of Norwegian shares traded on the Oslo Stock Exchange in 2023 was 6.42 million per day, compared to 6.19 million in 2022, while the average daily turnover was NOK 64.1 million. Norwegian had a market capitalisation of NOK 10.3 billion at year-end.

Norwegian has not paid out dividends during the last four years. An extraordinary general meeting December 2023 authorised the Board to distribute dividends of up to NOK 0.25 per share for 2022. For 2023, the Board of directors intends to propose to the general meeting of 2024 a dividend of NOK 0.60 per share. Distribution of dividends for both 2022 and 2023, in total corresponding to an aggregate amount of NOK 820 million, is subject to approval from holders of the company's debt instruments. If such approval is not obtained, the Board proposes to set aside the amount in a dividend fund for later distribution.

Share price development 2023



Changes in the board of directors and group management

Svein Harald Øygard was re-elected as Chair of the Board of Directors at the Annual General Meeting on 23 May 2023. Lars Boilesen and Ingrid Elvira Leisner were re-elected as Board members, while Katherine Jane Sherry was elected as new Board member.

Adrian Dunne resigned as Chief Operations Officer (COO) with effect from July 2023. He was replaced by Henrik Fjeld and Per Gunnar Lyckander as interim COOs.

Sondre Gravir resigned as Board member at an Extraordinary General Meeting in December 2023. The General Meeting elected to replace Mr. Gravir with Stephen Kavanagh.

Events after 31 December 2023

On 8 January, holders of the company's Retained Claims Bonds voted in favour of certain amendment to the bond terms in order to facilitate operational flexibility for Widerøe and ascertaining stand-alone financing to support Widerøe as a separate business unit.

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

There have been no other material events subsequent to the reporting period that may have a significant effect on the consolidated financial statements for 2023.

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. Adverse effects in relation to the onset of pandemics or unforeseen security events may impact the company's operations.

The current macroeconomic environment is uncertain with volatile energy and fuel prices, inflationary pressure, fluctuations in foreign exchange rates, the ongoing war in Ukraine, the Israeli-Palestinian conflict, 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.

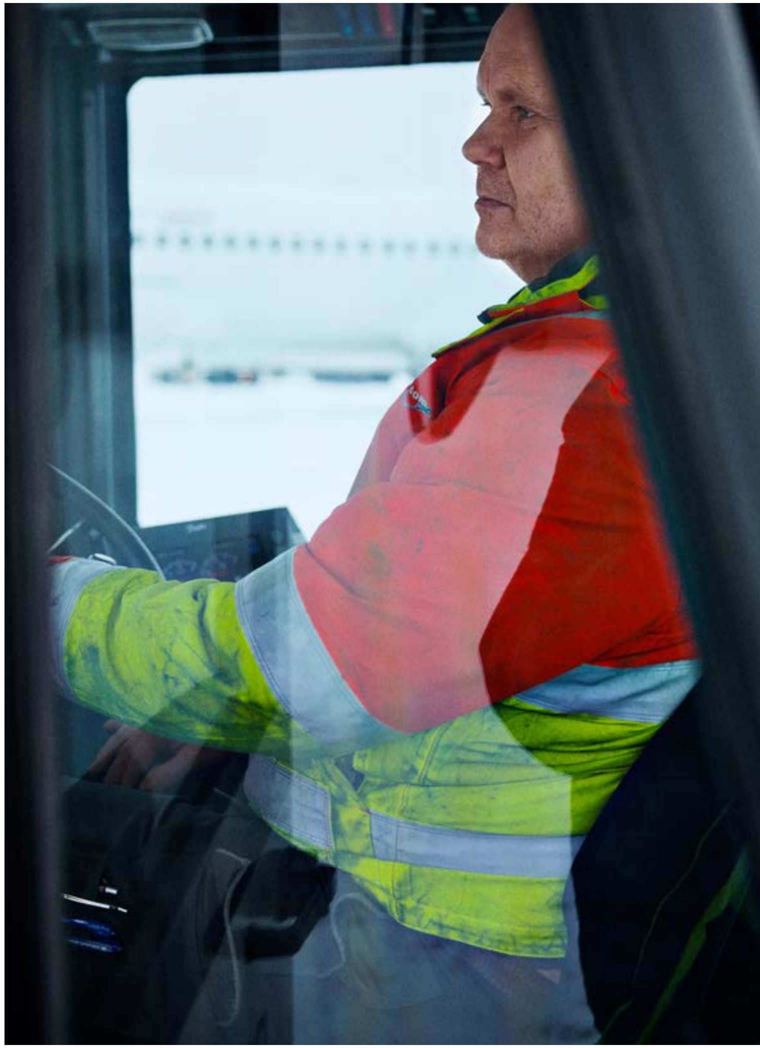
Allocation of profit/loss for the parent company

Norwegian Air Shuttle ASA is the parent company in the Norwegian group. Net profit for the parent company Norwegian Air Shuttle ASA was negative NOK 400 million in 2023, compared with a net profit of NOK 63 million in 2022. Total assets at the end of 2023 amounted to NOK 28,028 million, compared to NOK 26,911 million at year-end 2022. Equity amounted to positive NOK 11,014 million, compared to NOK 11,536 million at year-end 2022. In accordance with the company's Corporate Governance policy, the Board recommends the following loss be allocated to equity:

(NOK million)	
Transferred from equity	(400.2)
Total allocated	(400.2)

Environmental, social and governance (ESG)

Norwegian is dedicated to fostering enduring value for all stakeholders, encompassing customers, shareholders, employees, and society as a whole. In pursuit of this goal, the company prioritises a robust safety culture and conducts operations with responsible, sustainable business practices grounded in sound environmental, social, and governance (ESG) principles. While the primary business objective is to establish the company as the preferred airline in its core markets and to deliver attractive returns to our shareholders, the company remains steadfast in the commitment to conducting business in an ethical and responsible manner.



ESG Governance

The Board of Directors oversees the approval of the company's ESG strategy and ensures the attainment of key performance indicator targets. The CEO is tasked with implementing the ESG strategy, with supervision from the Board of Directors, while members of the Executive Management team are assigned distinct responsibilities and key performance indicators with annual objectives in line with the ESG strategy.

Strong and clear governance is key for the company to achieve its sustainability aims. At the core of this sits the Code of Conduct which is guided by the company's corporate vision, values and operational priorities. The Code applies to all employees of Norwegian and all its subsidiaries and aims to deter wrongdoing, promote honesty, and establishes clear rules and standards for behaviour and performance. The company is furthermore committed to conducting business with fairness, honesty, and transparency, adhering to anti-bribery and anti-corruption laws across all jurisdictions. The company's financial crime policy sets out a zero-tolerance for financial crimes, encompassing fraud, money laundering, bribery, corruption, insider trading, and other illicit financial activities.

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 Norwegian act relating to enterprises' transparency and work on fundamental human rights and decent working conditions, the Transparency Act. Norwegians due diligence report concerning the Transparency Act is available on its website since June 30, 2023.

Norwegian conducted an updated Materiality Assessment in January 2023 by a third-party 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 non-governmental organisations (NGOs). The 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. These align well with Norwegian's policies and actions in support of the relevant the United Nations Sustainable Development Goals (SDGs).

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

#3

Ensure healthy lives and promote well-being or all at all ages.

#5

Achieve gender equality and empower all women and girls-

#7

Ensure access to affordable, reliable, sustainable and modern energy for all-

#8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

#9

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

 # 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.

People in Norwegian

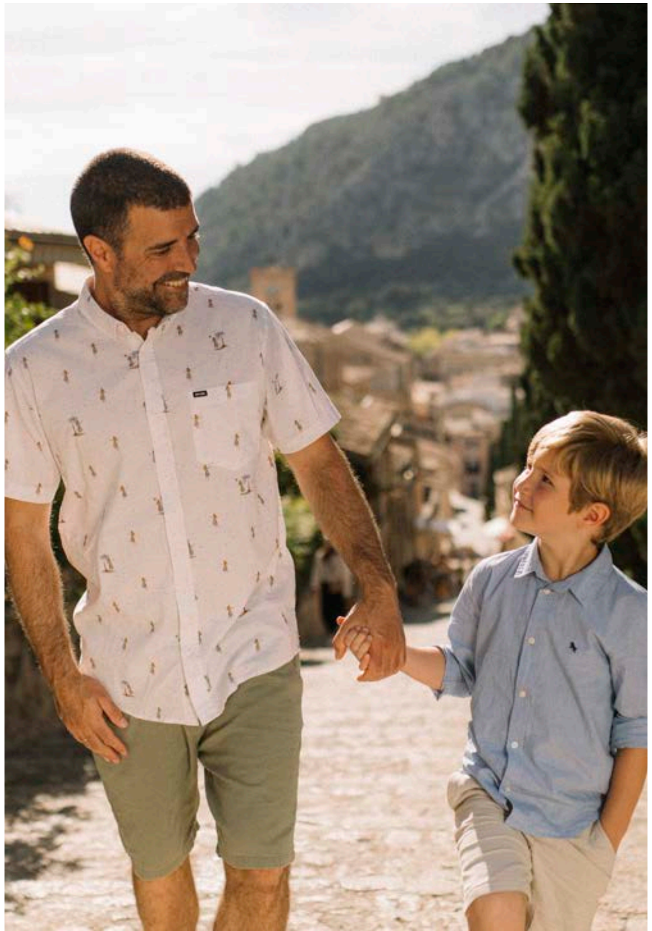
Norwegian has a long-term focus on being an attractive workplace with a strong corporate culture that attracts and retains talented individuals across its geographical locations. The company promotes a positive working environment characterised by openness, tolerance and free of any form of discrimination. 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. The company has also set concrete gender targets for management positions and endeavours to make significant impacts into recruitments for traditionally male and female dominated roles.

Environmental sustainability
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 compared to 2010 levels. This will be achieved through a combination of fleet renewal, operational efficiency, and fossil-free 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 2023, Norwegian's carbon efficiency, CO2 grams per RPK, amounted to 75 grams, am improvement of 2.5 percent compared to 2022 and 15.5 percent compared to 2021. The improvement is a result of higher load factors, fuel saving by pilots and introduction of more fuel-efficient aircraft.

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

An additional 18 latest generation 737 MAX 8 aircraft were added to the fleet in 2023, aircraft that reduce fuel burn by at least 14 percent compared to the previous generation aircraft. At year-end, 23 percent of the fleet were latest generation aircraft, up from 3 percent the previous year. The signing of a partnership and investment in Norsk e-Fuel in 2023 is a key initiative in securing Norwegian's SAF needs for the future. The initiative, which will build the first full-scale e-Fuel plant in Mosjøen Norway will secure approximately 20 percent of the company's total demand for SAF by 2030. Norwegian is an industry leader in developing and implementing smart data-tools to improve fuel efficiency performance. In 2023, by utilising the mobile application SkyBreath that help pilots fly more fuel efficiency, the company was able to save 19,200 tonnes of fuel amounting to a total 60,600 tonnes of CO2.

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 key priority for the Board of Directors of Norwegian. The company's objective for corporate governance is based on accountability, transparency, fairness and simplicity with the ultimate goal of maximising shareholder value while at the same time creating lasting value for all stakeholders. The principles are designed in compliance with laws, regulations and ethical standards. Norwegian's vision is to be the most loved and trusted airline in Europe, 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 at 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. From the first-half of 2024, the company will also operate a small number of select routes outside of the Nordics, from Germany to Spain and from Latvia to Mediterranean destinations.

Norwegian's fleet comprised 87 aircraft at year-end 2023, of which 20 aircraft were latest technology 737 MAX 8 aircraft with significantly reduced noise level and fuel consumption. For the peak summer 2024 season, the company is projecting its fleet to grow to approximately 90 aircraft to match the expected high demand for the company's air travel offering and to benefit from increasing scale. For the full-year of 2024, the airline is forecasting an overall production (ASK) of 36,000 million seat kilometres, corresponding to a yearly demand-led growth of 12 percent. From 2025 onwards, Norwegian will start taking delivery of the 50 ordered 737 MAX 8 aircraft, setting out a path whereby Norwegian will own a large share of its fleet, resulting in lower all-in costs and increased financial robustness.

The current macroeconomic environment is uncertain with large fluctuations in fuel prices and foreign exchange rates. The company has reduced its exposure through derivatives contracts. Per year-end 2023, the company has hedged approximately 50 percent of estimated fuel consumption for 2024 and 15 percent for 2025 at average levels of 804 and 815 USD per metric tonne respectively. A stronger USD and EUR against the NOK have led to increased costs for the airline.

Norwegian has continued to take significant market share in the corporate market in 2023, 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. The acquisition of Widerøe, which will enable the linking of complementary route networks, will further support Norwegian's corporate market growth and offering to business travellers.

For 2024, Norwegian is projecting profits to improve and is expecting an operating profit (EBIT) to be in the range of NOK 2.5 to 3.2 billion and a unit cost excluding fuel to be flat vs 2023. The projections are based on foreign exchange rates of 11.4 for EUR/NOK, 10.5 for USD/NOK and a jet fuel forward price of 870 USD per metric tonne. The projections exclude results and other effects related to Widerøe and potential realisation from loyalty programme new business venture.

Norwegian's winning formula is the combination of a competitive cost position and strong customer value offering. Strong operational performance, the award winning loyalty programme Norwegian Reward with over 4 million Nordic members is, together with the attractive route network, highly appreciated by customers. With strong brand loyalty, a highly competent organisation and a robust financial situation, Norwegian is well positioned to tackle short-term fluctuations in demand and solidify its position as a leading Nordic airline. The recently completed acquisition of Widerøe will further support the company's encouraging outlook and customer proposition. Going forward, the use of innovative technology and addition of modern aircraft with significantly lower fuel burn provides a strong foundation for Norwegian to reach its ambitious emission reduction targets.

Environmental, Social & Governance (ESG)

Environmental, Social & Governance (ESG) at Norwegian

Norwegian Air Shuttle ASA (referred to as "the company" or "Norwegian"), along with its subsidiaries under its control, is dedicated to fostering enduring value for all stakeholders, encompassing customers, shareholders, employees, and society as a whole. In pursuit of this goal, the company prioritises a robust safety culture and conducts operations with responsible, sustainable business practices grounded in sound environmental, social, and governance (ESG) principles.

We maintain a strong commitment to promoting sustainable, honest, and ethical business conduct among all employees and affiliates. Our commitment extends beyond mere compliance with applicable laws governing our operations across regions; it embodies a holistic approach aimed at exceeding the expectations of our stakeholders. While our primary business objective is to establish ourselves as the preferred airline in our core markets and deliver attractive returns to our shareholders, we remain steadfast in our commitment to conducting business in an ethical and responsible manner. Never compromising on our ethical practices while delivering high-quality services and value is integral to our vision of becoming the most loved and trusted airline in Europe.

Throughout 2023, Norwegian continued its steady progress toward current sustainability aims and objectives. Recognising aviation's pivotal role in connecting people and societies, we are committed to leveraging opportunities for positive change.

At Norwegian, we understand that a strong and clear governance structure is critical to achieving our sustainability aims. In 2023, insights from an ESRS gap analysis prompted significant positive changes in our core governance document. Specifically, the company's Code of Conduct, known as "The Code," underwent expansion to serve as the cornerstone for outlining our commitment to sustainability. This responsibility extends all the way to our Board of Directors, emphasising the importance of integrating our sustainability strategy into corporate strategy and ensuring alignment throughout the organisation.

Investment in our workforce remained a priority throughout 2023, as evidenced by the launch of new leadership training programs based on our leadership principles and the piloting of a performance development process. This process, now integrated into our leadership programs, will be expanded to all employees by 2025. Furthermore, in 2024, we will introduce a Specialist Development Program to support the growth of our non-managerial specialists. This investment in our people underscores their importance as our greatest asset and is key to achieving our sustainability aims.

Our dedication to waste management persisted in 2023, with initiatives aimed at reducing disposable usage, recycling bottles and cans, and minimising food waste. We introduced the "Last Flight Discount" program to curb food waste, aligning with our goal of achieving zero food waste by 2030. Moreover, we aim to increase recycling rates to 98% for bottles and cans by 2030. Our targets are measurable, aiming to reduce onboard disposable consumption from 5.9 grams per revenue passenger in 2023 to 4 grams per revenue customer in 2024. We will actively share our progress and integrate climate-related risks into governance and reporting.

A cornerstone of our commitment to sustainability is our pledge to enhance carbon efficiency by 45 percent per revenue passenger kilometre (RPK) by 2030, compared to 2010 levels. Norwegian has already made substantial strides towards this through its fleet renewal initiative. By the end of 2023, we welcomed 18 state-of-the-art Boeing 737 MAX 8 aircraft, which boast emissions reductions of at least 14 percent compared to their predecessors, alongside a 40 percent reduction in noise levels. Furthering this effort, a landmark agreement with Boeing secured the purchase of 50 Boeing 737 MAX 8 aircraft, scheduled for delivery between 2025 and 2028, marking a significant advancement in fleet modernisation and emissions reduction.

In 2023, Norwegian achieved significant milestones through strategic partnerships. Our involvement in the Norsk e-Fuel project marked a notable achievement, as we became a shareholder and co-owner, securing early access to fossil-free aviation fuel. This strategic move guarantees an annual supply of over 7,000 metric tonnes, with potential for further expansion pending additional production facilities' completion.

Additionally, our success in securing a competitive tender for transporting personnel of the Norwegian Armed Forces, The Ministry of Defence, and The Norwegian Defence Material Agency highlights the importance of strategic partnerships in advancing our sustainability goals. Moving forward, we are committed to seeking and fostering such partnerships to drive meaningful progress in our sustainability efforts.

In the global climate ranking by Carbon Disclosure Project (CDP) for 2023, Norwegian was awarded an overall score of B, an improvement of the B- score received for 2022. The company received the highest possible score for emissions verification and risk disclosure. The result is a testament to the company's ambitious target of reducing emissions.

At Norwegian, we are a company of visionary doers seeking to inspire others to join us on our journey towards change so we can together fly above and beyond to serve people the Norwegian way.

ESG governance

Our organisational structure

The Board of Directors oversees the approval of the company's ESG (Environmental, Social, and Governance) strategy and ensures the attainment of key performance indicator targets. The CEO is tasked with implementing the ESG strategy, with supervision from the Board of Directors.

Members of the Executive Management team are assigned distinct responsibilities and key performance indicators with annual objectives in line with our ESG strategy:

- Chief Financial Officer (CFO) is responsible for KPIs, risk management, ESG reporting including CSRD, investment analysis, ETS allowance management and compliance with financial regulations
- The Chief Operating Officer (COO) oversees flight safety, operational fuel efficiency, ETS (Emissions Trading System) emissions plans, and emissions from the maintenance division.
- The Chief People Officer (CPO) manages human capital, crew management, union relations, legal, social governance and Health, Safety & Environment (HSE) initiatives.
- The Chief Commercial Officer (CCO) is accountable for load factor optimization and the development of a Sustainable Aviation Fuel (SAF) product.
- The Chief Asset Officer (CAO) is responsible for fleet renewal strategies.
- The Chief Marketing & Customer Officer (CMCO) handles customer perception initiatives.
- The Chief IT & Business Services Officer (CIBSO) oversees SAF procurement, supplier performance, and ETS emission reporting.
- The Chief Communications & Public Affairs Officer (CCPAO) manages company reputation and regulatory affairs.

The Board of Directors is briefed on major plans and performance biannually and receives an annual performance report. Additionally, they are updated on significant matters as they arise.

Mission, Vision & Values

The company's values are not just words; they are the guiding principles that shape our daily actions and decisions, helping us work towards our mission and vision.

- A Caring Heart: Emphasising empathy and compassion, this value fosters a supportive environment where everyone feels valued and cared for, putting people first, whether they're colleagues or customers.

- In it Together: Collaboration is key, embracing teamwork and the idea that we achieve more collectively, recognising the integral role each of us plays in the success of the whole.

- Courageously Inventive: Innovation and creativity drive this value, encouraging boldness and proactivity in finding new solutions, embracing change as an opportunity for growth.

- Passionately Norwegian: Taking pride in our roots, this value infuses the unique aspects of Norwegian culture into our service, drawing inspiration from Norway's model of no-frills service with simplicity but high quality, and sharing that essence with the world.

Our Mission is to go above and beyond together, serving people the Norwegian way. It's not just our 'why,' but the very essence of our existence—a shared goal propelling our collective endeavours towards delivering exceptional service infused with the unique heritage of Norway.

Our Vision is "To become the most loved and trusted airline in Europe," aiming for a future where our dedication to service, culture, and innovation positions us as the airline of choice in the hearts and minds of our customers.

To bring these values to life, we introduced the "Meet and Live Our Values" games, interactive online modules designed to deepen our understanding of our values and engage in meaningful discussions with colleagues. Over 65 percent of our workforce, totalling over 2,500 permanent employees, completed these modules in 2023, reflecting our commitment to a values-driven culture. Moving forward, we'll continue nurturing this environment, empowering our employees to strengthen our company's foundation.

"In our office, the Norwegian's values are no longer just words – they're at the heart of what we do. They bring us together, shaping a culture where passion, unity, integrity, and collaboration drive our success – where we are truly 'in it together'!"

-Cecilie Self, Cultural Ambassador and Senior Customer Relations Coordinator, Barcelona, Spain.

Code of conduct

At the core of our ESG strategy sits our Code of Conduct. Norwegian Air Shuttle ASA ("Norwegian") and its subsidiaries are deeply committed to fostering honest and ethical business conduct among all employees and affiliates. This commitment extends to compliance with applicable laws in the countries where we operate. Our overarching goal is to be the preferred airline in our core market while generating attractive returns for shareholders, all while maintaining a strong ethical foundation. To solidify this commitment, Norwegian has developed a comprehensive Code of Conduct ("the Code"), guided by our corporate vision, values, and operational priorities. The Code aims to deter wrongdoing, promote honesty, and establish clear rules and standards for behaviour and performance. Norwegian takes seriously its responsibility to mitigate threats to fundamental human rights and decent working environments within its organisation and supply chain, with violations resulting in disciplinary actions.

Norwegian upholds global human rights standards as outlined in the UN Declaration of Human Rights, ILO Core Conventions, UN Global Compact, Norwegian Transparency Act, and ILO's Declaration on Fundamental Principles and Rights at Work, alongside all local Work Environment Acts. Our policies underscore this commitment to the public, our workforce, and affiliates, emphasising expected behaviours aligned with our company culture. Although The Code of Conduct lacks detailed due diligence procedures or specific human rights provisions in aims to delineate the companies' intentions to all its workforce and stakeholders on the aforementioned.

The Code applies to all employees, including temporary personnel, of Norwegian and its subsidiaries across multiple countries. It also extends to agents, representatives, and affiliated service providers. Employees are required to read and understand the Code, with certain individuals needing to provide certification of their comprehension. Questions about the Code can be directed to managers or senior management, with ultimate responsibility for adherence resting with all employees. The Board of Directors oversees investigations into reported violations, with disciplinary or preventive action taken as necessary. Employees are encouraged to report violations through the whistleblowing procedure, with confidentiality maintained to protect whistleblowers.

Insights from the ESRS gap analysis conducted in 2023 prompted significant positive changes in the company's Code of Conduct. The Code was expanded to serve as the cornerstone for outlining our commitment to sustainability to Norwegians workforce seeking to integrating our sustainability strategy into corporate strategy.

The Company freely distributes it and urges counterparties to have in force similar policies and procedures as those enclosed in the Code.

The Board holds the highest level of accountability for the implementation of this policy within the company's structure. The authority to grant waivers or make any modifications to the Code is exclusively held by the Board of Directors. The most recent updated version of the Norwegians Code of Conduct can be accessed at the company's website at www.norwegian.com.

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. Norwegian operates as a multinational corporation, with subsidiaries spanning across Norway, Sweden, Denmark, Finland, Latvia, Spain, Ireland, and the UK. While the Transparency Act may not apply uniformly to all group companies, the company would like to inform its stakeholders that all subsidiaries adhere to the same stringent due diligence standards as mandated by the corporate group.

The Board of Directors at Norwegian bears the formal responsibility for implementing compliance with the Transparency Act within the organisation. It's Executive Management that carries the formal responsibility for guaranteeing adherence to the Act within their specific business domains. This includes tasks such as conducting due diligence and releasing the corresponding reports.

Pursuant to the Transparency Act, Norwegian has fulfilled with its obligations to:

· 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 not only conducts due diligence within its own organisation to ensure adherence to its standards but also relies on numerous external service providers and suppliers to carry out its operations, acknowledging the inherent risks involved. Upholding Norwegian's standards regarding human rights and working conditions throughout its supply chain is deemed crucial. To mitigate these risks, regular audits and contractual obligations are imposed on suppliers to ensure compliance with these standards. Additionally, Norwegian is deeply committed to maintaining these standards within its own organisation.

Moreover, Norwegian implements comprehensive risk assessment procedures to monitor supplier risks across financial, regulatory, environmental, and legal domains. These assessments serve as the basis for decisions regarding supplier approvals, segmentation by risk levels, and the initiation of additional due diligence activities. Utilising a Supplier Risk dashboard and receiving daily alerts enables proactive risk management.

Furthermore, in its pursuit of evaluating supply chain sustainability, Norwegian partners with EcoVadis, utilising its instant risk screening and assessment tool. This collaboration facilitates the monitoring of Environmental, Social, and Governance (ESG) performance, as well as risk management, while also recognising high-performing suppliers. Through the analysis of EcoVadis evaluations, Norwegian identifies supplier strengths and weaknesses, allowing for the development of tailored corrective action plans.

Norwegians due diligence report concerning the Transparency Act is available on its website since June 30, 2023. However, given the acquisition of Widerøe, the company will consider revisions to its due diligence report to reflect any alterations in the corporate structure resulting from the mentioned acquisition in line with Norwegian Law. The Board retains the highest level of accountability for ensuring compliance within the company's organisational framework. Furthermore, exclusive authority to enact any modifications to the Due Diligence report rests with the Board of Directors.

For the general public seeking information regarding Norwegian's suppliers, subcontractors, employee rights, reporting procedures, services, and other related topics, written requests can be submitted through Norwegian's designated website at the company's website at www.norwegian.com.

Financial crime, anti bribery and corruption (ABAC)

Norwegian Air Shuttle ASA and its subsidiaries are committed to conducting business with fairness, honesty, and transparency, adhering to anti-bribery and anti-corruption laws across all jurisdictions. The Company has a zero-tolerance policy for financial crimes, encompassing fraud, money laundering, bribery, corruption, insider trading, and other illicit financial activities.

The company's Financial Crime Policy defines financial crime for its stakeholders in order to ensure compliance with laws and regulations and establish reporting and investigation protocols. Its scope is broad as it applies to all employees, subsidiaries, agents, and representatives. The Company encourages questions and requires employees to read, understand, and comply with the policy.

The policy covers various legislative obligations, including the Foreign Corrupt Practices Act, UK Bribery Act, OFAC sanctions, EU sanctions, AML and CTF directives, and competition acts. It strictly prohibits bribery, corruption, facilitation payments, and improper gifts. All employees must exercise caution in dealings with public officials and adhere to the companies lobbying and charitable donation guidelines.

The policy in detail addresses money laundering, sanctions compliance, and due diligence on third parties. It strictly prohibits illegal gifts, and employees are expected to engage with customers, suppliers, competitors, and colleagues honestly and fairly. The company ensures accurate and timely information disclosure, complying with securities trading laws. To highlight its importance, aside from being a stand-alone it has also been ingested in the company's Code of Conduct.

Confidentiality of company information are emphasised, and employees are required to protect sensitive information. Monitoring and reporting of financial crimes are conducted annually, overseen by the CFO, and violations result in immediate disciplinary actions, including potential dismissal/summary dismissal. Reporting mechanisms, including whistleblowing procedures, are in place to ensure confidential and impartial handling of reports. The Board of Directors conducts in-depth investigations into reported violations, ensuring compliance with the established Complaints Procedure.

The Board holds the highest level of accountability for the implementation of this policy within the company's structure. The authority to grant waivers or make any modifications to the financial crime policy is exclusively held by the Board of Directors.

The most recent updated version of the Norwegians financial crime policy can be accessed at the company's website www.norwegian.com.

Materiality assessment

Norwegian conducted an updated Materiality Assessment in January 2023 by a third-party 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 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. These align well with Norwegian's policies and actions in support of the relevant United Nations Sustainable Development Goals (SDGs).

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

#3
Ensure healthy lives and promote well-being or all at all ages.

#5
Achieve gender equality and empower all women and girls.

#7
Ensure access to affordable, reliable, sustainable and modern energy for all.

#8
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

#9
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

 # 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.

	High Impact Material Issue	Internal Governance Document	Action/ Resource	International Standard and References	SDG Alignment
E	Direct GHG emissions	Environmental Policy	Environmental Targets ESG Partnerships (Skybreathe, Avtech, Norsk e-fuel and CHOOOSE)	Paris Agreement CORSIA EUETS EASA Eco-label Re-Fuel EU Aviation	13 CLIMATE ACTION 17 PARTNERSHIPS FOR THE GOALS
	Climate Risk Air Pollution	Environmental Policy	Environmental Targets ESG Partnerships (Skybreathe, Avtech, Norsk e-fuel and CHOOOSE)	Paris Agreement CORSIA EUETS EASA Eco-label Re-Fuel EU Aviation	3 GOOD HEALTH AND WELL-BEING 7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
S	Employee Welfare Labour Practices Labour and Human Rights	Code of Conduct Equity Diversity and Inclusion Policy People/Social Policies	ESG Partnerships (UNICEF and SHE INDEX)	UN Declaration of Human Rights, ILO Core Conventions, UN Global Compact, Norwegian Transparency Act, and ILO's Declaration on Fundamental Principles and Rights at Work	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
	Safety and Welfare	Safety Policy	Safety Management System (SMS)	Norwegian Civil Aviation Authority Audit Swedish Civil Aviation Authority Audit	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
	Supply Chain Management Cyber Security Data Protection	Code of Conduct Supplier Code of Conduct Transparency Act Due Diligence	SAP Arriba Ecovadis	UN Declaration of Human Rights, ILO Core Conventions, UN Global Compact, Norwegian Transparency Act, and ILO's Declaration on Fundamental Principles and Rights at Work	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
G	Business Ethics	Code of Conduct Financial Crime Policy	Internal Risk Assessment Tools	Foreign Corrupt Practices Act, UK Bribery Act, OFAC sanctions, EU sanctions, AML and CTF directives, and competition acts	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 8 DECENT WORK AND ECONOMIC GROWTH

Reference table above high impact topics summarised below.

Direct greenhouse gas emissions and climate risk
Based on results from the materiality assessment, Norwegian's primary environmental focus is to reduce its climate impact. This commitment aligns with its long-standing ambition to achieve carbon neutrality in aviation by 2050. To address its climate impact, Norwegian has implemented a comprehensive strategy that involves measuring, reducing, and offsetting its CO2 emissions by 2050. The CEO oversees these environmental sustainability efforts, ensuring that they are integrated into all aspects of the company's operations.

Key performance indicators have been established to track Norwegian's progress, including improving carbon efficiency by 45% per revenue passenger kilometre by 2030 compared to 2010 levels. This target is in line with recommendations from the International Panel on Climate Change and will be achieved through fleet renewal, operational efficiency, and the use of sustainable aviation fuels.

Furthermore, Norwegian has recognised the importance of waste resource management in reducing its environmental footprint. Initiatives like the Last Flight Discount, aimed at minimising food waste, and the goal to achieve a 98% recycling rate for bottles and cans by 2030 demonstrate its commitment to sustainable practices. The company's targets are not only ambitious but also action-oriented and measurable. Norwegian remains transparent about its progress, actively sharing updates on its climate-related risks and targets through corporate governance, risk management, and annual reporting processes.

Read more in the Environmental section of our report under Environmental Sustainability.

Employee welfare, labour practices and human rights
Norwegian is continuously 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. 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.

On reference to work-life balance in the Employee Engagement survey, 45 percent indicated that they can manage their job responsibilities in a way that enables work-life balance. This is at the same level as 2022.

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 re-location.

Read more in the People section of our report under Social.

Safety and welfare
Safety is the utmost priority for Norwegian, with a strong emphasis on fostering a safety culture across the organisation. Compliance with aviation regulations, particularly those set by the European Aviation Safety Agency (EASA), is rigorously monitored through internal audits and oversight by Civil Aviation Authorities (CAAs).

The Accountable Manager oversees flight safety, supported by a streamlined operational management structure across the company's Air Operator Certificates (AOCs).

Norwegian's Safety Policy is communicated throughout the company to ensure adherence to safety standards and practices. The safety management system (SMS) encompasses reactive, proactive, and predictive measures, utilising data analytics to identify potential threats and drive performance-based decision-making. Reporting metrics reflect a positive reporting culture, indicating ongoing improvements in safety awareness.

Emergency Response Plans (ERPs) are in place to manage incidents or accidents, with trained personnel available to respond effectively. Health, Safety, and Environment (HSE) assessments and audits contribute to compliance with EASA regulations, ensuring a safe workplace for employees. Mental health awareness initiatives, drug-free policies, and support programs such as the Pilot Peer Support Group promote employee well-being.

Customer health and safety are prioritised through strict procedures and post-flight follow-ups when necessary. Norwegian's commitment to environmental responsibility extends to noise pollution mitigation and spill avoidance measures, with fleet renewal initiatives aimed at reducing noise levels.

Extensive training programs, including Evidence Based Training (EBT) for pilots, are implemented to enhance safety competency throughout the organisation. Training on Safety Management Systems (SMS) is provided to staff in accordance with their roles, ensuring a comprehensive approach to safety management audited by CAAs.

Read more in the safety section of our report under Social.

Supply chain management

Norwegian is committed to securing the sustainable procurement of key products and services, critical to the airline's daily operations. Sustainable procurement for Norwegian means not only caring about the environmental, social, and economic impacts of the goods and services we purchase but also actively steering our service providers towards best practices. Although our reach may be limited, by actively engaging with suppliers, the company seeks to positively influence the business practices throughout our entire supply chain.

In order to reach the company's sustainability targets, Norwegian recognises the need to closely cooperate with suppliers that can deliver more sustainable solutions at a competitive price going forward. Norwegian has long had guidelines and routines as well as systems in place that support both employees and suppliers in responsible and sustainable purchasing. Careful supplier selection, risk assessment and a robust qualification process are tools utilised to ensure sustainable practices among suppliers as well as allowing to work with supplier diversity in structured ways. Nevertheless, to further cement its commitment the company decided to strengthen its vetting criteria towards suppliers in relation to ESG. At the end of 2022, Norwegian entered in a partnership with EcoVadis, an ISO 9001 and ISO/IEC 27001 certified provider of business sustainability ratings. Year to date, Norwegian has vetted 2,501 active suppliers across a wide range of key business areas including, aircraft and engine manufacturers, airport and ground services, air navigation services, fuel suppliers, catering suppliers, IT vendors and maintenance suppliers. The company believes this will play a key role in ensuring the supply chain is aligned with Norwegian's values and business practices.

Read more under Governance.

Cyber security and data protection

Norwegian relies heavily on IT technology, both internally and through suppliers, to maintain efficient and secure operations. The company prioritises the protection of privacy data and mitigating cybersecurity risks, which are identified as having "High Impact" in its materiality assessment. The Chief IT & Business Services Officer (CIBSO) oversees the implementation of IT technology.

For Norwegian, operational stability and digital innovation are paramount. The company is actively upgrading its IT infrastructure to enhance security and reduce time-to-market for new solutions, aligning with its overall business objectives. Security measures and safety solutions are integrated into policies to ensure effective governance of the technology platform, maintaining confidentiality, traceability, and accessibility.

Norwegian is transitioning towards cloud-native solutions, optimizing its IT infrastructure with innovative technologies and smart applications. This initiative aims to create a modern, secure, and stable operating platform, thereby safeguarding the reliability and effectiveness of the company's IT systems.

Norwegian observes a rise in cyber security threats across its partners, supply chain, and internal systems, reflecting global trends and evolving attacker methodologies. Collaborative efforts with industry-specific groups and initiatives like the Luftfartstilsynet Cyber Security group and Aerospace Village aim to enhance aviation cyber security. Norwegian maintains open relationships with other airlines and industry players, recognising the shared focus on cyber security.

In terms of data protection, Norwegian handles significant volumes of data for customers and employees, prioritising privacy and compliance with data protection laws such as GDPR. The company has a Data Protection Standard and appointed a Data Protection Officer (DPO) to ensure compliance. Internal awareness efforts, including new procedures and training sessions, are undertaken to enhance privacy practices. Norwegian is committed to continually improving data protection measures to uphold individual rights and freedoms regarding personal data processing.

Business ethics
Norwegian Airlines emphasises ethical business conduct through its comprehensive Code of Conduct, ensuring compliance with laws across its operational countries and promoting a strong ethical foundation. The Code serves as a guide to deter wrongdoing, maintain honesty, and establish clear rules and standards for behaviour. It applies to all employees, temporary personnel, and affiliated service providers, with certification of understanding required for certain individuals.

In line with its commitment to transparency and sustainability, Norwegian conducts due diligence as mandated by the Transparency Act, ensuring adherence to human rights and decent working conditions. This includes publishing annual due diligence reports and responding to inquiries about its efforts in these areas. The company extends its due diligence standards to its subsidiaries and supply chain partners, utilising audits and contractual obligations to ensure compliance.

To combat financial crimes such as fraud, bribery, and corruption, Norwegian has a zero-tolerance policy, defined in its Financial Crime Policy. This policy covers various legislative obligations and requires employees to read, understand, and comply with its provisions. Violations are met with disciplinary actions, overseen by the Board of Directors.

Both the Code of Conduct and Financial Crime Policy are made accessible to stakeholders through Norwegian's website. The Board holds the highest level of accountability for implementing and modifying these policies within the company's structure.

Read more under Governance.

Norwegian's value chain

Supply chain sustainability was deemed a "high impact" area in Norwegian's 2023 materiality assessment. Making the adequate documentation of the controls, processes, policies and mechanisms that govern over Norwegian's supply chain management is necessary for ESG disclosure. Norwegian's Procurement is centralized and accountable for supporting the business in the execution of the procurement process across all entities throughout the supply chain. The Strategic Procurement team is responsible for managing direct core business categories of goods and services while the Operational Procurement team manages indirect spend and Procurement systems thus ensuring cost efficiency and sourcing process transparency. All members of Norwegian's Procurement have been trained on the company's sustainability strategy and have aligned procurement principles. The Chief IT & Business Services Officer (CIBSO) is responsible for procurement at Norwegian.

Specific policies and commitments
To mitigate supply chain risks, including forced labour, slavery, human trafficking, and corruption, Norwegian imposes the legal requirements and internal rules and standards applicable to Norwegian on its suppliers. We require our suppliers to comply and follow with the requirements of the Supplier Code of Conduct, which defines Norwegian social, ethical, and environmental standards. We actively follow up with our suppliers to accept these standards to ensure the ethical behaviour and responsible practices. How well they conform to these standards can be monitored in SAP Procurement tools. Approximately 97% of our new suppliers in 2023 accepted Norwegian's Supplier Code of Conduct.

In addition, Norwegian has to comply with the Transparency Act relating to enterprises' transparency and ensure fundamental human rights and decent working conditions are monitored. Regular risk analysis and due diligence assessments are performed to identify potential human rights impacts in the supply chain.

Management and due diligence processes
Our comprehensive supplier management system, SAP Ariba ensures the registration of all new suppliers and the careful maintenance of the data for the existing ones. The Supplier 360° profile serves as a consolidated repository, showcasing all important information Norwegian holds about a supplier. This includes certificates, collected through both internal and external questionnaires, as well as qualifications or disqualifications associated with the supplier. During the tender process, procurement and business representatives meticulously evaluate suppliers, utilising a predefined set of commercial and technical criteria to select the most qualified ones.

Risk assessments and alerts are monitored through detailed data screening on potential supplier risk in a number of areas, including financial, regulatory, environmental, and legal risk. The risk screening data is used in order to take informed decisions on supplier approvals for procurement, sourcing, and other activities, as well as to segment suppliers by risk levels and risk categories. Furthermore, it also enables us to identify high risk suppliers and initiate risk assessment and additional due diligence activities. Supplier Risk dashboard and daily alerts allow to monitor any instant changes to risk profiles and take proactive decisions accordingly.

To enhance and evaluate the sustainability of our supply chain, Norwegian works with EcoVadis, a third-party sustainability instant risk screening and assessment tool. These evaluations enable us to closely monitor the Environmental, Social, and Governance (ESG) performance of our suppliers, effectively manage risks, gain practical insights into key issues across various industries and supplier locations, recognise high performers, and foster ongoing improvement in sustainability practices across our network.

The performance assessments serve as a valuable tool, offering insights into our suppliers' level of commitment and providing actionable information to drive improvements throughout the supply chain. By analysing tangible evidence, we can identify the strengths and weaknesses of our suppliers, enabling us to develop customized corrective action plans for those that fall short of our requirements.

By year end 2023, we successfully onboarded 100% of our active suppliers to the EcoVadis IQ Plus tool for instant risk level screening and continuous monitoring. Currently out of 2501 suppliers, 10 suppliers have been identified with high overall risk, which is due to high country or industry risk. Every high-risk case is evaluated at Norwegian individually, depending on the criticality and usage of services or goods provided by supplier.

EcoVadis employs a two-tier vetting system, allowing users to request a more comprehensive sustainability-focused risk review of suppliers through a full assessment scorecard. The ongoing project at Norwegian involves onboarding all our suppliers to the second tier. In alignment with Norwegian's Scope 1 and 3 reduction ambitions, we have prioritised the onboarding of fuel and catering suppliers.

A total of 135 Norwegian suppliers underwent a more thorough second assessment by EcoVadis, receiving individual scorecards. These suppliers account for 26% of our total spend in 2023. Their average score stands at 59/100, surpassing the global average score of all companies assessed by EcoVadis. In addition to an overall score, suppliers receive individual scores for Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. They also receive detailed feedback on specific improvement areas, along with guidance on how to address them.

Norwegian's partnership with EcoVadis enhances transparency in procurement practices. We can now easily identify our supplier base in accordance with GRI 204-1, emphasising spending on local suppliers, indicates that local suppliers constitute 71% of total spending in regions where Norwegian operates. This helps better address our social responsibility in accordance with GRI 408-1 and GRI 409-1 guide Norwegian in identifying and managing operations and suppliers at significant risk for child labour, forced labour, or slavery. Norwegian strictly prohibits such practices and utilises the EcoVadis platform to assess compliance across various dimensions, ensuring a responsible supplier network.

Societal engagement

Flight safety

Flight Safety is a number one priority in Norwegian. Safety is also identified as 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, Per Gunnar Lyckander, is ultimately responsible for flight safety in Norwegian. The Director of Safety and the Compliance Manager report directly to him. To streamline decision-making and further increase safety, Norwegian now has one operational management structure for both Air Operation Certificates (AOCs).

The approved safety management system (SMS) of the individually approved Norwegian organisations are 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 ensures 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 also drives 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.

Safety reporting data (% of the no. of flights):

Operational department	Low		Medium		High	
	2023	2022	2023	2022	2023	2022
Flight Operations	3.94	3.69	0.06	0.05	0.001	0
Ground Operations	1.30	1.58	0.04	0.02	0	0
Technical Operations	0.56	0.49	0.04	0.04	0	0
Security	0.56	0.36	0.004	0.004	0	0
Total	6.27	6.19	0.13	0.12	0.001	0

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. 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 Plan (ERP) that ensures trained and qualified personnel are available should there be an incident or accident. The Emergency Response Plan 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 ER personnel. Exercises are held regularly, and the emergency response alert system is used in normal 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 2023, 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.

The company has a clear policy accessible for all employees on intranet. All employees with a known addiction/abuse problem will be assigned a Contact Person/Buddy who liaises between the employee and the employer. HSE department has been actively involved in the insourcing of customer facing ground services at Oslo Airport OSL throughout 2023 to ensure compliance with internal procedures and local HSE laws and regulations. HSE department has been closely involved in the implementation and follow up of the Norwegian People Engagement Survey. The company has identified two main areas of improvement in 2023: improving collaboration and ensuring efficient processes across the company.

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.

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 Organisation'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.

People in Norwegian

Norwegian aims to offer unique opportunities to colleagues, in addition to building a strong corporate culture that supports the attraction and retention of industry talent throughout Europe. Creating well-functioning arenas for organisational learning and professional development at all levels of the organisation is key. The objective of Norwegian's People Policy:

"Norwegian is dedicated to nurturing a welcoming workplace, where every employee is treated with respect, fairness, and dignity."

Our People policy is a framework that guides all of us on how we do things in Norwegian. The People policy also has the following commitment:

· To attract, develop, motivate and retain colleagues that role model our values.

· To outline the responsibilities of leaders, managers and colleagues .

· To promote a positive, professional, respectful, caring and inclusive work environment based on teamwork and free from harassment and discrimination.

· To encourage diversity and provide equal opportunities.

Norwegian has implemented an annual People Engagement Survey by a third-party provider using Qualtrics platform. The survey focuses on a range of topics including learning & development, work-life balance and leadership. The company has a standardised systematic follow up process of the survey and relevant actions are filed in the Qualtrics platform.

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

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 and continuously become more diverse and inclusive reflecting diversity and promoting equal opportunities to all. This is considered business critical for Norwegian and diversity, equity, and inclusion are core values at every level of the company's business.

To achieve this, Norwegian is committed to implementing and actively updating actionable policies, practices, and evaluations that will support the company's social sustainability goals and diversity, equity and inclusion are core values at every level of the company's business. On a continuous basis, the company presented updated one-pagers in 2023 for key global policies with revised content and formats.

Attractive employer
To continue to be able to attract and retain skilled professionals in a competitive job market, Norwegian has developed our Employer Value Proposition (EVP). An effective EVP goes beyond basic compensation and benefits, encompassing work-life balance, growth opportunities, and reflecting our company culture. It plays a significant role in attracting and retaining top talent by demonstrating possibilities the material and non-physical benefits employees can expect. With a strong EVP we will have a strategic asset that influences the entire employee lifecycle, from attraction to retention. It creates a positive workplace culture, aligns the workforce with organisational goals, and contributes to the overall success and sustainability of the business. We are starting to implement our EVP`s and people promise during 2024.

Our People Promise:

"We care for each other, our customers and our environment- as we navigate the skies the Norwegian way"

Norwegian is highly focused on retaining its status as an attractive employer. This was demonstrated further as the company became a newcomer in Universum's list for the most attractive employer in 2023, for both engineers and economics students.

Diversity, equity and inclusion in Norwegian

The objective of the Norwegian Global Equity, Diversity & Inclusion Policy is to enhance its diversity and Inclusivity to mirror the diversity of our people, encompassing both customers and employees.

Furthermore, we regard equal opportunities and fairness for all as essential to our business success. The commitment is to:

· Foster transparency and inclusivity in the workplace

· Ensure a harassment and discrimination-free work environment

· Offer equal growth opportunities through training, promotions, and career advancement for all employees

· Empower women, minorities, and diverse ethnic groups

· Monitor remuneration practices, promote equal pay for equal work, and prevent unlawful discrimination

Management have evaluated their approach towards diversity, equity and Inclusion based on the input from the People Engagement Survey. In 2023 70 percent (vs 68 percent in 2022) of employees said that they believe that everyone can succeed in Norwegian, regardless of gender, age, cultural background, sexual orientation, religious affiliation and disability.

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.

At the heart of Norwegian are the people who make it all possible and 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. Diversity can be defined in any social identity, such as gender, age, culture, nationality, ethnicity, physical abilities, political and religious beliefs, sexual orientation and other attributes.

To promote International Women's Day in 2023, Norwegian joins thousands of companies around the world in recognising the achievements of women and promoting a world free of bias, stereotypes and discrimination. To mark this celebration, Norwegian flew two all-female crew flights from Oslo and Copenhagen and have been inviting women to board first in Group A at 11 of our airports.

The journey to creating a gender equal and inclusive world is a long one, but it's a journey that Norwegian is committed to, and such celebrations mark the pathways that will pave the way forward for a more equitable workplace for all our people.

As an international group of companies, Norwegian strives to reflect global diversity, equity, and inclusion in all activities comprising employees and customers throughout the jurisdictions the company works in. Norwegian works as a team across borders to ensure we meet national, international, and internal Norwegian standards in this respect. Our People Team irrespective of jurisdiction has been working closely with Equality Plans in Spain, not just affecting our Spanish organisation, but ensuring attention to equity work and risk assessments in all parts of the company. The equality plan constitutes an ordered set of measures adopted after a diagnosis of the company's situation, aimed at achieving equal treatment and opportunities between women and men and eliminating discrimination.

During 2023 NORWEGIAN AIR RESOURCES SPAIN, S.L. and NAS SUPPORT OFFICE BARCELONA, S.L. have negotiated with the corresponding unions on an Equality Plan for each of the companies. The negotiations were finalised in December 2023 and the Equality Plans have been agreed and approved by the unions and are currently under review by the Spanish Labour Authorities as the final step for validation.

Further to ensuring the inclusion of people with disabilities, Norwegian's Spanish entities are making annual donations to the FUNDACIÓN ADECCO, a non-profit organisation that helps people who find it difficult to access the labour market. Link with the collaboration with this non-profit organisation, Norwegian collaborates with Fundación Adecco's `Plan Familia' program, which is an initiative that helps people with disabilities to develop competences, skills and personal autonomy so that they can develop an occupation or work activity. Participation in this plan also applies to Norwegian employees' family members with disabilities.

To ensure equity for all, including our customers, a significant work has been done to improve accessibility in the Norwegian Travel Assistant App. The goal of this work is to ensure that the app complies with Web Content Accessibility Guidelines (WCAG) and thus offer a more inclusive and user-friendly experience for all users, including those with disabilities. To assess and improve the app's accessibility, the company has followed a systematic approach including a review of WCAG guidelines and identification of relevant success criteria. This has included an evaluation of the app's existing accessibility features, identifying areas for improvement, the implementation of changes to achieve an accessible solution, testing and validating changes using a combination of automated and manual tools.

Based on the evaluation and implemented changes, the following improvements have been made to the app:

· Improved navigation: The app now has a more structured and logical navigation that makes it more user friendly for all users.

· Increased readability: Text size, contrast and fonts are optimized to ensure good readability for all users, including the visually impaired.

· Better compatibility with assistive technologies: The app is now more compatible with screen readers, keyboards, and other assistive technologies.

The Norwegian Travel Assistant App has made significant improvements in accessibility for users with disabilities and the company is committed to continuing this work. Norwegian will update the app regularly to ensure accessibility for all, including continuous monitoring and testing of app availability, training developers and designers on accessibility principles and best practices, and users test the app regularly to identify areas for further improvement.

Targeted recruitment & diversity, equity & inclusion in talent acquisition
The people are the heart in Norwegian and by focusing on inclusivity and equity, Norwegian not only attracts a diverse pool of candidates, but also cultivates an

environment where everyone can thrive and develop. Throughout 2023, Norwegian has proactively integrated DEI (Diversity, Equity, and Inclusion) principles into different stage in the recruitment process. This includes the creation of job descriptions that promote inclusivity to fostering partnerships with organisations that champion diversity and inclusivity.

These collaborations have not only broadened our talent networks but also signal our commitment to creating a workplace where everyone feels valued and heard.

This approach ensures that Norwegian strive to have a workforce that mirrors the richness and diversity of the world around us.

We have continued to lead by example leveraging DEI Initiatives to attract, retain and develop a workforce that represents the diverse society of talent available. By doing so, we are not only staying ahead in the competitive talent landscape but also embodying the principles that define us as an organisation committed to excellence and inclusivity.

Decoupling from unconscious bias
Norwegian has a goal to increase diversity and ensure that our recruitment procedures are fair and equal for all groups in society. Considering the updated version of Norway's equality and discrimination law, we also intend to be a frontrunner and make sure our recruitment processes are not only compliant but exceed the expectations from the relevant regulations. Norwegian deeply cares about societal equality and has long been a safe and inclusive workplace for minority groups.

After a thorough evaluation of current recruitment practices, we have uncovered that we need to reduce the exposure to unconscious biases and system noise which are some of the root causes of unconscious and random discrimination. This has been on our radar for some time as the current procedure includes manual evaluation of applicants before interviews on the assessment day.

Norwegian has considered several methods to reduce exposure to unconscious biases. Throughout 2023, Norwegian conducted a test project with impact startup Testhub Technologies who offer blind screening process for applicants. This process has been designed specifically to reduce unconscious biases. Norwegian's goal to increase diversity and the anonymity of the screen is disclosed to applicants to encourage minority groups to apply for jobs in Norwegian. The cooperation with Testhub Technologies initially started in in the spring of 2022. Through a pilot project for we blindly screened for 100 cabin crew positions in 2023.

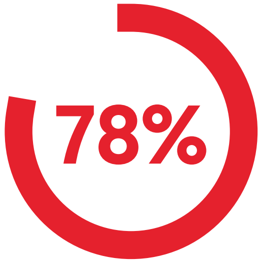
In 2023, the blind screening solution was also used to screen internal applicants for several internal promotion positions. This ensure that most of the exposed groups has the same opportunity for promotion.

Sickness absence
Norwegian works systematically with HSE, including actively monitoring relevant indicators including sick leave, and making concrete efforts to mitigate any risks that can result in unwanted sickness leave. During 2023, the average sickness rate in Norwegian was 7.5 percent, down from 7.9 percent in 2022. For entities incorporated in Norway, the average sickness rate in 2023 was 7.9 percent, down from 8.7 percent in 2022.

Employee survey
Norwegian has implemented an annual People Engagement Survey by a third-party provider using Qualtrics platform. The engagement survey is sent to all Norwegian employees in December every year, and the employees have four weeks to give their input. The survey focuses on a range of topics such as work & processes, learning & development, well-being, collaboration, respect & Inclusion, work-life balance, role fit, psychological safety, leadership & direction and customer focus.

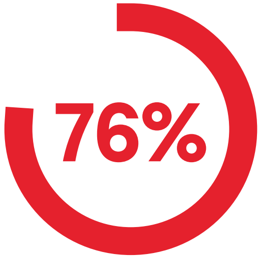
The company has a standardised systematic follow up process of the survey and relevant actions are filed in the Qualtrics platform. The aim in to focus on factors that have impact on the work environment and employee engagement. The annual survey provides a thorough indication of how effective improvement initiatives have been.

Executive Management in Norwegian have diligently presented findings and proposed initiatives to improve engagement at company-wide and base meetings where colleagues are encouraged to engage in the discussions on improvements initiatives. Managers, employees and working groups across the company have worked with various initiatives to address the feedback from the employee engagement survey, and proposed actions to support their feedback (i.e. how to improve flow of information to all employees, by for example equipping crew with I-pads which is more accessible when on the go than PCs).



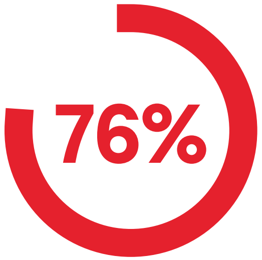
Respect at work

For 2023, 78 percent of responding employees stated that they are treated with respect at work. This compared to 78 percent for the previous year.



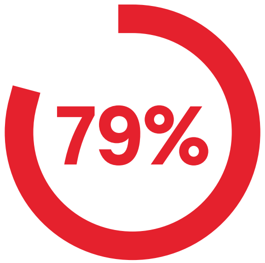
Feeling heard

76 percent of responding employees state that their perspective is valued by their colleagues, even if it is different from their view. This compared to 76 percent for the previous year.



Job satisfaction

76 percent of responding employees state that they are overall satisfied with Norwegian as a place to work. This compared to 77 percent for the previous year.



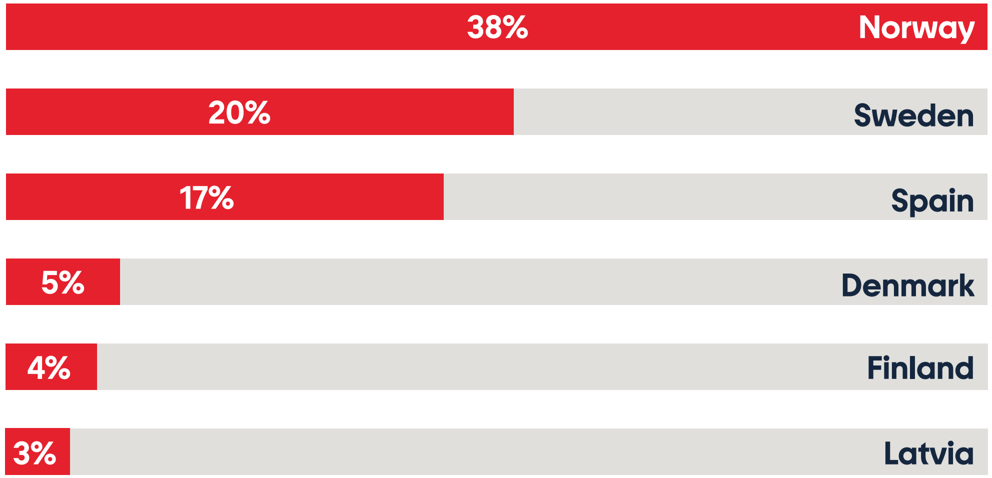
Retention

79 percent of responding employees stated that they will be working at Norwegian in one year's time, compared to 82 percent in 2022. Only 6 percent stated that they are looking for new opportunities.

Multiculturalism at Norwegian

At year-end 2023, Norwegian had in total 4,470 employees, up from 3,871 in 2022. In total 60 different nationalities were represented, compared to 58 in the previous year.

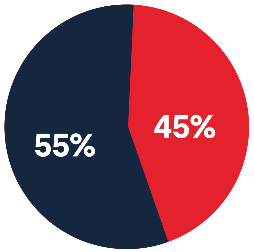
The six most represented nationalities at Norwegian are:



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

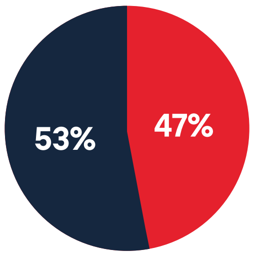
Gender balance

Gender balance in Norwegian is 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 require 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.



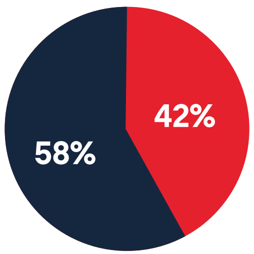
Norway total

For legal group entities incorporated in Norway, the split was 45 percent female and 55 percent men, compared to 44 percent female and 56 percent male in 2022.



Flying employees

For flying employees, the split was 47 percent women and 53 percent men, compared to 46 percent female and 54 percent male in 2022.

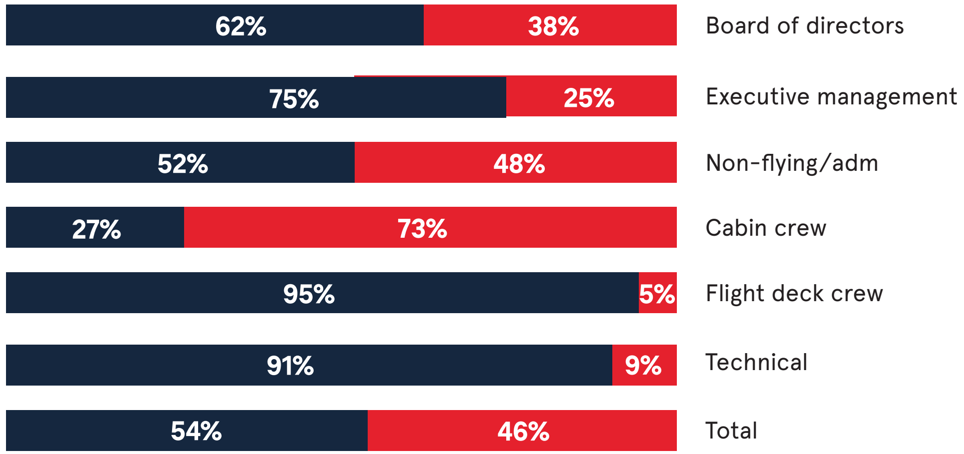


Non-flying employees

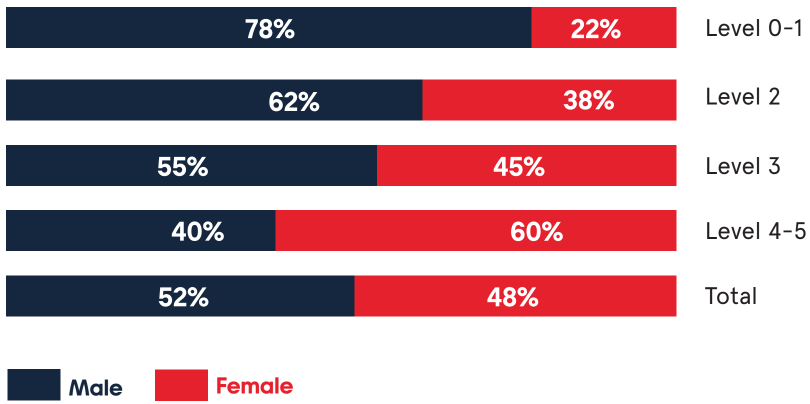
For non-flying employees, the split was 42 percent female and 58 percent men, compared to 36 percent female and 64 percent male in 2022.

At year-end 2023, the Board of Directors comprised of eight members, of which 62 percent male and 38 percent female. This was unchanged from year-end 2022. Executive Management comprised of eight members, of which 75 percent male and 25 percent female. This compared to nine members at year-end 2022, of which 78 percent male and 22 percent female.

Gender balance organisation



Gender balance management



Gender targets
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 are:

· In management positions, the goal is to reach a 40/60 on each management level by 2025. The gender ratio for management positions combined was 52 percent male and 48 percent female, compared to 57 percent male and 43 percent female at year-end 2022.

· For cabin crew, the goal is to increase share of male employees with 10 percentage points by 2025, compared to 2022. At year-end 2023, 27 percent of cabin crew were male, compared to 29 percent the previous year.

· For pilots, the goal is to increase share of female employees with 5 percentage points by 2030, compared to 2022. At year-end 2023, 5 percent of pilots were women, unchanged from the previous year.

· For technical, the goal is to increase share of female employees with 5 percentage points by 2030, compared to 2022. At year-end 2023, 9 percent of employees in technical were female, compared to 8 percent in the previous year.

At Norwegian, there has been a continued focus from 2022 to support an increase in female pilots. Initiatives in 2023 included ensuring awareness in the recruitment processes and more focus on equal opportunities in job advertisements by incorporating diversity statements etc.

Parental leave and part-time
Norwegian has identified a risk that fewer male than female employees take parental leave due to historical variations in male and female 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. It is Norwegian's aim that all genders shall have the same opportunities, also in practical terms, to take time off to care for children and ensure family responsibilities.

Actual weeks of parental leave in 2023 was split as follows:

Parental Leave	Female	Male
Average number of weeks paid	31	16
Average number of weeks unpaid	19	0

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 81 and 19 percent of employees respectively. When looking at the total remuneration irrespective of them being on pay scale or individual salaries, female employees earned on average 56 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 female	Female % of male salary
Commercial	39%	81%
Communication and Public Affairs	63%	76%
Finance & Control	50%	79%
IT & Business Services	33%	81%
Marketing & Customer	61%	81%
Operations	23%	90%
People	48%	48%
TOTAL	**44%**	**56%**

A pay scale, also known as a salary structure, is a fixed system that determines what salary an employee is to receive, often adjusted in yearly 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 determines the level the specific employee is adjusted to each year. Comparing the annual salary of female and male employees 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 female	Share of male	Women % of men´s salary
Cabin Crew	75%	25%	102%
Flight Deck Crew	6%	94%	89%
Technical	8%	92%	81%
TOTAL	**43%**	**57%**	**49%**

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, male employees have a four percent higher average salary than female for individual salaried employees in group entities incorporated in Norway.

To ensure involvement of employee representatives in fair remuneration practice, the company has invited the unions to presentations on the Korn Ferry Hay Grade methodology.

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 male	Total female
Group 1 (11-17)	4%	159	178
Group 2 (18-22)	6%	50	36
Group 3 (23-30)	-0.5%	16	5
TOTAL	**3%**	**225**	**219**

When comparing individual salaried employees regardless of roles or group, the average fixed salary among female employees amount 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.

Discrimination & harassment

Violence and threats are a growing industry concern with a common understanding of the challenge by all relevant stakeholders. The topic will be an important part of the Norwegian aviation safety plan 2024. The Norwegian Civil Aviation Authority (N-CAA) has established a working group where all airlines, ground handlers, airports, employee representatives and NHO are invited to participate. N-CAA has conducted a few meetings during 2023 where possible actions have been discussed. A joint declaration was signed, and further promotion will be agreed upon in 2024. Similar initiatives have been established in Sweden by the Swedish Civil Aviation Authority (S-CAA). Norwegian has conducted a HSE Threats & Violence Risk Assessment to ensure that relevant mitigations are implemented.

Norwegian's corporate mission, vision and values and operational priorities form the basis for the company's ethical guidelines. Norwegian's Code of Conduct 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 victimization. As described in the company's Prevention of Bullying & Harassment policy. Norwegian has a zero-tolerance approach and strict processes to handle any such 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 works 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 Conduct. Any violations of the rules and guidelines of the Code of Conduct and other company policies shall be reported and the company aims to have a culture of transparency and to foster a "speak up" environment.

At Norwegian, employees are encouraged to try to solve matters at the lowest possible level. If notifying on a lower level 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.

This policy establishes a common Norwegian policy on how to prevent and handle bullying and harassment. The aim is to ensure a positive and constructive working environment to obtain organisational effectiveness and employee's well-being. The policy applies to all people working for Norwegian. If someone in your workplace is experiencing harassment or bullying, you should support the offended person and tell them about the steps according to procedure. You will not be penalised or retaliated against for reporting improper conduct, harassment, discrimination, retaliation, or other actions that you believe may violate this policy. Any deviation by the business area or company related to compliance with the policy is to be clarified with the policy owner.

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.

To maintain high ethical standards, Norwegian has set out in its Code of business Ethics and Conduct (the Code) the expected standard of behaviour required of anyone working within its organisation. The Code is a set of guiding principles intended to ensure that its employees act with integrity and honesty in all areas of our business and day-to-day operations.

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. All incidents recorded through the company's deviation systems, are followed up to identify and mitigate root causes and ensure continuous learning.

There have been two Whistleblowing reports and two Grievance reports in 2023. The reports have been followed up closely. While one reported instance is one too many, the company also concerns itself with instances that may not have been brought to the company's attention. Norwegian works to ensure that guidelines and training are constantly communicated to all employees on all levels. To measure the risk of lack of knowledge, the awareness of guidelines was measured in the employee survey in 2023. It showed that there is 68 percent awareness of the Group People Policies in Norwegian, which gives a slight increase compared to 2022.

At Norwegian, transparency and involvement of employee representatives in various decisions are key. In addition to regular meetings with union and HSE representatives, Norwegian strives to conduct meetings with all union and HSE representatives to discuss common topics and solutions across all groups of employees. The company's employees are represented at board level through employee representation on the Board of Directors.

Local communities & humanitarian 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". Norwegian's 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 is 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 last extension of the partnership was made in 2021, for the period running from 2022 to 2024.

In 2023, passengers donated NOK 3.13 million to UNICEF's work for children when booking flights on the Norwegian website. NOK 1.1 million was raised for children in need through employee engagement activities and corporate donations, bringing the total contribution amount to UNICEF in 2023 to NOK 4.24 million.

In March 2023, Norwegian for the sixth time sent a plane with emergency aid to one of the world's major crisis zones. Last year's mission brought relief to children affected by malnutrition and drought in Ethiopia. A total of 10 tonnes of emergency aid from UNICEF's warehouse in Copenhagen was loaded on the Norwegian aircraft.

Norwegian's contributions, together with customers' donations, amounts to funds enough to support the following:

· Providing 500 packets of water purification tablets, giving 5,000,000 litres of clean water

· Saving 5,320 severely malnourished children with three month's supply of high-energy peanut paste

· Providing 1,500 school-in-a-box sets that provide education equipment for teachers and 60,000 children in need

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

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 Board holds the highest level of accountability for the implementation of this strategy within the company's structure. The Chief Executive Officer (CEO) is responsible for the implementation of environmental sustainability at Norwegian.

Although Norwegian is on the right track, the company continuously strive to deliver more on environmental performance. 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, supporting the recommendations from the International Panel on Climate Change 1.5°C-report from 2018. For Norwegian, this means that the company is aiming to reduce its carbon emissions 97 grams in 2010 to 53 grams per revenue passenger kilometres (RPK) in 2030, implying a 45 percent reduction in relative carbon intensity.

The 45 percent reduction target will be reached through a combination of fleet renewal, operational efficiency and sustainable aviation fuels. As regulatory frameworks and the market for fossil-free aviation fuels (SAFs) mature, it provides the company with improved clarity for resource allocation in order to reach its targets. Norwegian has worked diligently throughout 2023 to further reduce uncertainty of key variables, so that it can decide upon the most cost-efficient path to achieve decarbonisation.

In 2023, our focus on waste resource management involved targeted improvements for the future, including reducing disposable usage, recycling bottles and cans, and minimising food waste. We introduced the "Last Flight Discount" initiative, where unsold fresh food items are offered at a 50% discount on the last flight to avoid food waste. This initiative aligns with our commitment to achieving zero food waste by 2030.

Our sustainability goals also include increasing recycling rates, with a target of 98 percent for bottles and cans by 2030. Additionally, after a year of measuring disposable usage, we aim to reduce onboard disposable consumption from 5.9 grams per revenue passenger in 2023 to 4 grams per revenue customer in 2024.The company's targets are action-oriented and measurable. Norwegian will continue to be open and share its progress actively.

Carbon efficiency

To reach the company's carbon efficiency target the following actions are prioritised:

· Fleet renewal

· Operational efficiency

· Sustainable aviation fuels

The impactful action an airline can take to improve carbon efficiency is to invest in new aircraft. Norwegian operates a modern and fuel-efficient fleet with an average aircraft age of 8 years and 3 months at year-end 2023.

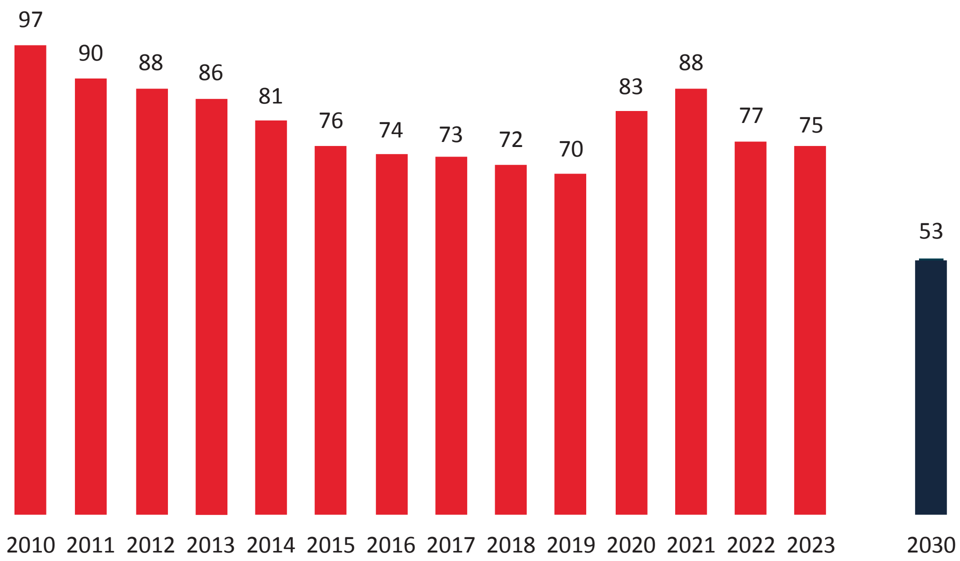
In 2023, Norwegian improved its carbon efficiency by 2.5 percent compared to 2022 and 15.5 percent compared to 2021. The improvement is a result of higher load factors, fuel saving by pilots and introduction of more fuel-efficient aircraft. Carbon emissions per unit of operating revenue amounted to 0.08 grams of CO2 per NOK in revenue, an improvement of 14 percent from 0.09 grams of CO2 in the previous year.

In 2022, Norwegian laid the foundations for a full fleet renewal by 2030 and continued the work in 2023. The company took delivery of 18 Boeing 737 MAX 8 on lease and expect delivery for another 14 on lease in 2024. In 2022, the company entered into a landmark deal with Boeing to purchase 50 Boeing 737 MAX 8 aircraft with delivery from 2025 to 2028, with an option to purchase another 30. The new aircraft are predominately meant to replace previous generation aircraft.

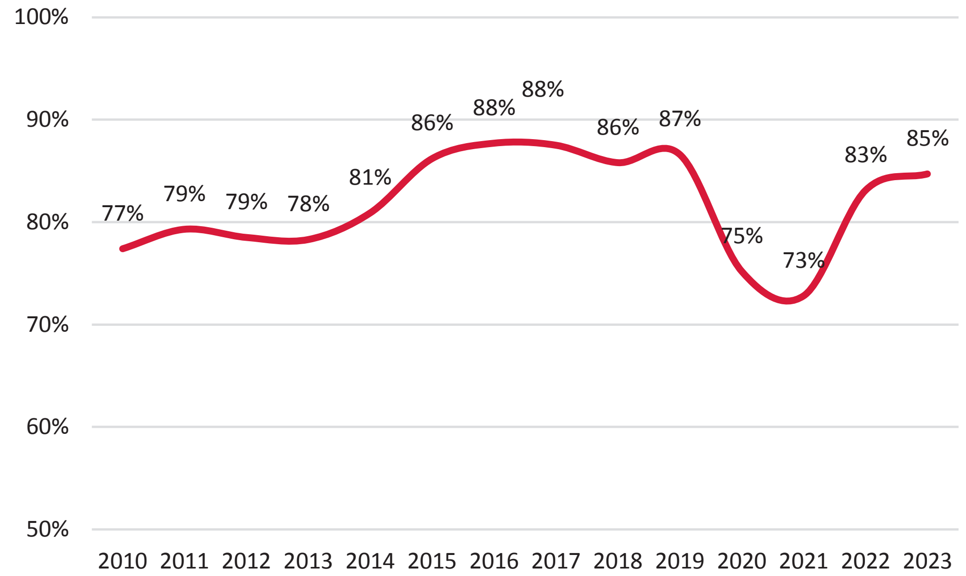
A new Boeing 737 MAX 8 have a lower fuel burn and reduces carbon emissions by at least 14 percent compared to the previous generation Boeing 737-800 NG. Norwegian expects a full fleet renewal to deliver 16-17 percent improvement to the company's carbon efficiency by 2030.

The second most impactful action an airline can take to improve carbon efficiency 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 2023, Norwegian had a load factor of 85 percent, up from 83 percent in 2022 and 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 fuel saving training among pilots to improve performance and increase scale, work that continued through 2023. 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 19,200 tonnes of fuel amounting to a total of 60,600 tonnes of CO2 in 2023. This is significant improvement from 2022, when pilots were able to save 17,000 tonnes of fuel and 53,000 tonnes of CO2. 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 impactful 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. In 2023, Norwegian consumed 1,759 tonnes of SAF, compared to 1,777 tonnes in 2022. The share of SAF consumed as a share of total of JET A-1 uplifted was 0.3 percent, unchanged from 2022.

The majority of the SAF was delivered as party of blending mandates in Norway, Sweden and France.

2023 became a milestone for the project with Norsk e-Fuel. Norwegian became shareholder and co-owner in the project giving the company early access to fossil-free aviation fuel when the factory is up and running. This will secure Norwegian more than 7,000 metric tonnes of fuel per year from the first factory, and volumes could increase to 29,000 metric tonnes annually if the next two planned factories become operational.

In tough competition, Norwegian won the tender to fly employees of the Norwegian Armed Forces, the Ministry of Defence and the Norwegian Defence Material Agency. The Norwegian Defence Logistics Organisation (NDLO) that awarded the contract to Norwegian, put special emphasis on sustainability and highlighted Norwegian's initiatives in promoting fossil-free aviation fuel. The tender duration is four years and in the tender period Norwegian will substitute four million litre fossil fuel, reducing CO2-emission with around 10,000 tonnes.

In October 2023, Norwegian introduced 100 flights on Denmark's busiest route between Aalborg and Copenhagen with fossil-free aviation fuel. The company purchased fossil-free aviation fuel to power the equivalent of 100 flights to show the Danish government that their goal of one "green domestic route by 2025" is reachable in the years to come.

In 2022, Norwegian entered into a collaboration agreement with Neste, the world's leading producer of fossil-free 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 CO2 calculation 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. These partnerships continued in 2023.

In 2023, Norwegian consumed 564 tonnes SAF in the voluntary market. 200 tonnes covered the fuel consumption related to Norwegian's administration flights on the company network. The remaining 364 tonnes was either purchased by corporate customers directly or via third parties at airports such as Aalborg, Copenhagen and Helsinki, or to cover purchases for the political weeks in Denmark and Sweden. Norwegian continued its active engagement with producers of fossil-free 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, a company central in providing input to a report on the Danish strategy for fuels based on green hydrogen. Through this partnership, Norwegian have contributed to a new Danish carbon capture and utilisation strategy (CCU) with production targets for 2035. The strategy aims to close the price gap on PtX-fuels and give the government recommendations on support models for CCU.

Norwegian have in 2023 not purchased carbon credits, nor does it hold any balance of carbon credits.

Waste resource optimisation

Norwegian aims to gradually remove excess waste from its operations. In the short term, 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 contingent on legislation and waste treatment systems at airports.

To reach its ambitious targets, Norwegian has prioritised the following actions in 2023:

· Updating inflight service procedures and measuring disposables per passenger

· Updating waste equipment and testing new recycling procedures

· General 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 passenger.

In our ongoing commitment to sustainability and responsible resource management, we implemented the "Last Flight Discount" initiative in 2023. This innovative strategy aims to minimise food waste by offering unsold fresh food items at a significant discount of 50 percent on the last flight, ensuring that these items are utilised efficiently and not discarded unnecessarily.

From May 2023 until the end of the year, the "Last Flight Discount" initiative successfully sold 17,160 items, preventing a substantial amount of food from going to waste. This initiative not only aligns with our environmental goals, but also contributes positively to cost-effectiveness and customer satisfaction.

As we move forward into 2024, we are committed to further improving the "Last Flight Discount" initiative. We will continue to explore new strategies and technologies to optimize the process, reduce waste even further, and enhance the overall sustainability in our inflight concept. By actively engaging in initiatives and continually seeking ways to improve, we demonstrate our dedication to sustainable practices while also creating value for our customers. We will remain proactive in our efforts to optimise waste resources.

Accountability

In 2023, Norwegian reported the company's assessment of climate-related risk and opportunities to the Carbon Disclosure Project for the third time. Norwegian improves and receives the highest possible score in several categories for its emission reduction initiatives in this year's global climate ranking from the international organisation CDP. Norwegian receives an overall score B and the highest possible score in the categories for risk management processes, risk disclosure, and in reporting and verification of direct and indirect energy supply emissions (Scope 1 and 2).

Norwegian also prepared for the third time a carbon accounting report for 2023 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 2023, the company emitted 2,043,825.54 tonnes of CO2 equivalents (CO2e) under Scope 1 and Scope 2, up from 1,742,010 tonnes CO2e in 2022. Total GHG emissions, including voluntary Scope 3, was 2,486,480.29 tonnes CO2e.

Scope 1 accounts for emissions stemming from direct operations where the organisation 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 2023, the company consumed 648,580 metric tonnes of fossil Jet A-1 fuel, equivalent to absolute emissions of 2,043,027 tonnes CO2e, compared to 552,745 metric tonnes of Jet A-1 fuel and 1,741,147 tonnes of CO2 in 2022. Jet A-1 fuel consumption constituted over 99.9 percent of Scope 1 emissions and around 82 percent of total GHG emissions in 2023, approximately unchanged from 2022, while GHG emissions from diesel and petrol consumption by ground operations was 233 tonnes CO2e in 2023, up from 153 tonnes CO2e in 2022. Norwegian's absolute Scope 1 emissions increased by 17.3 percent in 2023 compared to 2022.

Moreover, as seen in the above figure for carbon efficiency, the company had relative fossil emissions from JET A-1 fuel consumption of 74.6 grams of CO2 per revenue passenger kilometre in 2023, compared to 76.5 grams in 2022. Biogenic emissions are subtracted from the figure, as these are accounted separately under the GHG Protocol. Norwegian's relative emissions decreased by nearly 2.5 percent compared to 2022, 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 509 tonnes CO2e in 2023, up from 350 tonnes CO2e in 2022. In sum, location-based scope 2 emissions accounted for less than 0.1 percent of Norwegian's total GHG emissions in 2032.

Scope 2 emissions can also be reported according to market-based emission factors. The company's market-based Scope 2 emissions was 1,722 tonnes CO2e in 2023, down from 1,865 tonnes CO2e in 2022. 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 2023, Norwegian has included emissions from Inflight goods and water in addition to de-icing and upstream emissions from fuel-and-energy-related activities. Scope 3 emissions from production and transportation of Jet A-1, was 429,909 tonnes CO2e in 2023. Scope 3 emissions from glycol for de-icing was 7,491 tonnes CO2e in 2023. In sum, Scope 3 emissions accounted for a little over 17 percent of Norwegian's total GHG emissions in 2023, similar to 2022.

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 2023, Norwegian consumed 1,759 tonnes of SAF, compared to 1,777 tonnes in 2022. The consumed SAF included 564 tonnes consumed under the voluntary market, up from 180 tonnes in 2022. As seen in the table below, the total biogenic emissions from SAF consumption were 5,541 tonnes CO2e in 2023, down from 5,598 tonnes CO2e in 2022.

Climate accounting*

Greenhouse gas emissions	2023	2022	2021
Scope 1	**2,043,316**	**1,741,357**	**606,428**
Diesel	103	83	95
Biodiesel HVO	0	-	-
Petrol	130	71	5
SAF	56	57	-
Jet A-1 (Jet kerosene)	2,043,027	1,741,147	606,328
Scope 2	**509**	**350**	**328**
Electricity	270	321	272
District heating/cooling	239	120	56
Electric vehicles	-	-	-
Scope 3	**442,655**	**372,511**	**129,773**
Upstream emissions from fuel-and-energy related activities	429,909	364,614	126,936
De-icing	7,491	3,575	2,837
Inflight Good	5,324	4,323	N/A
Inflight Waste	21	20	N/A
Total	**2,486,480**	**2,114,219**	**736,528**

**Due to changes in our methodology highlighted in the "Carbon Account Report", certain non-material adjustments have been made retrospectively to the 2022 and 2021 figures in the table above.*

Biogenic Emission	2023	2022	2021
SAF under blending mandates	3764	5030.5	1370
SAF under voluntary market	1777	567.5	20
Total biogenic emsission from SAF	**5,541**	**5,598**	**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 2023, an estimated 300,000 customers compensated around 35000 tons of CO2-emissions through the CHOOOSE-solution in the company's booking process. That is equal to 1,45 percent of total customers in 2023, down from 1,8 percent in 2022. Read more about the projects and the partnership with CHOOOSE at www.norwegian.com/chooose.

Carbon accounting report

This report is prepared by CEMAsys to Norwegian Air Shuttle ASA (Norwegian) for the the 2023 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 CO_2 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 CO_2-equivalents: CO_2, CH_4 (methane), N_2O (nitrous oxide), SF_6, HFCs, PFCs and NF_3.

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 2023 carbon accounting for the chosen reporting categories. Data is viewed as complete for scope 1 + 2 emissions. There have however been some changes to methodology and expansion in Scope3.

Changes and Inclusions:

Sustainable Aviation Fuel (SAF)
Norwegian Air Shuttle has reported its uplift of sustainable aviation fuel through emission factors from Department for Environment, Food & Rural Affairs (DEFRA). In 2022, this was done through a Biodiesel, ME factor as a proxy due to lack of a specific emission factor for sustainable aviation fuel. This fuel is made from a bio-based feedstock, i.e. bio-oil which was deemed the best fit out of what was available at the time. In the latest publication from DEFRA, a specific emission factor for Avtur, sustainable aviation fuel, has been introduced.

Scope 3
In 2023, Norwegian Air Shuttle has implemented the initiative to expand on scope 3 with so-called inflight goods. These include meals served onboard as well as goods from inflight stores that are available for purchase during flight. These goods have been categorized as follows: Disposables, Fresh food, Café, Store, Pre-Order meals, Charter meals.

Reporting period
The reporting period for consolidating 2023 emission data is set to 1 January 2023 until 31 December 2023.

Base Year
Base year for reporting is not yet determined. Thus, there are no recalculations triggered in the 2023 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 (CH_4 and N_2O) of SAF.

Summarised overview:

Diesel	103.3	tCO2e
Petrol	130.0	tCO2e
Jet A1	2,043,027.0	tCO2e
SAF-combustion	55.9	tCO2e
Biodiesel HVO	0.1	tCO2e
Scope 1 Total	2,043,316.1	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	105.2	tCO2e
Finland	1.5	tCO2e
Ireland	4.9	tCO2e
Latvia	10.2	tCO2e
Norway	17.3	tCO2e
Spain	120.6	tCO2e
Sweden	8.7	tCO2e
United Kingdom	1.7	tCO2e
District heating		
Latvia	14.8	tCO2e
Denmark	141.85	tCO2e
Norway	81.6	tCO2e
District cooling		
Norway	1.1	tCO2e
Denmark	0	tCO2e
Scope 2 Total	509.4	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)	6244.8	tCO2e
Glycol (type 2)	1245.0	tCO2e
Water consumption	0.9	tCO2e
Inflight goods - added in 2023		
Disposables total	278.9	tCO2e
Fresh food total	257.6	tCO2e
Cafe total	1,589.1	tCO2e
Store total	838.0	tCO2e
Pre-Order Meals total	1,851.7	tCO2e
Charter Meals total	418.4	tCO2e
Fuel-and-energy-related activities		
Diesel (WTT)	26.6	tCO2e
Petrol (WTT)	33.1	tCO2e
Jet A1 (WTT)	429,227.0	tCO2e
SAF (WTT)	451.3	tCO2e
Biodiesel, HVO (WTT)	0.7	tCO2e
Electricity Denmark (upstream)	41.1	tCO2e
Electricity Finland (upstream)	0.6	tCO2e
Electricity Ireland (upstream)	1.4	tCO2e
Electricity Latvia (upstream)	3.2	tCO2e
Electricity Norway (upstream)	15.1	tCO2e
Electricity Spain (upstream)	43.7	tCO2e
Electricity Sweden (upstream)	10.6	tCO2e
Electricity UK (upstream)	0.5	tCO2e
District heating NO/SE (upstream)	17.0	tCO2e
Heat & Steam (upstream)	13.1	tCO2e
Inflight Waste – added in 2023		
Metal waste, recycled	0.4	tCO2e
Glass waste, recycled	4.7	tCO2e
Plastic waste, recycled	2.3	tCO2e
Residual waste, incinerated	9.3	tCO2e
Organic waste, treated	1.1	tCO2e
Paper waste, recycled	0.6	tCO2e
Cardboard waste, recycled	2.5	tCO2e
Wood waste, recycled	0.3	tCO2e
Scope 3 Total	442,654.75	tCO2e

WTT: Well-to-Tank.

Biogenic CO2 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)	3764	tCO2e
Sustainable Aviation Fuel (Voluntary market)	1777	tCO2e
Biogenic CO2 Emissions Total	5541	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 (tCO2e)	CH4 (tCO2e)	N20 (tCO2e)	Total tCO2e
Scope 1 total	2,036,124.8	3.9	55.8	2,036,184.5
Scope 2, electricity total	269.2	0.3	0.5	270.0
Emission total	**2,036,394.0**	**4.2**	**56.3**	**2,036,454.5**

Alignment of sustainability reporting standards

Norwegian is deeply committed to creating lasting value for all stakeholders, embedding sustainability as a fundamental principle within an ever-evolving landscape of sustainability reporting. This evolution has introduced uncertainties across industries, particularly for companies like Norwegian, which possess a significant presence in the Nordic and European markets and are listed on the Oslo Stock Exchange. The impending adoption and implementation of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) are set to establish a cohesive reporting framework, complemented by additional local and international regulations. In response, Norway's Ministry of Finance is proposing amendments to align Norwegian law with the CSRD, aiming to enhance transparency regarding companies' sustainability risks and impacts.

Within this regulatory framework, Norwegian stands among the pioneers mandated to integrate concise sustainability statements alongside their financial reports in 2024. This integration ensures alignment between the scope of sustainability reporting and that of financial statements, providing stakeholders with a comprehensive view of the company's sustainability endeavours and strategic alignment. Norwegian is also tasked with defining the foundation for preparing this consolidated report, further ensuring its accuracy and reliability match those of its financial disclosures.

Norwegian aims to engage with all key stakeholders to get valuable input when making key decisions on resource allocation and strategy development. To prioritise environmental, social and governance (ESG) topics, Norwegian conducted a materiality assessment that was completed in January 2023. The assessment was conducted by a third-party 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 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. These align well with Norwegian's policies and actions in support the United Nations Sustainable Development Goals (SDGs).

Due to the expansion of regulations and in order to prepare for the upcoming changes, Norwegian conducted an ESRS gap analysis in 2023, building on insights from the previous materiality assessment. This analysis will aim to realign Norwegian's sustainability priorities with evolving regulatory standards, laying the groundwork for a more comprehensive evaluation of sustainability objectives. While not mandatory, the findings from this analysis is likely to impact the structure of Norwegian's 2023 ESG reporting by enhancing transparency and accountability. Norwegian also aims to inform all relevant stakeholders of upcoming expected changes to its ESG strategy, while at the same time seeking continuous alignment with relevant regulations.

Comprehensive approach to governance will continue to impact Norwegian's sustainability strategy, providing a more holistic perspective on objectives. Moreover, these assessments position Norwegian well for a forthcoming Double Materiality Assessment (DMA) that the company is aiming to complete in 2024. This will play a crucial role in shaping Norwegian's strategy and management approach, ensuring alignment with CSRD and ESRS guidelines. Committed to stakeholder engagement, Norwegian aims to refine its engagement processes, with the updated DMA likely identifying new stakeholders for inclusion. While we do not expect significant changes to the topics deemed material topics identified in the previous materiality assessment, we do expect an expansion in general of material topics.

Furthermore, insights from an updated double materiality assessment will enrich and build upon the due diligence conducted via the Transparency Act report, bolstering Norwegian's risk management processes. Changes in governance, processes and targets will be prominently featured throughout Norwegian's sustainability reporting, reflecting the ongoing commitment to sustainability and regulatory compliance. All previously mentioned policies and processes may be subject to review in accordance with the Board of Directors being the highest level of accountability for the implementation of the companies ESG strategy and all its subsequent policies within the company's structure.

Norwegian supports this alignment and the positive impacts it will have in its sustainability journey.

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.

EU taxonomy

The EU Taxonomy Regulation, enacted in July 2020 within the EU and scheduled to become effective in Norway from 2023, represents a pivotal stride towards establishing a standardised framework for identifying sustainable economic activities. While the current scope of the regulation does not comprehensively cover the aviation industry and its operations, Norwegian acknowledges that ongoing developments include a draft proposal for an interim pathway tailored to our sector.

Under this regulation, Norwegian is obligated to disclose the proportion of its economic activities that align with taxonomy criteria, including turnover, capital expenditures, and operating expenditures. As of now, the sole taxonomy-eligible activity identified within our company pertains to 6.19 "Passenger and freight air transport " falling under the turnover category. It's worth noting that while Norwegian is cognisant of this category and is actively drafting proposals for its integration into the taxonomy framework, the methodology remains under finalisation. Consequently, reporting on this activity is not compulsory for the fiscal year 2023.

Norwegian is firmly committed to the objectives outlined in the EU Taxonomy Regulation and extends full support for its continued evolution. Through this report, Norwegian endeavours to furnish stakeholders with a comprehensive understanding of its engagement with the EU Taxonomy, marking a pivotal stride towards enhancing transparency and fostering alignment with evolving sustainability standards and regulations.

Identifying eligible activities at Norwegian
Examining substantial contribution criteria involves assessing all potential taxonomy-eligible activities to determine if they substantially contribute to the mitigation and/or adaptation objectives. This assessment is conducted in conjunction with the internal vetting process.

Further examination involves evaluating the principle of doing no significant harm to other environmental objectives. This entails additional scrutiny of the internal vetting process for taxonomy-eligible activities. Compliance is verified by analysing the existing sustainability strategy, including environmental procedures, waste management processes, and other relevant policies and procedures.

Verification of compliance with minimum social safeguards encompasses adherence to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights within the Group.

Finally, determining the alignment status involves assessing if activities meet the criteria for eligibility. However, since it has been concluded that no activities are eligible for 2023, this step is not applicable.

Alignment
As previously discussed, Norwegian does not currently engage in any activities that meet the criteria for eligibility, rendering the technical screening assessment and considerations of `substantial contribution' and `does no significant harm' irrelevant. According to the Taxonomy Regulation, environmental sustainability hinges not only on meeting the `substantial contribution' and `does no significant harm' criteria but also on compliance with minimum safeguards. These safeguards ensure that activities cannot be deemed sustainable if they violate human or labor rights, partake in corrupt practices, engage in anti-competitive behavior, or exhibit non-compliant taxation practices.

Compliance with minimum safeguards at Norwegian means ensuring adequate processes and controls are in place regarding human rights, corruption, taxation, and fair competition, and secondly, by ensuring there are no breaches or violations. The company has, through its code of conduct, general risk assessment procedures, and Transparency Act, diligently safeguarded its procedures and guidelines to uphold due diligence in areas covered by OECD Guidelines. Please revisit our Governance section for more information.

Aviation is Norwegian's core business, and therefore, the absence of identified "eligible" activities is primarily attributable to the lack of revenue-generating activities falling under the eligible categories. Additionally, a significant majority of its assets are leased. However, it's important to acknowledge that the definition of CapEx encompasses IFRS16, potentially covering certain assets such as buildings and cars. As regulations evolve and our operations progress, it's conceivable that the pertinent data may fall under "eligible" activities in due time. Norwegian remains open to revisiting this assessment as needed.

Accounting principles
EU Taxonomy accounting principles Norwegian's activities follow the legal boundaries of the group.

The KPIs reported in the EU Taxonomy are presented in separate tables for turnover, capex and opex as defined in the regulation. Total turnover is Norwegian's total operating revenue as presented in the group's consolidated income statement. External sales connected to the economic activities are reported as Taxonomy-eligible turnover, either Taxonomy-aligned or not Taxonomy-aligned.

Total capex includes the line-item 'Additions' for 2023 (excluding goodwill) in Note 12 (Intangible assets), Note 13 (Tangible assets) and Note 14 (Leases) to the group financial statements. Taxonomy-eligible capex, either

Taxonomy-aligned or not Taxonomy-aligned, are the investments related to the assets or processes associated with the respective economic activities.

Total opex covers the expenses summarised under `Total opex excl lease and depreciation' in addition to short-term lease costs included in the line-item Aircraft lease, depreciation and amortisation'. The Taxonomy-eligible opex includes the corresponding direct non-capitalised costs associated to the economic activities, reported either under Taxonomy-aligned or not Taxonomy-aligned.

KPI Turnover

2023 Revenue	(NOK MILLION)			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic Activities	Codes	Absolute Revenue	Proportion of Revenue	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	"Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year "	Category enabling activity	"Category transitional activity "
		MNOK	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)	N/A	0,00	0,00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0,00%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities(not Taxonomy-aligned activities)	N/A	0,00	0,00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0,00%		
A. Turnover of taxonomy eligible activities	N/A	0,00	0,00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0,00%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		25,539.3	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL		25,539.3	100%																

KPI CapEx

2023 Revenue	(NOK MILLION)			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic Activities	Codes	Absolute Revenue	Proportion of Revenue	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	"Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year "	Category enabling activity	"Category transitional activity "
		MNOK	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)	N/A	0,00	0,00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0,00%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities(not Taxonomy-aligned activities)	N/A	0,00	0,00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0,00%		
A. CAPEX of taxonomy eligible activities	N/A	0,00	0,00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0,00%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CAPEX of Taxonomy non-eligible activities		7 512,9	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL		7 512,9	100%																

KPI Opex

2023 Revenue (NOK MILLION)				Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)									
Economic Activities	Codes	Absolute Revenue	Proportion of Revenue	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	"Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year "	Category enabling activity	"Category transitional activity "
		MNOK	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)	N/A	0,00	0,00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0,00%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities(not Taxonomy-aligned activities)	N/A	0,00	0,00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0,00%		
A. OPEX of taxonomy eligible activities	N/A	0,00	0,00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0,00%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OPEX of Taxonomy non-eligible activities		19 773,4	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL		19 773,4	100%																

Independent report on greenhouse gas (GHG) statement

pwc

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 in respect of Norwegian Air Shuttle ASA's (Norwegian Air Shuttle) Greenhouse Gas (GHG) Statement, comprising the Carbon Accounting for the period 1 January 2023 - 31 December 2023, including the explanatory information in the Reporting Structure section, under the chapter Environmental, Social & Governance (ESG) in the Annual Report 2023.

The applicable criteria against which the GHG statement has been evaluated is the GHG Protocol Corporate Accounting and Reporting Standard (2004), applied as explained in the Reporting Structure section (criteria). The GHG Protocol Corporate Accounting and Reporting Standard, published by the World Resources Institute and the World Business Council for Sustainable Development, is available at https://ghgprotocol.org/corporate-standard.

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 Criteria. Their responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of a GHG Statement that is free from material misstatements, whether due to fraud or error.

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 management

We have complied with the independence and other ethical requirements as required by relevant law and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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 requirements.

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 the management's use of the Criteria 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

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The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, 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.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 2023 – 31 December 2023, is not prepared, in all material respects, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (2004) applied as explained in the Reporting Structure section.

Oslo, 16 April 2024
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 Corporate Code of Business Ethics and Conduct ("The Code"). The Code 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 2023 was NOK 5,773 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 intends to propose a dividend of NOK 0.60 per share for 2023, corresponding to an aggregate amount of NOK 580 million, to the annual general meeting in 2024. In December of 2023, the Board was authorised to distribute dividends of up to NOK 0.25 per share for 2022. Distribution of dividends for both 2022 and 2023, in total corresponding to an aggregate amount of NOK 820 million, is subject to approval from holders of the company's debt instruments. If such approval is not obtained, the Board proposes to set aside the amount in a dividend fund for later distribution. Dividends should not be paid if equity is below what is deemed to be an appropriate level. The Company has debt facilities which 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) until maturity of the last bond in September 2026.

Board authorisations
The General Meeting of the Company on 23 May 2023 granted the Board of Directors the following authorisation:

- An authorisation to acquire treasury shares with an aggregated nominal value of 9,315,872 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 authorisation to increase the Company's share capital by up to NOK 9,315,872 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 authorisation to increase the share capital by up to NOK 931,587. The authorization can only be used to issue new shares in connections with the company's incentive programs.

- An authorisation to borrow up to NOK 2 billion (or a corresponding amount in another currency) in convertible bonds.

The authorisations are valid for a period up until next Annual General Meeting, however not beyond 30 June 2024.

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 1,685 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
The Code 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 Executive Management.

No deviations from the Code.

Freely negotiated shares

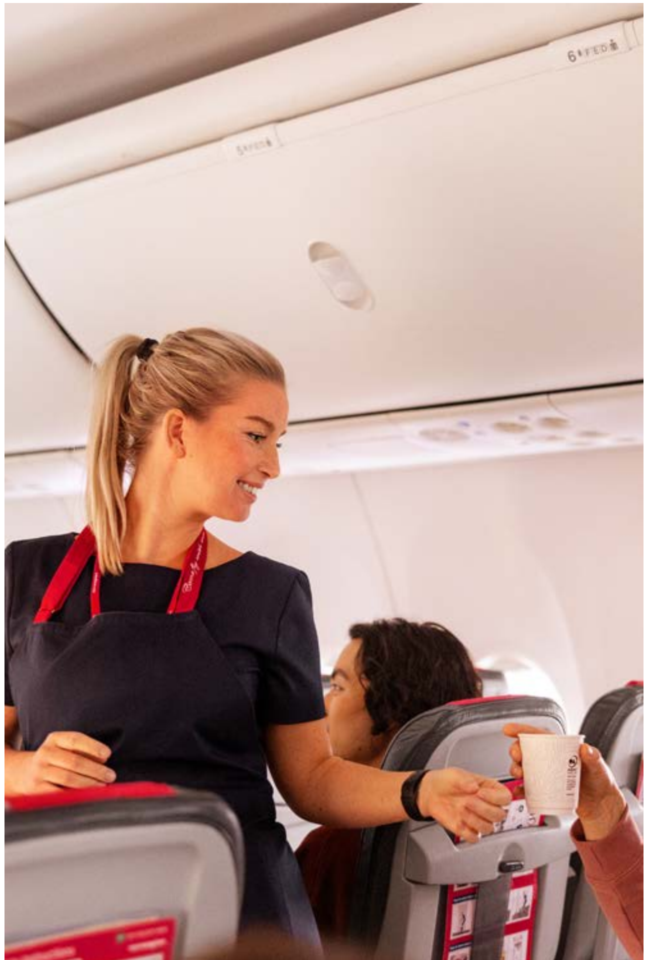
There are no restrictions on owning, trading or voting for shares in the Company.

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. As a minimum, the Chair of 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;

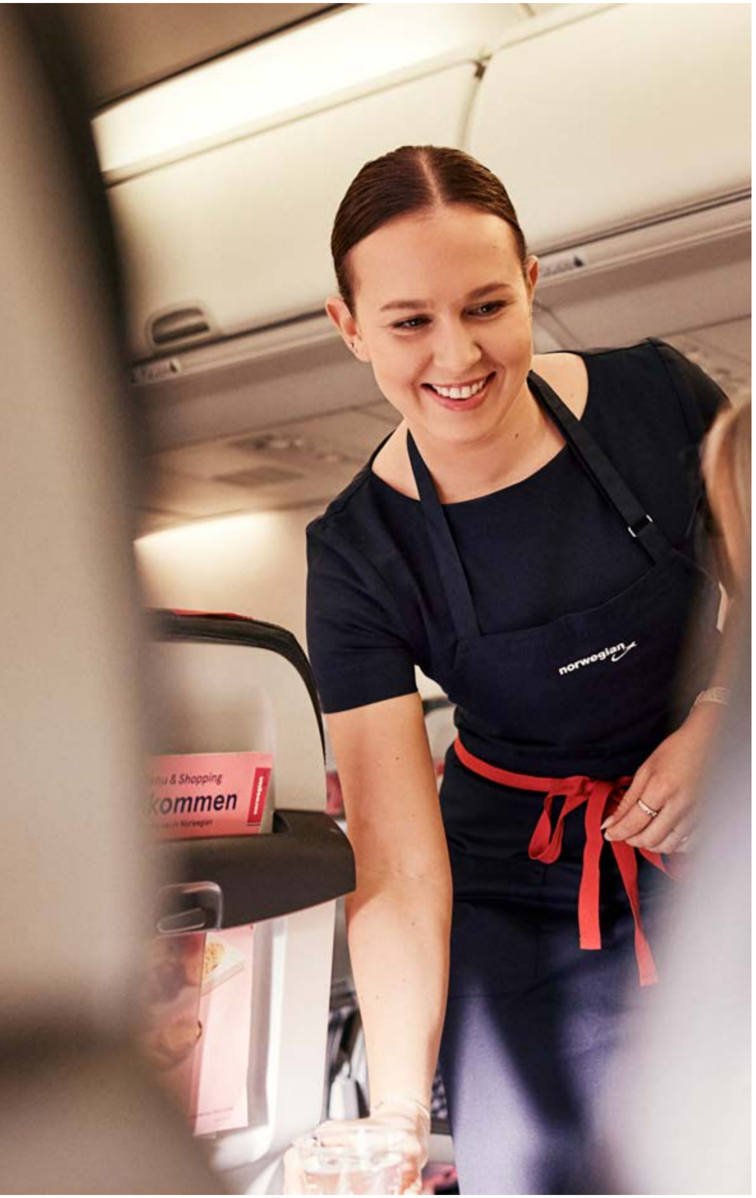
- Mr Nils A. Foldal (chair of the Nomination Committee)
- Mr Jakob Iqbal
- Mr Nils Bastiansen
- Mr. Jan Erik Klepsland

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 2023 the Board of Directors had eight members. The Company has three Directors elected by the employees on the Board of Directors. The shareholder-elected members of the Board of Directors have been nominated by the Nomination Committee to ensure that the Board



of Directors possesses the necessary expertise, capacity and diversity. The Board members have competencies in and experiences from the transport sector and other competitive consumer sectors, relevant network connections and experiences from businesses, finance, capital markets and marketing. The Board members are elected for a period of two years. The majority of the shareholder-elected members of the Board are considered to be autonomous and independent of the Company's executive personnel and material business contacts. The five members of the Board who are elected by shareholders are considered autonomous and independent of the Company's main shareholder(s). Among the shareholder elected Directors, there are three men and two women. Detailed information on the individual director can be found on the website at www.norwegian.com. None of the directors are members of the executive management team. Directors of the Board are encouraged to own shares in Norwegian.

Participation in Board meetings in 2023 has been:

Name	Number of meetings
Eric Holm	13
Ingrid Elvira Leisner	14
Katherine Jane Sherry	8
Katrine Gundersen	14
Lars Boilesen	14
Sondre Gravir	14
Svein Harald Øygard	14
Torstein Hiorth Soland	14

Katherine Jane Sherry was elected to the Board at the Annual General Meeting in May 2023. Sondre Gravir resigned as Board member at an Extraordinary General Meeting in December 2023. The General Meeting elected to replace Mr. Gravir with Stephen Kavenagh.

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 a Compensation Committee, and an Audit Committee each 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 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. 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 2023

Consolidated income statement 1.1 - 31.12

NOK million	*Note*	2023	2022*
Passenger revenue		20,616.6	15,197.7
Ancillary passenger revenue		3,699.6	2,870.0
Other revenue		1,223.1	801.6
Total operating revenue	*4*	25,539.3	18,869.3
Personnel expenses	*5, 6, 21, 22*	4,025.1	2,884.8
Aviation fuel		7,714.7	7,371.4
Airport and ATC charges		2,769.5	2,095.5
Handling charges		2,134.2	1,668.7
Technical maintenance expenses	*30*	697.6	556.4
Other operating expenses	*7*	2,409.1	1,936.2
Other losses/(gains) - net	*8*	35.1	(7.3)
Total opex excl lease and depreciation		19,785.2	16,505.9
Operating profit excl lease, depreciation and amortization (EBITDAR)		5,754.1	2,363.4
Aircraft lease, depreciation and amortization	*12, 13, 14, 23, 30*	3,522.0	2,960.5
Reversal of impairment loss regarding prepayment on aircraft	*13*	-	(2,099.4)
Operating profit (EBIT)		2,232.1	1,502.3
Interest income		231.3	72.6
Interest expense		(848.0)	(650.0)
Other financial income (expense)	*9*	188.5	121.6
Net financial items		(428.2)	(455.9)
Profit (loss) before tax (EBT)		1,803.9	1,046.4
Income tax expense (income)	*10*	66.9	41.0
Net profit (loss)		1,736.9	1,005.5
Basic earnings per share	*11*	1.70	0.99
Diluted earnings per share	*11*	1.54	0.89
Profits attributable to:			
Owners of the Company		1,736.9	1,005.5

Consolidated statement of comprehensive income 1.1 - 31.12

NOK million	*Note*	2023	2022*
Net profit (loss)		1,736.9	1,005.5
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Gains (losses) on cash flow hedges		31.4	(1.8)
Hedging (gains)/losses reclassified to profit or loss		(169.8)	-
Exchange rate differences on translation of foreign operations	*20*	112.8	57.6
Exchange rate differences on disposal of foreign operations	*9*	-	(43.9)
Net comprehensive income that may be reclassified		(25.6)	11.9
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Actuarial gains (losses)	*22*	(20.3)	(6.8)
Net comprehensive income that will not be reclassified		(20.3)	(6.8)
Total comprehensive income for the period		1,691.0	1,010.5
Total comprehensive income attributable to:			
Equity holders of the Company		1,691.0	1,010.5

** Adjusted for change in accounting policy for heavy maintenance on leased aircraft, for details see Note 30*

Consolidated statement of financial position at 31 December

NOK million	*Note*	2023	2022
ASSETS			
Intangible assets	*12*	261.0	189.1
Deferred tax asset	*10*	1,900.7	1,900.7
Aircraft, parts and installations on leased aircraft	*13*	1,415.4	1,087.5
Right-of-use aircraft, parts and installations	*14*	9,818.4	5,522.0
Equipment and fixtures	*13*	158.4	115.2
Buildings	*13*	232.7	235.6
Right-of-use buildings	*14*	319.3	180.1
Investment in financial assets	*19*	16.1	3.7
Prepayment to aircraft manufacturers	*13*	3,072.1	2,937.5
Other receivables	*15*	312.1	453.4
Total non-current assets		17,506.2	12,624.7
Inventory	*16*	259.6	81.3
Trade and other receivables	*15*	2,313.1	2,184.8
Intangible assets	*12*	956.4	-
Derivative financial instruments	*19*	36.9	19.9
Cash and cash equivalents	*17*	9,477.9	7,759.0
Total current assets		13,043.8	10,044.9
TOTAL ASSETS		30,550.0	22,669.6

NOK million	*Note*	2023	2022
EQUITY AND LIABILITIES			
Share capital	*20*	96.2	93.0
Share premium	*20*	25,727.9	25,437.7
Other paid-in equity	*20*	724.6	717.8
Perpetual bonds	*20*	1,504.7	1,800.3
Other reserves	*20*	246.2	271.8
Retained earnings		(22,526.9)	(24,117.1)
Shareholders' equity		5,772.6	4,203.4
Pension obligation	*22*	210.1	202.3
Provision for periodic maintenance	*23*	3,162.6	1,883.9
Deferred tax	*10*	64.7	59.9
Borrowings	*24*	3,623.3	4,050.0
Lease liabilities	*14*	8,688.8	4,646.2
Derivative financial instruments	*19*	67.4	-
Total non-current liabilities		15,816.9	10,842.3
Borrowings	*24*	121.9	198.5
Lease liabilities	*14*	1,591.4	1,190.6
Trade and other payables	*25*	3,859.0	3,651.2
Air traffic settlement liabilities	*26*	3,202.5	2,548.5
Derivative financial instruments	*19*	108.7	21.7
Tax payable		76.9	13.4
Total current liabilities		8,960.5	7,623.9
Total liabilities		24,777.4	18,466.2
TOTAL EQUITY AND LIABILITIES		30,550.0	22,669.6

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 2022	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
Profit for the year	-	-	-	-	-	1,736.9	1,736.9
Gains (losses) on cash flow hedges	-	-	-	-	31.4	-	31.4
Hedging (gains)/losses reclassified to profit or loss	-	-	-	-	(169.8)	-	(169.8)
Actuarial gains and losses	-	-	-	-	-	(20.3)	(20.3)
Exchange rate differences on translation of foreign operations	-	-	-	-	112.8	-	112.8
Total comprehensive income 2023	-	-	-	-	(25.6)	1,716.6	1,691.0
Share issue	3.2	290.2	-	(293.4)	-	-	-
Payment-in-kind interest on perpetual bonds	-	-	-	126.3	-	(126.3)	-
Interest paid on perpetual bonds	-	-	-	(128.6)	-	-	(128.6)
Equity changes on employee options	-	-	6.8	-	-	-	6.8
Transactions with owners	3.2	290.2	6.8	(295.6)	-	(126.3)	(121.8)
Equity at 31 December 2023	96.2	25,727.9	724.6	1,504.7	246.2	(22,526.9)	5,772.6

** 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*	2023	2022*
Profit (loss) before tax		1,803.9	1,046.4
Taxes paid	*10*	(1.7)	(37.0)
Depreciation, amortization and impairment	*12,13,30*	3,533.8	2,511.7
Reversal of impairment loss regarding prepayment on aircraft	*12,13*	-	(2,099.4)
Losses/(gains) on disposal of tangible assets	*13,19*	(7.1)	(65.5)
Financial items		428.2	455.9
Interest received		231.3	72.6
Change in inventories, accounts receivable and accounts payable		(62.8)	61.7
Change in air traffic settlement liabilities		654.0	1,224.3
Change in other assets and liabilities	*30*	(1,322.0)	(745.2)
Net cash flow from operating activities		5,257.5	2,425.7
Purchase of tangible assets	*13*	(459.6)	(29.0)
Purchase of intangible assets	*12*	(82.8)	(19.6)
Proceeds from sales of assets	*12,13*	7.8	72.7
Prepayments on aircraft purchase	*29*	(43.3)	(825.6)
Net cash flow from investing activities		(577.9)	(801.3)
Principal repayments	*24*	(1,051.7)	(218.4)
Principal element of lease payments	*14, 24*	(1,460.2)	(891.4)
Interest on borrowings and financing costs	*9*	(72.6)	(34.1)
Interest element of lease payments	*14*	(543.9)	(329.5)
Interest on perpetual bond		(128.6)	(80.1)
Paid dividend to creditors		-	(7.6)
Proceeds from new loans	*20*	289.6	-
Net cash flow from financial activities		(2,967.4)	(1,561.1)
Net change in cash and cash equivalents		1,712.2	63.2
Foreign exchange effect on cash		6.6	1.0
Cash and cash equivalents at 1 January		7,759.0	7,694.8
Cash and cash equivalents at 31 December	*17*	9,477.9	7,759.0

**Adjusted for change in accounting policy for heavy maintenance on leased aircraft, for details see Note 30*

Notes to the consolidated financial statements

Note 1: Summary of material 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 2023 were authorized for issue by the Board of Directors on 16 April 2024. The annual general meeting, to be held 15 May 2024, 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 IFRS® Accounting Standards (IFRS) and IFRIC interpretations, as adopted by the EU and the additional requirements of the Norwegian Accounting Act as of 31 December 2023. 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 1.6.

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

In 2023, the Group has changed its accounting policy for major overhaul and inspection costs related to leased aircraft. For details see Note 14. For information on the adjustment of comparative figures for 2022 see Note 30.

New standards, amendments and interpretations that are adopted

No changes in IFRS effective for the 2023 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

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.

Changes in ownership

When the Group ceases to consolidate or equity account for an investment because of loss of control, 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. 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.

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 Critical accounting estimates and judgments
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 Groups'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.

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.

1.6 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 (SAF) and proposed changes to CO2 taxes.

If the price for CO2 emission allowances in 2023 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 9 million lower/higher (2022: NOK 5 million).

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. The Group has a mandate to hedge its currency exposure for the following 12 months. Hedging can consist of forward currency contracts and equivalent customary derivative financial instruments.

Exchange rate risk sensitivity analysis
This analysis does not take into account correlation between currencies. Empirical studies confirm substantial diversification effects across the currencies that the Group is exposed to.

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 2023, with all other variables held constant, pre-tax profit effect would have been negative by NOK 10 million (compared to negative NOK 12 million in 2022), mainly as a result of foreign exchange losses/gains on receivables, payables and cash and cash equivalents.

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 46 million higher (compared to NOK 47 million lower in 2022).

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 in 2023 consist of a secured bond issue and a term facility. The secured bond issue (NAS 13) was redeemed in July 2023. 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 2023 had been 1 percent higher/lower with all other variables held constant, pre-tax profit for the year would have been NOK 4 million lower/higher (2022: NOK 8 million), and pre-tax equity effect would have been NOK 5 million lower/higher (2022: NOK 9 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.

If jet fuel prices had increased with 1 percent, with all other variables held constant, profit before tax would have been NOK 65 million lower (2022: NOK 66 million lower).

The Group manages jet-fuel price risk using fuel derivatives. Management has a mandate to hedge up to 60 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, unless otherwise agreed with the Board of Directors.

At the end of 2023, the Group has hedged around 50 percent of its planned fuel consumption in 2024 at an average price of USD 804 per metric ton. In addition to this the Group has hedged around 15 percent of its planned fuel consumption in 2025 at an average price of USD 812 per metric ton.

For further details on derivative financial instruments and hedging activities, please refer to Note 19.

2.5 Credit risk

Credit risk is managed on a Group 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, credit card acquirers 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 booking, at the time of travel or between these events. Delayed payments from credit card companies vary between credit card acquirers. A reduction in credit lines with credit card acquirers will 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 liquidity is closely monitored by the Management. Management also 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 and considering the level of adequate liquid assets necessary and preparing debt financing plans. The projected cash flows are based on a detailed plan that covers each fiscal year, as well as longer-term cash forecasting. In developing these forecasts, estimates and judgement are made to project revenue, costs and availability of different financing sources. Assessments are made of potential adverse effects from events outside the Group's control.

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 2023					
Borrowings	141.5	1,760.7	1,752.7	242.5	465.1
Trade and other payables	3,859.0	-	-	-	-
Lease liabilities	2,275.6	2,178.3	1,898.8	2,568.6	4,336.0
Calculated interest on borrowings	59.2	51.3	43.6	66.6	57.9
Derivative contracts - payments	108.8	67.4	-	-	-
Total financial liabilities	6,444.1	4,057.6	3,695.1	2,877.6	4,859.0

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

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 (if any) 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)	**2023**	2022
Equity	**5,772.6**	4,203.4
Total assets	**30,550.0**	22,669.6
Equity ratio	**18.9 %**	18.5 %

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 one financial instrument in this category at the end of 2023 and 2022, Norwegian Block Exchange AS (NBX). Refer to Note 13 in the parent company's financial statements for more information.

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. Refer to Note 19 in the Group's financial statements for more information on derivates.

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 one financial instrument in this category at end of 2023 (2022: none), Norsk e-Fuel AS. Refer to Note 13 in the parent company's financial statements for more information.

The following table presents financial assets and liabilities measured at fair value at 31 December 2023:

NOK million	Level 1	Level 2	Level 3	Total
Derivative financial assets, current	-	36.9	-	**36.9**
Total assets at fair value through OCI	-	36.9	-	**36.9**
Investment financial assets, non-current	3.7	-	12.4	**16.1**
Total assets at fair value through profit or loss	3.7	-	12.4	**16.1**
Derivative financial liabilities, non-current	-	67.4	-	**67.4**
Derivative financial liabilities, current	-	108.7	-	**108.7**
Total liabilities at fair value through OCI	-	176.1	-	**176.1**

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**
Investment financial assets, non-current	3.7	-	-	**3.7**
Total assets at fair value through profit or loss	3.7	-	-	**3.7**
Derivative financial liabilities, current	-	21,7	-	**21,7**
Total liabilities at fair value through OCI	-	21,7	-	**21,7**

Fair value of financial assets
In addition to investment in financial assets and derivative financial assets, all other financial assets are carried at amortized cost.

Fair value of financial liabilities at amortized cost
All borrowings per 31 December 2023 and 2022 are measured at amortized cost. The fair value of current borrowings approximates their carrying amount. The NAS13 bonds issued in 2021 were traded in an active market. Thus, their fair value was based on quoted market prices on or close to the reporting date (level 1 in fair value measurement hierarchy). In 2023, the Company redeemed the NAS13 bond with a total amount of NOK 468 million including call premium and accrued interest. 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.

	Carrying amount		Fair value	
NOK million	**2023**	2022	**2023**	2022
Financial assets at fair value through OCI	**36.9**	19.9	**36.9**	19.9
Financial assets at fair value through profit or loss	**16.1**	3.7	**16.1**	3.7
Financial assets at amortized cost	**11,642.4**	9,855.8	**11,642.4**	9,855.8
Total financial assets	**11,695.4**	9,879.4	**11,695.4**	9,879.4
Financial liabilities at fair value through OCI	**176.1**	21.7	**176.1**	21.7
Financial liabilities at amortized cost	**17,164.6**	12,352.7	**17,090.9**	12,232.0
Total financial liabilities	**17,340.7**	12,374.4	**17,266.9**	12,253.7

Note 4: Segment and revenue information

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.

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.

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.

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.

Other revenue
Other revenue comprises of third-party revenue, such as cargo, commission from in-flight sales, expired CashPoints, and revenue from business activities in subsidiaries which are not airlines.

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), as well as earnings before interest and tax (EBIT). 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	**2023**	2022
By activity:		
Passenger transport	**20,616.6**	15,197.7
Ancillary revenue	**3,699.6**	2,870.0
Other revenue	**1,223.1**	801.6
Total operating revenue	**25,539.3**	18,869.3

Other revenue includes NOK 633.3 million from CashPoints expired in 2023, mainly related to CashPoints granted in 2018 and 2019.

NOK million	**2023**	2022
By country:		
Norway	**9,693.4**	7,330.9
Spain	**4,089.8**	2,734.7
Denmark	**2,926.0**	2,154.3
Sweden	**2,496.4**	1,976.8
United Kingdom	**1,026.2**	829.8
Finland	**934.5**	645.3
Italy	**710.0**	479.1
France	**614.6**	500.8
Germany	**369.9**	270.1
Poland	**350.5**	214.3
Other	**2,327.9**	1,733.2
Total	**25,539.3**	18,869.3
Total outside of Norway	**15,845.9**	11,538.4

Note 5: Payroll expenses and number of employees

NOK million	**2023**	2022
Wages and salaries	**3,038.6**	2,120.5
Social security tax	**466.2**	325.4
Pension expenses	**287.6**	239.0
Employee stock options	**6.8**	3.3
Other benefits	**143.5**	140.7
Hired operational personnel	**82.4**	55.9
Total	**4,025.1**	2,884.8

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

	Man-labor years	**Man-labor years**	**Head count *)**	**Head count *)**
	2023	2022	**2023**	2022
Cabin Crew	**1,750**	1,430	**1,911**	1,648
Flight Deck Crew	**973**	785	**1,071**	1,008
Non-crew	**1,208**	957	**1,488**	1,215
Total	**3,931**	3,172	**4,470**	3,871
Norway	**2,394**	1,966	**2,641**	2,156
Spain	**448**	316	**691**	679
United Kingdom	**8**	10	**8**	11
Sweden	**228**	183	**220**	215
Denmark	**527**	410	**572**	459
Finland	**159**	133	**174**	162
Ireland	**8**	9	**8**	9
Latvia	**158**	145	**156**	180
Total	**3,931**	3,172	**4,470**	3,871

*) *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 2023 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 (2024).

All Nomination Committees proposals were approved by the AGM.

The Executive remuneration in 2023 complied with the guidelines on remuneration approved by the AGM in 2023.

Geir Karlsen's (CEO) base salary was adjusted upwards by 21 percent, and Guro Halvorsen Poulsen's and Magnus Thome Maursund's base salary was increased with 10 percent. The remaining Executives' salaries were adjusted in line with the general salary adjustment for employees in Norway, which is 5.2%

No share options were exercised by the Executives in 2023.

Bonuses were paid to the Executives in accordance with the short-time incentive program.

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 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 2nd 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. 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 2023 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 2023 amounted to NOK 118,620. 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 defined benefit plan (accounted for as defined contribution plan). AFP is market practice, regulated by collective bargaining agreements, and has a modest cost.

Total Compensation year 2023

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	1,130	-	-	-	-	1,130
Ingrid Elvira Leisner	675	-	-	-	-	675
Lars Rahbæk Boilesen	627	-	-	-	-	627
Sondre Gravir (until December 2023)	530	-	-	-	-	530
Katherine Jane Sherry (since May 2023)[2]	100	-	-	-	-	100
Stephen Thomas Kavanagh (since December 2023)	-	-	-	-	-	-
Eric Holm, elected by the employees[1]	150	-	-	-	-	150
Katrine Gundersen, elected by the employees[1]	150	-	-	-	-	150
Torstein Hiorth Soland, elected by the employees[1]	150	-	-	-	-	150
Total board of directors	**3,512**	**-**	**-**	**-**	**-**	3,512
Executive Management						
Geir Karlsen (Chief Executive Officer)	-	5,569	3,507	158	105	9,339
Hans-Jørgen Wibstad (Chief Financial Officer)	-	3,047	1,255	158	105	4,565
Anne-Sissel Skånvik (Chief Communications and Public Affairs Officer)	-	2,092	772	158	105	3,127
Magnus Thome Maursund (Chief Commercial Officer)	-	2,263	1,115	166	108	3,651
Adrian Dunne (Chief Operations Officer until July 2023)	-	2,125	1,803	140	308	4,376
Christoffer Sundby (Chief Marketing and Customer Officer)	-	3,337	1,433	165	105	5,040
Knut Olav Irgens Høeg (Chief IT and Business Services Officer)	-	2,468	1,110	158	105	3,840
Guro H. Poulsen (Chief People Officer)	-	2,159	965	158	105	3,387
Tore Kristian Jenssen (Chief Asset Officer)	-	3,110	1,433	191	431	5,164
Henrik Fjeld (Interim Chief Operations Officer from July 2023, SVP Technical) [5]	-	799	-	43	65	907
Per Gunnar Lyckander (Interim Chief Operations Officer from July 2023)[5]	-	983	-	18	245	1,245
Total executive management	**-**	**27,952**	**13,391**	**1,512**	**1,787**	**44,642**

1) *For the employee representatives in the Board of Directors, only their fee for serving on the Board of Directors fee is stated*
2) *Katherine Jane Sherry also received an advisory fee for the period before elected as board member of NOK 133,000*
3) *Other benefits include company car/car allowance, insurance, telephone, internet, severance pay, etc.*
4) *Pension expense reflects paid pension premium.*
5) *Remuneration for the time in the Company before becoming interim COO's is not included.*

No share options were exercised by the Management in 2023.

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.

Note 7: Other operating expenses

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.

NOK million	**2023**	2022
Sales and distribution expenses	**716.3**	576.5
Other flight operation expenses	**775.3**	617.5
General and administrative expenses	**917.5**	742.3
Total other operating expenses	**2,409.1**	1,936.2

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.

Audit remuneration

NOK million excluding VAT	**2023**	2022
Audit fee	**14.3**	11.3
Other audit related services	**1.1**	0.8
Other services	**1.3**	3.2
Total	**16.7**	15.3

Note 8: Other losses / (gains) – NET

NOK million	**2023**	2022
Net losses/(gains) on financial assets at fair value through profit or loss	**-**	-
Foreign exchange losses/(gains) on operating activities	**42.6**	128.8
Losses/(gains) on asset sale	**(7.1)**	(65.5)
Restructuring costs/(gain)	**-**	-
Other losses/(gains)	**(0.4)**	(70.7)
Total	**35.1**	(7.3)

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

Note 9: Other financial income (expense)

NOK million	**2023**	2022
Net foreign exchange (loss) or gain on financing activities	**6.6**	2.2
Return from investments in funds	**163.7**	71.4
Exchange rate differences on disposal of foreign operations	**-**	43.9
Other financial items	**18.2**	4.0
Other financial income (expense)	**188.5**	121.6

A net foreign exchange gain of NOK 6.6 million is recognized in 2023 (2022: NOK 2.2 million gain).

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.

Note 10: Taxes

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.

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.

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;
- deferred tax assets and tax liabilities relate 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.

Tax expense consists of:

NOK million	**2023**	2022
Tax payable	**51.5**	35.5
Adjustments from previous year	**15.4**	5.5
Income tax expense	**66.9**	41.0

Reconciliation from nominal to effective tax rate:

NOK million	**2023**	2022
Profit before tax	**1,803.9**	1,046.4
Expected tax expense (income) using nominal tax rate (22%)	**396.9**	230.2
Tax effect of the following items:		
Non-deductible expenses/income	(267.1)	19.7
Adjustments from previous year	15.4	5.5
Tax rate outside Norway other than 22%	(3.4)	(189.6)
Deferred tax asset not recognized	(74.8)	(24.8)
Tax expense	**66.9**	41.0
Effective tax rate	**3.7 %**	3.9 %

Non-deductible expenses/income mainly relates to intra-group transactions without an impact on the Group's profit before tax. Adjustments from previous year reflect the effect of differences between final tax reporting and basis used in establishing the current tax position and deferred tax balance in prior periods.

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

NOK million	**2023**	2022
Intangible assets	**555.8**	520.0
Tangible assets	**(87.0)**	(84.1)
Inventories	**3.9**	13.1
Receivables	**16.4**	4.2
Financial instruments	**(24.3)**	-
Deferred gains/losses	**(237.0)**	(486.9)
Other accruals	**282.6**	235.3
Pensions	**46.8**	44.5
Other temporary differences	**(54.8)**	(61.1)
Loss carried forward	**2,145.5**	2,542.6
Not recognized deferred tax assets	**(812.0)**	(886.8)
Net deferred tax assets (liabilities)	**1,835.9**	1,840.8
Recognized as deferred tax assets	**1,900.7**	1,900.7
Recognized as deferred tax liabilities	**(64.7)**	(59.9)
Net deferred tax liabilities (assets)	**1,835.9**	1,840.8

Loss carried forward per country:

NOK million	**2023**	2022
Norway (no expiration date)	**2,023.3**	2,358.8
Ireland (no expiration date)	**122.2**	166.1
Other	**-**	17.7
Total	**2,145.5**	2,542.6

Deferred tax assets are based on unused tax loss carryforwards and temporary differences in assets and liabilities.

The Group is currently running a profitable business. 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. By carrying forward the profitable part of its business and exiting the historically loss-making or marginal part of the operation, the Group has reasonable expectations of continuing to generate taxable profits in the upcoming years. 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.

NOK million	**2023**	2022
Recognized at 1 January	**1,840.8**	(1,830.5)
Translation differences	**(4.9)**	(10.3)
Recognized at 31 December	**1,835.9**	(1,840.8)

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)	**2023**	2022
Profit attributable to the owners of the Company before PIK interest on perpetual bonds	**1,736.9**	1,005.5
Payment-in-kind interest on perpetual bonds recognized in equity	**126.3**	85.9
Profit attributable to the owners of the Company after PIK interest	**1,610.7**	919.6
Specification of weighted average number of shares used in calculation of basic and diluted EPS		
Weighted average number of ordinary basic shares outstanding EPS	**947,827,373**	929,579,566
Weighted average number of Perpetual bonds for diluted EPS	**178,838,433**	195,917,519
Weighted average number of ordinary shares outstanding after dilution	**1,126,665,806**	1,125,497,085
Basic earnings per share (NOK)	**1.70**	0.99
Diluted earnings per share (NOK)	**1.54**	0.89
Antidilutive instruments that might become dilutive in future periods not included in calculation of the diluted earnings per share for the period		
Ordinary share options	**4,486,580**	3,511,296

Stock options granted to employees are considered dilutive if they are "in the money" after vesting conditions are considered. None of the outstanding stock options granted to employees had dilutive effect at the end of 2023. For further details on outstanding stock options, please refer to Note 21.

Note 12: 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.

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.

Emission rights
Emission rights held are recognized at amortized cost, nil for those granted from the respective countries' government agencies without the need for payment of any consideration and purchase price for those purchased.

To measure its obligation to surrender CO2 allowances correctly during a compliance period (financial year), Norwegian applies a weighted average cost method. The obligation is measured based on an average cost per unit of emissions expected to be incurred during the compliance period as a whole. The Group determines the expected total emissions for the compliance period and compares this with the number of allowance units granted and purchased and still held by the entity for that compliance period, to determine the expected shortfall (if any) in allowances held for the compliance period. The weighted average cost per unit of emissions for the compliance period is the carrying amount of the allowances held plus the cost of meeting the expected shortfall divided by the expected total number of units of emissions for the compliance period.

For the compliance period 2023, the Group has purchased CO2 allowances through forward contracts with delivery in 2024. Those allowances are included in the measurement of the obligation to surrender CO2 allowances per 31 December 2023 with their expected settlement amounts (strike price). The allowances are to be recognized as intangible assets once received in 2024.

NOK million	Software	Goodwill	Other intangible assets	Total
Acquisition costs 1 January 2022	559.5	94.0	53.8	**707.3**
Additions	19.6	-	-	**19.6**
Acquisition cost 31 December 2022	579.2	94.0	53.8	**726.9**
Acquisition costs 1 January 2023	579.2	94.0	53.8	**726.9**
Additions	78.8	-	960.4	**1,039.2**
Translation difference acquisition cost	1.3	-	-	**1.3**
Acquisition costs 31 December 2023	659.3	94.0	1,014.2	**1,767.4**
Accumulated amortization 1 January 2022	527.1	-	-	**527.1**
Amortization	10.7	-	-	**10.7**
Accumulated amortization 31 December 2022	537.9	-	-	**537.9**
Accumulated amortization 1 January 2023	537.9	-	-	**537.9**
Amortization	12.1	-	-	**12.1**
Accumulated amortization 31 December 2023	550.0	-	-	**550.0**
Book value at 31 December 2022	41.3	94.0	53.8	**189.1**
Book value at 31 December 2023	109.3	94.0	1,014.2	**1,217.4**
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.

In 2023, Other intangible assets contains NOK 956.4 million in purchased ETS allowance. The allowances are expected to be delivered to the environmental authorities during 2024 and are classified as current assets in the balance sheet.

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

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.

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, when applicable. 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.

NOK million	Buildings	Aircraft, parts and installations on leased aircraft	Prepayment on aircraft orders	Equipment and fixtures	Total
Acquisition cost 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**
Acquisition costs 1 January 2023	284.1	2,635.4	2,937.5	572.8	**6,429.8**
Additions	2.7	408.9	43.3	74.4	**529.3**
Translation difference acquisition cost	-	40.1	91.3	0.7	**132.2**
Disposals	-	(10.1)	-	-	**(10.1)**
Acquisition costs 31 December 2023	286.8	3,074.4	3,072.1	648.0	**7,081.2**
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	**2,053.08**
Accumulated depreciation 1 January 2023	48.4	1,547.9	-	457.6	**2,053.8**
Depreciation	5.6	109.6	-	31.9	**147.1**
Depreciation disposals	-	(9,3)	-	-	**(9.3)**
Foreign currency translation	-	10.8	-	-	**10.8**
Accumulated depreciation 31 December 2023	54.0	1,659.0	-	489.5	**2,202.4**
Book value 31 December 2022	**235.6**	**1,087.5**	**2,937.5**	**115.2**	**4,375.8**
Book value 31 December 2023	**232.7**	**1,415.4**	**3,072.1**	**158.4**	**4,878.7**

Aircraft
At 31 December 2023, the Group had a total fleet of 87 aircraft of which four are owned (2022: four owned aircraft). The Group did not redeliver any owned Boeing 737-800 in 2023.

The residual value is NOK 255 million (2022: NOK 247 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 3,072.1 million and relate to the purchase order of 50 Boeing 737 MAX 8 aircraft. In 2022, 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 7.9 percent (2022: 10.5 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 2023, 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.

Note 14: Leases

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.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases, that is not 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.

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.

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.

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.

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 are 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.

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

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

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

The change in accounting policy is applied retrospectively. Financial information for comparative periods disclosed in these Consolidated financial statements are adjusted as if the new accounting policy had always been applied. The retrospective application of the new accounting policy does not have any effect on the equity at the end of 2022. For more information on the adjustments of comparative figures for 2022, refer to Note 30.

Lessor payments
Received compensation from aircraft lessors for extra costs incurred related to the late commencement of lease agreements are netted against cost incurred and presented under Aircraft lease, depreciation and amortization" in the consolidated income statement.

NOK million	Right-of-use aircraft, parts and installations*	Right-of-use buildings	Total right-of-use assets*
Acquisition cost 1 January 2022	6,136.7	317.1	6,453.7
Additions	977.9	1.6	979.5
Additions maintenance	1,109.4	-	1,109.4
Translation difference acquisition cost	740.6	3.0	743.6
Terminations	-	(5.4)	(5.4)
Acquisition costs 31 December 2022	8,964.6	316.4	9,281.0
Acquisition costs 1 January 2023	8,964.6	316.4	9,281.0
Additions	5,768.2	176.2	5,944.4
Additions maintenance	1,634.4	-	1,634.4
Translation difference acquisition cost	20.5	4.2	24.7
Terminations	211.9	1.2	213.1
Acquisition costs 31 December 2023	16,599.6	497.9	17,097.5
Accumulated depreciation 1 January 2022	984.1	105.1	1,089.4
Depreciation	1,230.3	30.2	1,260.4
Depreciation maintenance	1,109,4	-	1,109.4
Foreign currency translation	118.8	1.0	119.8
Accumulated depreciation 31 December 2022	3,442.6	136.3	3,578.9
Accumulated depreciation 1 January 2023	3,442.6	136.3	3,578.9
Depreciation	1,700.4	42.3	1,742.6
Depreciation maintenance	1,634.4	-	1,634.4
Foreign currency translation	3.8	0.1	3.9
Accumulated depreciation 31 December 2023	6,781.2	178.6	6,959.8
Book value 31 December 2022	**5,522.0**	**180.1**	**5,702.1**
Book value 31 December 2023	**9,818.4**	**319.3**	**10,137.7**

*) *Following the change in accounting policy for heavy maintenance on leased aircraft in 2023, financial information for comparative periods disclosed in this report are adjusted as if the new accounting policy had always been applied.*

At the end of 2023, the Group leased 83 (2022: 66) aircraft. The lease agreements on the Boeing 737 aircraft last between two and twelve 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 2023. In the recognition of the new leases in 2023, 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 2023 is 7.2 percent (2022: 7.7 percent).

All new aircraft lease agreements entered into in 2022 contained 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 paid 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. There were no new aircraft lease agreements entered into in 2023 which contained a "PBH-clause".

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 2023 amounted to NOK 64.2 million (2022: NOK 126.5 million).

Lease liabilities

NOK million	**2023**	2022
Opening balance	**5,836.8**	5,212.7
Additions	**5,887.6**	901.2
Terminations	**-**	(7.7)
Accrued interest expense	**543.9**	329.5
Interest paid	**(543.9)**	(329.5)
Payment of lease liabilities	**(1,460.2)**	(891.4)
Currency differences	**26.0**	621.9
Lease liabilities 31 December	**10,280.1**	5,836.8
Due within one year – current	**1,591.4**	1,190.6
Due after one year – non current	**8,688.8**	4,646.2

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

In 2023, the Group had short-term and/or leases of low-value items for cars and 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	**2023**	2022
Expenses relating to short-term leases	33.2	53.7
Expenses relating to low-value leases	0.1	0.1
Variable lease payments	80.1	143.2
Total	113.4	197.1

Due to the late delivery of Boeing 737 aircraft, Norwegian incurred additional cost in 2023 related to wet leases and alternative aircraft lease contracts the company had to enter into to support its planned production. The Group has recognized payments of NOK 77.3 million (2022: nil) from aircraft lessors as a reduction of these additional aircraft lease and depreciation expenses in 2023.

Total lease payments for all leasing contracts equals NOK 2,117.5 million for the financial year 2023 (2022: NOK 1,418.0 million).

As of 31 December 2023, 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

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.

Specifications of receivables

NOK million	2023	2022
Trade receivables	**202.9**	187.8
Credit card receivables	**508.3**	988.2
Deposits	**528.9**	513.5
Reimbursements claims maintenance costs	**(6.8)**	2.2
Emission allowance claim (refer to Note 28)	**402.9**	-
Other claims	**528.4**	405.2
Sum trade and other receivables	**2,164.6**	2,096.8
Prepaid costs	**293.8**	382.4
Public duty debt	**122.3**	133.1
Prepayments to employees	**3.6**	3.5
Prepaid rent	**41.0**	22.4
Prepayments	**460.6**	541.4
Total	**2,625.2**	2,638.2
Maximum credit risk	**2,164.6**	2,096.8

Due dates, nominal value of receivables

NOK million	2023	2022
Within one year	**2,322.0**	2,240.4
After one year	**427.5**	464.8
Total	**2,749.5**	2,705.1

Fair value of trade and other receivables

NOK million	2023	2022
Due within one year	**2,313.1**	2,184.8
After one year *)	**312.1**	453.4
Total	**2,625.2**	2,638.2

Provision for bad debt

NOK million	2023	2022
Balance 1 January	**35.7**	27.3
Receivables written off during the year	**(5.5)**	2.9
Increase in provisions	**26.5**	17.1
Unused amounts reversed	**(47.8)**	(11.5)
Balance 31 December	**9.0**	35.7

Aging of trade receivables

NOK million	2023	2022
Not overdue	**176.3**	205.4
Overdue less than 1 month	**26.5**	13.0
Overdue 1-2 months	**0.0**	4.2
Overdue 2-3 months	**0.0**	1.2
Overdue over 3 months	**9.1**	(0,4)
Total	**211.9**	223.5

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

Inventory
Inventory of consumables are carried at the lower of acquisition cost and net realizable value. Cost is determined using the average price method. Inventory is consumed during maintenance and overhaul of the aircraft and is expensed when consumed.

The Group has recognized income of NOK 72.2 million in 2023 (2022: none) related to the reversal of adjustments for obsolete parts from prior years.

NOK million	**2023**	2022
Consumables	**259.6**	81.3
Total	**259.6**	81.3

Note 17: Cash and cash equivalents

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.

NOK million	**2023**	2022
Cash in bank and demand deposit	**6,670.5**	5,214.9
Cash equivalents	**2,807.3**	2,544.0
Total	**9,477.9**	7,759.0

At 31 December 2023, the interest terms of the main cash deposits in the two cash pools are 1 month NIBOR +0.175 percent p.a. and NOWA +0.05 percent p.a. Deposits in money market funds are classified as cash equivalents, as the original maturity of the deposits are 3 months or less.

Restricted cash

NOK million	**2023**	2022
Guarantees for leases and credits from suppliers	**404.8**	302.0
Safety deposits on defined benefit plan	**373.2**	340.3
Slots proceeds	**-**	316.9
Taxes withheld	**79.0**	69.2
Fuel hedge pledged account	**106.5**	81.8
Dividend claims	**43.7**	42.5
Total	**1 007.1**	1 152.8

Bank guarantees are granted for leasing liabilities for aircraft, suppliers of fuel and handling services, as well as airport charges from airports and governments. In 2022, 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. Restricted cash is included in the line-item Cash and cash equivalents in the statement of financial position. Unrestricted cash at 31 December 2023 was NOK 8,470.7 million.

Note 18: Assets pledged as collaterals and guarantees

Liabilities secured by pledge

NOK million	**2023**	2022
Bond issue	**-**	569.2
Aircraft financing	**1,021.0**	803.4
Total	**1,021.0**	1,372.6

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.

Book value of assets pledged as security and guarantees

NOK million	**2023**	2022
Prepayment and aircraft	**4,114.7**	4,020.0
Total	**4,114.7**	4,020.0

Note 19: Financial instruments

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.

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 liabilities
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.

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.

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.

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 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 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.

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 2023.

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	-	16.1	-	16.1
Derivative financial instruments	-	-	36.9	36.9
Trade and other receivables *)	2,164.6	-	-	2,164.6
Cash and cash equivalents	9,477.9	-	-	9,477.9
Total 2023	**11,642.4**	**16.1**	**36.9**	**11,695.4**
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	**9,855.8**	**3.7**	**19.9**	**9,879.4**

**) Prepayments not included in trade and other receivables was NOK 460.6 million in 2023 and NOK 541.4 million in 2022.*

Investments in financial assets consist of an investment in shares of Norsk E-Fuel AS and Norwegian Block Exchange AS. Changes in the share price of Norwegian Block Exchange AS are not recognized 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 OCI	**Total**
Liabilities per balance sheet			
Borrowings	3,745,2	-	3,745.2
Lease liabilities	10,280.1	-	10,280.1
Derivative financial instruments	-	176.1	176.1
Trade and other payables *)	3,139.2	-	3,139.2
Total 2023	**17,164.6**	**21.7**	**17,340.7**
Borrowings	4,248.5	-	4,248.5
Lease liabilities	5,836.8	-	5,836.8
Derivative financial instruments	-	21.7	21.7
Trade and other payables *)	2,267.4	-	2,267.4
Total 2022	**12,352.7**	**21.7**	**12,374.3**

**) Public duties and liabilities from customer loyalty program not included in trade and other payables was NOK 719.8 million in 2023 and NOK 1,383.8 million in 2022.*

See Note 24 for details related to borrowings.

Credit quality of financial assets

NOK million	**2023**	2022
Trade and other receivables		
Counterparties with external credit rating		
A or better	**508.3**	988.2
Counterparties without external credit rating	**1,656.3**	1,108.6
Total trade receivables	**2,164.6**	2,096.8
Cash and cash equivalents		
A+ or better	**6,670.5**	3,196.9
BBB +	**2,807.3**	4,562.0
Total cash and cash equivalents	**9,477.9**	7,759.0

Investments in financial assets

NOK million	**2023**	2022
1 January	**3.7**	3.7
Addition	**12.4**	-
31 December	**16.1**	**3.7**

Derivative financial instruments

	2023		2022	
NOK million	**Assets**	**Liabilities**	Assets	Liabilities
Forward commodities contracts	36.9	176.1	19.9	21.7
Total	**36.9**	**176.1**	**19.9**	**21.7**
Non-current portion	-	67.4	-	-
Current portion	36.9	108.8	19.9	21.7

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 2023 was negative NOK 139.2 million (2022: NOK -1.8 million). At 31 December 2023, the Group had secured 461,200 metric tons jet fuel (2022: 132,600) 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

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.

Shares and share issues:

NOK million	Number of ordinary shares	Share capital	Share Premium	**Total**
1 January 2023	**929,989,739**	**93.0**	**25,437.7**	**25,530.7**
Share issue 17.02.2023	1,597,444	0.2	14.6	14.8
Share issue 14.06.2023	26,402,573	2.6	241.1	243.7
Share issue 23.06.2023	3,529,016	0.4	32.2	32.6
Share issue 07.07.2023	2,810	0.0	0.0	0.0
Share issue 26.09.2023	42,112	0.0	0.4	0.4
Share issue 27.10.2023	207,212	0.0	1.9	1.9
31 December 2023	**961,770,906**	**96.2**	**25,727.9**	**25,824.1**

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	1.9
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. There is only one category of shares, and all shares have equal rights. For information on employee share options, see Note 21.

On 17 February 2023, the company announced conversion notices from bondholders representing NOK 15 million Early Conversion Bonds, with the issue of 1,597,444 new shares.

On 14 June 2023, the company announced conversion notices from bondholders representing NOK 5 million Early Conversion Bonds, NOK 242.9 million Ordinary Conversion Bonds, and NOK 0.04 million PIK Bonds, with the issue of 26,402,573 new shares.

On 23 June 2023, the company announced conversion notices from bondholders representing NOK 32.8 million Ordinary Conversion Bonds, and NOK 0.3 million PIK Bonds, with the issue of 3,529,016 new shares.

On 7 July 2023, the company announced conversion notices from bondholders representing NOK 0.03 million PIK Bonds, with the issue of 2,810 new shares.

On 26 September 2023, the company announced conversion notices from bondholders representing NOK 0.4 million Conversion Bonds, with the issue of 42,112 new shares.

On 27 October 2023, the company announced conversion notices from bondholders representing NOK 1.9 million Conversion Bonds, with the issue of 207,212 new shares.

All transactions resulted in a total of 961,770,906 shares as of 31 December 2023.

Description of items recognized Other comprehensive income:

Currency translation differences
Net NOK 112.8 million has been booked as exchange rate differences under other comprehensive income in 2023 (2022: NOK 13.7 million). The exchange differences arise from translating the subsidiaries from functional currency to presentation currency of foreign operations.

Actuarial gains and losses
During 2023, NOK 20.4 million in actuarial loss arising from defined benefit pension plans has been recognised in other comprehensive income (2022: NOK 6.8 million in actuarial loss).

The largest shareholders at 31 December 2023 were:

Name	Country	Shares	Ownership	Voting rights
Geveran Trading Company, Ltd.	Cyprus	134,010,512	13.9%	13.9%
Sundt AS	Norway	89,292,265	9.3%	9.3%
Folketrygdfondet	Norway	46,873,605	4.9%	4.9%
Ballyfin Aviation Limited	Ireland	31,472,703	3.3%	3.3%
Nordnet Bank AB.	Norway	29,748,294	3.1%	3.1%
Silver Point Capital, L.P.	United States	25,854,922	2.7%	2.7%
Handelsbanken Kapitalförvaltning AB	Sweden	23,966,576	2.5%	2.5%
Avanza Bank AB	Sweden	21,666,287	2.3%	2.3%
Keskinäinen eläkevakuutusyhtiö Varma	Finland	15,500,000	1.6%	1.6%
KLP Fondsforvaltning AS	Norway	15,378,913	1.6%	1.6%
Svelland Capital (UK) Ltd	United Kingdom	14,612,990	1.5%	1.5%
DNB Asset Management AS	Norway	12,521,543	1.3%	1.3%
Nordea Funds Oy	Finland	10,440,126	1.1%	1.1%
Contrarian Capital Management, LLC	United States	10,312,451	1.1%	1.1%
Brumm AS	Norway	10,010,480	1.0%	1.0%
American Century Investment Management, Inc.	United States	8,386,121	0.9%	0.9%
Swedbank AB	Sweden	8,033,545	0.8%	0.8%
Cape Invest AS	Norway	7,914,593	0.8%	0.8%
HSBC Continental Europe S.A., Germany	Germany	6,979,134	0.7%	0.7%
BlackRock Institutional Trust Company, N.A.	United States	6,745,380	0.7%	0.7%
Other		432,050,466	44.9%	44.9%
Total number of shares		**961,770,906**	**100.0 %**	**100.0 %**

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 %**

Shares directly or indirectly held by members of the Boards of Directors, Chief Executive Officer and Executive Management at 31 December 2023

Name	Title	Shares[1]
Svein Harald Øygard	Chair	1,884,281
Ingrid Elvira Leisner	Board Member	29,927
Lars Rahbæk Boilesen	Board Member	585,424
Katherine Jane Sherry	Board Member	27,364
Stephen Thomas Kavanagh	Board Member	-
Eric Holm	Board Member - Employee representative	1,326
Katrine Gundersen	Board Member - Employee representative	1,447
Torstein Hiorth Soland	Board Member - Employee representative	-
Geir Karlsen	Chief Executive Officer	651,478
Hans-Jørgen Wibstad	Chief Financial Officer	70,000
Anne-Sissel Skånvik	Chief Communications and Public Affairs Officer	50,095
Magnus Thome Maursund	Chief Commercial Officer	4,362
Christoffer Sundby	Chief Marketing and Customer Officer	339,944
Knut Olav Irgens Høeg	Chief IT and Business Services Officer	239,847
Guro H. Poulsen	Chief People Officer	236,808
Tore Kristian Jenssen	Chief Asset Officer	-
Henrik Fjeld	Interim Chief Operations Officer, SVP Technical	-
Per Gunnar Lyckander	Interim Chief Operations Officer	10

1) Including shares held by related parties.

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

		Issued in	2018	2019	2021	2022	2023	
		Strike price (NOK)	4,300	4,300	10.10	13.50	13.50	
Name	**Title**	Expiry	**2025**	**2026**	**2026-2029**	**2029**	**2030**	**Total**
Geir Karlsen	Chief Executive Officer		500	4,500	1,000,000	792,548	764,183	**2,561,731**
Hans-Jørgen Wibstad	Chief Financial Officer					422,692	140,897	**563,589**
Anne-Sissel Skånvik	Chief Communications and Public Affairs Officer		200	500		105,673	35,224	**141,597**
Magnus Thome Maursund	Chief Commercial Officer					184,927	61,642	**246,569**
Christoffer Sundby	Chief Marketing and Customer Officer					232,480	77,493	**309,973**
Knut Olav Irgens Høeg	Chief IT and Business Services Officer					162,032	54,011	**216,043**
Guro H. Poulsen	Chief People Officer					140,897	46,966	**187,863**
Tore Kristian Jenssen	Chief Asset Officer		200	1,500		190,211	63,404	**255,315**

Specification of other reserves

NOK million	Translation differences	Cash-flow hedge reserve	Total
1 January 2022	259.9	-	**259.9**
Translation differences	13.7	-	**13.7**
Fuel hedge movements		(1.8)	**(1.8)**
31 December 2022	273.6	(1.8)	**271.8**
Translation differences	112.8	-	**112.8**
Fuel hedge movements	-	(138.4)	**(138.4)**
31 December 2023	386.4	(140.2)	**246.2**

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 724.6 million at 31 December 2023 (2022: NOK 717.8 million). Changes in 2023 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 2023 is NOK 1,520.8 million (2022: NOK 1,800.3 million). The perpetual bonds have a dilutive effect on diluted earnings per share, see Note 11.

Note 21: Options

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.

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.

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.

2023 Program
On 29 September 2023, Executives in Norwegian were granted a total of 1,243,820 share options in Norwegian Air Shuttle ASA (NAS) with a strike price of NOK 13.50 per share. The granted share options vests one-third each anniversary from the grant date and vested options may be exercised until expiry seven years following the grant. Each share option corresponds to one share and the strike price is NOK 13.50 per share.

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 Executives on 30 September 2022, with a strike price of NOK 13.50 per share. One-third 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 one-fourth of the options vest on 21 June 2022, one-fourth vest on 21 June 2023, one-fourth vest on 21 June 2024, **and**

one-fourth 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 first 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 2023 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 second quarter 2018 financial results, plus 15 percent. 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 2023 there were 1,800 outstanding share options with strike price NOK 4,300.00.

Outstanding share options per 31.12.

	2023 shares	Average exerc. price	2022 shares	Average exerc. price
Outstanding 1 January	**3,511,296**	31.68	1,014,300	89.12
Granted	**1,243,820**	13.50	2,499,996	13.50
Forfeited	**(268,536)**	13.50	(3,000)	4,300
Outstanding 31 December	**4,486,580**	23.54	3,511,296	31.68

The average fair value of the options granted during 2023 was 3.6338 per option (2022: 3.1894). The fair value at grant date is independently determined using Black & Scholes option model. The calculations are based on the following assumptions:

Assumptions	2023	2022	2021
Share price on grant date	8.54	7.254	10.10
Strike price per option	13.50	13.50	10.10
Volatility	0.48	0.55	0.78
Lifetime	7	7	5-8
Risk-free interest rate	3.88-4.20	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 2023 amounted to NOK 2.6 million (2022: NOK 1.6 million).

Note 22: Pensions

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.

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 2023.

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.

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

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 253.4 million in 2023 (2022: NOK 207.7 million).

Defined benefit plan
As per 31 December 2023, 419 employees were active members (2022: 424) and 71 were on pension retirement (2022: 68). The related pension liability is recognized at NOK 210.1 million (2022: 202.3 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	**2023**	2022
Pension expense		
Net present value of benefits earned	**24.3**	23.7
Net interest on the net defined benefit liability	**5.4**	3.5
Administrative expenses	**0.2**	0.2
Social security tax	**4.2**	3.9
Net pension expense defined benefit plans	**34.2**	31.3
Pension expense on defined contribution plans	**231.8**	188.3
Social security tax	**21.6**	19.4
Total pension expense	**287.6**	239.0

Change in present value of defined benefit liability:

Gross pension liability 1 January	**498.4**	458.1
Current service costs	**28.6**	27.6
Interest cost	**14.6**	8.6
Actuarial gains/losses	**9.7**	13.9
Benefits paid	**(4.9)**	(4.9)
Social security on payments to plan	**(5.5)**	(4.9)
Gross pension liability 31 December	**541.0**	498.4
Change in fair value of plan assets:		
Fair value of pension assets 1 January	**296.0**	251.9
Expected return	**9.2**	4.9
Actuarial gains/losses	**(10.7)**	7.1
Contributions paid	**44.5**	39.7
Benefits paid	**(2.7)**	(2.6)
Social security on payments to plan	**(5.5)**	(4.9)
Fair value of plan assets 31 December	**330.8**	296.0
Net pension liability	**210.1**	202.3
Net recognized pension liability 31 December	**210.1**	202.3

	2023	2022
Actual return on pension funds	**3.10 %**	3.00 %
Expected contribution to be paid next year	**44.5**	45.2

The net pension liability was based on several assumptions. The discount rate was based on covered bonds. The pension liability's average duration was 17 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 2.25 percent.

	2023	2022
Discount rate	**3.10 %**	3.00 %
Expected return on pension funds	**0-3.10 %**	0-3.00%
Wage adjustments	**3.50 %**	3.50 %
Increase of social security base amount (G)	**3.25 %**	3.25 %
Future pension increase	**1.80 %**	1.50 %
Average turnover	**0-8.00 %**	0-8.00 %

The Group's pension fund was invested in the following instruments (at 30 September 2023 and 2022):

	2023	2022
Equity	**11.7 %**	10.2 %
Bonds	**4.6 %**	14.6 %
Money market funds	**8.9 %**	4.2 %
Hold-to maturity bonds	**52.5 %**	38.1 %
Real estate	**10.0 %**	11.0 %
Various	**12.2 %**	21.9 %

Historical information

NOK million	**2023**	2022	2021	2020	2019
Present value of defined benefit obligation	**541.0**	498.4	458.1	443.4	365.9
Fair value of plan assets	**330.8**	296.0	251.9	215.6	188.3
Deficit/(surplus) in the plan	**210.1**	202.3	206.2	227.8	177.6
Experience adjustments on plan liabilities	**9.7**	13.9	(13.3)	44.9	44.3
Experience adjustments on plan assets	**(10.7)**	7.1	0.8	2.9	2.0

Note 23: Provisions and other long-term liabilities

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.

Periodic maintenance on leased aircraft and other provision

NOK million	**2023**	2022
Opening balance	**2,085.2**	937.0
Provisions charged to the income statement	**1,683.8**	1,112.9
Maintenance services performed and invoices received	**(633.2)**	(125.7)
Other provision	**59.6**	161.0
Closing balance	**3,195.4**	2,085.2
Classified as current liabilities	**32.8**	201.3
Classified as non-current provision	**3,162.6**	1,883.9

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 capitalized as part of the right-of-use asset for leased aircraft, 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 capitalized as part of the right-of-use asset for leased aircraft 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 twelve years in length, and several of the maintenance events will occur within the leasing period.

Parts of the periodic maintenance will be conducted in 2024, and NOK 32.8 million is classified as a current liability for periodic maintenance (2022: NOK 201.3 million). The current part of periodic maintenance is estimated based on the planned maintenance in 2024. Other provision 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 for financing of four owned aircraft. Floating interest rates of 3-moths SOFR plus 2.6% margin for financing of two spare engines. The borrowings mature quarterly after the delivery of aircraft. The aircraft financing is denominated in USD.

Nominal value at 31 December 2023

NOK million	Nominal Value	Unamortized effective interest cost	Book value	Effective interest rate
Aircraft financing	1,027.0	(6.1)	1,020.9	5.7 %
Term facility	100.0	-	100.0	5.9 %
Retained claims bonds	3,229.6	(607.3)	2,622.3	9.4 %
Other non-current debt	2.0	-	2.0	0.0 %
Total	4,358.6	(613.3)	3,745.2	

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	

Effective interest rate during 2023, recognized as financial items (Note 9) and capitalized borrowing costs (Note 13), is 5.9 percent (2022: 6.4 percent).

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

Classification of borrowings

NOK million	**2023**	2022
Non-current		
Aircraft financing	936.7	726.7
Term facility	62.3	134.5
Bond issue	-	447.4
Retained claims bonds	2,622.3	2,739.3
Other non-current debt	2.0	2.0
Total	3,623.3	4,050.0
Current		
Aircraft financing	84.2	76.6
Term facility	37.7	-
Bond issue	-	121.8
Total	121.9	198.5
Total borrowings	**3,745.2**	4,248.5

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	**2023**	2022
Opening balance total borrowings	**4,248.5**	4,164.6
Loan proceeds	**289.6**	-
Repayment	**(1,051.7)**	(218.4)
Cash changes	**(762.1)**	(218.4)
Conversion- and reconstruction effects	**-**	(14.5)
Net amortization effects	**259.1**	226.6
Currency translation effects	**(0.3)**	90.1
Non-cash changes	**258.8**	302.2
Closing balance total borrowings	**3,745.2**	4,248.5

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

NOK million	**2023**	2022
USD	**1,020.9**	803.4
NOK	**2,724.3**	3,445.1
Total	**3,745.2**	4,248.5

Financial covenants on borrowings

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

CashPoint liabilities: 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 are considered as a separate element of a sale with multiple elements. The portion of the price allocated to CashPoints is based on the stand-alone selling price. Revenue allocated to accrued CashPoints 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.

CashPoints can be used as full or partial payment for goods or services offered by the Group. 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.

Trade payables are obligations to pay for goods or services purchased from suppliers in accordance with general course of business. Accounts payable 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.

NOK million	**2023**	2022
Accrued vacation pay	**309.4**	223.6
Accrued airport and transportation taxes	**169.0**	155.1
ETS obligation	**1,173.6**	456.7
Accrued expenses	**421.0**	502.0
Trade payables	**906.1**	529.8
Public duties	**153.3**	132.5
Current provisions for MRC (Note 23)	**32.8**	201.3
CashPoint liabilities	**566.5**	1,251.3
Other current provisions	**127.3**	198.8
Total	**3,859.0**	3,651.2

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 2023 and emission allowances to be surrendered in 2024. CashPoint liabilities decrease from MNOK 1,251.3 to MNOK 566.5 mainly due to expired CashPoints granted between 2018 and 2019.

Note 26: Air traffic settlement liabilities

Air traffic settlement liabilities increased from NOK 2,548.5 million on 31 December 2022 to NOK 3,202.5 million on 31 December 2023. The increase is related to a higher level of pre-sale volumes towards the end of 2023.

Note 27: Related party transactions

See Note 6 for details on Remuneration of the board of directors and executive management and Note 21 for 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 2023 or 2022.

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 Note 24 Related Parties and Note 14 Investment in Subsidiaries in the financial statements to the parent company for further details.

Note 28: Contingencies and legal claims

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.

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 company's obligation to surrender emission allowances under EU ETS (see Section 9.6.2 "Environmental regulations") for emissions predating 18 November 2020. The contemplated market value of such allowances is approximately NOK 324 million at the end of 2023. The Reconstructor determined that the Reconstruction applies to the company's obligation to surrender emission allowances as a different view would have given preference to the EU ETS regime, which the current insolvency legislation does not facilitate. Therefore, the company was unable to comply with the Norwegian Environment Agency's demand of the company surrendering emissions allowances. The lack of compliance caused the Norwegian Environment Agency to impose a penalty of approximately NOK 400 million on the company. The company appealed the decision, but on 16 December 2022 the Ministry of Climate and Environment decided to uphold the Norwegian Environment Agency's decision. The company, supported by its advisors and the Reconstructor, are of the view that the company's obligation to surrender emission allowances for emissions pre-dating 18 November 2020 can be settled by paying dividend of 5 percent introduced under the Reconstruction and the decision to impose a penalty of NOK 400 million is invalid. On this basis, the company filed a statement of claim to Oslo District Court on 9 January 2023. In June 2023, Oslo District Court decided to submit the case to the EFTA Court for consultation on the EU/EEA law implications of the matter. The company gave their written observations to the EFTA Court on 8 January 2024. It is currently assumed that the EFTA Court will provide an advisory opinion during the third or fourth quarter of 2024. Subsequently the proceedings in the Oslo District Court will resume.

The legal issue concerning treatment of emission allowances in insolvency has never been tried in court before. As a consequence of the Reconstruction, the amount corresponding to the contemplated market value of such allowances was crammed down and the company has a provision of NOK 15 million at the end of 2023. The company has paid the ETS penalty fee in 2023 and recognized a corresponding claim against the Norwegian Environmental Agency, presented under Trade and other receivables in the Consolidated statement of financial position. The company will seek a return of this amount plus interest following a final conclusion.

Note 29: Commitments

The Group has aircraft purchase commitments at the end of 2023 with an estimated contractual amount, including estimated cost escalation, of NOK 27.5 billion (2022: NOK 28.6 billion). 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.

In addition to the aircraft purchase commitments, the Group also has aircraft lease agreements for future deliveries at the end of 2023 with a contractual amount of NOK 7.4 billion (2022: NOK 11.7 billion).

Capital commitments 31 December 2023

NOK billion	Purchase commitments	Lease commitments	Total 31.12.2023
2024	-	0.3	0.3
2025	5.3	0.6	5.9
2026	8.1	0.6	8.7
2027	8.4	0.6	9.0
2028	5.7	0.6	6.3
2029 and beyond	-	4.6	4.6
Total	**27.5**	**7.4**	**34.9**

Capital commitments 31 December 2022.

NOK billion	Purchase commitments	Lease commitments	Total 31.12.2022
2023	0.1	0.1	0.2
2024	-	0.7	0.7
2025	5.5	1.0	6.5
2026	8.4	1.0	9.4
2027	8.7	1.0	9.7
2028 and beyond	5.9	7.8	13.7
Total	**28.6**	**11.7**	**40.3**

Note 30: Adjustment of comparative financial information

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

In the consolidated income statement, Total operating expenses excl lease, depreciation and amortization are reduced. EBITDAR and Aircraft lease, depreciation and amortization increased with the same amounts. In the consolidated statement of cash flow, Depreciation, amortization and impairment and Other adjustment within Net cash flows from operating activities are adjusted. The adjustments of comparative figures for 2022 are presented below.

Consolidated income statement

NOK million	2022
Technical maintenance expenses, previously reported	**1,665.9**
Technical maintenance expenses, adjusted	**556.4**
Change	***(1,109.4)***
Total operating expenses excl lease, depr. and amort., previously reported	**17,615.3**
Total operating expenses excl lease, depr. and amort., adjusted	**16,505.9**
Change	***(1,109.4)***
EBITDAR, previously reported	**1,254.0**
EBITDAR, adjusted	**2,363.4**
Change	***1,109.4***
Aircraft lease, depreciation and amortization, previously reported	**1,851.0**
Aircraft lease, depreciation and amortization, adjusted	**2,960.5**
Change	***1,109.4***
Operating profit (EBIT), previously reported	**1,502.3**
Operating profit (EBIT), adjusted	**1,502.3**
Change	**-**

Consolidated statement of cash flows

NOK million	2022
OPERATING ACTIVITIES	
Depreciation, amortization and impairment, previously reported	**1,402.3**
Depreciation, amortization and impairment, adjusted	**2,511.7**
Change	***1,109.4***
Change in other assets and liabilities, previously reported	**364.2**
Change in other assets and liabilities, adjusted	**(745.2)**
Change	***(1,109.4)***
Net cash flows from operating activities, previously reported	**2,425.7**
Net cash flows from operating activities, adjusted	**2,425.7**
Change	**-**

Note 31: Acquisition of Widerøe

Norwegian acquired 100 percent of the shares and voting rights in Widerøe AS, the parent company of Widerøe Group (Widerøe), a regional carrier in Norway with a fleet of 48 aircraft, predominantly turboprops, on 12 January 2024. The acquisition of Widerøe will enable the linking of complementary route networks, create significant operational synergies, and provide Norwegian with additional diversification through Widerøe's substantial public service obligation operations. Widerøe will be consolidated into the Group from the acquisition date, which was 12 January 2024.

Widerøe was acquired in a cash-only transaction for an initial purchase price of NOK 1,125 million, including NOK 125 million deposited in an escrow account. No cash balances in Widerøe have been acquired and the net outflow of cash from Norwegian at the acquisition date was NOK 1,000 million.

The final purchase price is contingent on a number of adjustments which are to be finally determined during 2024. The minimum purchase price is NOK 1,000 million. The initial purchase price can be adjusted for cost Norwegian might incur related to certain aircraft within Widerøe's fleet after the acquisition date up to an amount of NOK 125 million, and is also partially contingent on and measured against a market value of certain of the aircraft of Widerøe. Any conditions for an increase of the initial purchase price are not met at the acquisition date. At the acquisition date, the company estimates the contingent consideration to have a fair value of NOK -112.1 million, and the final purchase price to be NOK 1,012.9 million.

The details of the purchase consideration are as follows:

NOK million	
Cash paid	1,125.0
Contingent consideration	(-112.1)
Total purchase consideration	**1,012.9**

Acquisition-related expenses of NOK 29.6 million are included in Other operating expenses in the Consolidated income statement for the reporting period ending 31 December 2023.

The assets and liabilities expected to be recognised as a result of the acquisition are as follows:

NOK million	
Deferred tax asset	**39.2**
Intangible assets – Trademark	**56.5**
Intangible assets – Licenses and IT-systems	**26.2**
Intangible assets – Website and mobile app	**22.8**
Intangible assets – Customer contracts	**134.6**
Non-current receivables and investments	**32.1**
Property, plant and equipment	**975.6**
Aircraft, parts and installation on leased aircraft	**1,647.4**
Right-of-use assets	**390.6**
Inventory	**191.9**
Trade and other receivables	**588.1**
Total assets acquired	**4,105.0**
Deferred tax liability	**153.1**
Borrowings	**1,107.6**
Pension obligations	**160.9**
Lease liabilities	**341.5**
Trade and other payables	**1,490.6**
Total liabilities acquired	**3,253.7**
Net identifiable assets acquired	**851.4**
Goodwill	**161.7**
Net assets acquired	**1,012.9**

Goodwill arising from the acquisition was recognized as of the acquisition date and represents the excess of the purchase consideration over the fair value of the identifiable assets acquired and liabilities assumed. The goodwill is attributable to the value of the skills and know-how of Widerøe's employees and air operating certificate as well as the potential renewal of public service obligation contracts. None of the goodwill is expected to be deductible for tax purposes.

The fair values of certain aircraft and certain related trade and other payables assumed are provisional and subject to finalization of the valuation process, which may result in adjustments to these amounts during the twelve-months measurement period in accordance with IFRS 3. Any upwards adjustments to the preliminary fair values in the excess of NOK 40.7 million will be partly to the benefit of the seller of Widerøe. Any downwards adjustments in excess of NOK 12.9 million which will increase the contingent consideration receivable will be reclassified to goodwill.

Note 32: Events after the reporting period

On 8 January, holders of the company's Retained Claims Bonds voted in favour of certain amendment to the bond terms in order to facilitate operational flexibility for Widerøe and ascertaining stand-alone financing to support Widerøe as a separate business unit.

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

There have been no other material events subsequent to the reporting period that may have a significant effect on the consolidated financial statements for 2023.

Financial Statements of the parent company

Income statement 1.1 - 31.12

NOK million	Note	2023	2022
Operating revenue	*3*	822.1	551.1
Personnel expenses	*4, 5, 20, 21*	205.2	69.5
Airport and ATC charges		-	0.3
Technical maintenance expenses		-	39.8
Other operating expenses	*6*	645.5	473.9
Other losses/(gains) - net	*7*	679.4	152.1
Total opex excl lease and depreciation		1,530.1	735.6
EBITDAR		(708.0)	(184.5)
Depreciation and amortization	*10, 11, 12*	57.7	75.1
Impairment investment in subsidiaries incl. receivables	*24*	445.9	45.8
Operating profit (EBIT)		(1,211.6)	(305.4)
Interest income		266.8	739.2
Interest expense		(281.0)	(560.8)
Other financial income (expense)		825.9	498.5
Net financial items	*8*	811.6	676.8
Profit (loss) before tax (EBT)		(400.0)	371.5
Income tax expense (income)	*9*	0.2	309.0
Net profit (loss)		(400.2)	62.5
Effective tax rate		0 %	83 %
Basic earnings per share		(0.56)	0.07
Diluted earnings per share		(0.56)	0.06

Statement of comprehensive income 1.1 - 31.12

NOK million	*Note*	2023	2022
Net profit (loss)		(400.2)	62.5
Total comprehensive income for the period		(400.2)	62.5
Total comprehensive income attributable to:			
Equity holders of the Company		(400.2)	62.5

Statement of financial position at 31 December

NOK million	Note	2023	2022
ASSETS			
Intangible assets	10	184.6	158.2
Deferred tax asset	9	1,342.7	1,342.7
Equipment and fixtures	11	125.7	98.7
Buildings	11	228.9	235.3
Right-of-use buildings	12	108.0	124.0
Investment in financial assets	13	16.1	3.7
Investments in subsidiaries	14	6,534.0	2,034.7
Other receivables	15	-	4,820.0
Total non-current assets		8,539.9	8,817.2
Trade and other receivables	15	9,843.9	10,772.7
Intangible assets	10	436.4	
Derivative financial instruments	18	36.9	19.9
Cash and cash equivalents	16	9,170.7	7,301.1
Total current assets		19,487.7	18,093.7
TOTAL ASSETS		28,027.6	26,910.9

NOK million	Note	2023	2022
EQUITY AND LIABILITIES			
Share capital	19	96.2	93.0
Share premium		25,727.9	25,437.7
Other paid-in equity		754.5	747.7
Perpetual bonds		1,504.6	1,800.3
Other reserves		1.2	1.2
Retained earnings		(17,070.4)	(16,543.9)
Total equity		11,014.1	11,536.1
Borrowings	22	2,772.0	3,390.1
Lease liability	12	111.0	3,390.1
Derivative financial instruments	18	67.4	126.1
Total non-current liabilities		2,950.3	3,516.2
Borrowings	22	37.7	121.8
Lease liability	12	14.8	13.9
Trade and other payables	23	13,901.9	11,701.3
Derivative financial instruments	18	108.7	21.7
Total current liabilities		14,063.1	11,858.6
Total liabilities		17,013.5	15,374.9
TOTAL EQUITY AND LIABILITIES		28,027.6	26,910.9

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 2022	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)	-	-	-	-
Perpetual bonds issue	-	-	-	85.9	85.9	-	(85.9)	-
Payment-in-kind interest 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
Profit for the year	-	-	-	-	-	-	(400.2)	(400.2)
Total comprehensive income 2023	-	-	-	-	-	-	(400.2)	(400.2)
Share issue	3.2	290.2	-	(293.4)	-	-	-	-
Convertible dividend claim issue	-	-	-	-	-	-	-	-
Capital decrease	-	-	-	-	-	-	-	-
Perpetual bonds issue	-	-	-	-	-	-	-	-
Payment-in-kind interest on perpetual bonds	-	-	-	126.3	126.3	-	(126.3)	-
Interest paid on perpetual bonds	-	-	-	(128.6)	(128.6)	-	-	(128.6)
Equity changes on employee options	-	-	6.8	-	6.8	-	-	6.6
Transactions with owners	3.2	290.2	6.8	(295.7)	4.5	-	(126.3)	(122.0)
Equity at 31 December 2023	96.2	25,727.9	754.5	1,504.6	28,083.4	1.2	(17,070.4)	11,014.1

Statement of cash flows 1.1 - 31.12

NOK million	*Note*	2023	2022
Profit (loss) before tax (EBT)		(400.0)	371.5
Taxes paid		-	(35.5)
Depreciation, amortization and impairment	*10, 11*	57.7	76.9
Compensation expense for employee options	*20*	6.8	3.3
Losses/(gains) on disposal of tangible assets		(7.8)	(10.6)
Fair value losses/(gains) on financial assets	*18*	-	1.8
Financial items	*8*	(461.6)	(676.8)
Change in inventories, accounts receivable and accounts payable		3,232.5	774.8
Change in other current assets and current liabilities		645.7	(164.9)
Net cash flow from operating activities		3,073.4	340.6
Purchase of tangible assets	*11*	(52.1)	(26.0)
Purchase of intangible assets	*10*	(37.1)	(28.6)
Proceeds from sale of tangible assets	*11*	7.8	12.9
Net investment in subsidiaries	*14*	-	-
Net cash flow from investing activities		(81.4)	(41.7)
Payment of borrowings	*22*	(973.6)	(158.2)
Principal element of lease payments	*12*	(18.1)	(15.5)
Interest on borrowings and financing costs		(128.6)	(80.1)
Interest element of lease payments		(8.8)	(10.0)
Cash dividend to creditors		-	-
Proceeds from issuing new shares	*19*	-	-
Net cash flow from financial activities		(1,129.0)	(263.8)
Net change in cash and cash equivalents		1,862.9	35.1
Foreign exchange effect on cash		6.6	(24.4)
Cash and cash equivalents at 1 January		7,301.1	7,290.4
Cash and cash equivalents at 31 December	16	9,170.7	7,301.1

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 2023 were authorized for issue by the Board of Directors on 16 April 2024. The annual shareholders meeting, to be held 15 May 2024, have the power to amend and reissue the financial statements.

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

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

The Company's significant accounting policies are consistent with the accounting policies of the Group, as described in 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 sold its derivative financial instruments to its aircraft operating subsidiaries where they are designated as hedging instruments for accounting purposes

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	**2023**	2022
By activity:		
Operating revenue	**822.1**	551.1
Total operating revenue	**822.1**	551.1
Per geographical markets:		
Domestic Norway	**19.4**	310.1
Other	**802.7**	241.0
Total operating revenue	**822.1**	551.1

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 Company's activities. Revenue is shown net of value-added tax and discounts. The Company recognizes revenue when the performance obligations in the contract with the customer are satisfied.

Revenue in 2023 is generated from the sale of administrative services to other group entities.

Note 4: Payroll expenses and number of employees

Breakdown of payroll and personnel expenses - employees

NOK million	**2023**	2022
Wages and salaries	**144.7**	29.2
Social security tax	**27.1**	20.0
Pension expenses	**9.8**	6.9
Employee stock options	**6.8**	3.3
Other benefits	**16.7**	10.1
Total	**205.2**	69.5

In 2023, NOK 6.5 million (2022: NOK 3.0 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 compliant with the act on occupational pensions (Note 21).

	2023	2022
Number of man-labor years	**128.0**	117.6

Breakdown of payroll and personnel expenses - employees and hired

NOK million	**2023**	2022
Personnel expenses – employees	**205.2**	69.5
Personnel expenses – hired – Full Scale Crew Services	**-**	-
Personnel expenses – hired	**-**	-
Total	**205.2**	69.5

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	**2023**	2022
Sales and distribution expenses	**-**	1.3
Other flight operation expenses	**16.7**	11.0
General and administrative expenses	**628.8**	461.6
Total other operating expenses	**645.5**	473.9

Other operating expenses amounts to NOK 645.5 million (2022: NOK 473.9 million). General and administrative expenses are related to the operating of systems, back office and consultants.

Auditor remuneration

NOK million excluding VAT	**2023**	2022
Audit fee	**9.7**	7.5
Other audit related services	**0.3**	0.8
Other services	**1.3**	3.0
Total	**11.3**	11.3

Note 7: Other losses / (gains) – NET

NOK million	2023	2022
Net losses/(gains) on financial assets at fair value through profit or loss	-	1.8
Foreign exchange losses/(gains) on operating activities	**687.5**	162.1
Losses/(gains) on asset sale	**(7.8)**	(10.6)
Other	**(0.3)**	(1.3)
Total	**679.4**	152.1

Note 8: NET financial items

NOK million	2023	2022
Interest income	**266.8**	739.2
Interest expense leasing	**(8.8)**	(10.0)
Other interest expense	**(272.3)**	(550.8)
Return on cash equivalents	**168.4**	-
Net foreign exchange (loss) or gains	**6.6**	(23.6)
Other financial items	**650.8**	522.0
Net financial items	**811.6**	676.8

Other financial items for 2023 includes group contribution received of NOK 665.8 million (2022: NOK 460.9 million)

Note 9: Taxes

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.

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.

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 Company 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.

The Company's tax expense consists of:

NOK million	2023	2022
Tax payable	**0.2**	35.5
Change in deferred tax	**-**	273.5
Income tax expense	**0.2**	309.0

Reconciliation from nominal to effective tax rate:

NOK million	**2023**	2022
Profit before tax	**(400.0)**	371.5
Expected tax expense (income) using nominal tax rate (22%)	**(88.0)**	81.7
Tax effect of the following items:		
Non-deductible expenses/income	**80.3**	(117.5)
Adjustments from previous year	**-**	356.7
Deferred tax asset not recognized	**7.9**	(13.6)
Other items	**-**	1.7
Tax expense	**0.2**	309.0
Effective tax rate	**0.0 %**	83.2 %

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

NOK million	**2023**	2022
Intangible assets	**(18.8)**	(50.6)
Tangible assets	**(26.5)**	(21.8)
Receivables	**(1.2)**	(3.5)
Financial instruments	**41.0**	(0.4)
Deferred gains/losses	**504.4**	628.9
Other temporary differences	**124.7**	203.6
Net lease liabilities	**(3.9)**	(3.5)
Loss carried forward	**(1,970.4)**	(2,095.4)
Not recognized deferred tax	**7.9**	-
Net deferred tax liabilities (assets)	**(1,342.7)**	(1,342.7)

Reconciliation of net deferred tax liabilities (assets):

NOK million	**2023**	2022
Recognized at 1 January	**(1,342.7)**	(1.616.2)
Charged/credited to the income statement	**-**	273.5
Recognized at 31 December	**(1,342.7)**	(1,342.7)

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 2022 and its tax reporting finalized later in 2023.

Note 10: Intangible assets

NOK million	Software	Goodwill	Other intangible assets	Total
Acquisition costs 1 January 2022	512.6	95.8	27.0	**635.3**
Additions	28.6	-	-	**28.6**
Disposal	(8.6)	-	-	**(8.6)**
Acquisition costs 31 December 2022	532.6	95.8	27.0	**655.4**
Acquisition costs 1 January 2023	532.6	95.8	27.0	**655.4**
Additions	37.1	-	436.4	**473.5**
Disposal	-	-	-	**-**
Acquisition costs 31 December 2023	569.7	95.8	463.4	**1 128.9**
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**
Accumulated amortization 1 January 2023	492.5	-	4.6	**497.1**
Amortization	10.8	-	-	**10.8**
Accumulated amortization 31 December 2023	503.5	-	4.6	**507.9**
Book value at 31 December 2022	**40.1**	**95.8**	**22.4**	**158.2**
Book value at 31 December 2023	**66.4**	**95.8**	**458.8**	**621.0**

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

Goodwill and other intangible assets
Goodwill is related to the purchase of FlyNordic in Sweden July 2007 and 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.

In 2023, Other intangible assets contains NOK 463.4 million in purchased emission allowance. The allowances are expected to be delivered to the environmental authorities during 2024 on behalf of the CO2 emitting group entities, and are classified as current assets in the balance sheet

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 for impairment annually at year-end. 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 2023.

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 7.9 percent (2022: 10.5 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 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 cost at 31 December 2022	283.7	-	535.8	**819.5**
Acquisition cost at 1 January 2023	283.7	-	535.8	**819.5**
Additions	-	-	52.1	**52.1**
Disposals	(0.9)	-	-	**(0.9)**
Acquisition costs 31 December, 2023	282.8	-	588.0	**870.8**
Accumulated depreciation at 1 January 2022	42.7	619.0	403.2	**1,064.8**
Depreciation	5.8	-	34.8	**40.6**
Depreciation on disposals	-	(619.0)	(0.8)	**(619.8)**
Accumulated depreciation at 31 December 2022	48.5	-	437.2	**485.7**
Accumulated depreciation at 1 January 2023	48.5	-	437.1	**485.7**
Depreciation	5.7	-	25.2	**30.9**
Depreciation disposals	(0.2)	-	-	**(0.2)**
Accumulated depreciation 31 December 2023	54.0	-	462.3	**516.3**
Book value at 31 December 2022	**235.3**	**-**	**98.7**	**334.0**
Book value at 31 December 2023	**228.9**	**-**	**125.6**	**354.6**

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 assetst.

Non-current assets are depreciated on a straight-line basis 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.

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

Leasing
At inception of a contract, the Company 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.

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

Measurement and presentation of right-of-use assets and lease liabilities
As a lessee, the Company leases facilities.

The Company 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 Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset.

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 Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company 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.

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.

Per 31 December 2023, 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.

NOK million	Right-of-use buildings	Right-of-use aircraft, parts and installations	Total
Acquisition cost 1 January 2022	257.7	6.6	264.3
Disposals	(58.7)	(6.6)	(65.3)
Acquisition cost at 31 December 2022	199.0	-	199.0
Acquisition costs 1 January 2023	199.0	-	199.0
Acquisition costs 31 December 2023	199.0	-	199.0
Accumulated depreciation 1 January 2022	84.0	6.6	90.6
Depreciation	18.1	-	18.1
Depreciation terminations	(27.1)	(6.6)	(33.7)
Accumulated depreciation 31 December 2022	75.0	-	75.0
Accumulated depreciation 1 January 2023	75.0	-	75.0
Depreciation	16.0	-	16.0
Accumulated depreciation 31 December 2023	91.0	-	91.0
Book value 31 December 2022	**124.0**	**-**	**124.0**
Book value 31 December 2023	**108.0**	**-**	**108.0**

Lease liabilities

NOK million	**2023**	2022
Opening balance	**140.0**	191.3
Terminations	**-**	-
Disposals	**-**	(35.2)
Accrued interest expense	**8.8**	10.0
Interest paid	**(8.8)**	(10.0)
Payment of lease liabilities	**(14.3)**	(15.5)
Currency differences	**-**	(1.0)
Lease liabilities 31 December	**125.8**	140.0
Due within one year	**14.8**	13.9
Due after one year	**111.0**	126.1

The Company had in 2023 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 0.6 million in 2023 (2022: NOK 5.7 million).

The following amounts are recognized in the income statement in 2023:

NOK million	**2023**	2022
Expenses relating to short-term leases	**-**	-
Expenses relating to low-value leases	**-**	0.1
Variable lease payments	**0.6**	5.6
Total	**0.6**	5.7

Note 13: Investments in financial assets

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

Entity	Country	Industry	Ownership interest 31.12.23	Fair value 31.12.22	Net gain in OCI 2023	Fair value 31.12.23
Norwegian Block Exchange AS	Norway	Payment solutions	3.58 %	3.7	-	1.6
Norsk e-Fuel AS	Norway	Sustainable fuel	1.84 %	-	-	12.4

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	-	3.7

Norwegian Block Exchange AS (NBX) was introduced on Euronext Growth Stock Exchange December 2021. The share was traded at NOK 0.64 per share on 31 December 2023. Norwegian owns 2,446,400 shares in the company. Changes in the share price of Norwegian Block Exchange AS are not recognized as a change in fair value in profit or loss due to immateriality of the investment.

Note 14: Investments in subsidiaries

Name	Date of establishment	Office	Number of shares	Ownership
Norwegian Loyaltyco AS	14 Jan 2008	Fornebu, Norway	1,000,000	100 %
Loyaltyco AS	1 Oct 2023	Fornebu, Norway	3,000	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 %
OSM SPV AS	27 Mar 2020	Fornebu, Norway	30	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 %
Red Handling Denmark ApS	6 Nov 2023	Kastrup, Denmark	40	100 %
Norwegian Air Resources SSC US Corp	8 Jun 2018	New York, USA	1	100 %
Norwegian Support Office UK Ltd	25 Mar 2023	London, UK	100	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 %
Saltfjorden Limited	13 Sep 2023	Dubli, Ireland	1	100 %
RED Maintenance Spain S.L.	27 Jan 2017	Madrid, Spain	3,000	100 %
Norwegian WF Holding AS	1 Oct 2023	Fornebu, Norway	3,000	100 %

Transactions during the year

During 2023, the following transactions were carried out:

New establishments/investments:

- Red Handling Denmark ApS
- Norwegian Support Office UK Ltd
- OSM SPV AS
- Loyaltyco AS
- Saltfjorden Limited
- Norwegian WF Holding A

Note 15: Trade and other 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.

Specifications of receivables

NOK million	**2023**	2022
Trade receivables	**1.1**	7.2
Intercompany receivables	**9,392.1**	15,455.8
Deposits	**8.0**	51.7
Emission allowance claim	**402.9**	-
Other claims	**-**	16.9
Trade and other receivables	**9,804.1**	15,531.5
Prepaid costs	**38.7**	41.4
Public duty-receivables	**(2.5)**	16.2
Prepayments to employees	**3.5**	3.5
Prepayments	**39.7**	61.1
Total	**9,843.9**	15,592.6
Maximum credit risk	**9,393.2**	15,531.5

Due dates, nominal value of receivables

NOK million	**2023**	2022
Within one year	**9,843.9**	10,772.6
After one year	**-**	4,820.0
Total	**9,843.9**	15,592.6

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 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 Company 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

Cash and cash equivalents

NOK million	**2023**	2022
Cash in bank and demand deposit	**6,363.3**	4,757.5
Cash equivalents	**2,807.3**	2,543.6
Total	**9,170.7**	7,301.1

At 31 December 2023, the interest terms of the main cash deposits in folio accounts for the two cash pools are 1 month NIBOR +0.175 percent p.a. and NOWA +0.05 percent p.a.

NAS has provided parent company guarantees for certain subsidiaries.

Restricted cash

NOK million	**2023**	2022
Guarantees for leases and credits from suppliers	**399.6**	302.0
Safety deposits on defined benefit plan	**373.2**	340.3
Taxes withheld	**7.4**	8.7
Fuel hedge pledged account	**106.5**	81.8
Dividend claims	**43.7**	42.5
Total	**930.4**	775.3

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	**2023**	2022
Bond issue	-	447.3
Total	**-**	**447.3**

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

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.

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 liabilities
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.

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.

Forward commodities contracts
Forward commodities contracts relate to jet fuel derivatives. In 2023 the company has sold its derivative financial instruments to its aircraft operating subsidiaries where they are designated as hedging instruments for accounting purposes. Derivative financial assets measured at fair value through profit or loss at the end of the reporting periods have a corresponding receivable or payable position to other group entities, respectively, equally measured at fair value through profit and loss. As a result, the net fair value of the outstanding forward commodities contracts at 31 December 2023 was zero (2022: NOK -1.8 million).

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	**Total**
Assets as per balance sheet			
Investments in financial assets	-	16.1	16.1
Derivative financial instruments	-	36.9	36.9
Trade and other receivables*)	9,628.0	176.8	9,804.1
Cash and cash equivalents	9,170.7	-	9,170.7
Total 2023	**18,798.7**	**229.1**	**19,027.8**

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	**22,832.7**	**23.5**	**22,856.2**

**) Prepayments not included in trade and other receivables was NOK 39.7 million in 2023 and NOK 61.1 million in 2022.*

Investments in financial
Investments in financial assets consist of an investment in shares of Norsk E-Fuel AS and Norwegian Block Exchange AS. Changes in the share price of Norwegian Block Exchange AS is 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	Total
Liabilities per balance sheet			
Borrowings	2,809.7	-	2,809.7
Lease liabilities	125.8	-	125.8
Derivative financial instruments	-	176.8	176.8
Trade and other payables *)	13,845.8	36.9	13,882.7
Total 2023	**16,781.3**	**213.0**	**16,994.3**
Borrowings	3,511.9	-	3,511.9
Lease liabilities	140.0	-	140.0
Derivative financial instruments	-	21.7	21.7
Trade and other payables *)	11,686.5	-	11,686.5
Total 2022	**15,338.5**	**21.7**	**15,360.1**

**) Public duties not included in trade and other payables was NOK 19.2 million in 2023 and NOK 14.7 million in 2022.*

Credit quality of financial asset

NOK million	**2023**	2022
Trade receivables		
Counterparties with external credit rating A or better	-	-
Counterparties without external credit rating	9,804.1	15,531.6
Total trade receivables	**9,804.1**	15,531.6
Cash and cash equivalents		
A+ or better	6,363.3	4,757.5
BBB +	2,807.3	2,543.6
Total cash and cash equivalents	**9,170.7**	7,301.1
Derivative financial assets		
A+ or better	36.9	19.9
Total derivative financial assets	**36.9**	19.9

Investments in financial assets

NOK million	**2023**	2022
1 January	3.7	3.7
Additions	12.4	-
31 December	**16.1**	3.7

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 9.8 million in 2023 (2022: NOK 6.9 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 one-third of the contribution to plans. The AFP pension plan is a defined benefit plan administered by a separate legal entity ("Fellesordningen"). 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 2023.

The scheme is compliant with the Occupational Pensions Act.

Note 22: Borrowings

Nominal value at 31 December 2023

NOK million	Nominal Value	Unamortized effective interest cost	Book value	Effective interest rate
Term facility	100.0	-	100.0	5.9 %
Retained claims bonds	3,229.6	(607.3)	2,622.3	9.4 %
Other non-current debt	117.1	(29.6)	87.4	9.4 %
Total	3,446.6	(636.9)	2,809.8	

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	

NOK million	**2023**	2022
Non-current		
Term facility	**62.3**	134.5
Bond issue	**-**	447.4
Retained claims bonds	**2,622.3**	2,739.3
Other non-current debt	**87.4**	68.9
Total	**2,772.1**	3,390.2
Term facility	**37.7**	-
Bond issue	**-**	121.8
Total	**37.7**	121.8
Total borrowings	**2,809.8**	3,512.0

Collateralized borrowings are detailed in Note 17.

Financial covenants

Term facility

- No dividend payment

Retained claims bonds

- No dividend payment

Maturity of borrowings
The table below analyses the maturity profile of the Company's borrowings at the reporting date. The amounts disclosed are the undiscounted contractual cash flows:

NOK million	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Borrowings	37.7	1,652.0	1,639.9	117.1
Total liabilities at 31 December 2023	**37.7**	**1,652.0**	**1,639.9**	**117.1**
Borrowings	121.8	202.1	2,011.7	2,142.3
Total liabilities at 30 December 2022	**121.8**	**202.1**	**2,011.7**	**2,142.3**

Note 23: Trade and other payables

NOK million	**2023**	2022
Accrued vacation pay	**39.0**	37.8
Accrued expenses	**65.1**	16.6
Trade payables	**50.1**	18.9
Intercompany liabilities	**12,563.8**	10,483.3
Public duties	**19.2**	14.7
Other current provisions	**1,164.7**	1,129.9
Total	**13,901.9**	11,701.3

The current payables and provisions are non-interest bearing and are due within the next 12 months. Accrued expenses are related to goods and services delivered and not invoiced to the Company in 2023

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 2023	Current	Non-current
Trade & other receivables – nominal amount	9,837.9	-
Trade & other receivables – book value	9,392.1	-
Payables	12,563.8	-

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 sales (-) and purchases (+)	**2023**	2022
Sales and financial revenue	820.3	1,094.9
Purchases and financial expenses	156.5	237.0
Dividend	665.8	460.9
Impairment of trade and other receivables	95.9	45.8
Impairment of investment in subsidiaries	350.0	-

Norwegian Air Shuttle ASA has provided certain 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 2023 or 2022.

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 for 2023.

Note 26: Events after the reporting period

Refer to Note 32 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 financial statements for 2023.

Declaration from the Board of Directors and CEO

We confirm to the best of our knowledge that:

- the consolidated financial statements for 2023 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, 2023,
- the financial statements for the parent company for 2023 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, 16 April 2024

Board of Directors of Norwegian Air Shuttle ASA

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

/s/ Geir Karlsen

Chief Executive Officer

The independent auditor's 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 2023, 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 2023, 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 material accounting policy information.

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 2023, 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 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting 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 4 years from the election by the general meeting of the shareholders on 30 June 2020 for the accounting year 2020.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. *Impairment assessment of aircraft and right-of-use aircraft*

and *Recoverability of deferred tax asset* involve similar complexity and risks as the previous years and continue to be key areas of focus for the 2023 audit.

Key Audit Matters	How our audit addressed the Key Audit Matter
Impairment assessment of aircraft and right-of-use aircraft We refer to note 1.5 and note 13 to the consolidated financial statements where management describes their impairment process. The book value of the Group's aircraft, parts and installations on leased aircraft, and right-of-use aircraft, parts, and installations, amounted to NOK 1,415.4 million and NOK 9,818.4 million, respectively, on 31 December 2023. Management reviews the 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 2023. The impairment test required exercise of management judgement, mainly related to estimating future cash flows and determining the applied discount rate. We focused on this matter because of the material amounts involved and the level of management judgement applied.	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 the IFRS Accounting Standards and found no material inconsistencies. Further, we tested the mathematical accuracy 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 reliability and accuracy of management's budgeting by comparing input used in prior year's budget to actual historical data. When we found deviations, we assessed management's explanations and corroborated with other evidence available to us. 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 considered external market data and observable data from comparable companies. We found the assumptions to be reasonable based on our knowledge and obtained audit evidence. We evaluated the adequacy of the disclosure provided in the notes and found that management's impairment test was appropriately explained.
Recoverability of deferred tax asset We refer to note 10 to the consolidated financial statement where management describes the Group's tax position and note 1.5 where the principles of accounting for deferred income tax is described.	We obtained, evaluated, and challenged management's assessment of the deferred tax asset. We corroborated the elements in the assessment to the requirements in the IFRS Accounting Standards and found no material inconsistencies.

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The independent auditor's report

The book value of the deferred tax asset amounted to NOK 1,900.7 million on 31 December 2023.

The book value 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 matter because of the material amounts involved and the level of management judgement applied.

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 reliability and accuracy of management's budgeting by comparing the input used in prior year's budget to actual historical data. When we found deviations, we assessed management's explanations and corroborated with other evidence available to us. 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 provided in the notes and found that the disclosures appropriately reflected management's process for evaluating the deferred tax asset.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.
In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required 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 of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to the

Norwegian Accounting Act section 3-9, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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.
- 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.

The independent auditor's report

pwc

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, actions taken to eliminate threats or safeguards applied.

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-2023-12-31-en.zip, 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 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, 16 April 2024
PricewaterhouseCoopers AS

Thomas Whyte Gaardsø

Thomas Whyte Gaardsø
State Authorised Public Accountant

5 / 5

Board and management

Board of Directors

Svein Harald Øygard

Chair

Mr. Svein Harald Øygard (born 1960) has extensive experience in both public and private sectors. He held key roles at the Ministry of Finance and McKinsey & Company. In 2009, he served as Interim Central Bank Governor of the Icelandic Central Bank. Mr. Øygard holds a Cand. Oecon degree from University of Oslo. He chairs the board and serves as an independent board member, re-elected for from 2023 to 2025.

Mr. Øygard held 1,884,281 shares in Norwegian at year-end 2023.

Lars Boilesen

Director

Mr. Lars Boilesen (born 1967) is the CEO of Napatech A/S. He was previously the CEO of Otello Corporation (formerly Opera Software ASA). Prior to that, he had extensive sales and marketing experience from Lego, Tandberg, and Alcatel-Lucent. He serves on Airthings ASA's board. Mr Boilesen holds a Bachelor's in Business Economics from Aarhus School of Business and is an independent board member, re-elected from 2023 to 2025.

Mr. Boilsen held 585,424 shares in Norwegian at year-end 2023.

Ingrid Elvira Leisner

Director

Ms. Ingrid Elvira Leisner (born 1968) has extensive experience as head of audit committees and member of a number of boards, including roles at Self Storage Group ASA and Techstep ASA. Formerly with Statoil, she was Head of Portfolio Management Electric Power. Ms. Leisner holds a Bachelor's in Business Administration from the University of Texas. She is an independent board member elected until 2024.

Ms. Leisner and close associates held 29,927 shares in Norwegian at year-end 2023.

Stephen Kavanagh

Director

Mr. Stephen Kavanagh (born 1967) is a seasoned airline professional with over 35 years of experience, including as CEO of Aer Lingus until 2019. Currently, he's a Non-Executive Director on several boards, including Oman Air and aircraft lessor CDB Aviation. Mr. Kavanagh holds a Master of Business Studies and Bachelor of Commerce from University College Dublin. He is an independent board member until 2025.

Mr. Kavanagh held zero shares in Norwegian at year-end 2023.

Board of Directors

Kate Jane Sherry

Director

Katherine Jane Sherry (born 1980) is the Chief Commercial Officer at Edinburgh Airport, having joined in 2020 as Aviation Director. Previously, she was Director of Route Development and Head of Retail at Ryanair Group. Earlier, Ms. Sherry was a food buyer at Tesco Group. She holds the MCIPS qualification and a Masters of Science in Sports Management from University College Dublin. Ms. Sherry is an independent board member elected from 2023 to 2025.

Ms. Sherry held 27,364 shares in Norwegian at year-end 2023.

Eric Holm

Director, Employee Representative

Mr. Eric Holm (born 1967) joined Norwegian in March 2010 and currently works at Norwegian Cabin Services Norway AS. He holds a MA degree in International Security Studies from the University of Leicester. Mr. Holm serves as Deputy Board Member at Norwegian Cabin Services Norway, Chairman at Parat Luftfart, and board member (employee representative) at Lufthansa Service Group Norway. He has been employee representative board member since 2019, re-elected from 2022 to 2024.

Mr. Holm held 1,326 shares in Norwegian at year-end 2023.

Katrine Gundersen

Director, Employee Representative

Katrine Gundersen (born 1974) is Crew Tracker at Norwegian's Integrated Operational Control Centre (IOCC). She entered the airline industry in the late 1990s and joined Norwegian in August 2002. Ms. Gundersen holds a bachelor's degree in economics from BI University. Ms. Gundersen has been employee representative board member since 2019, re-elected from 2022 to 2024.

Ms. Gundersen held 1,447 shares in Norwegian at year-end 2023.

Torstein Hiorth Soland

Director, Employee Representative

Torstein Hiorth Soland (born 1987) is director of Lean at Norwegian. He joined Norwegian's Technical Operations Department in 2014. In 2017, he moved to the Network department within the Commercial Department as Fleet Manager, and in 2019 he assumed the role of Vice President Fleet Strategy in 2019. He holds a BSc in Aeronautical Engineering from Mälardalen University and an MSc in Wind Energy. He has been a employee representative board member since 2022, elected until 2024.

Mr. Hiorth Soland held zero shares in Norwegian at year-end 2023.

Management

Geir Karlsen

Chief Executive Officer (CEO)

Geir Karlsen (born 1967) is Norwegian's CEO since June 2021. Previously CFO since April 2018, he has extensive experience from listed companies within shipping and offshore. Mr. Karlsen held various CFO roles at Golden Ocean Group, Songa Offshore and Navig8 Group. He holds an MSc in Economics from BI Norwegian Business School and an MBA from Norwegian School of Economics.

Mr. Karlsen held 651,478 shares and 2,561,731 options in Norwegian at year-end 2023.

Hans-Jørgen Wibstad

Chief Financial Officer (CFO)

Hans-Jørgen Wibstad (born 1964) is Norwegian's CFO since May 2022. He has more than 20 years of CFO and senior management experience within industry, shipbuilding, shipping and offshore. Mr. Wibstad previously served as CFO at Multiconsult ASA and Kongsberg Gruppen ASA. He also has financial market experience from Danske Bank, Credit Agricole, and Nordea He holds an MBA from the University of Colorado.

Mr. Wibstad held 70,000 shares and 563,589 options in Norwegian at year-end 2023.

Magnus Thome Maursund

Chief Commercial Officer (CCO)

Magnus Thome Maursund (born 1981) was appointed Chief Commercial Officer at Norwegian in 2021. He started in Norwegian in 2007 and has held several management positions since then, including in supply chain management, route planning, charters and partnerships. Mr. Maursund holds an MSc in Economics from BI Norwegian Business School with a specialisation in strategy.

Mr. Maursund held 4,362 shares and 246,569 options in Norwegian at year-end 2023.

Christoffer Sundby

Chief Marketing & Customer Officer (CMCO)

Christoffer Sundby (born 1978) became Chief Marketing & Customer Officer at Norwegian in 2020. He has 10 years of leadership experience in merchandising, including operations, marketing and sales. Previously, Mr. Sundby was CEO of Unicare and SVP at Circle K Norway. He started his professional career as a consultant at McKinsey & Company. He holds an MSc in Economics from BI Norwegian Business School.

Mr. Sundby held 339,944 shares and 309,973 options in Norwegian at year-end 2023.

Management

Guro H. Poulsen

Chief People Officer (CPO)

Guro H. Poulsen (born 1975) became Chief People Officer at Norwegian in 2020. Having joined Norwegian in 2010, she progressed from Financial Controller to SVP Crew Management. Ms. Poulsen has several years of international experience from companies like Goodyear Dunlop and Wrigley. She holds an Master of Business Administration from Griffith University in Australia and a Bachelor's in Business Administration from BI Norwegian Business School.

Ms. Poulsen held 236,808 shares and 187,863 options in Norwegian at year-end 2023.

Knut Olav Irgens Høeg

Chief IT & Business Services Officer (CIBSO)

Knut Olav Irgens Høeg (born 1973) was appointed Chief IT & Business Services Officer in June 2020, having joined Norwegian in 2019 as SVP Procurement. He has extensive procurement and IT experience from large operations like Circle K, TINE, Storebrand, and Skandia. Mr. Høeg also worked as a Management Consultant at Deloitte. He holds an MSc in Economics from BI Norwegian Business School and an MBA from Norwegian School of Economics (NHH).

Mr. Irgens Høeg held 239,847 shares and 216,043 options in Norwegian at year-end 2023.

Tore Jenssen

Chief Asset Officer (CAO)

Tore Jenssen (born 1978) was appointed SVP of Arctic Aviation Assets DAC in 2020 and Chief Asset Officer in 2023. He joined Norwegian in 2007, progressing from cost controller to Fleet Director. Mr. Jenssen previously served as CEO of Norwegian Air International Ltd and COO for Norwegian Group. He holds an MSc in Business from Bodø Graduate School of Business.

Mr. Jenssen held zero shares and 255,315 options in Norwegian at year-end 2023.

Anne-Sissel Skånvik

Chief Communications and Public Affairs Officer (CCPAO)

Anne-Sissel Skånvik (born 1959) was appointed Chief Communications & Public Affairs Officer at Norwegian in June 2020. Formerly Norwegian's Chief Communications Officer from 2009, she joined from Telenor ASA, responsible for corporate communications and governmental relations. Beforee then, she worked for the Norwegian Ministry of Finance. Ms. Skånvik holds a Master's degree in political science from the University of Oslo and a degree in journalism.

Ms. Skånvik held 50,095 shares and 141,597 options in Norwegian at year-end 2023.

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 definitions are consistent with those used in previous financial reports.

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

Alternative performance measures – reconciliations

	Full year 2023	Full year 2022
Operating profit (EBIT) to EBIT excl other losses/(gains)		
Operating profit (EBIT)	**2,232.1**	1,502.3
- Other losses/(gains)*	**35.1**	-7.3
EBIT excl other losses/(gains)	**2,267.2**	1,495.0
EBITDAR to EBITDAR excl other losses/(gains)		
EBITDAR	**5,754.1**	2,363.4
- Other losses/(gains)*	**35.1**	-7.3
EBIT excl other losses/(gains)	**5,789.2**	2,356.1
Net profit (EBT) to EBT excl other losses/(gains) and impairment		
Profit (loss) before tax (EBT)	**1,803.9**	1,046.4
- Reversal of impairment loss	**0.0**	-2,099.4
- Other losses/(gains)*	**35.1**	-7.3
EBT excl other losses/(gains) and impairment	**1,839.0**	-1,060.3
Net interest bearing debt		
Cash and cash equivalents	**9,477.9**	7,759.0
Aircraft financing	**11,301.1**	6,640.3
NAS13	**0.0**	569.2
Other IB debt	**102.0**	136.5
Retained Claims bonds	**2,622.3**	2,739.3
Net interest-bearing debt	**4,547.5**	2,326.3

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

Other definitions

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

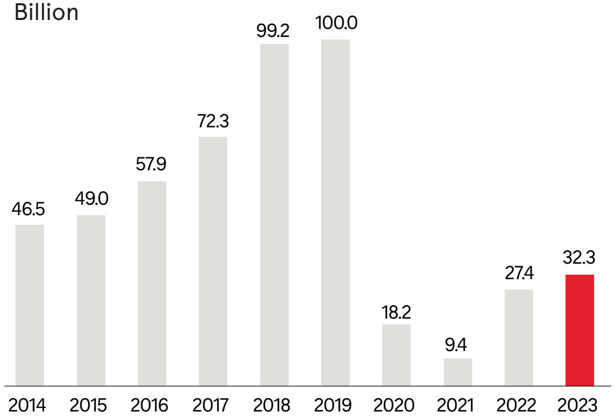
Analytical information

	"Incl. IFRS 16"									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating revenue (NOK million)	**25 539**	18 869	5 068	9 096	43 522	40 266	30 948	25 951	22 491	19 534
EBITDAR* (NOK million)	**5 754**	1 254	(1 516)	(4 755)	7 313	2 171	3 948	5 958	3 694	1 186
EBITDAR* excl other losses/(gains) (NOK million)	**5 789**	1 247	(2 254)	(1 751)	6 468	3 165	3 516	5 278	4 169	1 770
EBIT (NOK million)	**2 232**	1 502	(2 786)	(23 768)	856	(3 851)	(2 002)	1 821	348	(1 412)
Profit (loss) before tax (EBT) (NOK million)	**1 804**	1 046	1 876	(22 133)	(1 688)	(2 490)	(2 562)	1 508	75	(1 627)
Net profit (loss) (NOK million)	**1 737**	1 005	1 871	(23 040)	(1 609)	(1 454)	(1 794)	1 135	246	(1 072)
Earnings per share (NOK) - Basic*	**1,70**	0,99	3,5	(1 022,1)	(12,6)	(19,5)	(28,5)	18,0	4,0	(17,3)
Earnings per share (NOK) - Diluted*	**1,54**	0,89	2,7	(1 022,1)	(12,6)	(19,5)	(28,5)	17,9	3,9	(17,3)
Equity ratio	**18,9%**	18,5%	17,4%	-13,4%	4,7%	3,0%	5,0%	11,0%	9,4%	9,0%
Net interest-bearing debt*	**4 548**	2 326	1 683	40 222	58 282	31 917	22 265	21 151	17 131	11 273
Cash and cash equivalents (NOK million)	**9 478**	7 759	7 695	2 667	3 096	1 922	4 040	2 324	2 454	2 011
Yield - ticket revenue	**0,75**	0,67	0,57	0,47	0,41	0,38	0,39	0,42	0,44	0,43
Yield - total	**0,89**	0,79	0,69							
Unit revenue - ticket	**0,64**	0,56	0,41	0,36	0,35	0,33	0,34	0,36	0,38	0,35
Unit revenue - total	**0,56**	0,66	0,51							
Unit cost (CASK)	**0,72**	0,71	0,91	0,94	0,43	0,43	0,45	0,43	0,44	0,44
Unit cost (CASK) excluding fuel	**0,48**	0,44	0,76	0,83	0,31	0,31	0,35	0,34	0,34	0,30
ASK (million)	**32 322**	27 382	9 437	18 168	100 031	99 220	72 341	57 910	49 028	46 479
RPK (million)	**27 383**	22 757	6 869	13 680	86 616	85 124	63 320	50 798	42 284	37 615
Load factor	**84,7%**	83,1%	72,8%	75,2%	86,6%	85,8%	87,5%	87,7%	86,2%	80,9%
Passengers (million)	**20,6**	17,8	6,2	6,9	36,2	37,3	33,1	29,3	25,8	24,0
Block hours	**11,0**	11,0	9,0	9,8	12,4	12,5	11,4	11,3	11,6	11,6
Average sector length (km)	**1 222**	1 163	1 035	1 385	1 876	1 843	1 607	1 473	1 407	1 338
Fuel consumption (metric tonnes)	**645**	555	193	362	1 918	1 956	1 465	1 190	1 015	966
Number of aircraft (at year end)	**87**	70	51	131	156	164	144	116	99	95

Key operational figures

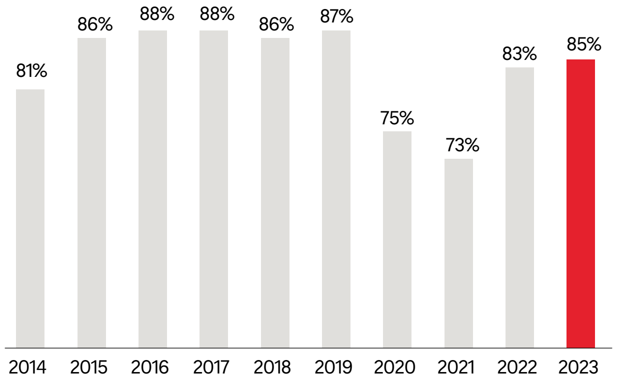
Ask

Billion



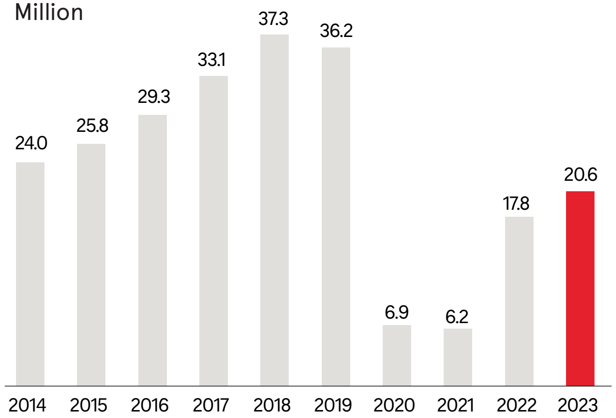
Load factor

Percent



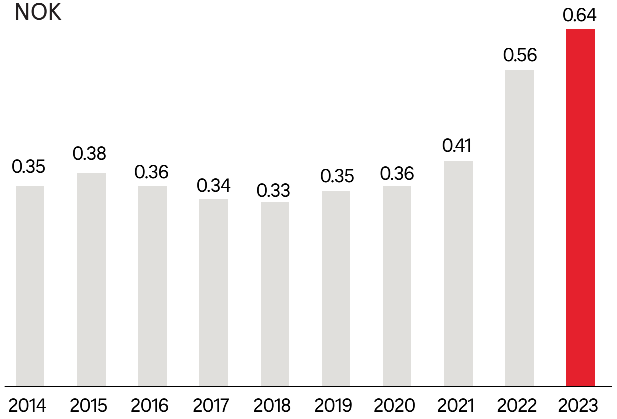
Passengers

Million



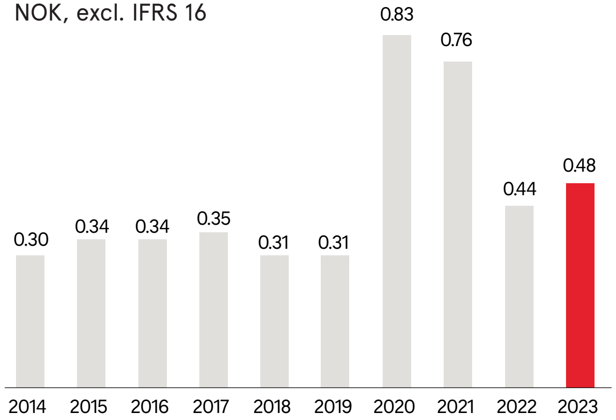
Unit revenue - ticket

NOK



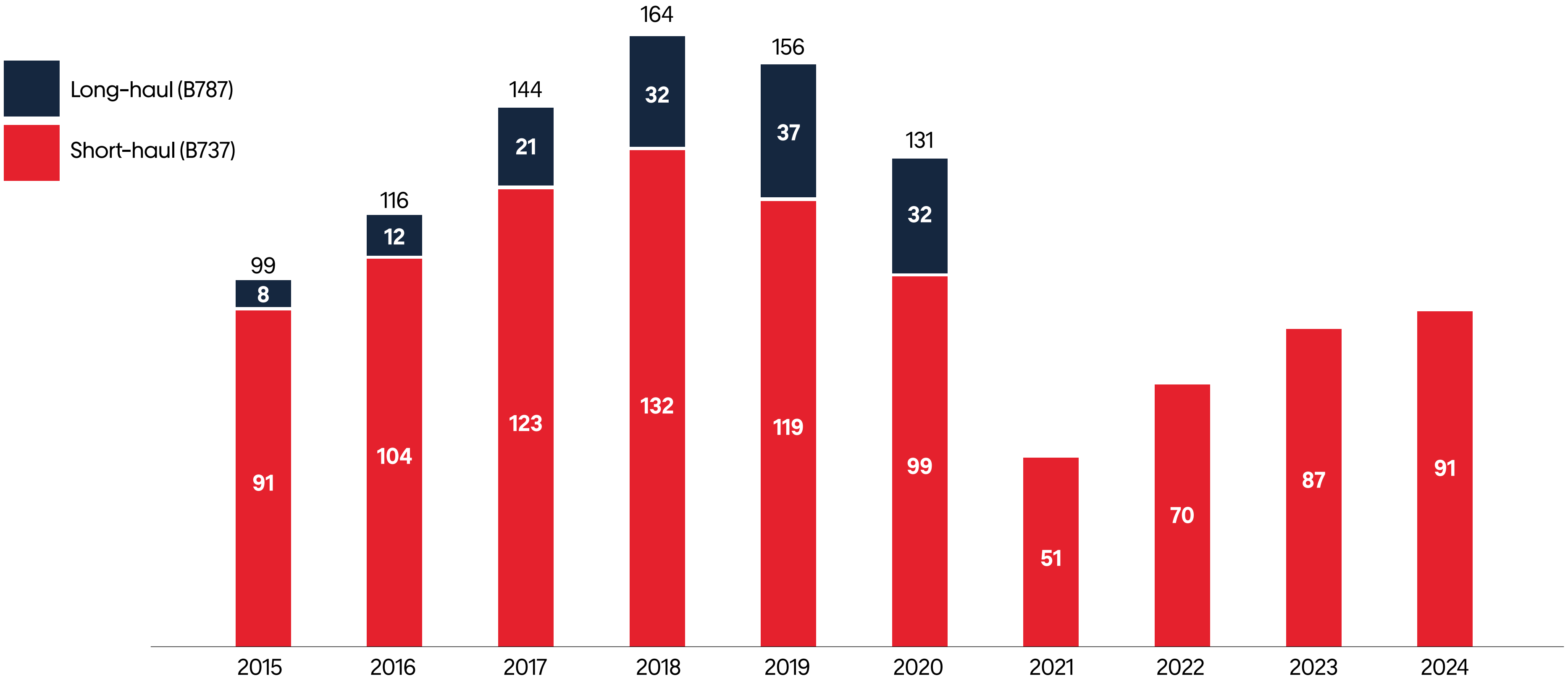
Unit cost excl. fuel

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 2024-2025



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 01.01.2023-31.12.2023 with reference to the GRI standards.	
GRI 1 used	GRI 1: Foundation 2021	

GRI Standard	Disclosure	Norwegian Air Shuttle reporting for 2023	Annual Report page
GRI 2: General Disclosures 2021			
	2-1 Organizational details	Annual Report - Board of Directors' Report: "Company Information", "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 01.01.2023-31.12.2023, annual reporting frequency, contact point: jesper.hatletveit@norwegian.com, investor.relations@norwegian.com	
	2-5 External assurance	Independent Report on Greenhouse Gas (GHG) Statement	56
	2-6 Activities, value chain and other business relationships	Annual Report - Environmental, Social & Governance (ESG): "Transparency Act", "Norwegian's valye chain"	25-26, 30-31
	2-7 Employees	Annual Report - Environmental, Social & Governance (ESG): "People in Norwegian"	34-42
	2-9 Governance structure and composition	Annual Report - Corporate Governance	58-63
	2-10 Nomination and selection of the highest governance body	Annual Report - Corporate Governance: "Nomination committee"	60
	2-11 Chair of the highest governance body	Chair of Board of Directors Svein Harald Øygard	139
	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"	61
	2-13 Delegation of responsibility for managing impacts	Annual Report - Corporate Governance: "The Work of the Board of Directors", "Risk management and internal control"	61-62
	2-14 Role of the highest governance body in sustainability reporting	Signing of the Report of the Board of Directors and the Financial Statements. Annual Report - Environmental, Social & Governance (ESG): "ESG governance"	23, 134
	2-15 Conflicts of interest	Annual Report - Corporate Governance: "Equal Treatment of Shareholders and Transactions with Close Associates"	59-60
	2-18 Evaluation of the performance of the highest governance body	Annual Report - Corporate Governance: "The Work of the Board of Directors"	61
	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"	43-47
	2-23 Policy commitments	Annual Report - Letter from the CEO Annual Report - Board of Directors' Report: "Climate-related risks", "Environmental, social and governance (ESG)"	3-4, 15, 17-19
	2-24 Embedding policy commitments	Annual Report - Environmental, Social & Governance (ESG): "ESG governance", "Flight safety"	23-30, 32-34
	2-25 Processes to remediate negative impacts	Annual Report - Environmental, Social & Governance (ESG): "Flight safety", "Discrimination & harassment"	32-34, 41-42
	2-26 Mechanisms for seeking advice and raising concerns	Annual Report - Environmental, Social & Governance (ESG): "Health, safety and environment", "Discrimination & Harassment"	33-34, 41-42
	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"	26-30
	2-30 Collective bargaining agreements	Annual Report - Environmental, Social & Governance (ESG): "Remuneration"	40-41
GRI 3: Material Topics 2021			
	3-1 Process to determine material topics	Annual Report - Environmental, Social & Governance (ESG): "Materiality assessment"	26-30
	3-2 List of material topics	Annual Report - Board of Directors' Report: "Environmental, social and governance (ESG)" Annual Report - Environmental, Social & Governance (ESG): "Materiality assessment"	18, 26-27
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
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report - Note 22: Pensions	103-104
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, 43-45
GRI 204: Procurement Practices 2016			
	204-1 Proportion of spending on local suppliers	Annual Report - Environmental, Social & Governance (ESG): "Norwegian's value chain"	30-31
GRI 205: Anti-corruption 2016			
	205-2 Communication and training about anti-corruption policies and procedures	Annual Report - Environmental, Social & Governance (ESG): "Financial crime, anti bribery and corruption (ABAC)"	26
GRI 305: Emissions 2016			
	305-1 Direct (Scope 1) GHG emissions	Annual Report - Environmental, Social & Governance (ESG): "Accountability" Annual Report - Carbon accounting report"	46-47, 48-50
	305-2 Energy indirect (Scope 2) GHG emissions	Annual Report - Environmental, Social & Governance (ESG): "Accountability" Annual Report - Carbon accounting report"	46-47, 48-50
	305-3 Other indirect (Scope 3) GHG emissions	Annual Report - Environmental, Social & Governance (ESG): "Accountability" Annual Report - Carbon accounting report	46-47, 48-50
	305-4 GHG emissions intensity	Annual Report - Environmental, Social & Governance (ESG): "Targets", "Carbon efficiency"	43-45

	305-5 Reduction of GHG emissions	Annual Report - Environmental, Social & Governance (ESG): "Carbon Efficiency"	43-45
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Annual Report - Carbon accounting report	43-45
GRI 306: Waste 2020			
	306-1 Waste generation and significant waste-related impacts	Annual Report - Environmental, Social & Governance (ESG): "Waste resource optimisation"	45-46
	306-2 Management of significant waste-related impacts	Annual Report - Environmental, Social & Governance (ESG): "Waste resource optimisation"	45-46
GRI 308: Supplier Environmental Assessment 2016			
	308-1 New suppliers that were screened using environmental criteria	Annual Report - Environmental, Social & Governance (ESG): "Norwegian's value chain"	30-31
	308-2 Negative environmental impacts in the supply chain and actions taken	Annual Report - Environmental, Social & Governance (ESG): "Norwegian's value chain"	30-31
GRI 401: Employment 2016			
	401-3 Parental leave	Annual Report - Environmental, Social & Governance (ESG): "Parental leave and part-time"	40
GRI 403: Occupational Health and Safety 2018			
	403-1 Occupational health and safety management system	Annual Report - Board of Directors' Report: "Safety and compliance" Annual Report - Environmental, Social & Governance (ESG): "Flight safety"	11, 32-34
	403-2 Hazard identification, risk assessment, and incident investigation	Annual Report - Board of Directors' Report: "Safety and compliance" Annual Report - Environmental, Social & Governance (ESG): "Flight safety"	11, 32-34
	403-3 Occupational health services	Annual Report - Environmental, Social & Governance (ESG): "Cyber security and data protection"	29-30
	403-4 Worker participation, consultation, and communication on occupational health and safety	Annual Report - Board of Directors' Report: "Safety and compliance" Annual Report - Environmental, Social & Governance (ESG): "Flight safety"	11, 32-34
	403-5 Worker training on occupational health and safety	Annual Report - Environmental, Social & Governance (ESG): "Training"	34
	403-6 Promotion of worker health	Annual Report - Environmental, Social & Governance (ESG): "Health, safety and environment"	33
	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"	33
	403-9 Work-related injuries	Annual Report - Environmental, Social & Governance (ESG): "Health, Safety and Environment"	33
GRI 405: Diversity and Equal Opportunity			
	405-1 Diversity of governance bodies and employees	Annual Report - Environmental, Social & Governance (ESG): "Gender balance"	39
	405-2 Ratio of basic salary and remuneration of women to men	Annual Report - Environmental, Social & Governance (ESG): "Remuneration"	40-41
GRI 408: Child Labor 2016			
	408-1 Operations and suppliers at significant risk for incidents of child labor	Annual Report - Environmental, Social & Governance (ESG): "Norwegian's value chain"	30-31
GRI 409: Forced or Compulsory Labor 2016			
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Annual Report - Environmental, Social & Governance (ESG): "Norwegian's value chain"	30-31
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"	42-43

GRI 414: Supplier Social Assessment 2016			
	414-1 New suppliers that were screened using social criteria	Annual Report - Environmental, Social & Governance (ESG): "Norwegian's value chain"	30-31
	414-2 Negative social impacts in the supply chain and actions taken	Annual Report - Environmental, Social & Governance (ESG): "Norwegian's value chain"	30-31
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"	32-34

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