REGISTRATION DOCUMENT

Norwegian Air Shuttle ASA

The information contained in this registration document (the "**Registration Document**") relates to the listing on Oslo Børs (the "**Listing**") of (i) new shares each with a par value of NOK 10 ("**Shares**") issued by Norwegian Air Shuttle ASA, a public limited company incorporated under the laws of Norway ("**Norwegian**", the "**Company**" or the "**Issuer**", and together with its direct and indirect subsidiaries, the "**Group**") as a result of conversion of debt to Shares, and (ii) certain zero coupon perpetual subordinated convertible bonds issued under the Company's bond issue with ISINs NO0010883416 (for Perpetual Bonds denominated in EUR), NO0010883473 (for Perpetual Bonds denominated in SEK) and NO0010883515 (for Perpetual Bonds denominated in USD) on Oslo Børs (collectively, the "**Perpetual Bonds**") issued by Norwegian.

For the definitions of capitalised terms used throughout this Registration Document, see Section 13 "Definitions and Glossary". ***Investing in the Shares and Perpetual Bonds involves risks; see Section 1 "Risk Factors" beginning on page 3.***

NO SECURITIES ARE OFFERED OR SOLD PURSUANT TO THIS REGISTRATION DOCUMENT.

Investing in Shares, Perpetual Bonds and other securities issued by the Issuer involves a particularly high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "Risk factors" when considering an investment in the Company. The Company has been severely impacted by the current outbreak ofCOVID-19. In a very short time period, the Issuer has lost most of its revenues, is in adverse financial distress and risks bankruptcy. This has adversely and materially affected the Group's contracts, rights and obligations, including financing arrangements, and the Group is not capable of complying with its ongoing obligations and is currently subject to event of default. On 18 November 2020, the Issuer and certain of its subsidiaries applied for examinership in Ireland (and were accepted into examinership on 7 December 2020), and on 8 December 2020 the Issuer applied for and was accepted into reconstruction in Norway. It is not possible to predict the outcome of the ongoing restructuring process, including the nature or extent of future business operations nor debt level, capitalisation or funding; the aim is to substantially reduce the debt level, reduce the size of operations and re-capitalize the Group with debt and equity. If the Company does not exit the examinership and the reconstruction processes in a successful way, it is highly likely that the Company will enter into liquidation and/or bankruptcy proceedings during the first or second quarter of 2021. Even if the Company should be able to conclude on the current restructuring processes, there is a significant risk that the Company becomes insolvent and enters into bankruptcy if, inter alia, the Company's is not able to reach an agreement with creditors, reduce debt, access financing and working capital and regain normalized operations.

14 January 2021

IMPORTANT INFORMATION

This Registration Document has been approved by the Financial Supervisory Authority of Norway (Norwegian: *Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Company that is the subject of this Registration Document. This Registration Document is valid for a period of up to 12 months following its approval by the Norwegian FSA. This Registration Document should be read together with the Securities Note dated 14 January 2021 and the Summary dated 14 January 2021, both prepared and issued by the Company, which together with this Registration Document constitute a prospectus (the "**Prospectus**"). The Prospectus has been prepared in order to provide information about the Company and its business in relation to the Listing and to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended from time to time, the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). The Prospectus has been prepared solely in the English language. Prospective investors must make their own assessment as to the suitability of investing in the Shares and Perpetual Bonds.

On no account must the publication or the disclosure of the Registration Document give the impression that the information herein is complete or correct on a given date after the date on the Registration Document, or that the business activities of the Company or its subsidiaries may not have been changed.

Only the Company is entitled to procure information about conditions described in this Registration Document. Information procured by any other person is of no relevance in relation to this Registration Document and cannot be relied on.

Unless otherwise stated, this Registration Document is subject to Norwegian law. In the event of any dispute regarding this Registration Document, Norwegian law will apply.

Other than in compliance with applicable United States securities laws, no offers or sales of securities are being made or will be made, directly or indirectly, in the United States. Neither the Shares nor the Perpetual Bonds will be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

In certain other jurisdictions, the sale and purchase of securities issued by the Group and the distribution of this Registration Document may be limited by law, for example in Canada, Japan and in the United Kingdom. Verification and approval of this Registration Document by the Norwegian FSA does not imply that this Registration Document may be used in jurisdiction other than Norway. No other measures have been taken to obtain authorisation to distribute this Registration Document in any jurisdiction where such action is required. Persons that receive this Registration Document are ordered by Norwegian to obtain information on and comply with such restrictions.

This Registration Document is not an offer to sell or a request to buy Shares or Perpetual Bonds. The content of this Registration Document does not constitute legal, financial or tax advice and Bondholders should seek legal, financial and/or tax advice.

Copies of this Registration Document can be obtained by contacting the Company.

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1. RISK FACTORS

GENERAL

Investing in the Shares or Perpetual Bonds involves inherent risks. Prospective investors should consider, among other things, the risk factors set out in the Prospectus, before making an investment decision. The risks and uncertainties described in the Prospectus are risks of which the Company is aware and that the Company considers to be material to its business. If any of these risks were to occur, the Company's business, financial position, operating results or cash flows could be materially adversely affected, which may adversely affect the Company's ability to perform its obligations under the Bond Terms and/or cause investors in the Bonds (and the Shares into which Bonds may be converted in the option of the holder of the same) to lose all or part of invested capital. Please refer to the Securities Note dated 14 January 2021 for a listing of Bond specific risk factors.

The risk factors included in this section are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative effect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Bonds.

NO SECURITIES ARE OFFERED OR SOLD PURSUANT TO THIS REGISTRATION DOCUMENT.

Investing in Shares, Perpetual Bonds and other securities issued by the Issuer involves a particularly high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider "Risk factors" when considering an investment in the Company. The Company has been severely impacted by the current outbreak of COVID-19. In a very short time period, the Issuer has lost most of its revenues, is in adverse financial distress and risks bankruptcy. This has adversely and materially affected the Group's contracts, rights and obligations, including financing arrangements, and the Group is not capable of complying with its ongoing obligations and is currently subject to event of default. On 18 November 2020, the Issuer and certain of its subsidiaries applied for examinership in Ireland (and were accepted into examinership on 7 December 2020), and on 8 December 2020 the Issuer applied for and was accepted into reconstruction in Norway. It is not possible to predict the outcome of the ongoing restructuring process, including the nature or extent of future business operations nor debt level, capitalisation or funding; the aim is to substantially reduce the debt level, reduce the size of operations and re-capitalize the Group with debt and equity. If the Company does not exit the examinership and the reconstruction processes in a successful way, it is highly likely that the Company will enter into liquidation and/or bankruptcy proceedings during the first or second quarter of 2021.Even if the Company should be able to conclude on the current restructuring process, there is a significant risk that the Company becomes insolvent and enters into bankruptcy if, inter alia, the Company's is not able to reach an agreement with creditors, access financing, reduce debt and working capital and regain normalized operations.

1.1 Risks relating to the Group's business and financial situation

1.1.1 Risks relating to COVID-19, restructuring and debt

COVID-19 Outbreak and Bankruptcy Risk

The Group is currently in breach of its commitments and agreements, has triggered events of default and is in adverse financial distress. Furthermore, certain entities in the Group are subject to an examinership/reconstruction process (as described in section 4.7 – subsection "Phase 2 Restructuring" below). No commitments or agreements have been entered into with respect to the aforementioned examinership/reconstruction process, and it is a material risk that such examinership/reconstruction will not succeed at acceptable terms or at all, which may lead to the bankruptcy of the Group. If the Company does not exit the examinership and the reconstruction processes in a successful way, it is highly likely that the Company will enter into liquidation and/or bankruptcy proceedings during the first or second quarter of 2021.

The outbreak of the COVID-19, which was recognized as a pandemic by the World Health Organization in March 2020, has severely impacted companies and markets globally. At present, Norway and the rest of the world are facing an adverse financial and economic downturn that may lead to recession.

Furthermore, following a limited improvement in conditions in April and May 2020, global coronavirus cases and deaths have been climbing since early June 2020, resulting in re-imposition of measures aimed at curtailing the spread of the disease, including travel and other restrictions that have proven particularly challenging for the Group and the airline industry at large. The Company has been strongly affected by the pandemic and has reported a net loss of NOK 6,412 million for the first nine months of 2020. In addition, the Company has experienced a 91% passenger decline compared to the same period last year and has taken the decision to furlough additional employees and reduce capacity considerably, leaving only six to seven aircraft in operation.

The Group's business, operations and financial performance are expected to continue to be materially adversely impacted by the outbreak of COVID-19, including the extraordinary health measures and restrictions on a local and global basis imposed, and are expected to continue to be imposed, by authorities across the world as a result thereof. In addition to the loss of most of its revenues, the Group has in a very short time period cancelled most of its flights and temporarily laid-off most of its employees as described above. No assurance can be given regarding if, when and to what extent the travel restrictions will be lifted and demand for air travel will increase, or if, when and to what extent the Group may return to normalized operations. As described elsewhere in the Prospectus, it is expected that the Group – if it is able to emerge from the current restructuring process – will significantly downsize its operations from its pre-COVID-19 scale.

Regardless of the extent to which the Group is able to implement the Phase 2 Restructuring (as described below), it is currently not possible to predict all the consequences of the COVID-19 pandemic for the Group, its business partners, Norway and the other countries in which the Group operates, the aviation industry or global business and markets – other than the expectations of material adverse negative effects that may be long-term. Potential investors should note that the COVID-19 situation is continuously changing and that and new laws and regulations that affect the Group's operations may enter into force.

Phase 2 Restructuring

On 9 November 2020, the Norwegian government announced that it would not provide additional financial support to the Company for the time being. As a consequence, the board of directors of the Company (the "**Board of Directors**" or "**Board**") resolved on 17 November 2020 to seek to downsize its aircraft platform through a court-supervised process in Ireland termed "examinership" (the "**Examinership**"). Furthermore, on 8 December 2020, following formal acceptance of the Company and certain of its Irish subsidiaries into the Examinership on 7 December 2020, the Company filed for and was accepted into a supplementary Norwegian court-supervised reconstruction process (the "**Reconstruction**").

In parallel with the Examinership and the Reconstruction, an emergency general meeting of the Company held on 17 December 2020 (the "**EGM**") granted the Board broad authorizations to increase the share capital of the Company, including conversion to equity of senior loans (up to NOK 5.18 billion), lease debt (up to NOK 31.73 billion), aircraft financing liabilities (up to NOK 21.62 billion) and other current and non-current liabilities of the Group (up to NOK 14.84 billion), resulting in an aggregate capital increase of up to approximately NOK 146.8 million. In addition, the EGM authorised the Board to implement a rights offering of up to 800 million new shares with a subscription price between NOK 5 and 200 (to be determined by the Board of Directors), and in addition granted general authorisations to the Board for the issuance of further shares (increasing share capital by up to NOK 198,666,435) and convertible instruments (increasing share capital by up to NOK

198,666,435) as the Board may deem necessary (for more information on the Phase 2 Restructuring, see the heading "The Phase 2 Restructuring" in Section 4.7 below).

The Phase 2 Restructuring has the potential to materially dilute existing shareholders in the Company and to significantly reduce debt (including the Perpetual Bonds) and/or convert such debt to equity or equity-like instruments. Previous experience has shown that examinership/reconstruction processes – if successful at all – have resulted in creditors/new investors obtaining the vast majority of such companies' shareholdings, and that existing shareholders have been left with an insignificant shareholding. Furthermore, it is not possible to predict the outcome of the Phase 2 Restructuring, including the nature or extent of future business operations nor debt level, capitalisation or funding. Even if the Company should be able to conclude the Phase 2 Restructuring, there is a significant risk that the Company becomes insolvent and enters into bankruptcy if, inter alia, the Company is not able to reach an agreement with creditors and/or achieve a satisfactory outcome in the Phase 2 Restructuring, reduce debt, access financing and working capital and regain normalized operations.

Risk related to future operations

The Company's aim in implementing the Phase 2 Restructuring is to reduce its fleet of aircraft and right-size its balance sheet and operations. Therefore, the Group's scope and nature of operations are expected to materially change following the Phase 2 Restructuring. Past performance may therefore have limited significance with respect to evaluating future business. See section 4.7 for further information relating to the Phase 2 Restructuring and possible consequences thereof.

In June 2020, the Company issued a termination notice to the Boeing Company of its purchase agreements for the remaining 5 Boeing 787 aircraft, 92 Boeing 737 Max aircraft and the GoldCare service agreements, as well as filed legal claim for compensation related to the grounding of the Boing 737 Max aircraft and engine issues on the Boeing 787 aircraft. Boeing has contested the Company's position and asserted claims against the Group. The outcome is uncertain and may materially affect the Company's business and financial position.

The Group's ability in the future to return to normal operations is furthermore dependent upon, amongst other factors, the lifting of travel restrictions and an increase in demand for air travel, and the extent to which the Company is able to implement the Phase 2 Restructuring.

The Phase 2 Restructuring may not be sufficient to bring the Group into positive cash generating business. The Group may also in the future risk insolvency and bankruptcy if, *inter alia*, the Group's business does not return to normalized levels, reach agreements with its creditors, the Company is not able to raise capital/finance working capital and/or the Group is not able to reduce, restructure or refinance a substantial portion of its existing debt.

Consequently, it is a material risk that the Group's business and operations – both with respect to size and nature – will be adversely changed even if the Group is able to conclude the ongoing restructuring. If the Group is unable to conclude on the current restructuring, it is a material risk that the Group may enter into bankruptcy. Such bankruptcy risk also applies even if the Group should be able to conclude the current restructuring.

Risks related to substantial debt level, the feasibility of the Phase 2 Restructuring and ability to satisfy payment obligations going forward

The Group has a substantial debt level, including substantial fixed obligations under aircraft leases and financings. In order to be able to service its debt obligations, the Group needs to reduce, reschedule and/or otherwise restructure a material part of its debt (which may include the Perpetual Bonds). The Phase 2 Restructuring is ongoing and the outcome is highly uncertain and to some extent is beyond the control of the Company. No commitments or agreements have been entered into with respect to such restructuring, nor any terms thereof. There is a risk that the Phase 2 Restructuring will not be completed as contemplated, may be completed on terms less favorable to the Group or will not be completed at all.

There is further a considerable risk that the Company will continue to be unable to satisfy its payments obligations in the short or medium-term even if it completes the Phase 2 Restructuring. No assurance can be given that the Group will receive the requisite amount of consents from its creditors to implement the Phase 2 Restructuring or otherwise restructure and/or convert existing debt. The failure of the Group to achieve the consent of such creditors could have a material adverse impact on the Company's ability to satisfy its payment obligations and with a major risk of a potential bankruptcy (full liquidation) as the ultimate consequence thereof.

Even if the Group is able to restructure its current debt in whole or in part, the Group's ability to service its debt and other commitments (including ensure compliance with financial covenants in its financing agreements) going forward is subject to a number of risk factors, including but not limited to the future effects of the COVID-19 outbreak, the Group's ability to generate sufficient cash flow and operate in the ordinary course of business with positive cash flow and the need for future capital injections and refinancing – and therefore remains highly uncertain. Each of these factors is, to a large extent, subject to completing the ongoing restructuring, the COVID 19-pandemic, economic, financial, competitive, regulatory, operational and other factors, many of which are beyond the Group's control. There can be no assurance that the Group will be able to generate sufficient cash from its operations and/or obtain new capital to pay its debts or other payment obligations in the future or to refinance its indebtedness in order to be able to service its debt in its ordinary course of business. It is therefore a significant risk that the Group will continue to breach its debt obligations and other obligations, and that creditors as a result will be entitled to accelerate their claims against the Group. The Group will in such circumstances be dependent upon its creditors agreeing to waive covenant breaches and other events of default.

The Group has significant liabilities relating to aircraft acquisitions and may not obtain financing of such acquisitions

As of the date of this Registration Document, the Group's firm aircraft orders totalled 88 aircraft with corresponding payment obligations. In accordance with airline industry market practice the total order is not fully financed. Financing of aircraft acquisitions is generally aimed to be secured on a periodic basis, the size and timing depending on the schedule of aircraft delivery. Given the current adverse financial distress and the severe conditions for the Group specifically, and the airline industry in general, such financing may be particularly challenging – and consequently, may not be able to conclude on attractive terms or at all.

A failure to secure financing or to meet payment obligations under aircraft acquisition contracts may lead to a breach of contract. Such default may result in severe financial penalties and make the Group unable to take on delivery of the acquired aircraft. This may have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or future prospects.

1.1.2 Risks relating to the Group's operations

Operational difficulties may have a negative effect on the Group's operations

The Group's flights may be negatively affected by a number of factors, many of which are outside the Group's control, such as technical problems, problems with information technology systems, third-party service providers failing to deliver services in a satisfactory manner etc.

The Group has for example experienced several technical issues with its engines on the Boeing 787 aircraft. In addition, all Boeing 737 MAX aircraft worldwide are grounded until they get clearance to fly from aviation authorities. The first U.S. commercial flight of Boeing's 737 Max since two deadly crashes prompted a worldwide grounding of the planes in March 2019 took off on Tuesday 29 December 2020. The timing of return to service for the Boeing 737 MAX aircraft in Europe is still unclear. As a result of the 737 MAX grounding, the Company's operational and financial performance has been significantly negatively affected. The negative effect on operating profit is caused by loss of revenue, increased fuel burn, crew inefficiencies and increased care and compensation expenses. There can be no assurance that future problems will not arise similar to the Boeing 787 engines or the Boeing 737 MAX aircraft grounding.

The abovementioned issues can result in delays or cancellations of flights or a failure to deliver satisfactory services to the Group's customers. This can in turn have various negative effects, such as loss of income, incurrence of additional costs, reputational damage and liability to pay compensation to customers. Materialization of any of the above risks may have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or future prospects.

The operations and development of the Group is dependent on traffic rights

Under the laws and regulations which govern the aviation business, the Group is required to have traffic rights to operate its flights. Today there is a single aviation market within the EU, meaning that any carrier from a member state (incl. the EEC) can depart and arrive anywhere within the region. However, the right to fly from a member state to a non-member state is regulated by bilateral agreements that typically restrict access to carriers and aircraft based on the agreement parties' nationality. The EU has on behalf of its member states negotiated certain air services agreements with third countries, e.g. US, Canada and Brazil. As Norway is not an EU member state, Norway is not a party to such agreements. Norway may seek separately to negotiate accession to the EU agreements provided this is accepted by the EU member states and the relevant third country, and in 2011 Norway negotiated an accession to the EU – US "Open Skies" agreement. Even flying above foreign territory can be restricted, such as over Russia. The same bilateral system applies anywhere else in the world. To secure the required traffic rights, the Group' has established a multiple airline model within the same Group, where each airline holds a national 'Air Operating Certificate' ("**AOC**"). This allows for optimization of the location of each AOC to get access to needed traffic and overflying rights. However, to the extent the Group should wish to expand its operations outside the scope of its existing AOCs or if any of the existing AOCs should for any reason be revoked or fall away (including as a result of the Phase 2 Restructuring), this may limit the Group's ability to operate certain flights. This could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

Capacity constraints at airports or an inability to acquire and maintain airport slots or overflight rights may have a material adverse effect on the Group's business, financial condition or results of operations

Air traffic is limited by the infrastructure of airports and the number of slots available for aircraft arrivals and departures. The Group is dependent on access to the right airports in the geographical markets the Group has chosen to operate within and with a level of costs in accordance with the Group's low-cost strategy. Changes in the terms and conditions for the Group's access to such facilities or an increase in the costs involved as a result of expiry or termination of its contracts may have a material adverse effect on the Group's earnings. Airports might also introduce limitations on *inter alia* operational hours, noise levels, use of runway or total numbers of daily departures. These types of restrictions might affect the Group's ability to offer services or improve its range of services at such airports.

The price and availability of over-flight rights, which allow airlines to fly over individual countries or territories, as well as the cost of traffic charges, such as arrival, departure and navigation charges, affects the Group's business operations to a material extent. Increases in the prices of such charges could affect ticket prices and subsequently the demand, should the Group pass some of this cost onto its customers. Decisions on slots, over-flight rights and/or absence of such rights may affect the Group's ability to offer attractive and low-cost routes to its customers and therefore impact demand.

The Group may not achieve its goals in future negotiations regarding the terms of collective labor agreements of its unionized work groups, exposing it to the risk of strikes and other work-related disruptions

Most of the Group's employees are unionized. While the Group was able to negotiate a new collective labor agreement with the Norwegian Pilot Union in November 2017 and has collective labor agreements in place with all employee groups, there can be no assurance that the Group's future agreements with labor unions can be negotiated to the long-term benefit of the Group or that the outcome of new negotiations, mediations or arbitrations will be on terms consistent with the Group's expectations or comparable to agreements entered into by other airlines. If the Company or the Group are unable to reach an agreement with any of their unionized work groups in future negotiations regarding the terms of their collective labor agreements or if additional segments of the Group's workforce become unionized, they may be subject to work interruptions, stoppages or other employee actions. Any such disputes or actions can have a number of negative consequences, such as cancellation of flights, loss of income, reputational damage and reduced ability to recruit or retain skilled employees. Negotiations with unions may also result in increased employee-related costs, which can negatively impact the Group's results of operations and financial condition.

For example, in February and March 2015, the Group experienced a strike in connection with negotiations with its unions. The strike lasted eleven days from 28 February. The strike resulted in a decrease in passenger numbers of 4 percent compared with the same period the preceding year, impacting 2,000 flights and 200,000 passengers. According to the Company’s calculations, the strike incurred losses and extra costs to the Group of approximately NOK 350 million, whereof NOK 120 million was related to lost revenue and NOK 110 million was related to extra costs to cater for passengers impacted by the strike.

Materialization of any of the above risks may have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

Further increase in hold-back from credit card acquirers could have an adverse effect on the Group’s liquidity

A significant part of the Group's customers pay with credit cards. A portion of the payment is received from the credit card acquirers upon booking and the remainder upon travel. Credit card acquirers have over the past quarters increased the hold-back of payments to the Group due to the Group's financial situation, resulting in a negative impact on the Group’s cash flow. Although the Group currently has a low credit exposure towards the credit card acquirers, there is still a downward risk that the credit card acquirers may increase their hold-back further which could have an adverse effect on the Group’s liquidity.

1.1.3 Risks relating to tax and financial conditions

The Group is exposed to tax related risks

In March 2017 and June 2018, the Norwegian Tax Authorities made a reassessment pertaining to an EEC cross-border restructuring within the Group that took place in 2013 and 2014. The restructuring was carried out under the rules of contingent tax-free group reorganizations. The assessment was appealed, and in January 2020 the Tax Appeals Board ruled in line with the tax authorities' assessment. The disputed question is whether the rules on contingent tax-free group reorganization, as they applied in 2013 and 2014, are contrary to EU law.

The Group and its tax advisor are of the opinion that the ruling is without merit and that it is probable that the ruling will be reversed in court. The case is scheduled to be tried in Oslo municipality court in April 2021. The Group has not made any provision for any potential tax claim in the interim financial statements for the third quarter of 2020. For further information, refer to Section 11.1.3. There is no assurance that the court case will be won, and there is a risk that the Group will have to comply with the reassessments and incur significant costs related to the court case. This may impact the Group's financial condition.

The Group is subject to risks relating to its substantial deferred tax assets

Intangible assets amounted to NOK 2,203 million at the end of September 2020, compared to NOK 2,871 million at the end of 2019, including deferred tax assets of NOK 1,997 million compared to NOK 2,672 million at the end of 2019. The Company had NOK 545 million in unrecognized deferred tax assets at the end of 2019 related to carry-forward tax losses. Following the COVID-19 outbreak and uncertainties regarding the speed of the market recovery and the company's return to normal operations, the company has not recognized any deferred tax assets related to the current year losses. In addition, an impairment of deferred tax assets related to carry-forward tax losses of NOK 649 million has been recognized during the first nine months of 2020 due to uncertainties regarding the timing and extent of utilization of deferred tax assets following the COVID-19 outbreak.

The deferred tax assets are mainly explained by the historical tax losses of the Group. 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 companies in the Group have experienced recent losses, the Group will evaluate whether there is other convincing evidence supporting taxable profits and the future utilization of its carry forward losses, such as the NEXT profit improvement program, changing strategic focus from growth to profitability, route and base optimization across the Group, moving capacity from non-profitable routes and selling aircraft with taxable gains. The Group has also considered effects on non-recurring events on historic tax losses, such as start-up costs for the long-haul operation, technical engine issues, adverse effects of the grounding of Boeing MAX aircraft and cost of establishment in new markets. If the Group is unable to utilize its deferred tax assets, this will lead to reversal of deferred tax assets which may have significant adverse effect on the Group's financial position.

Exchange rate fluctuations may affect the Group's financial condition or results of operations

Fluctuations in exchange rates, particularly between NOK and the US dollar ("**USD**") and between NOK and the Euro ("**EUR**"), may have a material adverse effect on the Group. The Group's foreign exchange risk mainly arises from fuel and aircraft purchases, aircraft maintenance, aircraft leasing payments and sales revenue denominated in foreign currencies. The largest investments, including the acquisition of aircraft and their spare parts, are also mainly made in USD and EUR. Fuel costs and aircraft leasing costs are also USD-denominated. There can be no assurance that the Group will have adequate protection against foreign exchange losses. Substantial foreign exchange losses may have a material adverse effect on the Group's financial condition.

The market price of derivatives may involve risks

As described above, the Group is subject to risks relating to fuel costs, interest rates and currency. Hence, the Group is actively using derivative instruments to hedge fuel costs, interest rates and currency, with the aim of mitigating the volatility of the Group's financial results caused by market price fluctuations. The size of the hedges will vary depending on different factors. Despite such hedging, there can be no assurance, at any given time, that the Group will have sufficient derivatives in place to provide adequate protection against higher market prices. In addition, the market price of the derivatives may decrease substantially, resulting in substantial hedging losses for the Group, as well as leaving the Group unable to participate fully in the economic benefits of the price decrease, which again could impact the Group's short-term cost effectiveness.

Reduction of growth may adversely affect short-term liquidity and profit and loss statement

Once the market materializes, the Group is seeking to reduce growth and focus on profitability, and may through these activities incur short-term negative effects through e.g. increased restructuring costs which may materially adversely affect the liquidity and the profit and loss statement of the Group.

1.2 Risks relating to the Group’s industry

The Group is exposed to volatile aviation fuel prices

The Group's financial results are affected by the evolution of the market price of jet fuel, as fuel costs are the single largest cost item for the Group. The operating results of the Group can be materially affected by changes in the price and availability of jet fuel.

Demand for airline travel and the Group's business is subject to strong seasonal variations

Beyond the current severe impact by COVID-19, the airline industry tends to be seasonal in nature and the Group, like other airlines, has historically experienced substantial seasonal fluctuations. Generally, the demand peaks in the period from May to October and is relatively lower in the period from November to April. Furthermore, public holidays, which alter the general seasonal changes in demand, are usually addressed by adapting the schedule and network to the expected traffic flows around such holiday periods as well as offering seasonal routes. Should fluctuations be greater than expected or should the Group not adapt its network in accordance with the changed demand around holidays, this could lead to over- or under- capacity, and have a material adverse effect on the Group's business, financial condition, cash flow and/or results of operations.

Reference is also made to description of effects of the COVID-19 outbreak in the section “COVID-19 Outbreak and Bankruptcy Risk" above.

Vulnerability to small changes due to high fixed costs

Although the split between variable and fixed costs has changed over time, the nature of the airline business is such that a substantial percentage of the Group’s operating expenses are fixed costs that do not vary proportionally based on its load factors, the number of passengers or the amount of cargo carried, the number of flights flown or aircraft utilization rates. These costs include the costs of the aircraft, employee costs (including, the costs of specialist workers such as pilots), air traffic charges, taxes, landing rights and other aviation fees. Thus, the Group’s profit (or loss) is highly sensitive to small changes in sales volumes and the Group’s ability to swiftly adjust its costs according to the decrease in demand is limited. The lack of ability to significantly reduce the Company’s fixed costs may also negatively affect the Group’s liquidity in times when revenue is particularly low over a longer period of time, such as in the current environment with the COVID-19 outbreak and the related government-imposed travel restrictions.

The airline industry is exposed to extensive taxes and fees that can affect the demand

Airport, transit and landing fees, as well as charges and initiatives represent a significant operating cost to the Group and have an impact on its operations. Whilst certain airport and security charges are passed onto passengers by way of surcharges, others are not. In the past, security measures have resulted in fee hikes.

Restrictive security policies could be implemented and additional airport fees may be levelled or existing fees increased in the market that the Group operates in.

The airline industry is also subject to extensive fees and costs such as taxes (including ticket tax, passenger tax and value added taxes), aviation and license fees, charges and surcharges such as take-off charges, emission charges, noise charges, terminal navigation charges and security charges, which are typically levied on the basis of national legislation and thus vary among countries and represent a significant part of the Group's costs.

The Group may pass onto customers some of the costs resulting from such taxes and fees, but such increase in ticket prices may significantly impact demand, so that the Group may have to bear all or parts of the cost resulting from any increase in taxes and fees. Increase of such taxes and fees that the Group is not able to recover by increasing ticket prices may materially impact the Group’s results of operations. Due to the Company’s current financial situation as further described in this Registration Document, this risk is prominent to the Company in the current circumstances and may adversely affect the Company’s financial position.

2. PERSONS RESPONSIBLE

2.1 Persons responsible for the information

Person responsible for the information contained in this Registration Document:

Norwegian Air Shuttle ASA, with registered office at Oksenøyveien 3, 1366 Lysaker, Norway.

2.2 Declaration by persons responsible

Norwegian Air Shuttle ASA confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

14 January 2021

The Board of Directors of Norwegian Air Shuttle ASA

Niels Smedegaard
Chair

Sondre Gravir *Board member*	**Ingrid Elvira Leisner** *Board member*
Margaret Christine Browne *Board member*	**Geir Olav Øien** *Board member*
Eric Holm *Board member*	**Katrine Gundersen** *Board member*
Jaan Albrecht Binderberger *Board member*	**Vibeke Hammer Madsen** *Board member*

3. GENERAL INFORMATION

3.1 The approval of this Registration Document by the Norwegian FSA

The Norwegian FSA has reviewed and approved this Registration Document, as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Registration Document. This Registration Document was approved by the Norwegian FSA on 14 January 2021. This Registration Document has been published in an English version only and is valid for twelve (12) months from the date of approval.

The Registration Document has been drawn up as part of a simplified prospectus in accordance with Article 14 of the EU Prospectus Regulation.

Investors should make their own assessment as to the suitability of investing in the securities.

3.2 Phase 1 and Phase 2 Restructuring

In the face of the significant challenges presented by the ongoing COVID-19 pandemic, the Company has undergone significant restructuring in 2020, and has as of the date of this Registration Document converted a total of approximately NOK 15.31 billion of debt obligations into equity, in addition to securing NOK 3 billion of state aid and attracting a private placement in the amount of NOK 400 million. For more information on this "Phase 1" restructuring, see the heading "*The Phase 1 Restructuring*" in Section 4.7 below.

Furthermore, following the increase in global coronavirus cases and deaths since early June 2020 and the resulting re-imposition of measures aimed at curtailing the spread of the disease, together with the Norwegian government's announcement on 9 November 2020 that it would not for the time being offer further state aid to the Group, the Company and certain of its Irish subsidiaries have entered into a court-supervised reconstruction process in Ireland (being the Examinership) and the Company has entered into a supplementary court-supervised process in Norway (being the Reconstruction),with the aim of reducing the Group's fleet of aircraft and right-sizing its balance sheet and operations. In parallel with the Examinership and Reconstruction processes, the shareholders at the EGM held on 17 December 2020 approved significant capital increase authorisations in connection with possible conversions of debt to equity and a possible public offering, and in addition granted the Board wide general authorisations to issue shares and convertible instruments. For more information on the ongoing "Phase 2" restructuring, see the heading "*The Phase 2 Restructuring*" in section 4.7 below.

Following the refinancing and restructurings already carried out in 2020, and the ongoing restructuring process, past performance of the Group may have limited guidance and significance with respect to its future operations, performance and financial position.

3.3 Industry and market data

This Registration Document contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third-party sources, such as annual and interim financial statements and other presentations published by listed companies operating within the same industry as the Group, as well as the Group's internal data and its own experience, or a combination of the foregoing. Unless otherwise indicated in this Registration Document, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third-party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third-party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend, and does not assume any obligations to, update industry or market data set forth in this Registration Document.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Registration Document that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Registration Document, and projections, assumptions and estimates based on such information may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Registration Document.

4. PRESENTATION OF THE GROUP

Information in this Section 4 generally gives a description of the Group prior to the outbreak of COVID-19. Since then, the Company and its operations have severely been impacted by COVID-19 and consequences thereof. The Group has inter alia cancelled most of its flights and grounded most of its aircraft, lost most of its revenues, temporarily laid-off most of its employees, terminated its agreements with Boeing, several subsidiaries have initiated insolvency proceedings and the Company is currently subject to examinership in Ireland and reconstruction process in Norway – as further described in this Registration Document and in the Securities Note dated 14 January 2021 and the Summary dated January 2021. Consequently, the Group's business as described herein may be adversely affected by the current restructuring process, and the future business and operations of the Group - both in nature and size - may be adversely changed from what is described in this Section 4. The future of the Group, its business, operations and performance are therefore highly uncertain. This Section 4 must therefore be read with the aforementioned background, and also in conjunction with other information in the Registration Document and said Securities Note, in particular the sections "Risk Factors".

4.1 Introduction

The Company is the ultimate parent company of the Group, and the business of the Group is carried out in the Company and the Company's subsidiaries, as further detailed in this Section 4 "Presentation of the Group". The Group includes 65 fully or partially owned subsidiaries.

4.2 Corporate information about the Company

The Company's legal and commercial name is Norwegian Air Shuttle ASA. The Company was incorporated on 22 January 1993. The Company is registered in the Company Register under business register no. 965 920 358 and its LEI is 549300IEUH2FEM2Y6B51. The Company is regulated by the Norwegian Public Limited Liability Companies Act (in Nw: "*allmennaksjeloven*") (the "**Public Limited Liability Companies Act**") and supplementing Norwegian laws and regulations.

As at the date of this Registration Document, and by way of a reverse share split and reduction of capital as approved at the EGM on 17 December 2020 and as described in the section "COVID-19 Outbreak and Bankruptcy Risk" above (existing and new shares in the Company hereinafter referred to as "**Shares**") the Company has a fully paid share capital of NOK 397,493,660 divided into 39,749,366 Shares, each with a par value of NOK 10.

The Company has one class of Shares in issue, and all Shares have equal rights, meaning that all the Shares rank in parity with one another and carry one vote per share.

The Company's registered office address is at:

Oksenøyveien 3
1366 Lysaker
Norway

The Company's place of business is at:

Oksenøyveien 3
1336 Lysaker
Norway

The Company's postal address is:

P.O. Box 115
1330 Fornebu
Norway

The Company may be reached via tel. +47 67 59 30 00, and its website is www.norwegian.com. The information at www.norwegian.com does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

4.3 Overview of the Group and the business areas

Introduction

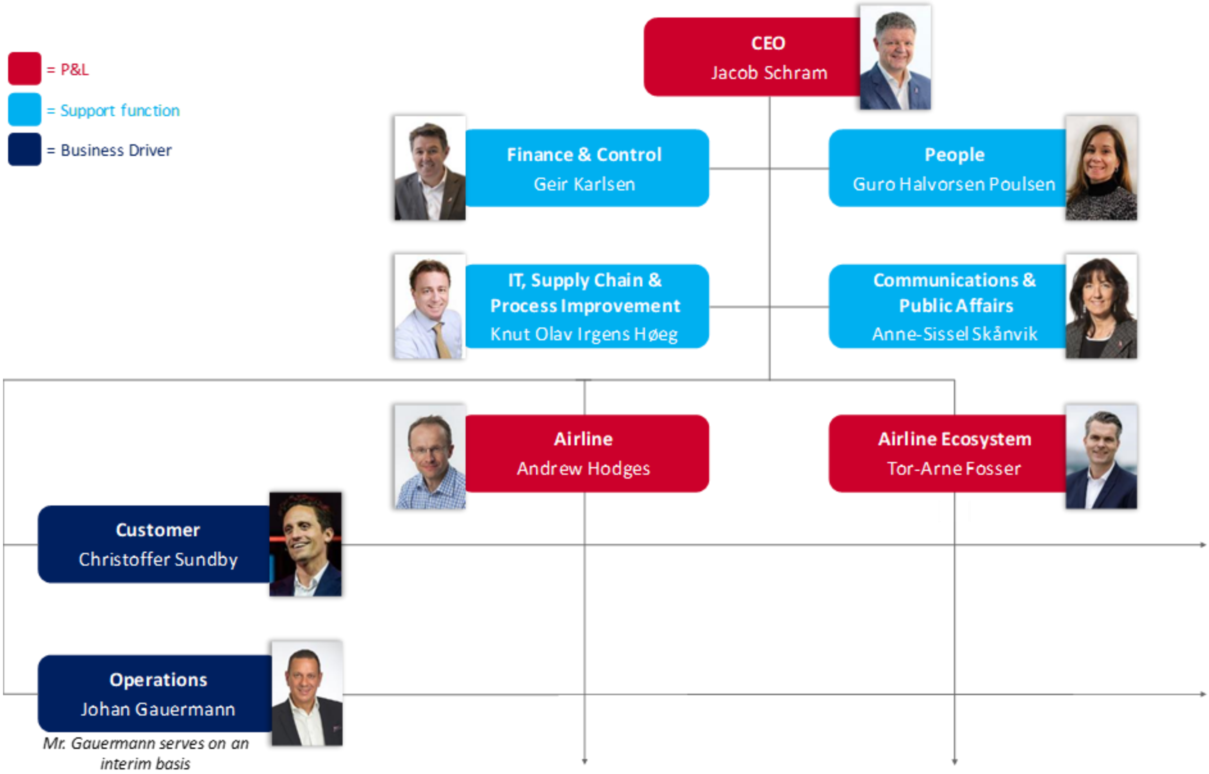
The Company's business is defined in paragraph 3 of its Articles of Association, which states that:

> "*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 directly or indirectly be engaged 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 co-operation agreements, ownership interests or by any other means.*"

The Group consists of the parent company, NAS, and its directly or indirectly owned subsidiaries in Norway, Sweden, Ireland, Spain, Latvia, United States and United Kingdom. At the end of 2019, the Company and its subsidiaries employed 9,388 staff at 20 locations in 12 countries across four continents. In 2019, the Group operated more than 500 routes to more than 150 destinations with both scheduled and charter service. In 2020 the staff was reduced to approximately 6,700 employees through layoffs and base closures. See section 4.7, subsection "the Phase 2 Restructuring" for further information about further anticipated downsizing of the Group's business, operations and workforce, as well as other effects of the ongoing Examinership and Restructuring process.

The Group has organized its operations and different functions into several entities to ensure international growth and necessary traffic rights in line with the strategy. The goal is to build an organizational structure that maintains the Group's flexibility and adaptability when growing and entering into new markets. As of the date of the Prospectus the Group is divided into the following business areas:

- Airline
- Airline Eco systems
- Customer
- Operations
- Support functions



Aircraft Operations

The Group's commercial airline activities are organized in the following entities:

- Norwegian Air Shuttle ASA ("**NAS**"), based at Fornebu, Norway;
- Norwegian Air International Limited ("**NAI**") based in Dublin, Ireland, wholly owned by NAS;
- Norwegian UK Limited ("**NUK**") based in London, United Kingdom, wholly owned by NAS;
- Norwegian Air Norway AS ("**NAN**") based at Fornebu, Norway, wholly owned by NAS; and
- Norwegian Air Sweden AB (**"NSE"**) based at Arlanda, Sweden, wholly owned by NAS.

Each of the abovementioned Group Companies holds an AOC in their respective locations.

For information regarding the Group's restructuring during 2020, please refer to Sections 3.2 and 4.7.

In June 2020, the Company issued a termination notice to the Boeing Company of its purchase agreements for the remaining 5 Boeing 787 aircraft, 92 Boeing 737 Max aircraft and the GoldCare service agreements, as well as filed legal claim for compensation related to the grounding of the Boeing 737 Max aircraft and engine issues on the Boeing 787 aircraft. Boeing has contested the Company's position and asserted claims against the Group. The outcome is uncertain and may materially affect the Company's business and financial position.

As of year-end 2019, the Company's commercial airline activities were operated through 20 bases globally in the following geographical locations: Norway, Sweden, Denmark, Finland, United Kingdom, Spain, Thailand, United States, Italy and France. During 2020 the bases in Sweden, Denmark, Finland and Thailand have been closed. In January 2021 the decision to terminate long-haul operations has led to closure of the bases in France, Italy and the United States. The Group is currently reviewing its base-structure in relation with the Examinership and new business plan.

The Company made several changes to its route portfolio as well as adjusted its capacity, as previously communicated. As a result, several routes and bases in Europe and the United States have been discontinued.

The Company has closed down its bases in Edinburgh (EDI) in Scotland; Dublin (DUB) in Ireland; Palma de Mallorca (PMI) and Madrid (MAD) in Spain; Amsterdam (AMS) in the Netherlands; in Rome Fiumicino (FCO) in Italy; the long-haul base in Copenhagen (CPH) in Denmark; Bangkok (BKK) in Thailand; and Stewart (SWF) and Providence (PVD) in the United States. In addition, the Company no longer bases long-haul pilots in the United States.

On 2 September 2019, the Company summoned bondholders to amend certain terms and conditions of the outstanding bonds NAS07 and NAS08. In exchange for an extension of approximately two years, unsecured bondholders were offered, inter alia, a pledge over all shares in NAN. As a part of the offering, all the Group's take-off and landing slots at London Gatwick Airport were placed under NAN's ownership through its wholly owned subsidiary NAS Eire Invest AS, providing asset backing for bondholders. All but one of the Group's aircraft owned by NAN were transferred to other subsidiaries of the Company, as these aircraft were not a part of the offered security package. One aircraft remains under NAN's ownership to uphold AOC requirements.

Assets and Financing

The Group's assets activities are organized in a group of subsidiaries based in Dublin, Ireland. Arctic Aviation Assets DAC ("**AAA**"), which is based in Dublin, Ireland and wholly owned by NAS, is the parent company. Wholly owned subsidiary entities of AAA are (all of which are based in Ireland):

- Oslofjorden Limited;
- Drammensfjorden Leasing Limited;
- Geirangerfjorden Limited;
- Boknafjorden Limited*;
- DY1 Aviation Ireland Limited;
- DY2 Aviation Ireland Limited;
- DY3 Aviation Ireland Limited;
- DY4 Aviation Ireland Limited*;
- DY5 Aviation Ireland Limited;
- DY6 Aviation Ireland Limited;
- DY7 Aviation Ireland Limited;
- DY9 Aviation Ireland Limited;
- Fedjefjorden Limited;
- Larviksfjorden Limited;
- Larviksfjorden II Limited;
- Torskefjorden Leasing Limited;
- Torefjorden DAC;
- Lysakerfjorden Leasing Limited;
- Arctic leasing No.1 Limited*;
- Arctic leasing No.4 Limited*;
- Arctic leasing No.5 Limited*;
- Hardangerfjorden Limited;
- Sognefjorden Limited;
- Ofotfjorden Limited;
- Tysfjorden Limited;
- Stogofjorden Limited;

- Slidrefjorden Limited;
- Ullsfjorden Limited;
- Fiskefjorden Limited*;
- Vindafjorden Limited;
- Lysefjorden Limited*;
- Nordfjord Limited;
- Trollfjorden Limited;
- Tufjorden Limited; and
- Ilfjorden Limited**

**no longer owns or leases aircraft*

***has not conducted any activities*

On 24 October 2019, the Company announced the formation of a joint venture with CCB Leasing (International) Corporation DAC (“**CCBLI**”). CCBLI is a wholly owned subsidiary of China Construction Bank Corporation (CCB), an industry leader in banking, financial services and leasing, and the world’s second largest bank by asset value. CCBLI is the majority owner of the joint venture with a 70 percent share, while the Company, through its wholly owned subsidiary AAA, holds the remaining 30 percent. The purpose of the joint venture is to finance, own and lease aircraft which are part of the Company’s aircraft order book. Under the terms of the agreement, the joint venture will purchase from AAA a total 27 Airbus A320neo aircraft to be delivered from 2020 to 2023, of which three aircraft are currently delivered and on lease with a third-party operator. CCBLI has committed to provide senior debt financing to the joint venture for all of the 27 aircraft. In addition to a positive equity effect, the joint venture reduces the Company’s committed capital expenditure by approximately USD 1.5 billion based on the initial 27 aircraft. As of 31 December 2020, three Airbus aircraft have been delivered to the joint venture.

People & Services

The Group's crew, airline and crew support and administrative functions are mainly organized within or through companies in the business area "People & Services" and provide services across the Group's business areas.

In line with legal developments in Europe, fully owned country specific resource "People and Services" companies have been established, with the intention of offering permanent local employment to hired pilots, etc.

The resource ("People & Services") companies include:

- Norwegian Air Resources Limited (Fornebu, Norway) (100%);
- Norwegian Air Resources Shared Service Center AS (Fornebu, Norway) (100%);
- Norwegian Air Resources Shared Service Center US AS (Maryland, USA) (100%);
- Norwegian Pilot Services Norway AS (Fornebu, Norway) (100%);
- Norwegian Cabin Services Norway AS (Fornebu, Norway) (100%);
- Norwegian Air Resources Sweden AB (Stockholm, Sweden) (100%);
- Norwegian Air Resources Ireland Ltd (Dublin, Ireland) (100%);
- Norwegian Training Academy AS (Fornebu, Norway) (100%);
- Norwegian Air Resources 1 AS (Fornebu, Norway) (100%);
- Norwegian Air Resources Spain S.L. (Madrid, Spain) (100%);

- Norwegian Air Resources UK Limited (London, England) (100%);
- Norwegian Air Resources US Inc (Fort Lauderdale, Florida) (100%); and
- Norwegian Air Resources Latvia SIA (Riga, Latvia) (100%)

On 20 April 2020, Norwegian's pilot and cabin crew companies in Sweden and Denmark filed for bankruptcy due to the lack of demand following the COVID-19 outbreak. While almost all of the Company's flight operations have been cancelled, costs for air crew remained due to the inefficient furlough opportunities in Sweden and Denmark, coupled with the lack of significant financial support from the same governments. The boards of the following companies were therefore left with no choice but to apply for bankruptcy in order to reduce costs during the unprecedented crisis:

- Norwegian Pilot Services Sweden AB
- Norwegian Pilot Services Denmark Aps
- Norwegian Cabin Services DK Aps
- Norwegian Air Resources DK LH ApS

Due to the extraordinary situation (force majeure), the Company also notified OSM Aviation that it has cancelled the crew provision agreements with several of its jointly owned OSM Aviation subsidiaries. These companies have crew based in Spain, U.K, Finland, Sweden and the US.

The above actions have affected 1,571 pilots and 3,134 cabin crew. The process of the subsidiaries filing for bankruptcy is now being managed by bankruptcy courts and bankruptcy trustees in the respective countries. See section 4.7 for further information relating to effects for the Group's business, operations and workforce resulting from the ongoing Examinership and Reconstruction process.

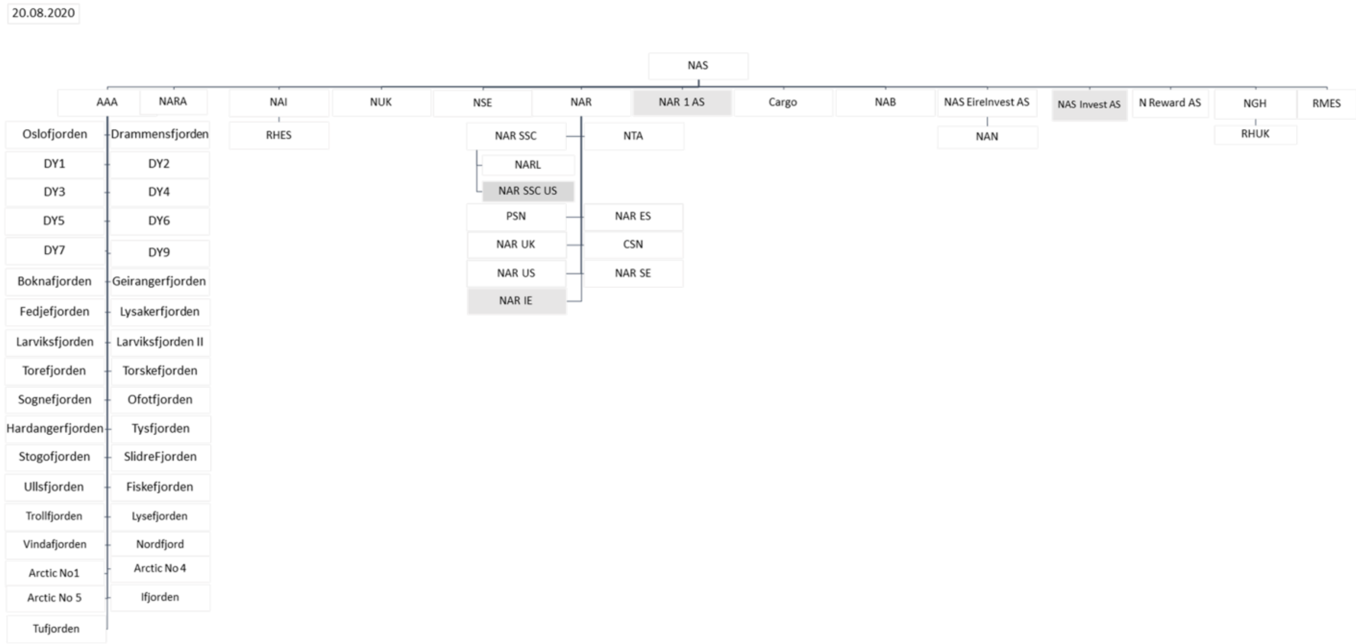
On 17 July 2020, Norwegian Air Resources Ltd and OSM Aviation Group Ltd resolved to separate the business currently conducted through the joint venture such that certain companies in the joint venture were transferred to NAR and the remaining entities left in the ownership of OSM. Based on the agreement NAR became employer of approximately 3,000 crew in Spain, UK and USA.

Other business areas

- Norwegian Brand Limited (Dublin, Ireland) (100%) has the responsibility of developing and maintaining the Group's brand and marketing activities across all business areas.
- Norwegian Reward AS (Fornebu, Norway) (100%), which operates the Group's loyalty program, is a separate business unit with its own management. Norwegian Reward has previously been growing rapidly – it surpassed ten million members in September 2019 – and has a presence in the airline's major markets. Members earn CashPoints when booking flights with the Group and buying products or services from partner companies. Reward members can then use those CashPoints as full or partial payment on all Group flights or other products and services without restrictions, such as seat reservations.
- NAS Invest AS (Fornebu, Norway) (100%) has the responsibility for the Group's investment activities.
- NAS Eire Invest AS (Fornebu, Norway) (100%), holding company of Norwegian Air Norway AS.
- Norwegian Cargo AS (Fornebu, Norway) (100%) is carrying out the Group's commercial cargo activities.
- Red Handling UK Limited (100%) and Red Handling Spain S.L. (100%) carry out ground handling services and are established in the UK and Spain, respectively. Red Handling UK Limited provides ground handling services for certain of the Group's operations at selected airports.

4.4 Legal structure

The following legal structure aligns with the Group's model as of November 2020:



4.5 Brief history and development

Date	Historic events and development
22 January 1993	• The Company was incorporated.
1993-2002	• The Company operated as a subcontractor to the regional activities of Braathens S.A.F.E. on the west coast of Norway with a fleet of Fokker F-50 aircraft.
September 2002	• Following SAS' acquisition of Braathens S.A.F.E, and the termination of the Company's west coast operation, the Company started its low-cost operations through the launch of domestic routes in Norway with a fleet of six Boeing 737-300 aircraft.
18 December 2003	• The Company listed the shares on Oslo Børs and raised NOK 250 million through the issuance of 7,812,500 new shares. The offering was oversubscribed.
2004	• The Company initiated codeshare agreements with each of FlyNordic and Sterling. The codeshare agreement with FlyNordic involved the Stockholm – Oslo route, whereas the agreement with Sterling involved codeshare agreements on thirteen of the Company's European routes from Norway.
2004-2006	• The codeshare agreement with FlyNordic involved the Stockholm – Oslo route, whereas the agreement with Sterling involved codeshare agreements on thirteen of the Company's European routes from Norway.
2005	• The Company reached a milestone with the first year in profit. The Company showed a revenue growth of 63 percent, growing its annual revenue to NOK 1,972 million from NOK 1,210 million in 2004.

Date	Historic events and development
2006	• The Company continued its focus on expanding its business activities further, among others with the establishment of a Polish subsidiary and base in Warsaw, and with the commencement of flights from Warsaw to five European cities in 2006.
2007	• The Company acquired FlyNordic from Finnair in order to strengthen its position in the Nordic and European markets. • The Company decided to locate its Swedish base in Stockholm. • In order to obtain emission reductions and significant bottom line savings, the Company placed an order with Boeing in the third quarter of 2007 to buy 42 737-800 aircraft. The aircraft was considerably more environmentally friendly than the existing fleet of the Group at that time.
October 2007	• The online bank, Bank Norwegian AS ("**Bank Norwegian**"), was established, and the frequent flyer program Norwegian Reward was launched. • Norwegian Reward enabled the customers to earn so called cash points on Bank Norwegian credit card transactions, which could be used to purchase plane tickets.
2008	• The Company increased its footprint as an environmentally conscious airline through delivery of its first Boeing "Next Generation" (NG) 737-800 aircraft. The new aircraft reduced Fuel Consumption and emissions by more than 20 percent, while passenger capacity increased from 148 to 186/189. • The Company's operation was further expanded through the launch of a new base at Rygge, outside Oslo, with 14 routes in service. • Following the bankruptcy of Sterling, the Company entered the Danish market through the opening of its Copenhagen base.
2009	• The Company took delivery of the first Company-owned Boeing 737-800, and the aircraft commenced commercial operation in September 2009. • The Group also expanded extensively in Denmark by launching 39 new routes, while the number of Copenhagen-based planes increased from seven to nine. • 2009 also marked the best year since the Company was established, and the Company presented an annual profit after tax exceeding NOK 446 million, while passenger figures showed a considerable growth; approximately 10.8 million passengers flew with the airline in 2009, up 18 percent compared to 2008.
2010	• The Group further continued its fleet growth and confirmed an order of an additional 15 737-800s from Boeing for delivery between 2014 and 2016. The order was added to the Group's existing order of 48 737-800s from Boeing that was delivered up until 2014. • The Company was voted the second-best airline in Northern Europe and the third best low-cost airline in Europe, according to a SkyTrax survey. More than 18 million travelers from 100 different countries participated in the survey in the period July 2009 – April 2010.
2011	• The Company began to offer in-flight WiFi on European routes, being the first airline to offer such service. The free-of-charge offer was well received by the passengers, and by the end of 2012, the entire fleet of 737-800s had WiFi. • The Company continued its expansion plans further by the opening of a new base at the Helsinki Airport, and a launch of domestic routes and eleven international routes in Finland. Approximately one million Finnish passengers travelled with the Group in 2011. • The Group's fleet renewal program continued in 2011, with the agreement to purchase three Boeing 787-8 Dreamliners, the lease of one additional Dreamliner and the purchase of 15 737-800s from Boeing, in addition to the existing order of 63 737-800s.
2012	• The Group signed one of the largest ever agreements in European aviation history, through an order of 222 aircraft from Boeing and Airbus. The order

Date	Historic events and development
	comprised 22 Boeing 737-800, 100 Boeing 737 MAX 8 and 100 Airbus A320neo. The Group further secured an additional two Boeing 787-8 Dreamliners for its long-haul operations, which secured a delivery of a total of eight 787-8 Dreamliners.
2013	• The Group officially launched its long-haul offering in 2013, through the launch of routes between Oslo – New York and Oslo – Bangkok, in addition to Fort-Lauderdale – Copenhagen, Oslo and Stockholm and Bergen – New York. All routes are operated with the Dreamliner. • To add on its long-haul strategy, the Group signed a contract to lease two new 787-9 Dreamliner for delivery in the first quarter of 2016. • NAS was further awarded "Best European Low-Cost Carrier" by Skytrax[1], and "Best Inflight Connectivity and Communications" by APEX (Airline Passenger Experience Association)[2] for its free WiFi on board.
2014	• The Group was granted an Irish AOC for its subsidiary NAI, which is based in Dublin. • The Group further continued its expansion through the establishment of four new bases, Barcelona and Madrid in Spain and Fort Lauderdale and New York in North America. • The Company took delivery of 18 new aircraft during the year, including 14 new 737-800s and four 787-8 Dreamliners. • For the second year in a row, the Company was awarded "Best Low-Cost airline in Europe" by Skytrax[3].
2015	• The Group further took delivery of ten new aircraft and signed a letter of intent to lease out twelve of its new Airbus A320neos for twelve years, which were delivered from 2016 and will continue to be delivered in the coming years. In September 2015, the Group added 19 new 787-9 Dreamliners to its order book, increasing the number of Dreamliners ordered in 2015 to 21 and the total fleet of Dreamliners to 38 when all are delivered. • The Group launched several new routes, including domestic routes in Spain, winter routes in the Caribbean as well as direct flights from London to Boston. • In addition, the Company received two international awards, including "Best Low-Cost airline in Europe" (three years in a row) and "World's best Long-Haul Low-Cost airline", both from SkyTrax. [4]
2016	• The Group added 17 new 737-800 aircraft and four 787-9 Dreamliners to operations. Further, the Group took delivery of the first two Airbus A320neos which were to be leased out. In terms of aircraft orders, the Company converted orders of 30 A320neo into A321LR (long range) aircraft. • The long-haul expansion continued, with start-up of routes between the US and Paris and several other routes. • Norwegian Air Resources AS entered into a joint venture with OSM Aviation to form a leading, full-service crew management company. • Again, the Group was approved by its customers by being awarded the "World's Best Long-Haul Low-Cost Airline" from Skytrax[5].
2017	• 17 new Boeing 737-800, six 737 MAXs and nine 787-9 Dreamliners were delivered in 2017. Additionally, three new Airbus A320neos were delivered for leasing to HK Express. The Group divested eleven Boeing 737-800s on sale leaseback, took delivery of six Boeing 737 MAX 8s, four Boeing 787-9 aircraft and two Airbus A320neos.

[1] http://www.worldairlineawards.com/
[2] https://connect.apex.aero/page/prevpassengerchoice
[3] http://www.worldairlineawards.com/
[4] http://www.worldairlineawards.com/
[5] http://www.worldairlineawards.com/

Date	Historic events and development
	• Recognized as the prestigious "Best Low-Cost Long-Haul Airline" for the third time and the "Best Low-Cost Airline in Europe" for the fifth consecutive year, both by Skytrax[6]. • The US Department of Transportation approved NUK's application for a foreign carrier permit. • Entered into a total return swap agreement for a portion of its share in Norwegian Finans Holding ASA (the parent company of Bank Norwegian) as part of its strategy to eventually reduce its exposure toward the bank. • Some services were affected in summer 2017 as long-term planning and crewing issues created challenges, but these were thoroughly addressed to ensure the Group was in a stronger position for the summer of 2018. • Norwegian Pilot Services and the Norwegian Pilot Union agreed locally on the framework for a new three-year collective labor agreement. The agreement will provide the Group with predictability and stability during the period.
Q1 2018	• The Company successfully completed a tap issue of EUR 65 million in the outstanding EUR 185 million senior unsecured bond issue "NAS07". The Company also completed a private placement of new shares raising NOK 1.3 billion and a subsequent offering of NOK 200 million. • The Company and Widerøe signed an interline agreement, including all Widerøe's Public Service Obligation routes in Norway and the Company's domestic routes in Norway. The flights are available for purchase through Widerøe's channels. • NAA received the AOC from the National Government of Argentina. The Argentine Government granted NAA concessions to operate more than 150 domestic and international routes, opening the door to considerable future growth in South America. • The Company took delivery of its last Boeing 737-800 and six 787-900s. • The Company was made aware that the European aviation group International Airlines Group had acquired 4.61 percent of the Shares in NAS, and that IAG was considering making an offer for all the Shares in the Company.
Q2 2018	• Two Boeing 737 MAX 8s and three Boeing 787-9s were added to the Company's operations. • The license agreement between the Company and Bank Norwegian AS was extended to ten years. • The Company was awarded multiple awards, including inter alia; World Travel Awards: "Europe's best low-cost carrier", US Ambassador's Award for strengthening bilateral relations between Norway and the US, three recognitions under the prestigious Passenger Choice Awards.
Q3 2018	• The Company announced the sale of six Boeing 737-800 aircraft. • Four Boeing 737 MAX 8s and one Boeing 787-9 were added to the Company's fleet.
Q4 2018	• Six Boeing 737 MAX 8s and one Boeing 787-9 were added to the Company's fleet. • The Company announced the sale of two Boeing 737-800 aircraft and five Airbus A320neo aircraft. • The Company announced that it had launched an extensive cost reduction program, #Focus2019. The Company is aiming on a cost reduction of minimum NOK 2 billion in 2019. Furthermore, capital expenditure will be reduced through aircraft divestment, joint venture ("**JV**") establishment and postponement of aircraft deliveries.

[6] http://www.worldairlineawards.com/Awards/worlds_best_lowcost_airlines.html

Date	Historic events and development
	• The Company announced that it had reached an agreement with Rolls-Royce regarding compensation for the disruptions for the Company's long-haul operation caused by challenges with the Rolls-Royce engines on the Company's Dreamliners. • The Company enters into a letter of intent ("LOI") related to the formation of a JV for aircraft ownership with an Asian company.
24 January 2019	• IAG announced that it does not intend to make an offer for the Company and that, in due course, it will be selling its shareholding in the Company.
29 January 2019	• The Company strengthened its balance sheet through a fully underwritten rights issue of NOK 3 billion.
5 February 2019	• The Company announced that it had signed an agreement for the sale of two A320neo aircraft with expected delivery during February 2019.
12 March 2019	• The Company grounded 18 Boeing 737 MAX 8 following recommendations by European aviation authorities. See Section 4.7 (Certain significant factors affecting the business performance - Grounding of Boeing 737 MAX and Dreamliner engine issues) for more information.
15 March 2019	• The share capital increase pertaining to the rights issue was registered. The Company's new share capital is NOK 13,630,837.70, divided into 136,308,377 shares.
18 March 2019	• Mr. Bjørn H. Kise notified the election committee that he will resign as Chairman of the Group following the Annual General Meeting on 7 May 2019.
3 April 2019	• The Company announced the sale of two Boeing 737-800 aircraft with delivery in late Q3 and early Q4 2019.
8 April 2019	• The Company appointed chief financial officer ("**CFO**") Geir Karlsen as deputy chief executive officer ("**CEO**"), while also remaining Group CFO.
2 May 2019	• The Company entered into an agreement with Norwegian Finans Holding ASA ("**NOFI**") for NOFI's right to use the Norwegian brand and the airline's logo outside the Nordics. In addition, NOFI will transfer NOFI shares to the Company.
7 May 2019	• Mr. Niels Smedegaard is elected new Chairman of the Board at the Company's annual general meeting.
Q2 2019	• During Q1 and Q2 2019, the Company restructured the orderbook with both Boeing Commercial Airplanes and Airbus S.A.S. A total of 26 737 MAX aircraft originally due for delivery in 2020 and 2021 was pushed out in time, in addition to restructured delivery plan for an unspecified number of A320neos and A321LRs. Consequently, total capital expenditures in 2019 and 2020 have been reduced by approximately NOK 22.0 billion. • For the sixth year in a row, the Company was named "Best Low-Cost Airline in Europe" by passengers and the "Best Low-Cost Long-Haul Airline" for five consecutive years.
11 July 2019	• Founding partner, Mr. Bjørn Kjos, stepped down after 17 years as CEO of the Company. CFO Geir Karlsen was appointed interim CEO.
19 August 2019	• The Company entered into an agreement to sell its entire shareholding in NOFI. The sale generated gross proceeds of NOK 2.2 billion and a cash release of NOK 0.9 billion.
2 September 2019	• The Company requested an extension of NAS07 and NAS08 until November 2021 and February 2022, respectively. In exchange, bondholders were offered, inter alia, security in the Company's take-off and landing slots at

Date	Historic events and development
	London Gatwick Airport. The bondholders voted in favor of the proposal on 16 September 2019.
Q4 2019	• Over three announcements, the Company announced sales of additional twelve aircraft over the course of Q4 2019 and Q1 2020. The sales are part of the strategy to change focus from growth to profitability and capitalize on the scale built up over the years. Following these sales, the Company has sold a total of 24 aircraft with delivery in 2019 and 2020. The net liquidity effect resulting from these sales is NOK 2.2 billion.
17 October 2019	• The Company signed a letter of intent for an interline agreement with JetBlue, allowing customers to combine low fares in a convenient single booking for connecting flights between the Americas and Europe. The partnership is planned to launch in early Summer 2020.
24 October 2019	• The Company established a joint venture with CCB Leasing (International) Corporation DAC for an initial 27 Airbus A320neo aircraft. The joint venture is expected to reduce the Company's committed capital expenditure by approximately USD 1.5 billion. • The Company met the cost reduction target of NOK 2.0 billion in #Focus2019 year to date, and raised the full-year target to NOK 2.3 billion.
5 November 2019	• The Company announced a contemplated private placement of 27,250,000 shares and a convertible bond issue of USD 150 million. The transaction secured NOK 2.5 billion in gross proceeds. Furthermore, the Company announced a subsequent offering of up to 7,000,000 shares directed toward Shareholders that were not allocated shares in the private placement. • Norwegian Reward launched credit card in the US.
20 November 2019	• Mr. Jacob Schram was appointed as the Company's CEO. Mr. Schram started his new role as CEO 1 January 2020. Interim CEO Geir Karlsen will continue as the Company's Chief Financial Officer and Deputy CEO.
27 November 2019	• The capital raise in three transactions, a private placement, a potential offering of new shares and a convertible bond issue, was approved at the Company's Extraordinary General Meeting.
4 December 2019	• Norwegian announced the sale of its Argentinian subsidiary (NAA) to JetSMART Airlines. JetSMART assumed the NAA operation with immediate effect.
10 March 2020	• Norwegian cancelled approximately 3,000 flights and implemented temporary layoffs due to the effects of COVID-19.
16 March 2020	• Norwegian cancelled 85 percent of planned flights and announced temporary layoffs of approximately 7,300 employees.
8 April 2020	• The Board of Directors of the Company proposed actions and implementations that aim to fulfill the requirements of the second and third tranches of the government guarantee offered to the Norwegian airline industry and called for an Extraordinary General Meeting on 4 May 2020.
14 April 2020	• The Company summoned bondholders to meetings on 30 April 2020 to amend terms and convert bonds into equity – as subsequently changed and amended.
20 April 2020	• Norwegian's pilot and cabin crew companies in Sweden and Denmark filed for bankruptcy.
27 April 2020	• The Company announced its proposed terms for the refinancing and the offering.

Date	Historic events and development
4 May 2020	• The Company announced that the EGM voted in favor of all proposed resolutions, including resolutions pertaining to the conversion of debt and the offering.
20 May 2020	• Successful completion of the NOK 12.7 billion recapitalization and entry into a NOK 3 billion term facility agreement guaranteed by GIEK and DNB. The recapitalization included a public offering of 400 million new shares at the offer price of NOK 1 per share, as well as conversion of bond debt of NOK 3,581,522,206 and lease obligations of NOK 9,074,297,332 to equity at a conversion price of NOK 4.25 per share.
17 June 2020	• Norwegian reopen 76 routes and add 12 aircraft to operations as a result of increased demand from customers. More than 300 pilots and 600 cabin crew from the company's bases in Norway operate 20 aircraft.
29 June 2020	• Norwegian notify The Boeing Company of termination of the purchase agreements of the remaining five Boeing 787 aircraft, 92 Boeing 737 MAX aircraft and the GoldCare service agreements (BSG) related to the 787 and MAX aircraft. Norwegian in addition filed a legal claim seeking the return of pre-delivery payments (PDP) related to the aircraft and compensation for the Company's losses related to the grounding of the 737-Max and engine issues on the 787.
30 June 2020	• The Company's annual general meeting elects Mr. Anton Joiner, Ms. Chris Browne and Mr. Jaan Albrecht Bindenberger as members of the Board of Directors for a period of two years.
30 June 2020	• The Company announced that it had purchased 890,000 shares in the Company at an average price of NOK 2.7051 per share, which implied a total consideration of NOK 2,407,539. Following the transaction NAS held a total of 891,400 treasury shares.
17 July 2020	• Norwegian Air Resources Ltd and OSM Aviation Group Ltd resolved to separate the business currently conducted through the joint venture such that certain companies in the joint venture were transferred to NAR and the remaining entities left in the ownership of OSM. Based on the agreement NAR became employer of approximately 3,000 crew in Spain, UK and USA.
10 November 2020	• The Company announced that it had been notified by Mr. Anton Joiner that he resigned as a member of the board of directors of the Company.
17 November 2020	• Following the announcement by the Norwegian government that no further support would for the time being be forthcoming, the board of directors resolved to file for examinership in Ireland with the aim of reducing its aircraft fleet and right-sizing its operations and balance sheet.
20 November 2020	• The Company announced that additional shares and perpetual bonds were released from lock-up.
7 December 2020	• The Irish High Court formally accepted the examinership process for the five Irish subsidiaries and the Company as a related party, and appointed an examiner.
8 December 2020	• The court Oslo Byfogdembete accepted a supplementary Norwegian reconstruction process, which enhances the outcome of the Irish process with a view to resize its balance sheet.
14 January 2021	• The Company announced a proposed Indicative Plan for the refinancing and recapitalisation pursuant to the Examinership and Reconstruction process, as well as closure of its long haul operations.

4.6 Business overview

4.6.1 Introduction

The Company was founded in 1993 but began operating as a low-cost carrier with Boeing 737 aircraft in 2002. Historically the Group has constantly introduced brand new aircraft to its fleet, launched new routes and established new bases in Europe, Asia and the US.

The Group has been one of the largest low-cost carriers in the world[7] with a vast domestic route network in Norway, Sweden, Denmark and Finland, as well as a wide range of routes between Scandinavia and the European continent, Thailand, the Middle East and the US In 2019.

The Group's fleet of 131 aircraft as of 31 December 2020 is very modern and environmentally friendly. As per the date of this Registration Document, the Group also has 88 aircraft on firm order.

The Group has implemented a customer loyalty program (Norwegian Reward) in cooperation with the online bank, Bank Norwegian AS. Customers earn "CashPoints" for purchasing airline tickets with the Group or for staying at a hotel or shopping at one of the partners of the program. Norwegian Reward surpassed ten million members in September 2019.

See section 4.7 for further information relating to effects for the Group’s business, operations and workforce resulting from the ongoing Examinership and Reconstruction process.

4.6.2 Fleet

The Group has one of the youngest and most modern aircraft fleets globally, with an average aircraft age of 5.5 years, of which the aircraft owned by the Group had an average age of 4.4 years as of September 2020.

At the end of 2020, the Group's fleet comprised of 131 aircraft of which 55 are owned and 76 are leased. The Group has 88 aircraft on order (including the 24 aircraft to be included in the joint venture with CCBLI) as per the date of this Registration Document. The order book includes Airbus A321 Long Ranges and Airbus A320neos.

As part of the Group’s change in strategic focus from growth to profitability, the Group will continue selling aircraft not needed for its own business. This includes sale of aircraft from the current fleet to accommodate fleet renewal, as well as aircraft that is not needed for the Company’s operations. Several aircraft have already been phased out to accommodate newer, more fuel-efficient and environmentally friendly aircraft. In 2019, the Group sold a total number of 24 aircraft with delivery and net liquidity effect of NOK 2.2 billion in 2019 and 1H 2020. Following restructurings of the Group’s order book with both Boeing and Airbus in Q1 and Q2 2019, total capital expenditures in 2019 and 2020 have been reduced by approximately NOK 22.0 billion. In Q4 2020, nine leased aircraft have exited the fleet. Please refer to section 4.7 for more details on Norwegian’s expectations to further reduce its fleet as part of the Phase 2 Restructuring and the Indicative Plan.

In addition to numerous other awards, the Group has been awarded the "World's best low-cost long-haul airline" for five consecutive years at the SkyTrax World Airline Awards as well as being named "Airline of the Year " at the CAPA Aviation Awards for Excellence in 2017. In 2015 and 2018, the Group was named the most fuel-efficient airline on transatlantic routes by The International Council on Clean Transportation ("**ICCT**").

The aircraft fleet is pledged as security for the Company's secured debt.

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[7] Source: CAPA – Centre for Aviation, airline company traffic reports (https://centreforaviation.com/analysis/reports/europe-airline-groups-2018-ranking-lufthansa-group-still-at-the-top-456098)

Boeing 787 Dreamliner

The 787 Dreamliner is considered to be the most technologically advanced aircraft in the skies today[8]. It is also one of the most environmentally friendly option available, with 20 percent less emissions than other comparable widebody aircraft[9].

The 787 Dreamliner also features a number of innovations that benefit passengers, such as larger windows and a more silent cabin. In conventional planes, the pressure in the cabin is set to simulate an altitude of 2,400 meters. The 787 Dreamliner is set at 1,800 meters. In turn, this reduces typical "jet lag" symptoms such as headaches and muscle pain.

Facts about the Group's Boeing 787 Dreamliner:

- 32 aircraft per 31 December 2020
- The 787-8 has 291 seats (32 in the Premium cabin and 259 in the Economy cabin), while the 787-9 is operated in two different configurations, either 344 seats (35 in the Premium cabin and 309 in the Economy cabin) or 338 seats (56 in the Premium cabin and 282 in the Economy cabin)
- Min. two pilots and eight cabin crew, for extended flights max. four pilots and twelve cabin crew
- Two Rolls-Royce Trent 1000 engines
- Max. start weight: 227,930kg (787-8) 252,650kg (787-9)
- Length: 57m (787-8) 63m (787-9)
- Height: 17m
- Wingspan: 60,17m
- Thrust: 67,000lbs per engine (787-8) 74,000lbs per engine (787-9)
- Cruise speed: 913kph

Boeing 737-800

The Boeing 737-800 serves the routes in the Company's short-haul network. The fleet of Boeing 737-800 aircraft offers good legroom for the passengers, while most of the aircraft feature the sleek Boeing Sky Interior, free in-flight WiFi and live TV.

Facts about the Group's Boeing 737-800:

- 81 aircraft per 31 December 2020
- 186 / 189 seats
- Two pilots and four cabin crew members
- Two CFM 56-7B26 engines
- Max start weight: 78,999kg
- Length: 39.5m
- Height: 12.5m
- Wingspan: 35.8m
- Thrust: 26,400lbs per engine
- Cruise speed: 858kph
- Winglets

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[8] http://www.boeing.com/commercial/787/
[9] Company estimates

Boeing 737 MAX 8

The Company took delivery of its first two Boeing 737 MAX 8 aircraft in June 2017. The state-of-the-art and fuel-efficient aircraft boasts a longer range than the Boeing 737-800 aircraft. 737 MAX uses 20 percent less fuel per seat than the original 737-800s and up to 40 percent less fuel than older aircraft still in service. Passengers will be able to travel in a sleek and modern single-class economy cabin with Sky Interior to further destinations than existing single-aisle aircraft is capable of, even transatlantic flights. The 737 MAX incorporate the latest quiet engine technology to reduce the operational noise footprint of the airplane by up to 40 percent.

Facts about the Group's Boeing 737 MAX 8:

- 18 aircraft per 31 December 2020
- Advanced technology winglets
- CFM International LEAP-1B engines
- 189 seats
- Two pilots and four cabin crew members
- Length: 39.5m
- Height: 12.3m
- Wingspan: 35.9m
- Cruise speed: Mach 0.79

The Group's 737 MAXs have been grounded since March 2019. On 18 November 2020, the US Regulator The Federal Aviation Administration (the "**FAA**"), signed an order that paves the way for the Boeing 737 MAX to return to commercial service, following a 20 month long comprehensive and methodical safety review process. The first U.S. commercial flight of Boeing's 737 Max since two deadly crashes prompted a worldwide grounding of the planes in March 2019 took off on Tuesday 29 December 2020. It has not yet been determined when the 737 MAXs will be cleared to operate in Europe. The FAA will ensure that international counterparts have all necessary information to make a timely, safety-focused decision.

4.6.3 Flight operations

The Group's organizational model is continuously being developed to support the delivery of the long-term strategy.

Allocating aircraft on a commercially attractive route network relies heavily on traffic rights. To be competitive in the dynamic nature of the industry, the Group must have broad market access and flexibility to reallocate. However, a vast number of bilateral and multilateral transportation agreements regulate commercial airlines' right to fly between different countries.

The solution to this obstacle is a multiple airline model within the same Group, where each airline holds a national AOC. An AOC is an operational and technical approval issued by a country's Civil Aviation Authority; the approval grants the holder the right to conduct commercial flights.

The decision to establish several airlines within the Group was made in 2013 and the restructuring to this new business model is still ongoing due to its complexity. Currently, the Group consists of five different airlines each holding a national AOC that form an internal alliance and together ensures a much broader market access than with only a single AOC. This allows for optimization of the location of each AOC to get access to needed traffic and overflying rights.

The Group has been granted two AOCs by the Civil Aviation Authority in Norway. One is for NAN, and the other is for the Company.

The Group has also been granted an Irish AOC for its subsidiary NAI, which is based in Dublin. The Group's UK subsidiary based in London, NUK, holds a UK AOC. Finally, the Swedish subsidiary, NSE, was granted a Swedish AOC in November 2018.

The abovementioned AOCs are valid for as long as the company holding the AOC complies with the conditions for holding the AOC. The holder of the AOC is subject to regular review and inspection from the national civil aviation authority. The costs to obtain and maintain an AOC are substantial, but the Group is organized and equipped to ensure compliance with the conditions for its AOCs.

In addition, the Group has agreements with all relevant airports for the operation of its routes.

As of the date of the Prospectus, the existing AOCs are sufficient to cover the Company's existing business plan. A continuous assessment of the need for new AOCs is conducted as part of the management of the Company.

4.6.4 Aircraft maintenance

The Boeing 737 fleet is operated by the Company (NAS) and its wholly owned subsidiaries NAN, NAI, NAA and NSE. The Company (NAS) and NUK operate the Boeing 787 fleet.

Each individual operator has its own AOC with its respective civil aviation authority oversight and approval. Each AOC must have a civil aviation authority approved maintenance organization (CAMO) and maintenance program (AMP).

Major airframe as well as workshop maintenance is performed by external sources subject to approval by the European Aviation Safety Agency ("**EASA**") and by the national aviation authorities.

Airframe (base) maintenance for the 737 fleet is currently carried out by Lufthansa Technik in Budapest, Hungary. Lufthansa Technik is undertaking engine and component workshop maintenance.

Airframe maintenance for the fleet of 787-9 is currently carried out by NAS and external parties.

Rolls Royce UK is intended for engine maintenance.

All maintenance, planning and follow-up activities, both internally and externally, shall be performed according to both the manufacturers' requirements and additional internal requirements, and in compliance with international authority regulations. The Group carries out initial quality approval, as well as continuously monitoring all maintenance suppliers.

All supplier contracts are subject to approval and monitoring by the national aviation authorities.

4.6.5 Traffic development

In 2019, 36.2 million passengers travelled with the Group, compared to 37.3 million in 2018. The 1.1 million decrease in passengers represent a relative decrease of 3 percent. Production (ASK) increased by 1 percent and passenger traffic (RPK) increased by 2 percent. The Load Factor in 2019 was 86.6 percent, a 0.8 percentage points increase compared to 2018. The Group utilized every operational aircraft on average 12.4 Block Hours per day, compared to 12.5 during 2018. The Company expected a 10 percent decline in ASK in 2020 compared to 2019.

The capacity reduction in December 2019 of 25 percent (ASK) is in line with the communicated strategic change from growth to profitability. In December 2019, the Company achieved a significant increase in unit revenue and an improved Load Factor compared to December 2018. The unit revenue increased with 21 percent and the Load Factor was 83.5 percent, up by 4.9 percentage points. A total of 2.3 million passengers chose to fly with the Group in December.

December	Dec-19	Dec-18	Change
ASK (million)	6,310	8,606	-27 %
RPK (million)	5,279	6,762	-22 %
Load factor	83.7 %	78.6 %	5 p.p.
Passengers	2,170,667	2,771,135	-22 %
Traffic 12-month rolling	Dec-19	Dec-18	Change
ASK (million)	100,031	99,220	1 %
RPK (million)	86,616	85,124	2 %
Load factor	86.6 %	85.8 %	0.8 p.p.
Passengers	36,195,470	37,344,134	-3 %

The planned capacity reduction continued into 2020 with a reduction of 29 percent in January and 22 percent in February. As a result, unit revenue grew year on year for eleven months in a row prior to the outbreak of COVID-19, and also led to increased Load Factors and improved punctuality.

Due to the travel restrictions and drop in demand following the COVID-19 outbreak in Europe, the Company has since March 2020 reported traffic figures based on flow passengers. For the full year 2020, the Company reported 82 percent drop in the number of ASK and passengers compared to 2019. In the period the load factor has dropped to 75.3 percent (-11.3 p.p).

December	Dec-20	Dec-19	Change
ASK (million)	153	6,310	-98 %
RPK (million)	80	5,279	-98 %
Load factor	52.3 %	83.7 %	-31 p.p.
Passengers	129,664	2,170,667	-94 %
Traffic 12-month rolling	Dec-20	Dec-19	Change
ASK (million)	18,168	100,031	-82 %
RPK (million)	13,680	86,616	-84 %
Load factor	75.3 %	86.6 %	-11.3 p.p.
Passengers	6,873,591	36,195,470	-81 %

4.6.6 Ground handling

Ground handling is the servicing of an aircraft and its passengers while the aircraft is on the ground and parked at terminal gate of an airport. This includes, *e.g.*, ramp services, passenger services, catering, cleaning, screening and safety costs, etc.

Ground handling services at certain airports are handled by the Group, whereas other purchased by the Group from third-party providers. The Group's handling charges have risen during the past years, largely as a result of the Group's growth, but have remained stable in terms of unit cost.

The Group uses Menzies Aviation for the provision of a large part of its ground handling services at a number of the airports from which the Group operates. The Group is not however dependent on any single ground handling service provider (including Menzies Aviation), and the Group purchases handling services from a number of different providers at each airport from which it operates.

4.7 Certain significant factors affecting the business performance

Introduction

Through considerable growth and investments, Norwegian has strived to build a foundation for a sustainable business. Following the strategic change from growth to profitability, the Group's financial performance improved and the Company was well underway to deliver on a positive net profit for 2020 prior to the outbreak of COVID-19. Please see separate sections 5.8, section 4.7 and elsewhere in this Prospectus for the impact of the COVID-19 outbreak.

Beyond the COVID-19 outbreak and the ongoing restructuring process, the Group's business and financial performance as well as results of operations have been and will continue to be affected by various factors and trends that affect airlines and their markets generally and also the specific markets and customer bases that the Company targets more specifically.

Generally, the Group's results of operations have been and will continue to be affected by general global economic conditions, and any adverse developments in global economic markets could cause its revenues to decline.

The below significant factors have, as examples, during the periods under review affected the Group's business and financial performance and the Company expects that they will continue to do so. The list is not exhaustive and similar and other factors which may affect the Group's business are described in Section 1 "Risk factors" of this Registration Document.

The Phase 1 Restructuring

On 21 March 2020, in response to the Covid-19 outbreak and its negative economic effects on businesses, the Norwegian government approved certain measures and state aid including, inter alia, a state guarantee scheme pursuant to which the government would guarantee 90% of loans granted to the Company by banks and other financial institutions, amounting to NOK 3 billion of state aid. On 20 May 2020, the Company announced that following its conversion of approximately NOK 12.7 billion of debt to equity, it had satisfied the conditions precedent for obtaining the full amount of support available pursuant to the said state guarantee scheme, and had in addition completed a private placement in the amount of NOK 400 million (for more information, see the Company's prospectus dated 5 May 2020, and the Company's stock exchange notice dated 20 May 2020).

Negotiations with creditors continued throughout Q3 2020, and as of the date of this Registration Document, the Company has converted a total of approximately NOK 15.31 billion of debt obligations into equity, in addition to the abovementioned NOK 3 billion of state aid and completing a private placement in the amount of NOK 400 million (the "**Phase 1 Restructuring**").

Lease obligations in a total amount of approximately NOK 9.7 billion have been converted into approximately 17.9 million conversion Shares at a conversion price of NOK 424.919 per share (the "**Conversion Price**") and Perpetual Bonds, convertible into approximately 4.9 million new shares at the Conversion Price. The referenced NOK 9.7 billion of lease obligations converted includes interest accrued on the debt being converted until and including the last interest payment date.

Following the Phase 1 Restructuring, the corresponding lease payments are reduced by approximately USD 12 million per month. The referenced amount of lease obligations that have been converted excludes shares that may be issued under so-called 'power by the hour' ("**PBH**") arrangements until March 2021. The maximum amount of liabilities to be converted under the PBH, assuming no utilization of the aircraft until March 2021, is approximately USD 299 million.

Furthermore, a total of NOK 3,581,522,206 (excluding NOK 59,346,376 representing bonds held by the Company) of the Company's existing bond debt (being NAS07, NAS08 and the Company's convertible bond issued in November 2019 ("**November 19 Bonds**")) was in May 2020 converted into approximately 8.15 million conversion Shares at the Conversion Price and Perpetual Bonds, convertible into approximately 280,000 new Shares at the Conversion Price (subject to certain Euro-market standard anti-dilution provisions). The conversion amount is based on a net present value calculation of reduced cash flows for the individual bonds following the recapitalization. The principal amount in NAS07, NAS08 and the November 19 Bonds has been reduced by NOK 3,142 million on an aggregate basis. Since May, approximately NOK 298 million of the Company's November 19 Bonds have been voluntarily converted into approximately 700,000 conversion Shares at the Conversion Price by the holders thereof.

Of the Perpetual Bonds issued to aircraft lessors and existing bondholders as described above, approximately 51% have been voluntarily converted into approximately 2.7 million conversion Shares at the Conversion Price by the holders thereof, leaving Perpetual Bonds outstanding that may be converted into approximately 2.5 million shares (subject to Euro-market standard anti-dilution provisions).

In addition, the Company since May 2020 has entered into agreements with certain of its vendors to convert approximately NOK 1.99 billion in outstanding payables to 468,975,766 conversion Shares at the Conversion Price.

The Phase 2 Restructuring

Following a limited improvement in conditions in April and May 2020, global coronavirus cases and deaths have been climbing since early June 2020, resulting in re-imposition of measures aimed at curtailing the spread of the disease, including travel and other restrictions that have proven particularly challenging for the Company and the airline industry at large. The Company has been severely and adversely affected by the pandemic, has reported a net loss of NOK 6,412 million for the first nine months of 2020 and is currently in adverse financial distress and subject to the Examinership and Reconstruction processe. In addition, the Company has experienced a 91% passenger decline compared to the same period last year and has taken the decision to furlough additional employees and reduce capacity considerably, leaving only six to seven aircraft in operation.

On 9 November 2020, the Norwegian government announced that it would not provide additional financial support to the Company for the time being. As a consequence, the Board resolved on 17 November 2020 to seek to downsize its aircraft platform by way of the Examinership. Ireland was chosen as a jurisdiction due to the fact the aircraft assets of the Company are located there. An interim examiner was appointed on 18 November 2020, and on 7 December 2020, the Irish High Court formally accepted the entry of the Company and certain of its Irish subsidiaries into the Examinership.

On 8 December 2020, following formal acceptance of the Company and certain of its Irish subsidiaries into the Examinership, the Company filed for and was accepted into the Reconstruction.

The Examinership and the Reconstruction are ongoing and impose a global "automatic stay" on creditors. This means that, for the duration of the processes, creditors of the companies subject to Examinership and Reconstruction (including the Company) are generally unable to take action to secure payment, and the relevant companies cannot pay or otherwise discharge liabilities (both known and unknown) that are based on events that occurred prior to the commencement of the processes. During the Examinership and the Reconstruction, the Company is able to (and intends to) operate its route network (currently limited due to the COVID-19 situation), and its subsidiary Norwegian Reward AS will continue to honour and earn "Cash-Points" for its members. The Shares and bonds of the Company (including the Perpetual Bonds, subject to the approval of this Prospectus) will continue to trade as normal on the Oslo Stock Exchange (Oslo Børs). The Examinership and Reconstruction processes are as of the date of this Prospectus expected to be completed during Q1 2021, though may be extended.

In parallel with and in support of the ongoing Examinership and Reconstruction, on 17 December 2020, the Company's shareholders resolved at the EGM to, inter alia, (i) implement a reverse split of the Shares in the ratio 100:1, (ii) reduce to nominal value of each Share from NOK 10 to approximately NOK 0.01 to permit the board to issue Shares at a price less than NOK 10, (iii) make a rights issue for issuing up to 800 million new Shares (the "**Rights Issue**"), subject to the discretion of the Board of Directors to amend (within the authorisation provided by the EGM) and/or cancel any such Rights Issue prior to implementation, (iv) increase the share capital of the Company by minimum NOK 0.01 and maximum NOK 146.76 million by conversion of all of parts of the Group's senior loans, lease debt, aircraft financing liabilities and certain other current and non-current liabilities of the Group into Shares (the "**Debt Conversion**"), (v) issue convertible perpetual bonds to converting creditors who cannot hold Shares, and (vi) grant the Board of Directors wide authorizations to issue Shares, convertible loans and loans with interest dependent on the dividends or profits of the Company (the Examinership, the Reconstruction and items (i) to (vi) together (whether implemented by way of or independently of the Examinership and/or the Reconstruction), being the "**Phase 2 Restructuring**").

The Company is also working on an indicative plan for the Company's potential exit from its Irish Examinership and Norwegian Reconstruction processes, and on 14 January 2021, the Company announced the proposed first steps of such indicative plan (the "**Indicative Plan**"). Core to the Indicative Plan is that Norwegian will henceforth focus on its core Nordics business, operating a European short haul network with narrow body aircraft. Under these circumstances, a long haul operation is not viable for Norwegian and these operations will therefore not continue. The Company targets to reduce its total debt to around NOK 20 billion. Norwegian also plans to raise NOK 4 - 5 billion in new capital through a combination of a Rights Issue to current shareholders, a private placement and a hybrid instrument (the "**New Capital Perpetual Bond**"). The Indicative Plan indicates that current shareholders will hold approximately 5% of the Company post reconstruction (pre any participation in the proposed Rights Issue). Norwegian's impaired creditors are expected to hold an instrument converting into approx. 25% and new investors (including existing shareholders that participate in the Rights Issue) are expected to hold approximately 70% of the Company post reconstruction. A successful completion of the Indicative Plan will entail that Norwegian initially hold up to 50 Boeing 737s (leased and owned), primarily operating in Norway and the Nordics or from Norway/ Nordics to Continental Europe. It is estimated that the Company will emerge having a total debt of around NOK 20 billion and a free cash position of approximately NOK 4 – 5 billion following the reconstruction. Based on conservative assumptions both in relations to the length of the COVID-19 pandemic and relating to revenues, costs and load factors, the Company expects positive EBITDA post the reconstruction in 2021.

The Indicative Plan proposes that the New Capital Perpetual Bond shall be a deeply subordinated, unsecured and perpetual instrument with no events of default (save for on final liquidation of the Company), issued in an amount of up to NOK 2.5 billion. The New Capital Perpetual Bond would accrue PIK interest at a rate of 6-month NIBOR plus a margin increase from 250 bps to 950 bps over the course of 8 years, and the bonds (including PIK bonds) would be convertible into Shares from 30 days after the initial issue date of the bonds, subject to that, in the event any creditor (together with its affiliates and related parties) subscribes in an amount of bonds in excess of NOK 30 million, the conversion period in respect of such excess bonds shall commence on 1 April 2023. The conversion price would be the higher of (i) a conversion price to be determined based on the proposed post-reconstruction ownership set out above (subject to Euro-market standard anti-dilution provisions) and (ii) 95% of the arithmetic average volume weighted average price of a Share on each of the 30 consecutive dealing days prior to conversion.

It is highly uncertain if, and to what extent, the Indicative Plan may be implemented, and on what terms.

Aviation fuel prices

Aviation fuel is a significant variable cost which has had a material impact on the Group's results during the period under review and will continue to do so in the future. Fuel costs were the Group's largest single operating expense in each of 2015, 2016, 2017 and 2018, accounting for 30 percent of the Group's operating costs (before depreciation) in 2018. In 2018, the Group used more than 1,956,000 metric tons of aviation fuel. By the end of Q3 2019, year-to-date Fuel Consumption had increased by 5 percent compared to the first three quarters of 2018. Efficiency gains from adding new fuel-efficient aircraft to the fleet, increased sector length and several #Focus2019 initiatives to reduce Fuel Consumption have had positive impact on Fuel Consumption. However, some of these positive impacts have been offset by negative impacts from wet leases resulting from the 737 MAX grounding. Because of the expected decrease in capacity (ASK), Fuel Consumption is expected to decrease going forward.

A variety of external factors, such as the global economic and political environment, changes in supply and demand for oil and oil-related products, war, hostilities or civil unrest in oil-producing nations and the increasing role of speculators and funds in the futures markets have been instrumental in making fuel prices highly volatile and this directly impacts the Company's financial performance.

The Group has used the technologically-advanced Boeing 787 Dreamliner on its intercontinental routes. The Dreamliner consumes less than 80 percent of the fuel that its predecessors do. Furthermore, the Boeing 737 MAX 8 consumes 14 percent less fuel than the 737-800 it will replace on short-haul routes once back in service. As with the 787 Dreamliner and 737 MAX, the Group’s Airbus A320neo and Airbus A321 Long Range on order are significantly more fuel efficient than their predecessors, providing up to 20 percent less fuel burn per seat.

Competition and competitive position

The airline industry is highly competitive. Airlines compete principally in terms of ticket price, service, frequency, punctuality, safety, brand recognition, passenger loyalty and other service-related issues. Norwegian competes with a number of other airlines, principally SAS on domestic routes in Norway and Sweden, and other operators including but not limited to KLM, British Airways, and Ryanair on international routes from Norway and Sweden. Many of these competitors are larger companies and have both greater resources and enjoy stronger brand recognition internationally. In November 2020, Wizz Air launched domestic flights in Norway with a limited number of scheduled flights but have expressed ambitions to increase the production in 2021.

The Company has a strong market position, being one of the largest low-cost carriers in the world with significantly lower costs than many competitors. For more information about Norwegian’s competitive position, please refer to Section 5.1 “The airline market”, Section 5.6 “Market Segmentation” and Section 4.12 “Strategy and Return to Service”.

Grounding of Boeing 737 MAX and Dreamliner engine issues

Boeing’s 737 MAX aircraft have been grounded since March 2019. On 29 December 2020 the first U.S. commercial flight of Boeing’s 737 Max took place. It has not yet been determined when the 737 MAXs will be cleared to operate in Europe.

On 21 January 2020 Boeing’s issued a statement regarding the return to service of the 737 MAX: “As we have emphasized, the FAA and other global regulators will determine when the 737 MAX returns to service. However, in order to help our customers and suppliers plan their operations, we periodically provide them with our best estimate of when regulators will begin to authorize the ungrounding of the 737 MAX. We are informing our customers and suppliers that we are currently estimating that the ungrounding of the 737 MAX will begin during mid-2020. This updated estimate is informed by our experience to date with the certification process. It is subject to our ongoing attempts to address known schedule risks and further developments that may arise in connection with the certification process. It also accounts for the rigorous scrutiny that regulatory authorities are rightly applying at every step of their review of the 737 MAX's flight control system and the Joint Operations Evaluation Board process which determines pilot training requirements.

Returning the MAX safely to service is our number one priority, and we are confident that will happen. We acknowledge and regret the continued difficulties that the grounding of the 737 MAX has presented to our customers, our regulators, our suppliers, and the flying public. We will provide additional information about our efforts to safely return the 737 MAX to service in connection with our quarterly financial disclosures next week."

As a result of the 737 MAX grounding, the Company’s operational and financial performance have been affected. The Company estimates that its 2019 reported operating profit was negatively affected by approximately NOK 1.0 billion as a result of the 737 MAX grounding. The negative effect on operating profit is caused by loss of revenue, increased fuel burn, crew inefficiencies and increased care and compensation expenses. As of the date of this Registration Document, the Company has not reached a solution with Boeing in terms of settlement.

It is unclear when or if the Company will be able to fully utilize its 737 MAXs. Until the Company is able to fully utilize its 737 MAXs, the Company's operating profit will continue to be negatively affected by the grounding.

In addition, the Company has experienced several issues with its engines on the Boeing 787 Dreamliner fleet, and the Company estimates that its 2019 reported operating profit was negatively affected by NOK 750 million because of this.

In June 2020, the Company issued a termination notice to the Boeing Company of its purchase agreements for the remaining 5 Boeing 787 aircraft, 92 Boeing 737 Max aircraft and the GoldCare service agreements, as well as filed legal claim for compensation related to the grounding of the Boeing 737 Max aircraft and engine issues on the Boeing 787 aircraft. Boeing has contested the Company's position and asserted claims against the Group. The outcome is uncertain and may materially affect the Company's business and financial position.

Seasonal fluctuations

Beyond COVID-19, the Group's results of operations, like those of most other airlines, vary significantly from quarter to quarter within the financial year and are expected to continue to do so. Historically, the Group has had higher passenger revenue during the summer season in comparison to the winter season (except for the period around Christmas, the New Year and Easter) as this is the period during which many Europeans tend to take their annual holiday.

Ancillary revenue

The Company's strategy is to unbundle traditional flight services into separate services in order to offer customers very low ticket prices and a variety of add-on services for additional fees. Strong ancillary revenue generation is important to the Group as this revenue is typically associated with low marginal costs, resulting in higher profit margins. In addition, average ancillary revenue per passenger also tends to be less exposed to seasonal fluctuations and, therefore, more stable than ticket prices which vary significantly throughout the year.

The Company plans to continue developing its ancillary products and expanding its service offering to meet the needs of the Group's customer base.

Fixed operating cost base

Although the Group employs a low-cost business model, the airline industry is generally characterized by high fixed operating costs and low profit margins. Fixed operating costs relate predominantly to aircraft financing, head office expenses, part of crew salaries, depreciation and amortization, insurance and maintenance. Fixed costs will generally develop in line with the growth or decline of the Group's operations and capacity. As a result, changes in the Group's operating expenses may not correspond to changes in its revenue.

Foreign currency exposure and exchange rate effects

The Company reports its financial results in NOK. However, it transacts and holds assets and liabilities in currencies other than NOK. A significant proportion of the Company's costs are incurred in euros and US dollars, including aviation fuel, aircraft leases, a significant part of technical maintenance expenses and insurance.

Extraneous events

Both the historical and future results of the Group's operational and financial performance are influenced by the effects of extraneous events over which the Company has no control. Terrorist incidents or other major incidents involving aircraft may affect customers' willingness to fly. Epidemics, adverse weather conditions and other natural events can adversely affect the Group's operations and financial performance.

General macroeconomic conditions and drivers of air travel

The Company develops its route network for each particular country in response to general macroeconomic conditions and other drivers of air travel, which can change over time. Each of the markets in which the Group operates will be subject to different drivers of air travel and, as travel reasons develop, the Group utilizes its flexible structure to evolve its network to meet the needs of that particular market.

4.8 Sales and distribution

Marketing

From the start-up in 2002, the Company has focused on serving three major distribution channels to cover the entire market: Internet, Travel Agents and call centers.

The Company has cutting-edge information technology making the solutions offered to customers the best in the market, both in terms of completing a booking and being able to access '*Lavpriskalenderen*', the low-cost calendar, so customers will be able to get the pricing for all flights to selected destinations for a given period, something that has proved hugely popular with the customers.

In line with the strategy and leading principles of the Group, to achieve an efficient organization and ensure a unified customer experience all these functions within marketing, sales and distribution are currently centralized within NAS. All marketing, sales and distribution are performed in compliance with the licensed rights from Norwegian Brand Limited ("**NAB**") for the use of the Norwegian Brand, and is executed in line with the brand book and other guidelines provided by NAB for the use of the brand and for operating the airlines as a whole.

The campaigns are published locally on television, in newspapers, in digital channels, with content that is relevant to each local market. Promotions and content of the website are also adapted to the local market and product. Marketing activities benefitting the airlines NAI and NAS will be largely influenced by the local route network, competition, and local customs. The marketing department works closely with several external consulting firms to develop the marketing strategy and campaigns. The marketing department uses, amongst others, the below listed channels for marketing.

- Direct marketing
- Third-party marketing
- Campaign management
- E-commerce

All work performed by the marketing department are in line with the Norwegian Brand book developed by NAB. Larger campaigns must be approved by NAB prior to launch, to ensure consistency and compliance with the license agreement, and the values of the Norwegian Brand.

Sales

Above 70 percent of the Group's tickets are sold through own channels, resulting in low administration costs per ticket sold as well as giving Norwegian the tool to conduct active revenue management by increasing Load Factors through active use of its website for flights where there is a large number of seats available. The remaining tickets are sold through other channels, such as travel agencies / group and charter travel and through corporate agreements with large businesses.

4.9 Dependency on licenses and permits, etc.

AOCs

The Group currently holds five AOCs. An AOC is an operational and technical approval issued by a country's Civil Aviation Authority; the approval grants the holder the right to conduct commercial flights and is valid as long as the holder complies with the terms of the AOC.

Norwegian Air Shuttle ASA AOC NO.AOC.028 granted by the Civil Aviation Authority of Norway ("**NCAA**") and the operating license by the NCAA necessary to be able to operate its aircraft and carry passengers, goods and/or mail.

Norwegian Air Norway AS AOC NO.AOC.085 granted by the NCAA and the operating license by the NCAA necessary to be able to operate its aircraft and carry passengers, goods and/or mail.

Norwegian Air International Limited AOC IE 63/14 granted by the Aviation Authority of Ireland ("**IAA**") and the operating license by the Irish Commission for Aviation Regulation necessary to be able to operate its aircraft and carry passengers, goods and/or mail.

Norwegian Air UK Limited AOC GB 2434 granted by the Civil Aviation Authority of the United Kingdom ("**UK CAA**") and an Operating and Scheduled Route License granted by the UK CAA necessary to be able to operate its aircraft and carry passengers, goods and/or mail.

Norwegian Air Sweden AB AOC 0085 granted by the Swedish Transport Agency ("**STA**") necessary to be able to operate its aircraft and carry passengers, goods and/or mail.

Agreements with airports and landing permissions

In addition, the Group has agreements with all relevant airports for the operation of flights that are material to the Group's business and profitability.

As of the date of the Prospectus, the existing AOCs are sufficient to cover the Company's existing business. A continuous assessment of the need for new AOCs is conducted as part of the management of the Company.

Foreign Air Carrier permits (US)

In order to operate aircraft and carry passengers, goods and/or mail between points in EU/Norway and points in the United States under the US-EU, Norway and Iceland Air Transport Agreement, an authorization in form of a Foreign Air Carrier Permit from the US Department of Transport is required. Five of the Group's carriers holds a Foreign Air Carrier Permit from US Department of Transport, these are:

- Norwegian Air Shuttle ASA
- Norwegian Air International Limited
- Norwegian Air UK Limited
- Norwegian Air Norway AS
- Norwegian Air Sweden AB

UK-US routes are currently within the scope of the EU-US Open Skies Agreement, which allows airlines of the EU to be majority-owned and controlled by EU-EEA states. The successor UK-US Air Transport Agreement, which should enter into force from 1 January 2021, establishes majority ownership and effective control are vested in the UK or UK nationals only.

As per Annex 1 of the agreement, those UK airlines, not majority UK-owned and controlled, but which were in possession of a US foreign air carrier permit at the time of signature of the new agreement (in November 28, 2018), will be allowed to continue to operate under the new Air Transport Agreement, on a reviewable, non-transferable "grandfathered" basis. This is subject to the compliance with the conditions provided in Annex 1.

Foreign Air Carrier permits (Other countries)

Similar authorizations may be required in order to start operations to other countries under existing bilateral treaties. The Company holds the requisite authorizations from foreign governments to operate to all its current destinations.

4.10 Environmental matters and regulations

Flying brings people together and is of great value to society. But flying also comes at an environmental cost that must be reduced. The environmental impact of the Group's operations may, *inter alia*, include air and noise pollution as well as consumption of fuel, glycol for aircraft de-icing and runway de-icing and single-use plastics onboard.

The Group is committed to operate its business in an environmentally responsible manner. To achieve this, the Group will integrate environmental and climate-related risks and opportunities into business plans, corporate governance and management, culture, and leadership functions.

Climate-related risks

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

A transition to a lower-carbon economy may involve changes in government policies, technological development, and customer demands. The speed and focus of these changes may create financial and reputational risks. Environmental regulations such as emission quotas, passenger taxes and blending mandates could affect cost of operations or demand for air travels, which could in turn lead to reduced utilization of aircraft.

On 1 January 2020 the Norwegian government imposed a blending mandate of 0.5 percent advanced biojetfuel on all domestic fuel consumption. Apart from this there have not been any material changes to the Group's environmental regulatory framework since 31 December 2019. Please see Section 9 for a summary of certain significant regulatory matters affecting the Group's activities.

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

Environmental sustainability strategy

The overall goal of the Group's environmental sustainability strategy over the next 3.5 years is to use less natural resources and make more money.[10] The goal rests on the principle that environmental actions must deliver a profit to be economically sustainable and operationally scalable.

The success of the Group strategy will be measured by three KPI targets:

1. To limit global warming to 1.5°C, carbon emissions must be reduced 45 percent by 2030 compared to 2010 levels, according to the International Panel on Climate Change[11]. The Group will improve the operational carbon efficiency by 45 percent per revenue passenger kilometer (RPK) by 2030 compared to 2010 levels.
2. Unnecessary waste will be designed out from our product offer. The Group will stop all consumption of non-recyclable plastics by 2023. In the same period, consumption of single-use plastics will be reduced by 30 percent and all single-use plastics in Scandinavia will be recycled.
3. The Group will be open and share progress actively. Climate-related risks and targets will be integrated into corporate governance, risk management and annual reporting.

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[10] Source: Norwegian – Environmental Sustainability Strategy 2023 (https://www.norwegian.com/uk/about/experience-us/responsible-travel/)

[11] Source: IPCC – International Panel on Climate Change, Special Report on Global Warming of 1.5°C (https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/)

The Group's investment in one of the newest fleets in the world, along with operational efficiency gains, has improved carbon efficiency by 28 percent between 2010 and 2019, to 70 grams CO2 per RPK. Moreover, the fleet generates up to 60 percent less noise footprint than comparable older aircraft types.

The fleet renewal program and the low-cost business model has led the Company to become an industry leader in terms of fuel efficiency. Based on performance in 2018, the Company was named the world's most fuel-efficient airline on transatlantic routes by the ICCT for the second time. An analysis of fuel efficiency of the 20 largest airlines operating between Europe and the United States proved that the Company was 33 percent more fuel efficient than the industry average, with a Fuel Consumption of 44 passenger kilometers per liter.[12] The continuous fleet renewal has also contributed to increasing passenger comfort, lower ticket prices and lower operating cost.

The remaining 24 percent improvement in carbon efficiency necessary to reach the 45 percent target by 2030 will be reached through a mix of fleet renewal, operational efficiency, data driven fuel saving and sustainable aviation fuels. The Group's aircraft can fly on up to 50 percent certified sustainable aviation fuel today. The Group will actively engage with producers of sustainable aviation fuels and use the Group's purchasing power to ramp up production of affordable fuels with high sustainability performance.

Future projections and profitability assessments remain uncertain under current market conditions and regulatory framework. Greater visibility and reduced uncertainty of key variables are necessary before deciding upon the most cost-efficient way to achieve the carbon efficiency target.

Recent initiatives

The Company has partnered with AVTECH Sweden AB, allowing pilots to receive high quality weather data (including wind and temperature) which reduces fuel burn and enable fuel-efficient descents with less speed deviations (i.e. noise reduction). Norwegian has saved as much as 22 kilos of fuel on each flight by using weather data, adding up to 5,000 metric tons fuel per year or 16,000 metric tons in reduced CO_2 emissions.

In 2019, the Company rolled out SkyBreathe, a fuel saving tool for pilots. SkyBreathe analyzes the entire flight operation, making it possible to optimize each flight, reducing fuel consumption and hence lower emissions. The mobile phone application uses big data algorithms to automatically process information from aircraft sensors and has been developed in cooperation with the EU-funded Clean Sky project. Initial testing has shown that SkyBreathe has potential to reduce entire fleet fuel consumption by approximately 2 percent.

The Company is focused on reducing the amount of waste generated from operations and to improve the recycling processes. The Company are also looking at changing several products on board (i.e. bowls, meal boxes, coffee mugs and cutlery packs) to more environmentally friendly materials. The pre-ordering of food, which is available on longer flights, contributes to less food waste. IT equipment is retrieved by the organization Fare, which deletes and formats old computers for reuse.

4.11 Developments Following The COVID-19 Outbreak In 2020

The Company reported on 13 February 2020 that it was targeting a positive net profit for 2020 after taking significant actions in 2019 to optimize the route network, cut costs and create financial headroom. The guidance was withdrawn in a stock market notice on 6 March 2020 due to the drop in demand and government-imposed travel restrictions following the COVID-19 outbreak.

During the first week of March, the Company started experiencing reduced demand on future bookings as a result of the COVID-19 outbreak. As a consequence, the Company announced 3,000 cancellations and temporary layoffs of employees on 10 March 2020, for travel from mid-March to mid-June. The number of cancellations was gradually ramped up as demand stagnated and travel restrictions were enforced by governments across the world. On 16 March 2020, the Company cancelled 85 percent of planned flights and announced temporary

[12] Source: The International Council on Clean Transportation (ICCT) Working Paper 2019-16: CO_2 emissions from commercial aviation, 2018 (https://theicct.org/sites/default/files/publications/ICCT_CO2-commercl-aviation-2018_20190918.pdf)

layoffs of approximately 7,300 employees. In the first weeks thereafter, Norwegian maintained as many scheduled flights as possible to help customers return to their home destinations. The Company also worked closely with the authorities to arrange rescue flights.

On 19 March 2020, the Norwegian government proposed a guarantee scheme for the aviation industry, of which NOK 3 billion would be available to the Company upon the fulfilment of certain conditions set out by the government. Under the scheme, the government would guarantee 90 percent of the loans granted to Norwegian and the private sector would be required to support the remaining 10 percent.

On 20 April 2020, Norwegian's pilot and cabin crew companies in Sweden and Denmark filed for bankruptcy due to the drop in demand following the COVID-19 outbreak. While almost all of the Company's flight operations have been cancelled, costs for air crew remained due to the inefficient furlough opportunities in Sweden and Denmark, coupled with the lack of significant financial support from the same governments. The boards of the four companies were therefore left with no choice but to apply for bankruptcy in order to reduce costs during the unprecedented crisis.

Due to the extraordinary situation (force majeure), the Company also notified OSM Aviation that it cancelled the crew provision agreements with several of its jointly owned OSM Aviation subsidiaries with crew based in Spain, U.K, Finland, Sweden and the US. The process of the subsidiaries filing for bankruptcy is now being managed by bankruptcy courts and bankruptcy trustees in the respective countries.

On 20 May 2020, the company announced that following its conversion of approximately NOK 12.7 billion of debt to equity, it had satisfied the conditions precedent for obtaining the full amount of support available pursuant to the said state guarantee scheme, and had in addition completed a private placement in the amount of NOK 400 million.

The Company's successful restructuring during 2020 (the Phase 1 Restructuring as described in section 4.7) improved equity by NOK 18.2 billion, achieved by converting bond debt, lease liabilities and accounts payable to equity, as well as a public offering. However, despite this strong support from stakeholders and unprecedented voluntary strengthening of the balance sheet, it became evident that the Company needed further support from the government due to the continued impact of the pandemic. Although the Company presented a plan for its successful emergence from the pandemic, the Norwegian Government announced on 9 November 2020 that it would not provide additional financial support for the time being.

As a consequence, the Board of Directors resolved on 17 November 2020 to enter into the Examinership, and subsequently on Tuesday 8 December 2020 to enter into the Reconstruction, supported by a series of resolutions passed by the EGM – for further information, see section 4.7 and under the heading "*COVID-19 Outbreak and Bankruptcy Risk*" in section 1.1 above.

4.12 Strategy and return to Service

Norwegian is an award-winning airline that has built a leading position in the European short-haul point-to-point market, with a stronghold in the Nordics, and a recognized position in the long-haul market with a clear competitive advantage on cost efficiency, particularly over the transatlantic. Since 2018, Norwegian has been well on-track with shifting the strategic focus from growth to profitability and taken major operational and financial measures that allowed the Company to guide on a positive net profit in 2020.

As society, and in particular the aviation industry, suffers from the consequences of the COVID-19 pandemic, Norwegian has been forced to ground a significant part of its fleet due to travel restrictions and lack of demand, and have taken drastic measures to preserve liquidity. The Company has seized this time as an opportunity to restructure and develop a new strategy and business plan for a strengthened airline to re-emerge. This new airline is built on the pillar of delivering attractive returns to investors supported by a new strategy and business plan "New Norwegian" with the following core elements:

- A complete **financial restructuring** to ensure a robust capital structure for the long-term. The Phase 1 Restructuring was successfully completed in 2020 and on 17 December 2020 the EGM approved the resolutions necessary to implement the proposed Phase 2 Restructuring. The Phase 1 Restructuring and the Phase 2 Restructuring additionally seek to lower financial and ownership costs and create a sustainable platform for the Company for the benefit of all stakeholders.

- An **economic rightsizing** of the network and fleet consolidating to a portfolio of proven routes with implications on the future fleet requirements.

- The **short-haul network** is optimized based on already re-engineered network over the past two years and is focused around a core short-haul footprint in the Nordics. A more efficient and rationalized production while retaining scale to maintain the clear cost advantage versus peers in primary markets.

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

- **Lean operating model** with less complexity, more cross-collaboration and, most importantly, a lower cost base with ability to scale costs efficiently in line with production and season. Focus in particular on improving efficiency and cost control within maintenance and ground handling area following full review of setup, processes and sourcing practices. Clear efficiency-gain expected in terms of asset and resource utilization from a simpler network, new schedules and streamlined operational setup and governance.

- Increased **labor efficiency** following a re-designed, more crew-friendly network allowing a right-sized base structure, higher utilization and reduced operational costs. Opportunity to restart union relations and increase use of seasonal labor to manage the winter trough.

- A new **customer platform** with a sharp focus on strengthening ancillary sales targeting industry-leading levels and designing for worry-free travel and increased conversion through a personalized, data-driven e-commerce engine. The Company aims to boost ancillary revenue to 25 percent of ticket revenue. Norwegian will leverage the strength of its existing brand and customer perception in primary markets and continue to be the preferred option for those who seek an affordable alternative without compromising on quality.

- In addition, the Company aims to develop a **larger ecosystem** in connection to the airline and the Reward program to create new, steady revenue and develop more loyal customers through more frequent and engaging interactions outside the traditional airline journey. This will be enabled through new and existing partnerships, our 10 million strong membership base and innovative service- and product offerings.

- To strengthen the **organization and governance structure** with a new executive team and redesigned management levels building on key performers and new talent. To support the new organization, a modernized and flexible backbone will boost productivity through selected IT investments, development of new captive business centers and rigorous supply chain management – targeting 35 percent reduction in overhead personnel costs.

Return to service

Norwegian aims to emerge from the crisis as a profitable and sustainable aviation company. However, normalization of operations will take time and the timing and risks involved are highly uncertain. In addition, COVID-19 travel restrictions are looking to continue into the summer, removing the peak season in terms of cash generation for airlines. Consequently, there can be no assurance that Norwegian will succeed with such strategy.

The Company has taken a number of cost measures to preserve liquidity in the hibernation phase. In addition to a grounding of the majority of the fleet to keep cash burn at a minimum level and staff layoffs, only absolutely vital operational invoices are being paid. This relates to minimum operations, minimum salary, critical IT infrastructure and other critical operational payments. Other payments are halted, including (but not limited to) ground handling, payments to original equipment manufacturer ("**OEM**") hedges, debt and lease payments. No interest, leasing or debt service payments are being made during the current Examinership and Reconstruction processes.

Due to the high uncertainty, the Company has developed scenarios for recovery. The base case is built on a relatively slow recovery scenario where operations are kept at a minimum level until demand is picking up, with recovery during the high season in 2021 and operations expected to return back to normal during 2022. The Company is also preparing for a slower recovery as a contingency.

The plan allows flexibility to ramp-up the most profitable routes stepwise and restore operations earlier than in the base case upon sufficient demand from customers. Such ramp-up will be executed under strict cost-control.

The Company assumes a normalization of the airline markets from 2022 in its current planning, but there is high uncertainty due to the COVID-19 pandemic and the duration of global and regional travel restrictions. Once the demand for air travel and operations normalize, the Company's New Norwegian strategy will involve a reduction in capacity compared to 2019 and further focus on profitable routes.

4.13 Trend information and significant changes to the Company's financial performance since 31 December 2019

The COVID-19 outbreak followed by government-imposed travel restrictions and drop in demand has led to the grounding of most of the Company's fleet and temporary lay-offs of a significant share of the Company's workforces as the Company has entered hibernation mode, adverse financial distress and the Examinership and Reconstruction processes. The consequences for the Company and the airline industry are severe, and dependent on when travel restrictions are lifted and demand starts to pick up, certain significant accounting estimates could be affected. If the situation persists, beyond the uncertainty of the outcome and consequences of the Examinership and Reconstruction processes, it could furthermore impact the Company's impairment evaluations, the ability and timing of utilization of carry forward tax losses and the ability to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements. At the current date there is too much uncertainty to estimate the final effects of the COVID-19 pandemic outbreak.

Update on guiding

The latest guiding provided by the Company was published together with its Q4 2019 report: The Company targeted a unit cost in the range of NOK 0.44 and 0.45 and a unit cost excluding fuel in the range of NOK 0.33 and 0.34 for 2020. Norwegian targeted a positive net profit for 2020. The guidance was withdrawn in a stock market notice on 5 March 2020 due to the drop in demand and government-imposed restrictions on travel following the COVID-19 outbreak. The Company guided on contractually committed capital expenditures of USD 1.5 billion in 2020, and 0.6 billion in 2021. The Company has not given any new financial guidance for 2020 or 2021.

The Board of Directors has presented an Indicative Plan and set of actions that creates a framework that will potentially enable the Company to exit its Irish Examinership and Norwegian Reconstruction processes during the first quarter of 2021. Should the Indicative Plan be successful and accepted by the examiner and reconstruction negotiation processes, Norwegian is expected to initially hold up to 50 Boeing 737 aircraft (owned and leased) primarily operating in Norway and the Nordics or from Norway/ Nordics to Continental Europe. Long haul operations will not continue. It is estimated the Company will have a total debt of around NOK 20 billion and free cash position at around NOK 4 -5 billion post reconstruction. Based on conservative assumptions both in relations to the length of the COVID-19 pandemic and on revenues, costs and load factors, the Company expects positive EBIDTA post the reconstruction in 2021. Under the current circumstances, the outcome and consequences of the Examinership and Reconstruction processes remains highly uncertain.

Financial restructuring

The Company has undertaken significant restructuring efforts in 2020, resulting in conversion of approximately NOK 15.31 billion of debt obligations into equity, as well as attracting NOK 3 billion of state aid and completing a private placement in the amount of NOK 400 million. For further information, see the description about the Phase 1 and 2 Restructuring" in Section 4.7 above.

Norwegian is dependent on additional working capital in order to continue operating through the first quarter of 2021 and beyond. Norwegian intends to raise NOK 4 – 5 billion in new capital through a combination of a

Rights Issue to current shareholders, a private placement and issuance of the New Capital Perpetual Bonds. See section 4.7 and the Phase 2 Reconstruction and the Risk Factors section for further information.

Effects of COVID-19

The initial impact of the COVID-19 outbreak could be seen in the Company's traffic figures for March 2020 which were heavily influenced by the government-imposed travel restrictions and drop in demand. In March, capacity was 40 percent lower than planned, while the flights that were operated had a load factor of 72 percent. The yield increased by 20 percent year on year, but due to the lower load factor the unit revenue (RASK) was up by just 1 percent.

Since April, the Company has operated a limited network mainly in domestic Norway with a fleet of up to 25 aircraft. Following the announcement on 9 November 2020 by the government in Norway to decline further financial support while simultaneously imposing travel restrictions, the Company decided to furlough additional employees and reduce capacity considerably to only between seven and nine aircraft in operation, as well as effects of the Indicative Plan as further described in section 4.7. Norwegian will consider further changes to production during the winter season and beyond based on travel advice and restrictions from governments in the company's markets and on customer demand. The Company aims to gradually ramp up production through 2021, with a steady further recovery to normalized levels in the summer season of 2022. Any developments in the future spread of the virus, including additional or prolonged travel restrictions and other changes affecting the speed of recovery to normal services will impact the company's business plans. Such assumptions are highly uncertain and subject to change as the virus situation is continuously developing worldwide and the outcome and consequences of the Phase 2 Reconstruction process.

Increased competition

Wizz Air launched operations in the Norwegian domestic market in October 2020 with first flights commencing from November the same year. Two aircraft are based at Oslo Gardermoen (OSL) and two aircraft are based at Trondheim (TRD). Wizz Air has since launch made significant changes to the flying program and currently operates 15 routes at relatively low frequency. Wizz Air's entry into the domestic market has had an initial negative impact on the pricing levels in the market.

Wizz Air's stated planned summer 2021 production amounts to around a 13% capacity share on overlapping routes with Norwegian, and a 9% capacity share on the total Norwegian domestic market. This compares to 40% and 27% respectively for Norwegian.

Since February 2020, the jet fuel price has more than halved. While lower fuel prices are associated with lower costs for the airline industry, the impact for the Company is limited due to the significantly reduced operations. The Company had hedged 35 percent of its estimated fuel consumption for the first half of 2020 pre-COVID-19, and 25 percent of estimated fuel consumption for the full year using jet fuel swaps. The Company reached an agreement with one party to terminate outstanding swap exposure. At the date of this Registration Document, the Company has no hedges after Q1 2021.

Currency fluctuations – depreciation of the Norwegian krone (NOK)

The Norwegian krone ("**NOK**") has depreciated versus major currencies such as the US dollar and the euro since the end of February. The Company reports its financial results in NOK. However, it transacts and holds assets and liabilities in currencies other than NOK. A significant proportion of the Company's costs are incurred in euros and US dollars, including aviation fuel, aircraft leases, a significant part of technical maintenance expenses and insurance.

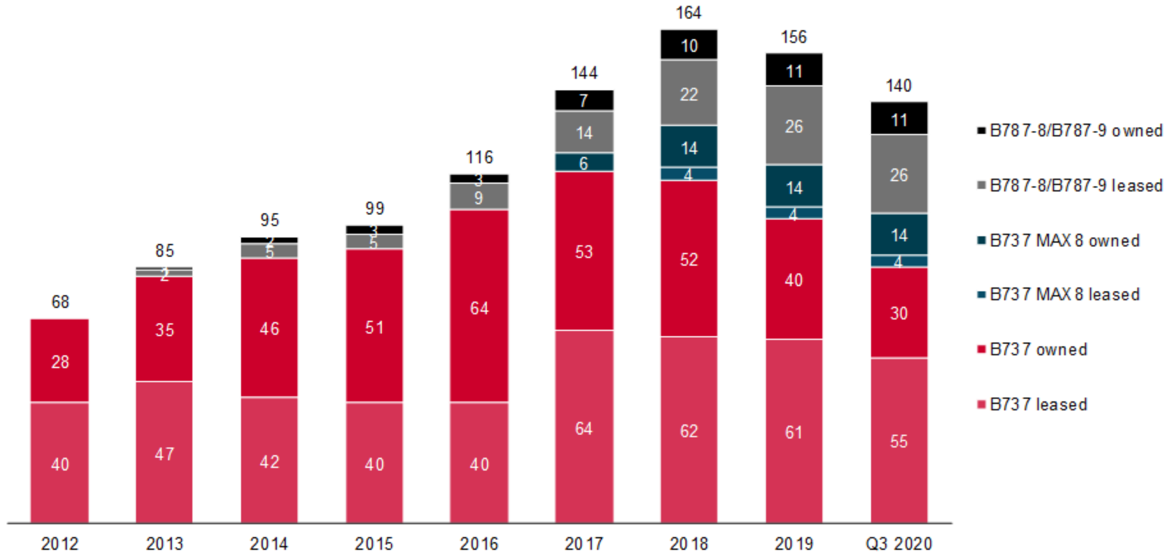
Given the current limited operations of the Company, the sensitivity of currency changes on operating expenses is smaller than outlined in the latest Interim Financial Statements. On the other hand, revaluation of the Company's working capital balances due to fluctuations in currency rates has a significant impact on operating profit. The Company has significant debt in foreign currencies such as bonds denominated in euro, the Swedish krone and US dollars and significant aircraft financing in US dollars and euros. Revaluation of debt denominated in foreign currencies has a negative impact on the Company's earnings, however limited currency exposure on aircraft financing in US dollars as the Company's aircraft are also denominated in the same currency.

A large portion of the Company's assets are denominated in US dollars, which are now worth more translated to NOK, and thus have a positive currency impact on the Company's equity. The Company's capital commitments for future aircraft deliveries are also denominated in US dollars. Hence the NOK depreciation also increases the capital commitments measured in NOK.

4.14 Investments

4.14.1 Introduction

The figure below shows the number of aircraft operated by the Group from 2012 to 2019 as well as at the end of Q3 2020. There have been no material investments, and Norwegian has not taken delivery of any aircraft, in 2020. Following the Examinership and Reconstruction processes, it is expected that the fleet of operated aircraft will be significantly reduced. Please refer to sections 4.7 and 4.13 for more information.



4.14.2 Principal investments in progress

This section sets forth the Group's aircraft orders in line with the outlook shared with the financial market on 10 November 2020 in relation to the release of the Q3 2020 report. Due to the global grounding of the Boeing 737 MAX, the Group did not take delivery of any MAX aircraft in 2019 or 2020. In June 2020, Norwegian issued a notice to Boeing of termination of the Company's purchase agreements of the remaining five Boeing 787 aircraft and 92 Boeing 737 MAX aircraft on order and the GoldCare service agreements (BSG) related to the 787 and MAX aircraft. Norwegian has in addition filed a legal claim seeking the return of predelivery payments (PDP) related to the aircraft and compensation for the Company's losses related to the grounding of the 737 MAX and engine issues on the 787 (in which Boeing has contested and asserted claims against the Group). The outcome of this matter is currently uncertain.

The contractual commitments based on the scheduled deliveries pre-COVID 19 were as follows, including purchase commitments with Boeing that has since been terminated:

USD 1,000	2020	Deliveries from 2021 and onward until 2027	Total
Total contractual commitments	1,500,000	8,200,000	9,550,000

The Company plans to right-size its operations and the fleet plan will be dependent on the market after COVID-19, with route profitability being key. The Company is in ongoing dialogs with OEMs, including both Airbus and Boeing regarding fleet orders. No material capital expenditure related to any aircraft deliveries will be incurred until Q2 2021, which require discussions and agreements with OEMs.

The Group's next 27 Airbus A320neo deliveries are expected to be financed pursuant to the joint venture arrangement with CCBLI, which aims to cover all deliveries of Airbus aircraft from 2020 until 2023. The remaining A320neos are scheduled to be delivered from 2024 to 2026 and the financing of those aircraft is expected to be secured according to the Group's financing strategy at that time, subject to market conditions and delivery schedule. The A321LRs are scheduled to be delivered from 2025 to 2027, and the financing of those aircraft is expected to be secured according to the Group's financing strategy at that time, subject to market conditions and delivery schedule.

Due to the uncertainty of the results of the Examinership and the Reconstruction, it is unsure if and how the Company's planned and/or committed investments may be affected.

4.15 Key financing agreements

Following the Phase 1 Restructuring, the Group has the following key financing agreements. As of the date of this Registration Document, no payments are being made under the key financing agreements, except for interest payments under the NOK 330 million state-backed term facility and the NOK 2.99 billion state-backed term loan facility, due to ongoing the Examinership and the Reconstruction. Furthermore, as set out under the heading "COVID-19 Outbreak and Bankruptcy Risk" in section 1.1, the position described below in respect of the key financing agreements, including but not limited to the terms thereof and outstanding or future liabilities thereunder, is subject to change in the course of the Phase 2 Restructuring.

NAS07

The bond terms in respect of the EUR 250,000,000 7.25% Norwegian Air Shuttle ASA Senior Secured Bond Issue 2015/2019 with ISIN NO 001 0753437, originally entered into on 9 December 2015 as amended and restated in the Phase 1 Restructuring (the "**NAS07 Bond Terms**"). The NAS07 Bond Terms are based on the standard Nordic Bond Terms for corporate high yield bonds in Norway, and are due to be redeemed on 11 November 2022 at 105% of par. Material covenants include restrictions on incurrence of financial indebtedness and payment of dividends, repurchases or other distributions to shareholders, negative pledge, a minimum book equity covenant of NOK 1,500 million and a minimum liquidity covenant of NOK 100 million until 1 July 2021, and NOK 500 million thereafter. The NAS07 Bond Terms also contain a cross-default threshold of NOK 75 million and (until 1 July 2021) cross-acceleration threshold of USD 20,000,000, as well as market standard events of default including non-payment, breach of obligations, misrepresentation, insolvency proceedings and material adverse change. The NAS07 bonds are secured by the Group's take-off and landing slots at London Gatwick Airport.

Following the Phase 1 Restructuring, and as of the date of this Registration Document, EUR 125,000,000 of the NAS07 bonds remain outstanding. As a consequence of the terms of the Phase 1 Restructuring, bondholders in NAS07 are potentially entitled to receive additional bonds in an amount determined by reference to the difference between the value of the Group's slots at Gatwick Airport on 30 June 2021, 30 June 2022 and 30 September 2022 and the amount of bonds then outstanding under NAS07 and NAS08. The first potential increase will occur following valuations of the slots owned on 30 June 2021.

The NAS07 Bond Terms are available at www.stamdata.com.

NAS08

The bond terms in respect of the SEK 963,500,000 7.25% Norwegian Air Shuttle ASA Senior Secured Bond Issue 2017/2020 with ISIN NO 001 0783459, originally entered into on 7 February 2017 as amended and restated in the Phase 1 Restructuring (the "**NAS08 Bond Terms**"). The NAS08 Bond Terms are based on the standard Nordic Bond Terms for corporate high yield bonds in Norway, and are otherwise materially similar to the NAS07 Bond Terms. Material covenants include restrictions on incurrence of financial indebtedness, negative pledge minimum book equity of NOK 1,500 million and minimum liquidity of NOK 500 million, together with a cross-default of NOK 75 million and market standard events of default including non-payment, breach of obligations, misrepresentation, insolvency proceedings and material adverse change. The NAS08 bonds are due to be redeemed on 7 February 2022 at 105% of par.

Following the Phase 1 Restructuring, and as of the date of this Registration Document, SEK 481,750,000 of the NAS08 bonds remain outstanding. The NAS08 bonds benefit from the same right to receive additional bonds on a revaluation of the Gatwick slots as described in respect of NAS07 above.

The NAS08 Bond Terms are available at www.stamdata.com.

NAS09

The bond terms in respect of the NOK 250,000,000 FRN Norwegian Air Shuttle ASA Senior Secured Bond Issue 2017/2020 with ISIN NO 001 0909940, originally entered into on 16 November 2017 as amended and restated in the Phase 1 Restructuring (the "**NAS09 Bond Terms**"). The NAS09 Bond Terms are based on the standard Nordic Bond Terms for corporate high yield bonds in Norway. The interest rate under the NAS09 bonds is 3 mo. NIBOR + 3.95% p.a and the NAS09 bonds shall be redeemed on 23 November 2021 at 100% par. Material covenants include restrictions on incurrence of financial indebtedness and payment of dividends, repurchases or other distributions to shareholders, negative pledge, a minimum book equity covenant of NOK 1,500 million and a minimum liquidity covenant of NOK 100 million until 1 July 2021, and NOK 500 million thereafter. The NAS09 Bond Terms also contain a cross-default threshold of NOK 75 million and (until 1 July 2021) a cross-acceleration threshold of USD 20,000,000, as well as market standard events of default including non-payment, breach of obligations, misrepresentation, insolvency proceedings and material adverse change. The NAS09 bonds are secured by a ground lease agreement in respect of an aircraft hangar in Ullensaker municipality.

Following the Phase 1 Restructuring, and as of the date of this Registration Document, NOK 250,000,000 of the NAS09 bonds remain outstanding.

The NAS09 Bond Terms are available at www.stamdata.com.

November 2019 Bonds

The bond terms in respect of the Norwegian Air Shuttle ASA 6.375% Senior Unsecured Convertible Bonds with ISIN NO 001 0868284, originally entered into on 13 November 2019 as amended and restated in the Phase 1 Restructuring (the "**November 2019 Bond Terms**"). The November 2019 Bond Terms are based on the standard Nordic Bond Terms for corporate high yield bonds in Norway, and are due to be redeemed on 15 November 2024 at par. The November 2019 Bonds are convertible into Shares at the option of the holder, at a conversion price of NOK 424,919 (with the nominal amount of the applicable bonds being converted to NOK at the fixed exchange rate set out in the November 2019 Bond Terms, being 1:10.5528), subject to the so-called Euro-market standard anti-dilution provisions.

Material covenants include restrictions on incurrence of financial indebtedness and payment of dividends, repurchases or other distributions to shareholders, negative pledge, a minimum book equity covenant of NOK 1,500 million and a minimum liquidity covenant of NOK 100 million until 1 July 2021, and NOK 500 million thereafter. The NAS07 Bond Terms also contain a cross-default threshold of USD 10 million (subject to material adverse effect) and (until 1 July 2021) a cross-acceleration threshold of USD 20,000,000 as well as market standard events of default including non-payment, breach of obligations, misrepresentation, insolvency proceedings and material adverse change. The November 2019 Bonds are unsecured.

Following the Phase 1 Restructuring and subsequent voluntary conversions, as of the date of this Registration Document, USD 6,256,000 of the November 2019 Bonds remain outstanding.

The November 2019 Bond Terms are available at www.stamdata.com.

Future Maintenance Bonds

The bond terms in respect of the Norwegian Air Shuttle ASA zero coupon perpetual subordinated convertible bonds with ISIN NO 001 0884646, entered into on 4 June 2020 (the "**Future Maintenance Bond Terms**"). During the Phase 1 Restructuring, the Issuer reached an agreement with certain of its lease creditors to convert an estimated amount of future end-of-lease maintenance payments into zero coupon deeply subordinated convertible perpetual bonds (the "**Future Maintenance Bonds**"). The Future Maintenance Bonds have substantially the same terms as the Perpetual Bonds, with no fixed maturity date or interest payments, however the Future Maintenance Bond Terms contain provisions that permit the holder to convert the Future Maintenance Bonds at the volume weighted average price of the Shares during a two-week window beginning in June 2023, to ensure that the relevant lessors are able to fully recoup the amount of the equitized future maintenance obligations. As a result of such conversion mechanism, the Future Maintenance Bonds are treated as debt pursuant to IFRS.

As of the date of this Registration Document, USD 17,652,897 of the Future Maintenance Bonds remain outstanding.

NOK 330 million state-backed term facility

On 31 March 2020, the Company obtained the first tranche of the state guarantee scheme by way of a single currency term facility in the aggregate amount of NOK 330 million. The terms of the loan agreement include, amongst others, restrictions on financial indebtedness and restrictions on dividends and distributions during the tenor of the loan. The facility agreement does not contain any financial covenants, but includes provisions on event of default with respect to non-payment, misrepresentations, cross-acceleration and insolvency proceedings. The premium payable in respect of the guarantee is 2 percent per annum during the COVID-19 situation and on market terms once the Ministry of Trade and Fisheries determines that commercial air traffic in Norway is no longer restricted as a result of COVID-19.

As of the date of the Prospectus, the NOK 330 million state-backed term facility is fully drawn.

NOK 2.99 billion state-backed term facility

On 20 May 2020, the Company obtained the second and third tranches of the state guarantee scheme by way of a single currency term facility in the aggregate amount of NOK 2.99 billion. The terms of the loan agreement are substantially similar to those in respect of the NOK 330 million state-backed term facility.

As of the date of the Prospectus, the NOK 2.99 billion state-backed term facility is fully drawn.

Aircraft leases and financing arrangements

The group has entered into aircraft operating lease agreements, pursuant to which the aggregate lease liabilities are NOK 31.73 billion as of 30 September 2020, reflecting the equitization of certain amounts of lease debt between May and August 2020 (for further detail, see the company's stock exchange announcements during such period). In addition, the group has aircraft financing liabilities in the amount of NOK 21.62 billion as of 30 September 2020.

5. INDUSTRY OVERVIEW

This Section 5 includes selected general information about the industry in which the Group operates, and is not a complete nor comprehensive description of such industry. The following discussion and the discussion appearing elsewhere of this Registration Document also contain information sourced from third parties.

5.1 The Airline Market

While on the one hand the airline industry is characterized by intense competition and stringent streamlining requirements, it has also historically been characterized by substantial growth. Continuous efficiency enhancements in combination with the liberalization of the industry in the 1990s contributed to fundamental changes in the airline industry. Liberalization has predominantly led to more competition and the emergence of low-cost carriers.

The Group is one of the largest low-cost carriers in the world.[13] In addition to a vast domestic route network in Norway, Sweden, Denmark, Finland and Spain, the Group's route network stretches across Europe into North Africa, the Middle East, the Americas and Southeast Asia. In 2019, the Group's long-haul business comprised more than 60 intercontinental routes to 20 destinations.

5.2 Historical air traffic growth and market forecast

2018 was a strong year in terms of global air traffic growth. Monthly year-over-year growth in available seat kilometers ("**ASK**") was above 5.3 percent throughout the year, with a monthly average of 6.0 percent. In 2019, growth has slowed somewhat as several carriers (including the Group) have reduced growth targets, and average monthly year-over-year growth in ASK was 3.5 percent.[14]

In line with ASK, global growth in revenue passenger kilometers ("**RPK**") has also slowed in 2019 compared to 2018. According to figures from the Assembly of the International Civil Aviation Organization ("**ICAO**"), average monthly year-over-year growth declined from 6.5 percent in 2018 to 4.3 percent in 2019. The largest decline in RPK growth occurred in Africa and the Middle East, i.e. outside of the areas where the Group historically has been the most active.[14]

As shown by the figure below, air traffic has proven resilient to external shocks and slow economic growth, demonstrating the world's appreciation of the benefits aviation brings. The figure does however not include the COVID-19 outbreak, which has severely impacted the airline industry and induced significant uncertainty to the overall market. The potential implications from COVID-19 on the airline industry are addressed separately in section 5.8.

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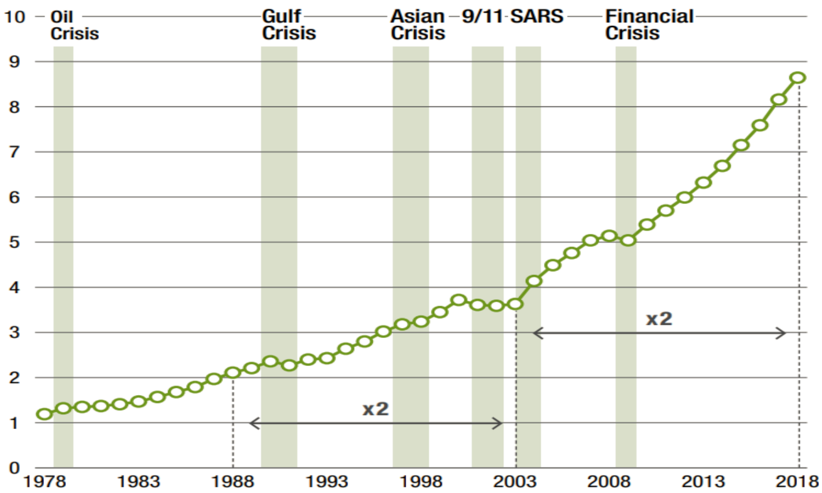
[13] Source: CAPA – Centre for Aviation, airline company traffic reports (https://centreforaviation.com/analysis/reports/europe-airline-groups-2018-ranking-lufthansa-group-still-at-the-top-456098)

[14] Source: ICAO – Air Transport Monthly Monitor (https://www.icao.int/sustainability/Documents/MonthlyMonitor-2020/MonthlyMonitor_February2020.pdf and https://www.icao.int/sustainability/Documents/MonthlyMonitor-2019/MonthlyMonitor_February2019.pdf)

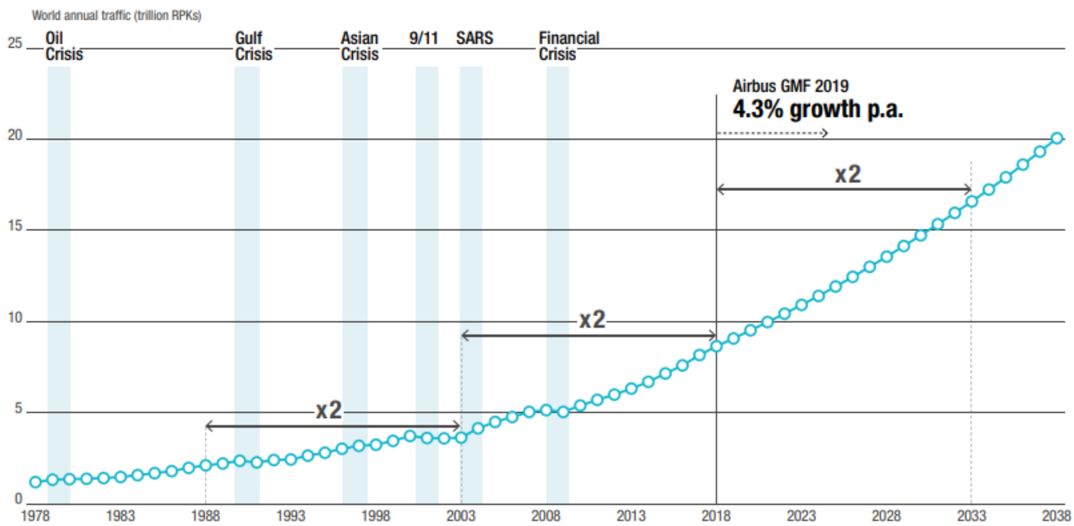
Figure: Air travel has proven resilient to external shocks, pre-COVID-19



Source: Airbus Global Market Forecast 2019 (https://www.airbus.com/content/dam/corporate-topics/strategy/global-market-forecast/GMF-2019-2038-Airbus-Commercial-Aircraft-book.pdf)

For the next 20 years, the Airbus Global Market Forecast ("**Airbus GMF**") estimates a compounding average growth rate ("**CAGR**") in RPK of 4.3 percent, despite some downward revision of future economic growth by a number of forecasters in several regions of the world. The highest long-term growth is expected to occur in the Middle East with an RPK CAGR of 5.6 percent. In Europe, the expected RPK CAGR is 3.3 percent.[15] The Airbus GMF estimates are pre-COVID-19 and do not reflect the potential impact from the virus outbreak.

Figure: Long-term demand prediction (Airbus), pre-COVID-19



Source: Airbus Global Market Forecast 2019 (https://www.airbus.com/content/dam/corporate-topics/strategy/global-market-forecast/GMF-2019-2038-Airbus-Commercial-Aircraft-book.pdf)

[15] Source: Airbus Global Market Forecast 2019 (https://www.airbus.com/content/dam/corporate-topics/strategy/global-market-forecast/GMF-2019-2038-Airbus-Commercial-Aircraft-book.pdf)

The main regions for air travel are Europe, North America and Asia Pacific. In terms of growth, emerging markets are expected to be the main drivers.

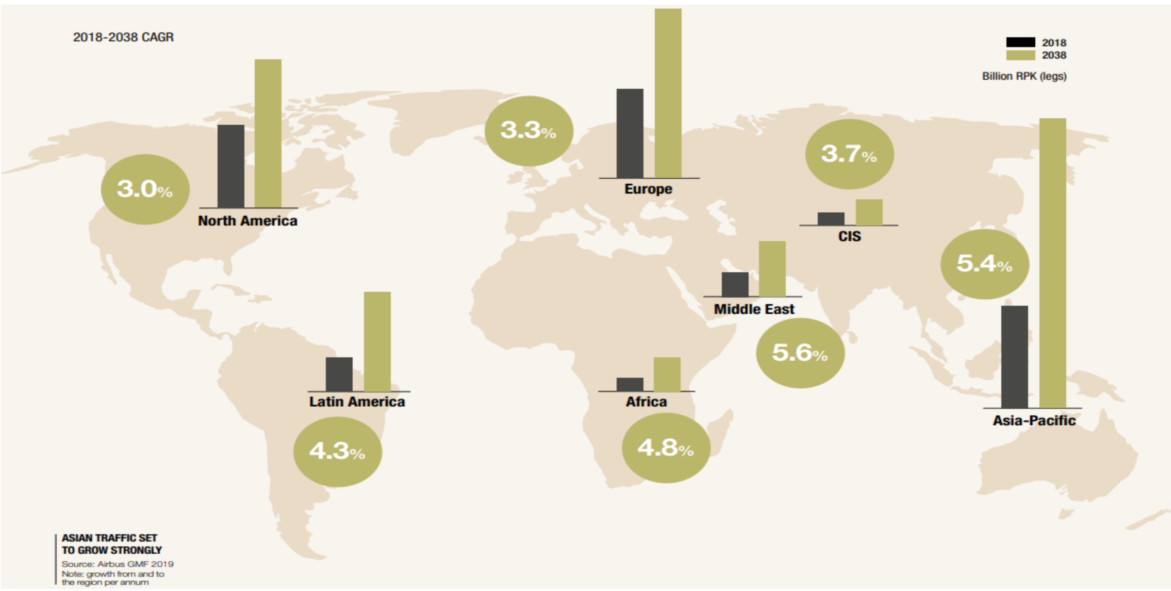
Figure: Airline passenger traffic (RPK in billions) in 2018

	Africa	Latin America	Middle East	Europe	North America	Asia Pacific
Asia Pacific	N/A	N/A.	393.6	538.8	377.7	**2,201.5**
North America	N/A	276.3	96.2	579.2	**1,229.2**	
Europe	175.1	236.8	300.3	**982.5**		
Middle East	69.0	N/A	**122.1**			
Latin America	N/A	**268.0**				
Africa	**67.2**					

Source: Boeing Commercial market outlook 2019 forecast data (https://www.boeing.com/resources/boeingdotcom/commercial/market/commercial-market-outlook/assets/downloads/cmo-2019-forecast-data-web-sept17.zip)

According to Airbus (pre-COVID-19 estimates), Asia-Pacific will have the highest share of the total world air traffic by 2038. Traffic between emerging countries is forecasted to grow at 5.9 percent per annum and emerging countries are expected to increase their share of total traffic from 30 percent in 2018 to 41 percent by 2038. Domestic Chinese traffic is forecasted to increase 3.2 times by 2038, with Domestic US traffic increasing by 50 percent from an already high base. The three major flows connecting Western Europe are all expected to grow considerably from 2018 to 2038; routes between the US, intra Western-European routes and routes to the Middle East are expected to grow 1.7, 1.6 and 2.6 times, respectively. [16]

Figure: Overview of growth composition until 2038, pre-COVID-19



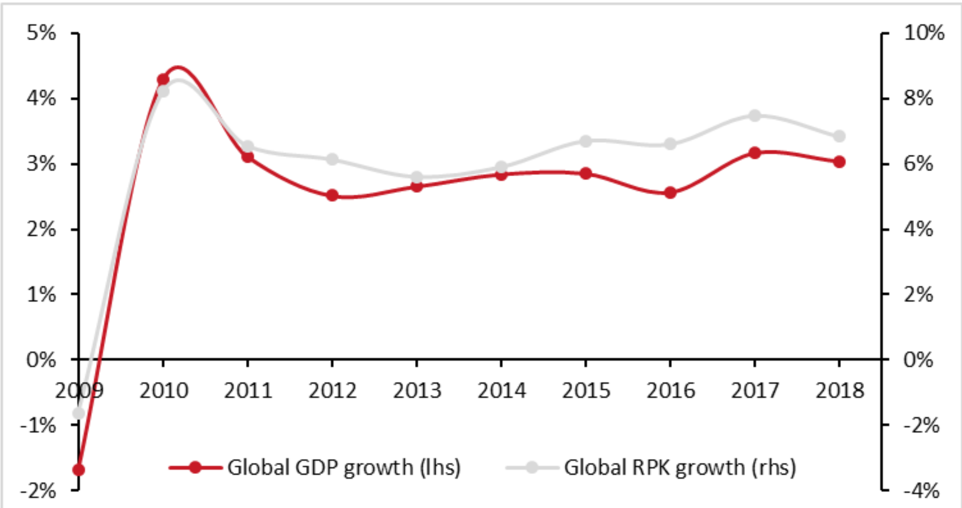
Source: Airbus Global Market Forecast 2019 (https://www.airbus.com/content/dam/corporate-topics/strategy/global-market-forecast/GMF-2019-2038-Airbus-Commercial-Aircraft-book.pdf)

[16] Source: Airbus Global Market Forecast 2019 (https://www.airbus.com/content/dam/corporate-topics/strategy/global-market-forecast/GMF-2019-2038-Airbus-Commercial-Aircraft-book.pdf)

5.3 Demand for air travel

Economic growth is one of the primary drivers of air traffic demand. It is highly correlated with past performance and forms much of the basis for future growth. The figure below illustrates the correlation between global Gross Domestic Product ("**GDP**") and air traffic growth from 2009 to 2018, measured in RPK flown. In recent years, air travel has grown at a higher pace than global GDP.

Figure: Relationship between global GDP growth and RPK growth

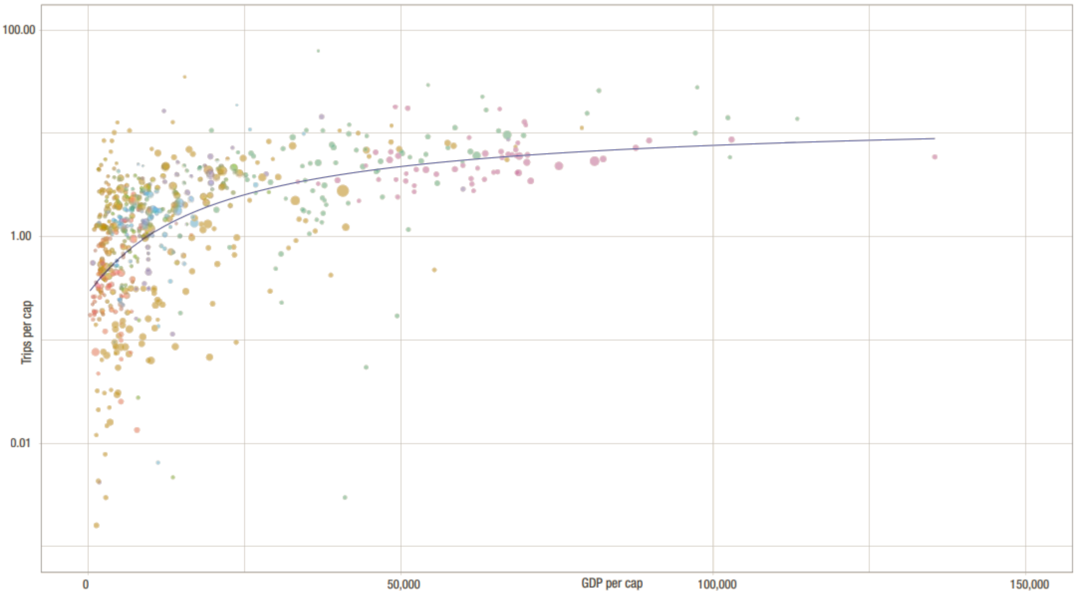


Sources: World Bank (https://data.worldbank.org/indicator/ny.gdp.mktp.kd.zg?end=2018&start=2007&view=chart), Boeing Commercial Market Outlook 2019 (https://www.boeing.com/resources/boeingdotcom/commercial/market/commercial-market-outlook/assets/downloads/cmo-sept-2019-report-final.pdf)

In terms of propensity to travel, inhabitants of wealthier countries travel more. This is illustrated in the figure below, which shows the relationship between GDP per capita and trips per capita for 2018, as estimated by Airbus. The figure shows that the positive correlation between GDP per capita and trips per capita is higher when GDP per capita is low. This will potentially contribute to positive demand growth from highly populated emerging countries as large parts of the population in these countries are expected to move into the middle class.[17]

[17] Source: Boeing commercial market outlook 2019 (https://www.boeing.com/resources/boeingdotcom/commercial/market/commercial-market-outlook/assets/downloads/cmo-sept-2019-report-final.pdf)

Figure: Propensity to travel, relationship between GDP per capita (x-axis) and trips per capita (y-axis)



Source: Airbus Global Market Forecast 2019 (https://www.airbus.com/content/dam/corporate-topics/strategy/global-market-forecast/GMF-2019-2038-Airbus-Commercial-Aircraft-book.pdf)

It should be mentioned that there is a risk of overstating economic activity as a driving force to air traffic growth, especially during downturns. Although the air transport industry is subject to occasional market shocks, the industry's demand is resilient; services are often seen as essential, and spending on discretionary trips for vacations or family events is frequently high priority. Over the past 30 years, the aviation industry has experienced recessions, oil-price shocks, near pandemics, wars, and security threats, yet traffic has continued to grow on average at 5 percent annually. The COVID-19 outbreak however differs in abruptness and severity and has induced significant uncertainties to the industry. The virus outbreak is likely to have a larger and more severe impact on global air traffic compared to the other mentioned crises. Refer to section 5.8.

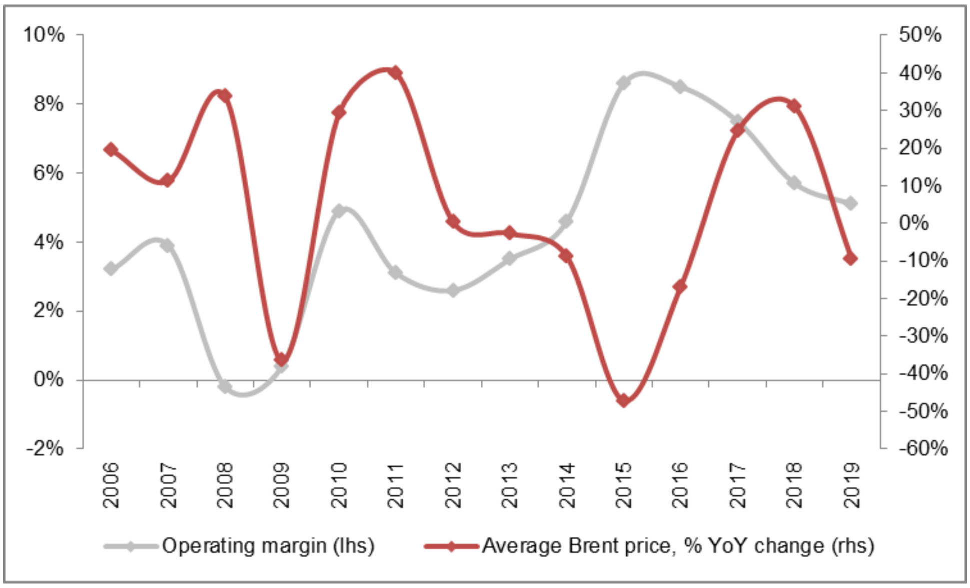
5.4 Airline profitability

Lower fuel costs lead to increased airline profitability and reduced air fares. Although effects differ from country to country, lower oil prices represent a net gain for global economic growth as resources are shifted to more efficient economies on average, and consumer spending is stimulated in the world’s largest oil importing economies.

In Q4 2014, the price of Brent crude oil decreased considerably and remained low throughout 2015, leading to a substantial increase in airline profitability as evidenced in the figure below. The price of Brent oil did however increase during 2016, 2017 and the first three quarters of 2018, reversing some of the positive effects on operating margins. In Q4 2018, the monthly average price of Brent crude oil dropped from USD 81 to USD 57 per barrel. The monthly average price per barrel of Brent crude oil has remained relatively stable throughout 2019, ranging from USD 59 to USD 71. The monthly average price per barrel of Brent crude oil showed a significant drop in March 2020 to USD 32, representing the lowest monthly average price since January 2016. [18]

[18] Source: US Energy Information Administration (https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=RBRTE&f=A)

Figure: Operating margin (%, LHS) and variation in average Brent crude oil prices (% year-on-year change, RHS)



Source: IATA Industry Forecast (https://www.iata.org/publications/economics/Reports/Industry-Econ-Performance/Airline-industry-economic-performance-Jun19-data-tables.pdf and https://www.iata.org/publications/economics/Reports/Industry-Econ-Performance/Central-forecast-end-year-2015-tables.pdf) and

EIA (https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=RBRTE&f=A)

5.5 Principal markets

5.5.1 Introduction

The airline sector in Europe has evolved significantly since the liberalization of the EU air transportation market in the 1990s. In 1992, EU member states adopted a final package of liberalization measures that, from 1 January 1993, permitted greater access to intra-EU international routes. In 1995, the creation of the EEA extended these measures to Norway, Iceland and Liechtenstein. In April 1997, liberalization was further extended to the domestic routes of members of the EEA, so that any EEA carrier would be able to provide passenger services on any route within the EEA without restriction on price or capacity. This changed the nature of competition in European aviation and paved the way for the growth of low-cost carriers.

Liberalization of the air transportation market has continued, with the EU having concluded horizontal agreements with a number of third-party nations, including the United Arab Emirates, as well as full open-skies agreements with other third-party nations, including the United States, Israel, the Balkan states, Georgia and Moldova. These open-skies agreements have progressively liberalized air markets, ultimately allowing any number of carriers from either contracting party to operate services on any route between them, without restrictions on price or capacity.

The European airline market is very fragmented with Europe's top seven airline groups only controlling 55 percent of seats to/from/within Europe in summer 2018, compared with an 82 percent share for North America's top seven. [19] In general, legacy carriers have progressively been losing ground to low-cost carriers over the past ten years, especially in the short and medium-haul market. Between 2005 and 2008, European low-cost carriers typically achieved double digit growth rates while during the same period, a time of global economic growth and overall industry expansion, the majority of European legacy carriers experienced substantially lower growth.

[19] Source: EU Report 2016 - Air Transport Industry Analysis as of March 2017 (https://ec.europa.eu/transport/sites/transport/files/2016_eu_air_transport_industry_analyses_report.pdf)

Figure: Market concentration across different world regions

Number of groups to reach cumulative share indicated

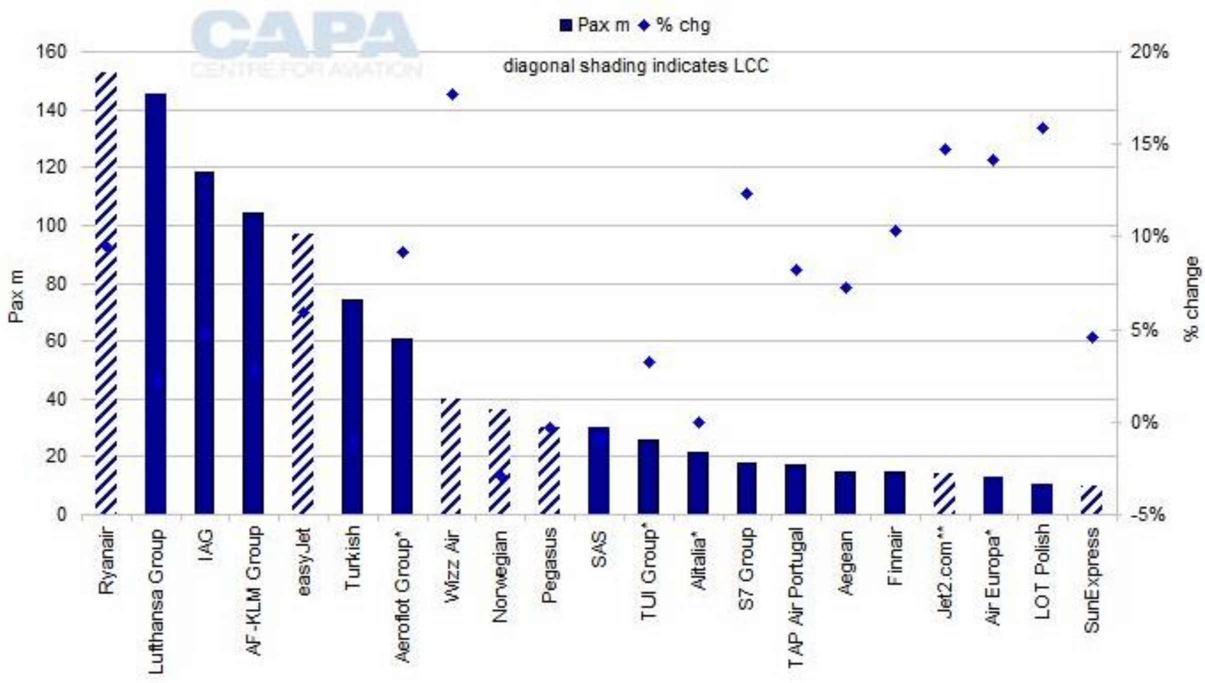
	Share of seats top 5 groups	**25%**	**50%**	**90%**
North America	72%	2	3	16
Middle East	57%	2	4	30
Latin America	51%	2	5	25
Europe	43%	3	7	47
Africa	36%	3	9	47
Asia Pacific	33%	4	11	49

Source: CAPA / EU Report 2016 – Air Transport Industry Analysis as of March 2017 (https://ec.europa.eu/transport/sites/transport/files/2016_eu_air_transport_industry_analyses_report.pdf)

According to the Centre for Aviation ("**CAPA**"), the Group is the ninth largest airline group in Europe and the fourth largest low-cost carrier ("**LCC**"). The largest groups are Ryanair, Lufthansa and International Airline Group ("**IAG**").[20]

[20] Source: CAPA – Centre for Aviation, airline company traffic reports (https://centreforaviation.com/analysis/reports/ryanair-heads-europes-top-20-airline-groups-by-pax-2019-510111)

Figure: Europe's top 20 airline groups by passenger numbers 2019



Source: CAPA – Centre for Aviation, airline company traffic reports (https://centreforaviation.com/analysis/reports/europe-airline-groups-2018-ranking-lufthansa-group-still-at-the-top-456098)

Note: * Note: * Indicates 2019 passenger numbers not yet reported or not available; figures are CAPA estimates based on Nov-2019 YTD growth, calendar 2019 seat growth data from OAG, or other available data. ** Figures for 12 months to Sep-2019.

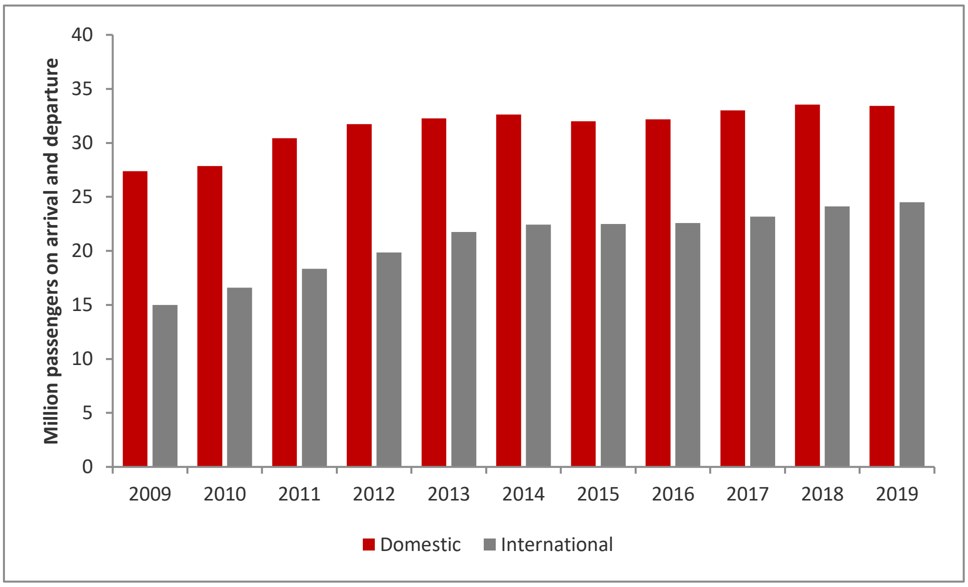
The airline industry and demand for air travel are affected by both local and global economic conditions. A number of European airlines have gone out of business in recent years, including AeroSvit, Cyprus Airways, Spanair, Malév, Sky Europe, Centralwings, Silverjet, Sterling, XL Airways, Air Berlin, Monarch, WOW Air and Thomas Cook.

5.5.2 Norway

A total of 57.9 million passengers arrived and departed at Norwegian airports on all commercial flights in Norway during the last twelve months as per December 2019.[21] Driven by challenging topography and scattered population, the people of Norway have become among the most frequent flyers in Europe. According to Eurostat, using passenger figures for 2018 in terms of number of flights, two of the ten busiest European routes are found in Norway. Oslo-Trondheim is the fifth busiest route, and Oslo-Bergen is the seventh busiest.[22]

[21] Source: Statistics Norway table 08508 (https://www.ssb.no/statbank/table/08508/)
[22] Source: Air Transport database (https://ec.europa.eu/eurostat/web/transport/data/database)

Figure: Air transport. Passengers, by traffic type:



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Million passengers:										
Domestic	27.8	30.4	31.7	32.3	32.6	32.0	32.2	33.0	33.5	33.4
International	16.6	18.3	19.9	21.8	22.4	22.5	22.6	23.2	24.1	24.5
Total	44.4	48.8	51.6	54.0	55.1	54.5	54.7	56.2	57.7	57.9
Growth:	1.7%	9.3%	4.3%	1.7%	1.1%	-1.9%	0.5%	2.6%	1.7%	-0.4%
Domestic	10.8%	10.4%	8.3%	9.6%	3.1%	0.2%	0.4%	2.7%	4.0%	1.7%
International	4.9%	9.7%	5.8%	4.7%	1.9%	-1.0%	0.5%	2.6%	2.6%	0.5%
Total	16.6	18.3	19.9	21.8	22.4	22.5	22.6	23.2	24.1	24.5

Source: Statistics Norway table 08508 (https://www.ssb.no/statbank/table/08508/)

Over the period 2010 to 2019, the number of passengers at Norwegian airports increased by 13.5 million, equivalent to an average annual growth rate of 3.0 percent. This positive trend has been present for both domestic passengers and international passengers, however, international passenger numbers have grown faster than domestic passengers, as can be seen from the diagram above. Passenger growth is expected going forward, as evidenced by the decision made by Norway's busiest airport, Oslo Airport, to build a second terminal increasing capacity to about 35 million passengers per year. The new terminal opened in 2017.

Figure: Passengers carried in 2019 at top 10 Norwegian airports

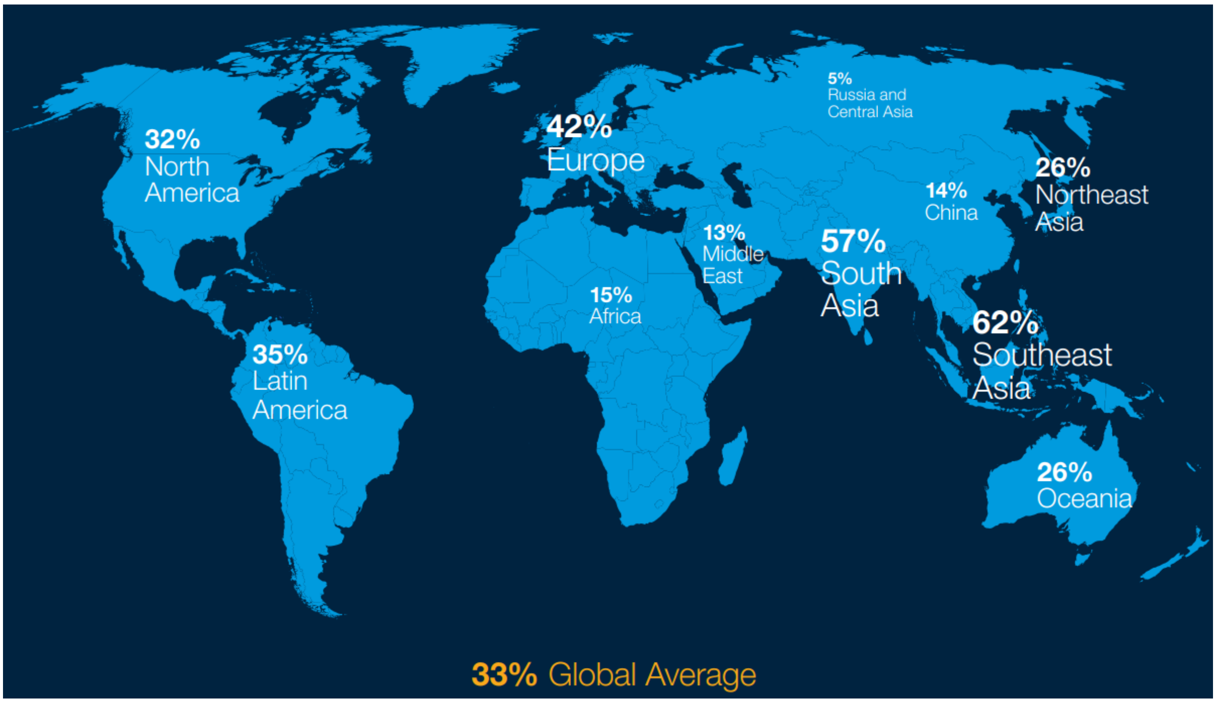
	Million passengers	**% share**
Oslo Gardermoen	28.5	49.2%
Bergen Flesland	6.6	11.3%
Trondheim Værnes	4.4	7.6%
Stavanger Sola	4.3	7.4%
Tromsø Langnes	2.5	4.3%
Sandefjord Torp	2.1	3.6%
Bodø	2.0	3.5%
Ålesund Vigra	1.2	2.0%
Kristiansand Kjevik	1.1	1.8%
Harstad/Narvik Evenes	0.8	1.3%
Top 10	53.3	91.9%

Source: Statistics Norway table 08508 (https://www.ssb.no/statbank/table/08508/)

5.6 Market segmentation

Passenger airlines can mainly be divided into the broader categories of legacy carriers, LCC and regional carriers. Most airlines can be assigned into one or the other category, but some also overlap. Certain legacy airlines offer a set of low fares on otherwise standard services, whilst some LCCs have begun to increase the number of legacy style services that they offer. Historically, the legacy carriers have dominated the market, while in recent years LCCs have gained considerable traction. The figure below shows an overview of LCC's market share across different regions.

Figure: LCC short-haul penetration (share of total seats) by region 2018



Source: Boeing Commercial Market Outlook 2019 (https://www.boeing.com/resources/boeingdotcom/commercial/market/commercial-market-outlook/assets/downloads/cmo-sept-2019-report-final.pdf)

LCCs operate at significantly lower costs than legacy carriers. For an overview of cost structure among selected LCCs and legacy carriers, please see the figure below.

5.6.1 Legacy carriers

Legacy carriers operate a full-service business model, which aim to offer passengers a comprehensive service. Legacy carriers may enter into alliances with other airlines and/or code-sharing and interline arrangements. Legacy carriers typically have two or more classes of service with a broad range of supplementary services, such as catering, in-flight entertainment and various levels of ticket flexibility. As a result of the comprehensive and varied service offering, a wide range of price levels exist even on the same journey. The primary aim of these airlines is to develop certain airports as their intercontinental hubs and to feed traffic to these hubs from their own domestic markets, from intra-European markets and from intercontinental interline traffic. These airlines are focused on long-haul premium traffic and high yielding corporate accounts. Legacy carriers hope to obtain a revenue premium by providing expensive services. Regarding their short-haul traffic, they either operate these routes themselves or utilize the services of regional airlines either through ownership or franchise operations.

In Europe, the legacy carriers are predominantly made up of the flag carrier airlines, such as IAG (British Airways and Iberia), Air France-KLM and Lufthansa. In the past, the majority of these carriers were state owned and some may have benefited from state aid. Many of these carriers have been either fully privatized (for example, IAG and Lufthansa) or partly privatized (for example, Air France-KLM and SAS).

5.6.2 Low-cost carriers

Traditionally, the principal aim within the business model of a low-cost carrier is to offer as simple a product as possible and minimize the business' costs in order to offer competitive low ticket prices. Typical low-cost carrier characteristics are summarized below. Most low-cost carriers adhere to most of these characteristics. Low-cost carriers aim to maximize Load Factor and aircraft utilization rates by stimulating demand through offering flights at the lowest cost possible and typically only operating on short-haul point-to-point routes, with a smaller proportion of routes classified as medium haul. Costs are kept low by having a ticketless service, using a single aircraft-family fleet, having only one class of service and predominantly flying to less-congested secondary airports serving a destination to the extent possible. Tickets are generally sold online or directly by the airline in order to avoid agency costs and global distribution system charges. Supplementary services typically included in the ticket price offered by legacy carriers are available at an additional cost. Turnaround times are kept to a minimum by having no pre-flight seating plan for passengers. The operational model means that such airlines typically have unit costs that are as much as 50 percent lower than their full-service competitors and hence they are generally able to charge much lower prices.

European low-cost carriers include EasyJet, Norwegian, Ryanair, Vueling Airlines S.A. ("**Vueling**") and Wizz Air. Some of these carriers are independently owned (for example, EasyJet and Ryanair) whilst others have been formed and/or are owned by national flag carriers (for example, Vueling which is majority-owned by IAG or Eurowings which is owned by Lufthansa).

5.6.3 Regional carriers

Regional carriers are characterized by reference to the smaller aircraft they operate and the regional markets they serve. Regional carriers typically operate regional jets or turboprop aircraft. These regional aircraft, which are generally smaller in terms of passengers carried than those operated by European low-cost carriers, serve scheduled point-to-point European routes. There are primarily two distinct roles of regional airlines in Europe. The first is to provide passenger feed into the main hubs for their main shareholder or franchisor airline and the second is to provide region-to-region air services linking regional communities.

5.7 Recent trends in the airline industry, pre-COVID-19

Key recent trends in the airline industry revolve around political, environmental and technological factors, as well as new market models being introduced by market participants. The COVID-19 virus outbreak is not considered in this section and is addressed separately in Section 5.8.

The years since 2017 have been challenging for the airline industry. Various geopolitical and macroeconomic issues impacted the trading environment, and intense competition and a rising cost environment, notably increases in fuel prices, but also labor costs in some cases, squeezed margins of all operators. In addition, terrorist attacks in Barcelona and London and the Brexit vote dulled consumer confidence and dampened demand.

These, as well as other issues, have been major contributing factors to several high-profile airline failures in recent years (Monarch, Air Berlin, Alitalia administration, WOW Air and Thomas Cook). A few of the Group's competitors have conducted mergers and acquisitions, of both distressed and non-distressed competitors, such as IAG's purchase of Air Europa and Lufthansa's purchase of Air Berlin. Additionally, several of the largest airlines in Europe have reacted to the dampened demand by decreasing growth targets. European growth in ASK is expected to slow down going into the first half of 2020 (not considering impact of COVID-19). An improved supply-demand balance can potentially have a positive impact on European airlines' profit margins. Part of the slowing growth is likely caused by the continued grounding of Boeing 737 MAXs. A re-introduction of these planes could create some upside risk to expected growth.

The industry finds itself undergoing changes with new and stricter requirements from its operating environment, which affects all operators, and customers are increasingly demanding air travel with a lower climate impact. This has resulted in a heightened focus on environmental issues by European airlines and several have launched initiatives aimed at reducing their environmental footprint. For example, the Group has, amongst other initiatives, invested in a new weather system which analyzes the weather to optimize route choices, leading to reduced Fuel Consumption and flight time.

The continued emergence and growth of big data analytics is also affecting the airline industry. By effectively analyzing their large amounts of data, airlines are able to optimize operations and improve their offering to customers.

The Group is well positioned to react to environmental and other forces affecting the operating environment. With a wide network throughout Europe, the Group is not as reliant as some other airlines on one key market. The Group's capacity can be redeployed quickly to accommodate affected markets.

Despite the challenges affecting the airline industry, there has been continued passenger growth at the airports which are key to the Group's business (Oslo, Stockholm, Copenhagen, Helsinki, Gatwick and Spanish bases in general).

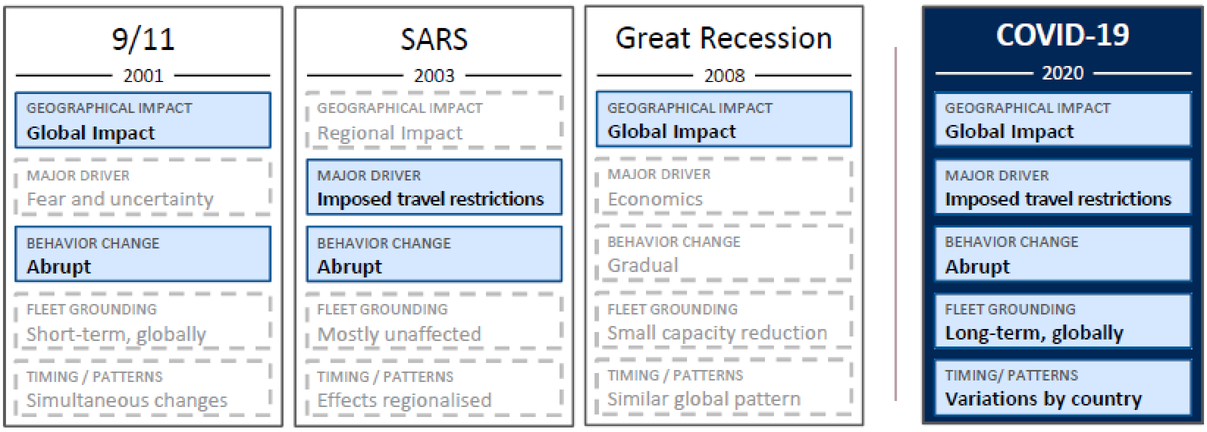
Competitors have also reacted to the Group's long-haul growth. In 2017, IAG launched a new low-cost long-haul airline, "Level", serving the US and South America from Barcelona. In addition, British Airways has reacted to the Group's London growth by increasing the seat density on their Boeing 777s flying out of Gatwick.

Actions by airline competitors show that the Group's recent expansion has had an impact on competitor profitability. The Company will continue to target routes where competitors are keeping fares high. Continuing to operate with new aircraft enables the Group to offer more competitive fares than the competition and grow its market share.

5.8 COVID-19 impact

The impact of COVID-19 on the airline industry is unprecedented and differs in abruptness and severity to any other crisis faced in modern times. Given the abruptness and severity of the impact, there are significant uncertainties as to when the global airline market will recover to pre-crisis levels.

Figure: Air travel impact from external shocks



Source: Company

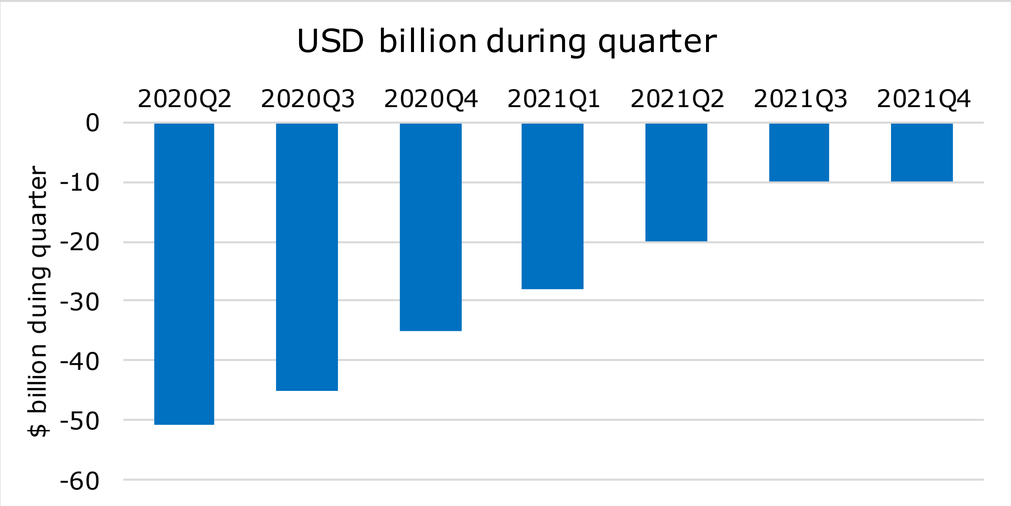
Since March 2020, most countries have imposed travel restrictions and quarantine rules for any arriving passengers. Airlines around the globe are now cutting capacity to match the lower demand, and projections change almost daily due to the significant uncertainty induced by the virus outbreak with regards to how it will continue to develop and impact global markets.

According to ACI, passenger traffic reached its peak levels post-COVID in August with up to 3 million passengers on busiest day (overall -69 percent in August 2020 vs August 2019). Since then, on 22 November, ACI reported 0.99 million passengers compared to 5.9 million on the comparable date 24 November 2019 (-83 percent).

Overall, since January 2020, European airports experienced a loss of 1.5 billion passengers compared to 2019 (-80 percent). (Source Eurocontrol, 3 December 2020).

One of the main challenges of the COVID-19 crisis for airlines has been controlling their cash burn in order to survive until air travel demand recovers. Q2 2020 had been the worst quarter for the airlines as the industry faced unprecedented loss of revenues (circa 80% compared to the same period of the previous year), with almost full grounding of the passenger fleet despite strong cargo revenues. Airlines turned their focus on cutting expenses during this period. However, operating costs were brought down by only c. 50% year-on-year due to unavoidable semi-fixed costs such as labor and maintenance costs. In October 2020 IATA revised its yearend 2020 passenger forecasts to 68 per cent decline yoy from its July forecast of -55 per cent decline on the basis of new travel restrictions and the weakness in forward bookings. According to IATA, the median airline's cash would last just 8.5 months at H2 2020 rate of cash burn. (Source IATA Economics)

Figure: Airline Industry will continue to burn cash until 2022



Source: IATA Economics analysis (9 October 2020)

The long-term impact from COVID-19 on the global airline industry is highly uncertain and depends on various factors, inter alia, duration and magnitude of the outbreak, containment measures, consumer confidence and economic conditions. The environment is changing rapidly, and it is unclear how the virus will continue to develop and when the airline industry will see a recovery to baseline levels.

Note that all Forward-looking statements and forecasts throughout Sections 5.1 - 5.7 of this Registration Document are pre-COVID-19 and do not reflect the potential impacts from the virus outbreak. As such, these statements and forecasts are likely outdated and subject to substantial change as the situation evolve and more information becomes available.

5.9 Insurance

The Group maintains aviation insurance covering liability to passengers and crew, third-party liability, terrorist incidents and aircraft loss or damage and general insurance including property, general employer and tenant liability, accident and life insurance, travel insurance and crew related loss of license and directors' and officers' cover, in each case in amounts that are consistent with industry standards and that meet the Group's obligations under applicable laws and regulations.

6. FINANCIAL INFORMATION

6.1 Financial Information

The Company’s audited consolidated financial statements as of and for the years ended 31 December 2019, 2018 and 2017 (the “**Annual Financial Statements**”) and the Company’s unaudited consolidated interim financial statements as of and for the three and nine months’ period ended 30 September 2020 (the “**Interim Financial Statements**” and together with the Annual Financial Statements, the “**Financial Statements**”) have been incorporated by reference hereto. See Section 12.4.

The Annual Financial Statements have been prepared in accordance with IFRS and have been audited by Deloitte, as set forth in their auditor reports included therein.

The Company presents the Financial Statements in NOK rounded to the nearest thousands.

The Company's previous auditor, Deloitte, has issued all audit opinions without qualifications. The audit opinion for the 2019 Annual Financial Statements contained an emphasis on the material uncertainty related to going concern and identified two additional key audit matters: (i) carrying value of aircraft and value of future committed aircraft purchases and (ii) tax assets and liabilities. The opinion contains several general disclaimers, but none that are not commonly used in audit opinions of similar companies. The emphasis on material uncertainty related to going concern is reprinted below:

> *Material Uncertainty Related to Going Concern*
>
> *We draw attention to Note 2.8 in the financial statements of the Group and Note 1 in the financial statements of the Company and the Board of Directors' report. As stated in the Notes and Board of Directors' report, the Group and the Company are significantly impacted by the current outbreak of the COVID-19. The long-term effects of the pandemic are still highly uncertain, and the Group and the Company will require additional working capital to resume the operation from its current hibernation mode as well as if the hibernation mode continues into Q1 2021. Further the Group and the Company are dependent on completing the ongoing restructuring process of the aircraft financing and other creditors. These uncertainties, along with other matters as set forth in the notes and the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.*

6.2 Recent Developments – Financial Position of the Group

The Company is currently in adverse financial distress and is subject to examinership in Ireland and reconstruction process in Norway, with an unpredictable outcome. Due to the current financial distress, examinership in Ireland, reconstruction process in Norway, and the unpredictable outcome of such events, historical financial information may not be representative for future operations or financial performance.

When entering the examinership and reconstruction process, the Company’s aim is to reduce its fleet of aircraft and right-size its balance sheet and operations. The reconstruction process triggers a renewed basis for impairment of assets, which could lead to a substantial impairment and a significant reduction of the Company’s equity after 30 September 2020. Please refer to section 4.7 for more details on the Examinership and Reconstruction process, including Norwegian’s expectations to further reduce its fleet and debt obligations as part of the Phase 2 Restructuring and the Indicative Plan.

6.3 Currency and roundings

In this Registration Document, all references to "NOK" are to the lawful currency of Norway, all references to "USD" are to the lawful currency in the US, and all references to "EUR" are to the official currency of the EU. No representation is made that the NOK, USD, and EUR amounts referred to herein could have been or could be converted into NOK, USD, or EUR as the case may be, at any particular rate, or at all.

Certain figures included in this Registration Document have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

6.4 Overview of debt facilities and debt maturities

The table below sets forth an overview of the outstanding financial debt of the Company as per 30 September 2020. Please refer to section 4.7 for more details on Norwegian's expectations to reduce its debt as part of the Phase 2 Restructuring and the Indicative Plan.

	Outstanding amount per 30 September 2020 (NOK million)
Aircraft financing	22,095.9
Pre-delivery payment financing	723.3
Bonds	2,257.8
Securities financing	0,0
Lease liabilities	25,166.4
Loan with state guarantee	2,989.0
Other	**333.0**
Total book value debt	**53,565.4**
Amortized financing costs and fair value adjustment	**1,639.7**
Book value of outstanding debt	**51,925.6**

The Company uses various sources for aircraft financing. The table below sets forth an overview of the various sources that the Company currently uses as well as the outstanding amounts as per 30 September 2020.

Financing source	**# of aircraft**	**Book value per 30 September 2020 (NOK million)**
US Export Credit Financing	13	3,245.9
US Private Placement	7	1,554.2
Bank loans	3	867.1
Enhanced Equipment Trust Commitment	10	2,662.3
Aircraft Finance Insurance Consortium	14	6,489.4
U.K. Export Credit Financing (UKEF)	3	2,806.1
UKEF / Japanese Operating Lease Co.	3	3,744.7
Finance lease	2	726.1
Aircraft financing	**55**	**22,095.9**

Aircraft lease liabilities	**85**	**25,166.4**
Total aircraft financing	**140**	**47,262.3**

The table below sets forth an overview of the Company's borrowings as per 30 September 2020, including repayment schedule and anticipated interest payments in 2020, 2021, 2022 and thereafter, as well as expected interest payments and outstanding amounts for each period. Note that the table does not include anticipated new borrowings relating to the delivery of new aircraft, nor any reduction of debt that may be carried out as part of the Phase 2 Restructuring and the Indicative Plan.

Bonds:

In NOK million

Name of facility	**NAS07**	**NAS08**	**NAS09**	**USD-CONV**	**State guaranteed loan**	**Private loan**
Currency	EUR	SEK	NOK	USD	NOK	NOK
Interest rate type	**Fixed**	**Floating**	**Floating**	**Floating**	**Floating**	**Floating**
Outstanding at Sep 2020	**1,405.4**	**541.4**	**250.0**	**61.0**	**2,989.0**	**333.0**
Down payments Q4 2020	0.0	0.0	0.0	0.0	0.0	0.0
Interest payments Q4 2020	0.0	0.0	0.0	0.0	28.5	6.6
Outstanding at year-end 2020	**1,405.4**	**541.4**	**250.0**	**61.0**	**2,989.0**	**333.0**
Down payments 2021	0.0	0.0	250.0	0.0	0.0	0.0
Interest payments 2021	39.7	8.7	7.0	1.6	113.9	30.1
Outstanding at year-end 2021	**1,405.4**	**541.4**	**0.0**	**61.0**	**2,989.0**	**333.0**
Down payments 2022	1,405.4	0.0	0.0	0.0	2,989.0	333.0
Interest payments 2022	95.3	26.2	0.0	3.7	25.2	7.6
Outstanding at year-end 2022	**0.0**	**541.4**	**0.0**	**61.0**	**0.0**	**0.0**
Down payments 2022	0.0	541.4	0.0	0.0	0.0	0.0
Interest payments 2022	0.0	6.6	0.0	3.7	0.0	0.0
Down payments after 2022	**0.0**	**0.0**	**0.0**	**61.0**	**0.0**	**0.0**

Long-term aircraft financing and pre-delivery payment financing ("PDP Financing"):

In NOK million

Name of facility	**Aircraft financing**	**PDP Financing**
Currency	USD/EUR	USD
Outstanding at Sep 2020	**22,095.9**	**410**
Down payments Q4 2020	528.8	0.0
Interest payments Q4 2020	139.5	5.5
Outstanding at year-end 2020	**21,567.1**	**410.1**
Down payments 2021	2,181.4	410.1
Interest payments 2021	470.7	22.1
Outstanding at year-end 2021	**19,385.7**	**0.0**
Down payments 2022	2,262.1	0,0
Interest payments 2022	426.0	0,0
Down payments after 2022	**17,123.6**	**0.0**

Long-term aircraft financing has for the most part fixed interest rate. PDP Financing is always done using floating interest rate.

The Group manages its interest rate risk by choosing fixed and floating interest rates on its facilities in order to get the preferred portfolio mix of interest rate exposure.

The Company expects to repay the respective debt facilities that are not subject to the Conversion of Debt upon their maturity by means of available cash on hand and by refinancing in the bank or bond market, depending on the financial situation and available alternatives at the time of such maturity, however, no assurance can be given that the Company will be able to repay such debt. Repayments are to be made at par value.

7. BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES

7.1 The Board

7.1.1 Overview of the Board and its responsibilities

In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of its business, ensuring proper organization of its business, preparing plans and budgets for its activities, ensuring that its activities, accounts and asset management are subject to adequate controls, and undertaking investigations necessary to perform its duties.

7.1.2 The Board

The following table sets forth the members of the Company's Board of Directors as of the date of this Registration Document.

Name	Position	Has served since	Term expires
Niels Smedegaard	Chair	2019	2021
Chris Browne	Director	2020	2022
Eric Holm	Director	2019	2021
Geir Olav Øien	Director	2016	2021
Ingrid Elvira Leisner	Director	2019	2021
Jaan Albrecht Binderberger	Director	2020	2022
Katrine Gundersen	Director	2019	2021
Sondre Gravir	Director	2018	2022
Vibeke Hammer Madsen	Director	2020	2022

7.1.3 Brief biographies of the directors of the Board

Set out below are brief biographies of the directors of the Board (the "**Directors**"), including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Director is or has been a member of the administrative, management or supervisory bodies or partner the previous five years.

Niels Smedegaard, Chair of the Board

Mr. Niels Smedegaard (born 1962) was the President and CEO of DFDS Group from 2007 to 2019. He has previously held positions in companies such as Gate Gourmet Group, Swissair and SAS. Mr. Smedegaard is a Danish citizen and holds a master's degree from Copenhagen Business School.

Mr. Smedegaard also holds a number of board appointments in various European companies. Mr. Smedegaard was elected as Chair in 2019 and has been elected for the period 2019-2019. The business address is c/o Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (Chair); The Bikuben Foundation (Chair); Kollegiefonden Bikuben (Chair); TT Club (board member); Falck A/S (board member); FrederiksbergFonden (board member); Nikolai og Felix Fonden (board member); UKP&I (board member); Royal Greenland (board member)

Description	Information
Previous directorships and management positions last five years	DFDS Group (President and CEO); Danish Shipping (Chair); ECSA (Chair); Interferry (board member)

Jaan Albrecht Binderberger, Board Member

Mr. Jaan Albrecht Binderberger (born 1955) was the CEO of Saudi Arabian Airlines from 2017 until early 2020, when he moved to the Holding and is currently acting as an Advisor to the Chairman of the company. Mr. Albrecht is a former pilot and held various management positions at Mexicana de Aviación, including Fleet Chief Pilot, Chief Operating Officer, Chief Commercial Officer and CEO of the Cargo Division. He was the CEO of Star Alliance for ten years and later held the same position at Austrian Airlines and Sunexpress before joining Saudi Arabian Airlines. Mr. Albrecht studied architecture and has a master's degree in Business Administration from Innestec Mexico City. Mr. Albrecht has been elected for the period 2020-2022 and is an independent board member.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (Director); Saudia Cargo (Director)
Previous directorships and management positions last five years	Austrian Airlines (CEO); SunExpress (CEO); Saudia Airlines (CEO); Lufthansa Consulting (Director)

Vibeke Hammer Madsen, Board member

Ms. Vibeke Hammer Madsen (born 1955) is the former CEO of Virke, The Federation of Norwegian Enterprise, which organizes and represents over 24,000 businesses with more than 280,000 employees. She was CEO of Virke from 2002-2018. In addition, Ms. Madsen was the Vice President of Human Resource & Business Support at Statoil Retail from 1996-1999 and held various positions in the company from 1993-1996. Furthermore, she was a partner in PA Consulting Group from 1999-2002. Ms. Madsen has also held several board appointments previously. She specialized in X-ray within industry and health at Ullevål radiografhøgskole from 1977-1979. Ms. Madsen has been elected for the period 2020-2022 and is an independent board member.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (Director); Storebrand Livsforsikring (board member), Norfund (board member), Induct Software (board member), Intendia Group (board member), Nordic Council Freedom of movement (Norwegian representative)
Previous directorships and management positions last five years	Virke (CEO), Kværner ASA (board member), Verdens Gang (board member)

Ingrid Elvira Leisner, Board member

Ms. Ingrid Elvira Leisner (born 1968) has long experience as head of audit committees and member of a number of boards, including Self Storage Group, Techstep, Maritime & Merchant and Spectrum Geo. Over several years, she has held several positions with Statoil (now Equinor), including Head of Portfolio Management Electric

Power, Portfolio Manager and Trader. Ms. Leisner has a Bachelor of Business Administration from University of Texas in Austin, USA.

Ms. Leisner has been elected for the period 2019-2021 and is an independent board member. The business address is c/o Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (Director); Self Storage Group (board member); Techstep (board member); Maritime & Merchant Bank (board member)
Previous directorships and management positions last five years	Spectrum Geo (board member); Vistin Pharma (board member); Hunter Group (board member); Fortuna Mare (board member); Bionor Pharma (board member); Aurora LPG Holding (board member); Aega ASA (board member)

Chris Browne, Board Member

Ms. Chris Browne (born 1960) has extensive experience from the airline and travel industry, including Iberia, First Choice Airways and TUI. At TUI, Ms. Browne was the Managing Director of Thomson Airways for seven years and then took on the role as Chief Operating Officer at TUI Airlines from 2014 to 2015. Ms. Browne also held the position of Chief Operating Officer at easyJet from 2016 until she stepped down in 2019. She was awarded an OBE for services to aviation in 2013. Ms. Browne has been elected for the period 2020-2022 and is an independent board member.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (Director);
Previous directorships and management positions last five years	Vistry Group PLC (Board member), Easyjet PLC (Board member), Windmill Hill Management Company Limited (Board member), Thomson Airways (Services) Limited (Board member), TUI Airways Limited (Board member), First Choice Airways Limited (Board member), TUI UK Limited (Board member)

Sondre Gravir, Board member

Mr. Sondre Gravir (born 1977) is the CEO of SATS, a position he has held since 2018. Prior to this, he was CEO of Schibsted Marketplaces, Executive Vice President of Schibsted Established Markets, as well as CEO of Finn.no, Aftenposten and Bergens Tidende. He has also worked as a management consultant in McKinsey. Mr. Gravir holds a Master of Science in Economics and Business Administration from the Norwegian School of Economics (NHH) and selected MBA courses in international finance and business from the National University of Singapore. Mr. Gravir has experience from several Schibsted boards internationally both as chairman and board member, and has also had board appointments in Frende Forsikring, Fædrelandsvennen, and Finn.no.

Mr. Gravir has been elected for the period 2018-2020 and is an independent board member. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (Director); SATS (CEO)
Previous directorships and management positions last five years	Schibsted Marketplaces (CEO), Schibsted Established Markets (Executive Vice President); Finn.no (CEO); Aftenposten (CEO); Bergens Tidende (CEO)

Geir Olav Øien, Board member (employee representative)

Mr. Geir Olav Øien (born 1972) joined the Company's Technical Department in 1998. He has been working in the aviation industry since 1991 and has extensive experience within technical operations. Mr. Øien has previously worked for SAS Heavy Maintenance Oslo and as a civil employee for the Norwegian Air Force in Bodø and Kjeller. From 2014-2015 he was the leader of the Company's Technical Union.

Mr. Øien has been a Director since 2016 and has been elected for the period 2019-2021. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (Director)
Previous directorships and management positions last five years	Norwegian's Technical Union (Leader)

Eric Holm, Board member (employee representative)

Mr. Eric Holm (born 1967) joined the Group in March 2010 and is currently employed in Norwegian Cabin Services Norway AS. Mr. Holm holds a Master of Arts in International Security Studies from the University of Leicester.

Mr. Holm has been Deputy Board Member at Norwegian Cabin Services Norway, Chairman at Parat Luftfart and Board Member (employee representative) at Lufthansa Service Group Norway. He has been elected for the period 2019-2021. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (Director)
Previous directorships and management positions last five years	Norwegian Cabin Services Norway (Deputy board member)

Katrine Gundersen, Board member (employee representative)

Ms. Katrine Gundersen (born 1974) holds the position as Crew Tracker at the Company's Integrated Operational Control Centre (IOCC). She started working in the airline industry in the late 1990s and has been with the Group since August 2002. She holds a bachelor's degree in Economics from BI Norwegian Business School.

Ms. Gundersen was Deputy Director of the Board from 2016-2018. She is elected for the period 2019-2021. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (Director)
Previous directorships and management positions last five years	Norwegian Air Shuttle ASA (Deputy Director)

7.2 Management

7.2.1 Overview

The names, positions, and current term of the members of the Management at the date of this Registration Document are presented in the table below:

Name	Position	Executive manager since
Mr. Jacob Schram	Chief Executive Officer	2020
Mr. Geir Karlsen	Chief Financial Officer	2018
Mr. Andrew Hodges	EVP Airline	2015
Mr. Christoffer Sundby	EVP Customer	2009
Ms. Guro H. Poulsen	EVP People	2019
Ms. Anne-Sissel Skånvik	EVP Communications and Public Affairs	2020
Mr. Knut Olav Irgens Høeg	EVP IT, Supply Chain & Process Improvement	2020
Mr. Tor-Arne Fosser	EVP Airline Ecosystem	2020

7.2.2 Chief Executive Officer

Introduction

The CEO is responsible for the day-to-day management of the Company, a Norwegian public limited liability company ("**PLLC**") and operates in accordance with the instructions set out by the Board of Directors. Among other things, the CEO of a PLLC is obligated to ensure that the company's accounts are kept in accordance with existing Norwegian legislation and regulations, and that the assets of the company are managed responsibly.

In addition, at least once a month the CEO of a PLLC must brief the Board of Directors about the company's activities, position and operating results.

Brief biography of Jacob Schram, the Company's Chief Executive Officer

Mr. Jacob Schram (born 1962) joined the Company as Chief Executive Officer in January 2020. He has several years of experience from large international companies, including 22 years in Circle K (previously Statoil Fuel & Retail (SFR)), where he was Group President for Europe for 14 years until he stepped down in 2018. As CEO, he led the process of publicly listing SFR on the Norwegian Stock Exchange in 2010. Previously, he has also held managing roles in McDonalds and McKinsey. During the last year he has worked with private investments, start-ups and presentations related to his book "The Essence of Business", in addition to holding the position as Senior Advisor at McKinsey. Mr. Schram has a Master of Science in Economics from Copenhagen Business School. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (Chief Executive Officer); Møller Mobility Group AS (board member); Blacksheep Coffee (board member); Oslo Mobility Company AS (Chair and co-founder)
Previous directorships and management positions last five years	Circle K Europe (Group President); Hovedorganisasjonen Virke (Chair)

7.2.3 Brief biographies of the other members of the Group's Management

Introduction

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Geir Karlsen, Chief Financial Officer

Mr. Geir Karlsen (born 1965) has held the position as Chief Financial Officer (CFO) since April 2018. From July 2019 to December 2019, he was Acting CEO in Norwegian. He has extensive experience from listed companies within shipping and offshore. Mr. Karlsen has over the last twelve years held various CFO positions with international companies such as Golden Ocean Group and Songa Offshore. Before Norwegian, he held the position Group CFO at London-based Navig8 Group, the world's largest independent pool and management company. Geir Karlsen has a degree in Business Administration from BI Norwegian Business School. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (CFO);
Previous directorships and management positions last five years	Norwegian Air Shuttle ASA (Acting CEO); Navig8 Group (CFO); Songa Offshore SE (CFO); Golden Ocean Group (CFO)

Andrew Hodges, EVP Airline

Mr. Andrew Hodges (born 1971) was appointed Executive President (EVP) Airline in June 2020. He joined Norwegian in June 2019 as Senior Vice President for Network Strategy & Planning before being appointed EVP Airline in June 2020. Andrew has over 20 years of aviation experience including 12 years with easyJet plc, where he held several senior commercial and finance roles. He has also worked for British Airways for 5 years in a Corporate Development role, and for Deloitte for seven years where he qualified as a Chartered Accountant and helped develop a successful aviation consulting practice. Andrew graduated with a First Class BEng from Southampton University in Aeronautics & Astronautics.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (EVP Airline)
Previous directorships and management positions last five years	N/A

Christoffer Sundby, EVP Customer

Mr. Christoffer Sundby (born 1978) was appointed Executive Vice President (EVP) Customer in September 2020. Christoffer has 10 years of leadership experience in merchandising, including operations, marketing, sales, product & concept development and customer service. He was Senior Vice President of Circle K Norway in 2017-2019 before he was appointed CEO of the healthcare company Unicare in August 2019. Christoffer started his professional career as a consultant at McKinsey & Company in 2006, after several years as a member of the Norwegian Olympic team in sailing. Christoffer has a MSc in Economics from BI Norwegian Business School.

Guro H. Poulsen, SVP Crew Management

Ms. Guro H. Poulsen (born 1975) is Norwegian's SVP Crew Management. She has been with Norwegian since 2010, starting as a financial controller and later working as the finance manager for Norwegian Air Resources, the Group's wholly owned Crew Services subsidiary. She has several years of experience from large international companies, including Goodyear Dunlop and Wrigley as business controller. Ms. Poulsen holds a Master of Business Administration within Marketing from Griffith University in Australia and a Bachelor of Business Administration within Travel and Tourism Management from BI Norwegian Business School. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (SVP Crew Management)
Previous directorships and management positions last five years	Norwegian Air Shuttle ASA (Group Controller & Finance Manager Norwegian Air Resources)

Anne-Sissel Skånvik, EVP Communications and Public Affairs

Ms. Anne-Sissel Skånvik (born 1959) joined the Company in 2009 from a position as Senior Vice President at Telenor ASA, where she was responsible for corporate communications and governmental relations. Ms. Skånvik was the Deputy Director General in The Norwegian Ministry of Finance between 1996 and 2004. She also has years of experience from Statistics Norway (SSB) and various media. Ms. Skånvik has a master's degree in political science ("Cand. Polit") from the University of Oslo, a degree in journalism from Norwegian College of Journalism and the Executive Management Course at the Norwegian Defense University College. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (Chief Communications Officer); Statistics Norway (board member); NHO luftfart (board member and Deputy Chair)
Previous directorships and management positions last five years	N/A

Knut Olav Irgens Høeg, SVP Procurement / IT / Customer Care

Mr. Knut Olav Irgens Høeg (born 1973) has held the position as SVP Procurement since August 2019 and acting in the role as SVP IT and Customer Care from February 2020. Mr. Høeg has extensive experience in procurement and IT from several large operations, like Circle K, TINE, Storebrand and Skandia. He has also been a management consultant at Deloitte. Mr. Høeg has been driving several different change and cost-out projects and in addition building up organizations both locally and near-shore. Mr. Høeg has a Master of Science in Economics from BI Norwegian Business School and an MBA from the Norwegian School of Economics (NHH). The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (SVP Procurement and Acting SVP IT and Customer Care); Mack Øst AS (board member)
Previous directorships and management positions last five years	TINE SA (SVP Procurement); Circle K (Head of Procurement Europe)

Tor-Arne Fosser, EVP Airline Ecosystem

Tor-Arne Fosser (born 1974) was appointed Executive Vice President (EVP) Airline Ecosystem in October 2020. Tor-Arne has more than 20 years of B2C experience from companies in the telecommunications, technology, and consulting sectors. He was Chief Marketing Officer of Telenor Denmark from January 2019 until October 2020. From 2001 he held several commercial leadership positions within marketing, strategy, digital transformation, and partnerships in the Telenor Group. Tor-Arne is a former business consultant at Accenture, and he was CEO of a digital marketing agency at Dentsu. Tor-Arne holds a Masters degree in Marketing Management from BI Norwegian Business School. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (EVP Airline Ecosystem)
Previous directorships and management positions last five years	Telenor Denmark (Chief Marketing Officer / Commercial Officer) Talkmore (board member)

Joan Gauermann, EVP Operations

Mr. Johan Gauermann (born 1962) was appointed interim Executive Vice President (EVP) Operations in June 2020. He has more than 30 years of airline experience from various senior management roles. Mr. Gauermann joined Norwegian in October 2017 from global leisure travel group TUI where he, beside airline operations, was involved in change management and digital transformation programs. Johan was appointed Group Director Flight Operation in 2019. He holds an airline pilot certificate and a degree from City University of London. Johan has also studied Executive Management at Stockholm School of Economics. The business address is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

Description	Information
Current directorships and management positions	Norwegian Air Shuttle ASA (EVP Operations)
Previous directorships and management positions last five years	N/A

7.3 Shares and Options held directly or indirectly by members of the Board of Directors, CEO and management

7.3.1 Overview of Shares

Name	Title	Shares
Niels Smedegaard	Chair	2,522
Jaan Albrecht Binderberger	Director	1,102
Vibeke Hammer Madsen	Director	1,102
Ingrid Elvira Leisner	Director	1,171
Chris Browne	Director	1,102
Sondre Gravir	Director	467
Geir Olav Øien	Director, elected by the employees	-
Eric Holm	Director, elected by the employees	117

Katrine Gundersen	Director, elected by the employees	-
Jacob Schram	Chief Executive Officer	7,000
Geir Karlsen	Chief Financial Officer	5,000
Christoffer Sundby	EVP Customer	-
Anne-Sissel Skånvik	EVP Communications and Public Affairs	38
Tor-Arne Fosser	EVP Airline Ecosystem	-
Johan Gauermann	EVP Operations	-
Knut Olav Irgens Høeg	EVP IT, Supply Chain & Process Improvement	92
Guro H. Poulsen	EVP People	3

7.4 Overview of Options

Options program

The Company has historically had option programs that are approved by the annual general meeting of the Company (the "**AGM**") for one year at the time. In 2020 however, no option program was offered to the management.

Options issued in 2019

On 7 May 2019, the Annual General Meeting of the Company adopted a share option program limited to 12,000 share options. 12,000 options under this program were granted to ten executives in May 2019. Options may be exercised in 2022 at the earliest, and any remaining options in 2026 at the latest. The exercise price is NOK 4,300 adjusted for the reverse share split, which was the average price of the NAS share on trading days during the first ten calendar days after the presentation of the Company's first quarter 2019 financial results plus 15 percent (rounded to the nearest NOK 1).

In relation to the appointment of Jacob Schram as new Chief Executive Officer of the Company in November 2019, Jacob Schram and Geir Karlsen were awarded 3,000 share options each. The share options were given on similar terms as the 12,000 options adopted at the 2019 Annual General Meeting.

As of the date of this Registration Document, there were 14,000 outstanding share options.

Options issued in 2018

On 8 May 2018, the Annual General Meeting of the Company adopted a share option program limited to 4,000 share options. 3,800 options under this program were granted to eleven executives in September 2018. Options may be exercised in 2021 at the earliest, 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 during the first ten calendar days after the presentation of the Company's second quarter 2018 financial results plus 15 percent (adjusted for the reverse share split). To maintain the incentive of the plan, the Board approved and adjustment to the strike price from NOK 27,800 to NOK 4,300 on 24 September 2019. As of the date of this Registration Document, there were 1,000 outstanding share options with strike price NOK 4,300 and 800 outstanding share options with strike price NOK 27,800 (adjusted for the reverse share split).

The below table sets forth the outstanding share options held by the Company's management team:

Options issued in year	**2018**	**2019**
Strike price, NOK	4,300	4,300

Name	Title	Outstanding	
Expiry year		2025	2026
Jacob Schram	Chief Executive Officer	0	3,000
Geir Karlsen	Chief Financial Officer	500	4,500
Anne-Sissel Skånvik	Chief Communications Officer	200	500

Share savings program

In addition to the options program for the Management, the Company has implemented a share purchase savings program for the employees, whereby the employees purchase shares in the parent company by way of salary deductions, and the Company will fund up to 50 percent of the purchased shares, limited to NOK 6,000 per year. Employees are not permitted to sell the shares in a period of twelve months after date of acquisition. The Company will also distribute one bonus share per ten shares kept by the employee for two years after acquisition date.

7.5 Board sub-committees

7.5.1 The nomination committee

The nomination committee's task is to nominate candidates to the General Meeting for the shareholder-elected Directors' and deputy members' seats. The Articles of Association state that the nomination committee shall have four members who shall be shareholders or representatives of shareholders. To ensure that nominees meet the requirements for expertise, capacity and diversity set forth by the members of the Board of Directors, the Chair of the Board is a permanent member of the committee. The remaining three members are elected by the General Meeting for two years at a time.

The guidelines for the nomination committee are included in the Company's Annual Corporate Governance Statement.

As described in the guidelines, the nomination committee should have contact with shareholders, the Board of Directors and the Company's executive personnel as part of its work on proposing candidates for election to the Board of Directors.

The nomination committee currently consists of the following three members:

- Mr. Sven Fermann Hermansen, pilot and shareholder in the Company;
- Mr. Nils Bastiansen, Chief Investment Director Folketrygdfondet; and
- Mr. Bjarte Borgersen, Partner, Borgersen & Partners.

Mr. Sven Fermann Hermansen and Mr. Nils Bastiansen were elected by the Annual General Meeting on 30 June 2020 and Mr. Bjarne Borgersen was elected at the Extraordinary General Meeting on 17 December 2020. The members of the nomination committee are elected for two years at a time. None of the members of the nomination committee represent the Management. The majority of the members are considered as independent of the Management and the Board. The composition of the nomination committee is regarded as reflecting the common interests of the community of Shareholders.

The business address of the nomination committee is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

At the Annual General Meeting on 7 May 2019, Article 8 of the Articles of Association of the Company was changed so that the Chair of the Board of Directors of the Company is no longer a permanent member of the committee.

7.5.2 The audit committee

The audit committee was established by the Annual General Meeting in 2010. The audit committee currently consist of the following two members, who are also board members of the Company:

- Ms. Ingrid Elvira Leisner (committee chair); and
- Mr. Jaan Albrecht Binderberger

The quarterly financial reports are reviewed by the audit committee prior to Board approval and disclosure. The appointed external auditor annually presents the main features of the audit plan for the Group to the audit committee. The auditor presents a review of the Group'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 presents the report from the auditor that addresses the Group's accounting policy, risk areas and internal control routines.

The business address of the audit committee is c/o Norwegian Air Shuttle ASA, Oksenøyveien 3, 1336 Lysaker, Norway.

7.6 Conflicts of interest

There are currently no actual or potential conflicts of interest between the Group and the private interests or other duties of any of the members of the Board of Directors and the members of the Management.

7.7 Convictions for fraudulent offences, bankruptcy, etc.

None of the members of the Board of Directors or members of the Management have during the last five years preceding the date of this Registration Document:

- Been presented with any convictions related to indictable offences or convictions related to fraudulent offences;
- Received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- Been declared bankrupt or been associated with any bankruptcy, receivership, liquidation or companies put into administration in his capacity as a founder, director or senior manager of a company.

7.8 Employees

Introduction

At the end 2019, the Group facilitated employment for a total 9,388 people, compared to 10,215 at the end of 2018, apprentices and staff employed in partner companies included. This includes 4,754 cabin crew and 2,377 pilots. Remaining employees are administration, ground handling and technical maintenance and warehouse.

The Company's successful apprentice program in Travel & Tourism continued in 2019 with apprentices from Norway. The program is approved by the Norwegian Educational Authorities and comprised of approximately 100 apprentices at the end of 2019. The program runs over a two to three-year period dependent on the apprentice's educational background and has year-round rolling admission. At graduation, the apprentices had successfully completed modules in Sales & Marketing, Customer Support & Booking and Ground Handling. They also had two international assignments over a longer period and had spent several months flying as cabin crew members across Scandinavia and Europe. The standard of Norwegian apprentices is at the highest level with a perfect pass rate in 2019.

The Company's human resources policy strives to be equitable, neutral and non-discriminatory. The airline industry has historically been male dominated, but NAS has a strong tradition of practicing equality since its inception in 2002. Norwegian has talented and highly competent staff and is committed to recruiting both women and men to key positions. In 2019, 44 percent of staff were female and 56 percent male. Most pilots are male, while women represent around a 5 percent share of pilots. Most cabin personnel are female, while males account for approximately 32 percent. Among administrative staff, there is roughly an equal ratio of male to female staff. Technicians and engineers have historically been men, but in the past few years, the number of female staff has been rising. The Board of Directors has 37.5 percent (3/8) female representation.

Active monitoring of HSE (Health, Safety and Environment) indicators, corporate health insurance policies and continued cooperation with protective services will help ensure that a reduction of sickness leave remains a priority. Several key HSE activities are conducted in compliance with labor laws and corporate guidelines. This includes risk assessments, audits, handling of occurrence reports, conflicts, work environment surveys and following up with Group processes on base meetings for crew and technical staff. Activities also include participation in ERM organization, and regular meetings with Fatigue Risk Manager, Non-SAG and in several HSE-related projects. HSE information is also provided in connection with the training of crew, pilots, and technical staff. HSE provides leader training and seminars focusing on positive work engagement. The Group HSE function also ensures HSE supervision, leads the work on preventing addiction and abuse problems, Work Environment committees (WEC) and safety representative meetings. A well-functioning safety representative organization has been established and there is ongoing work to create WECs throughout the organization, as part of implementing HSE aligned with global requirements.

The Company is a member of NHO Aviation, which is a member of NHO, the Confederation of Norwegian Enterprise. Salary reviews are conducted through local union negotiations or according to local laws, regulations and CBA (collective bargaining agreements). The salary development reflects the social situation and market requirements and in 2019 was moderate according to the consumer price index. People working at Norwegian are employed in the country they are based and follow the laws and regulations of their respective country. However, Norwegian's policies and guidelines are based upon a Scandinavian approach according to its legacy and organizational culture. Sickness leave for the Group across all units (not including agency staff) was 6.7 percent for 2019.

Number of man-labor years 2019-2016[1)]

	2019[2]	2018	2017	2016
Norway	2,418	2,405	1,910	1,835
Spain	2,032	2,090	1,837	1,209
UK	1,700	1,790	1,637	945
Sweden	735	768	583	520
Singapore/Bangkok	186	205	212	246
Denmark	730	753	401	324
The US	514	610	621	391
Finland	357	373	269	204
Ireland	82	218	86	77
Italy	333	392	166	45
France	283	288	44	-
Netherlands	-	33	37	-
Caribbean	-	115	28	-
Argentina	18	175	14	-
Total	**9,388**	**10,215**	**7,845**	**5,796**

1) Including man-labor years related to hired crew personnel

2) Headcount

Please refer to section 4.7 for more information on the Company's Indicative Plan to exit the Examinership and Reconstruction process, including the proposal to reduce Norwegian's fleet and consequently its operations and thereby its employees.

8. SHARE CAPITAL AND SHAREHOLDER MATTERS

The following description includes certain information concerning the Company's share capital, a brief description of certain provisions contained in the Company's Articles of Association and Norwegian law in effect as of the date of this Registration Document. Any change in the Articles of Association is subject to approval by a General Meeting. This summary does not intend to be complete and is qualified in its entirety by the Articles of Association and Norwegian law.

8.1 Share capital and shares

8.1.1 General

NAS is a public limited liability company organized under the laws of Norway and subject to the Norwegian Public Limited Liability Companies Act, with registered office at Oksenøyveien 3, 1366 Lysaker, Norway.

8.1.2 Share capital

As of the date of this Registration Document, the Company's registered share capital is NOK 397,493,660 divided into 39,749,366 Shares each with a nominal value of NOK 10. All the Shares are issued and fully paid. On 17 December 2020, the EGM approved a reverse Share split in the ratio of 100:1, such that the nominal value of the Shares was increased from NOK 0.10 to NOK 10, and following a creditor notice period of six weeks, a reduction in the nominal value from NOK 10 to approximately NOK 0.01 will occur (the "**Share capital Reduction**"). The nominal value of the Shares following the reduction in the share capital will depend on the Company's aggregate share capital at the expiry of the creditor notice period of six weeks, during which period the share capital may increase upon conversion of the November 2019 Bonds and the Perpetual Bonds. The proposal is made to ensure that the nominal value of the Shares following the reverse split above does not restrict the Company from issuing Shares at a price below NOK 10 in the future.

The Company has one class of shares, each Share carrying equal shareholder rights, including one voting right at the General Meeting. The Articles of Association do not provide for limitations on the transferability or ownership of Shares.

The existing Shares have been created, and any Shares resulting from conversion of the Perpetual Bonds will be created, under the Norwegian Public Limited Liability Companies Act and registered in book-entry form with the VPS. The existing Shares are, and any conversion Shares will be, registered under ISIN NO 001 0196140. The registrar for the Shares is DNB Bank ASA. The Company has been listed on Oslo Børs since December 2003 under the ticker NAS.

During the Debt Conversion, the Company may issue Shares that are subject to lock-up. Such conversion Shares would be placed on separate ISINs applicable to each relevant lock-up period. Once the relevant lock-up period expires, the ISIN in question is expected to be merged with the Company's ordinary ISIN.

8.1.3 Warrants, convertible loans and authorizations to issue new Shares

The Company has not issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Shares in the Company, other than those options held by the members of Management as described in Section 7.4 "Overview of options", the November 2019 Bonds and the Perpetual Bonds.

Further, the Company has not issued subordinated debt or transferable securities other than the Shares, the November 2019 Bonds and the Perpetual Bonds.

Rights offering

The EGM held on 17 December 2020 approved to carry out a rights offering where the Company receives gross proceeds of up to NOK 4 billion at a subscription price of minimum NOK 5 and maximum NOK 200 as determined at the discretion of the Board of Directors.

The resolution is as follows:

1. *The share capital is increased by minimum NOK 0.01 and maximum NOK 8 million by issue of minimum 1 and maximum 800 million new shares, each with a nominal value as determined by the resolution "Reduction of share capital" above.*

2. *The subscription price is minimum NOK 5 and maximum NOK 200 as determined at the discretion of the board of directors.*

3. *The shareholders, as of a future date to be decided by the board of directors, shall have preferential rights to the new shares in proportion to their shareholding in the company. Consequently, the date of which shareholders shall be eligible to receive subscription rights, and the corresponding ex-date and record date for allocation of subscription rights to the shareholders shall be determined by the board of directors following the determination of the subscription price.*

4. *Tradeable subscription rights will be issued and registered with the Norwegian Central Securities Depositary (VPS) prior to the commencement of the subscription period. The subscription rights shall be tradable from commencement of the subscription period and until 16:30 (Oslo time) two trading days prior to the end of the subscription period. Over-subscription and subscription without subscription rights is permitted.*

5. *The company shall prepare a prospectus for the rights offering to be approved by the Norwegian Financial Supervisory Authority. Unless the board of directors decides otherwise, the prospectus shall not be registered with or approved by any foreign prospectus authority. The new shares may not be subscribed for by investors in jurisdictions (outside Norway) where such subscription is not permitted or to whom the new shares cannot lawfully be offered without a prospectus, registration, due to local rules or similar. The company may at its discretion sell subscription rights issued to shareholders in such jurisdictions and transfer the net proceeds thereof to such shareholders.*

6. *The subscription period shall commence on the second business day after the Norwegian Financial Supervisory Authority has approved the prospectus for the rights offering, and shall expire at 16:30 hours (CET) two weeks thereafter.*

7. *The subscription amount shall be paid in cash. Payment for the new shares shall be made no later than the fourth trading day after the expiry of the subscription period. Subscribers who have a Norwegian bank account shall provide a one-time irrevocable authorization to debit a specified Norwegian bank account for the amount payable for the shares allocated to the subscriber on or around the payment date. Further, payment regulations, including for shareholders without a Norwegian bank account, shall be included in the prospectus.*

8. *The new shares shall be allocated by the board of directors. The following allocation criteria shall apply:*

    a) *Allocation of shares to subscribers shall be made in accordance with granted and acquired subscription rights which have been validly exercised during the subscription period. Each subscription right will give the right to subscribe for and be allocated one new share.*

    b) *If not all subscription rights are validly exercised, subscribers having exercised their subscription rights and who have over-subscribed, will be allocated additional new shares on a pro rata basis based on the number of subscription rights exercised by each such subscriber. To the extent that pro rata allocation is not possible, the company shall determine the allocation by the drawing of lots.*

    c) *New shares not allocated pursuant to a) and b) above will be allocated to subscribers not holding subscription rights. Allocation will be sought made on a pro rata basis based on the relevant subscription amounts.*

9. *The new shares will carry rights to dividends and other shareholder rights in the company from the time the share capital increase is registered with the Norwegian Register of Business Enterprises.*

10. *§ 3 of the articles of association shall be amended to state the company's share capital and number of shares following the share capital increase.*

11. *The estimated costs for this capital increase are 3 per cent of the gross proceeds.*

12. *The board of directors may, at its discretion, determine not to implement this resolution.*

Note that no commitments or agreements have been entered into with respect to the rights offering, nor are the terms of any such rights offering decided. Such rights offering may therefore not be carried out on the above-mentioned terms or at all.

Conversion of senior loans of the Group to Shares

At the EGM held on 17 December 2020, the shareholders of the Company resolved to approve to convert all or part of the Group's senior loans in the amount of up to NOK 5.18 billion as of 30 September 2020, including the Bond Loans and bank financing, to Shares at a minimum conversion price of NOK 5 and a maximum conversion price of NOK 200, subject to the outcome of the Phase 2 Restructuring and discussions with the applicable creditors.

The resolution is as follows:

1. *The share capital is increased by minimum NOK 0.01 and maximum NOK 10.36 million by issue of minimum 1 and maximum 1,036 million new shares, each with a nominal value as determined by the resolution "Reduction of share capital" above.*
2. *The subscription price is minimum NOK 5 and maximum NOK 200 as determined at the discretion of the board of directors.*
3. *The shares may be subscribed by lenders under the group's senior loan agreements, including bonds and bank financing, or affiliates of such lenders.*
4. *The new shares shall be subscribed for no later than 30 June 2021.*
5. *The subscription amount shall be settled by set-off (conversion) of all or parts of the group's debt under its senior loan agreements, including interest accrued on the debt being converted until and including the last interest payment date. Upon conversion, the value of debt shall if denominated in a currency other than NOK be calculated using the exchange rate published by Norges Bank on Tuesday 1 December 2020.*
6. *The new shares issued will be registered with a separate ISIN number and be subject to a lock-up to be agreed.*
7. *The new shares will carry the same rights as the other shares in the company. However, if one senior creditor subscribes for shares, which give the senior creditor (alone or on a consolidated basis) an aggregate shareholding in excess of 33.3 % of the share capital in the company following this capital increase, the company shall, if requested by the senior creditor, issue a number of shares without voting rights in a new and separate share class to such senior creditor so that the senior creditor (alone or on a consolidated basis) only holds shares representing 33.3 % of the voting rights in the company following the capital increase. The holder of shares without voting rights may at any time require that such shares be converted to ordinary shares in the company.*
8. *The new shares will carry rights to dividends and other shareholder rights in the company from the time the share capital increase is registered with the Norwegian Register of Business Enterprises.*
9. *§ 3 of the articles of association shall be amended to state the company's share capital and number of shares following the share capital increase.*
10. *The aggregate estimated costs for this capital increase are 0.04 per cent of the debt converted.*

Note that no commitments or agreements have been entered into with respect to conversion of senior loans to Shares, nor are the terms of any such conversion decided. Such conversion may therefore not be carried out on the above-mentioned terms or at all.

Conversion of lease debt and aircraft financing liabilities to Shares

At the EGM held on 17 December 2020, the shareholders of the Company resolved to approve to convert all or part of the Group's operating lease liabilities and aircraft financing liabilities in the amount of, respectively, NOK 31.73 billion and NOK 21.62 billion as of 30 September 2020, to Shares at a minimum conversion price of

NOK 5 and a maximum conversion price of NOK 200, subject to the outcome of the Phase 2 Restructuring and discussions with the applicable creditors.

The resolution is as follows:

1. *The share capital is increased by minimum NOK 0.01 and maximum NOK 106.71 million by issue of minimum 1 and maximum 10,671 million new shares, each with a nominal value as determined by the resolution "Reduction of share capital" above.*
2. *The subscription price is minimum NOK 5 and maximum NOK 200 as determined at the discretion of the board of directors.*
3. *The shares may be subscribed for by lessors, aircraft financiers or affiliates of such lessors or aircraft financiers.*
4. *The new shares shall be subscribed for no later than 30 June 2021.*
5. *The subscription amount shall be settled by set-off (conversion) of all or parts of the debt under the lease agreements and aircraft financing agreements, including interest accrued on the debt being converted until and including the last interest payment date. Upon conversion, the value of the lease and aircraft financing debt shall be calculated using the exchange rate for USD/NOK as published by Norges Bank on Tuesday 1 December 2020. The set-off is completed by a notice to the company being made in connection with the share subscription.*
6. *The new shares issued will be registered with a separate ISIN number and be subject to a lock-up to be determined at the discretion of the board of directors.*
7. *The new shares will carry the same rights as the other shares in the company. However, if one lessor or aircraft financier subscribes for shares, which give the lessor or aircraft financier (alone or on a consolidated basis) an aggregate shareholding in excess of 33.3 % of the share capital in the company following this capital increase, the company shall, if requested by the lessor or aircraft financier, issue a number of shares without voting rights in a new and separate share class to such lessor or aircraft financier so that the lessor or aircraft financier (alone or on a consolidated basis) only holds shares representing 33.3 % of the voting rights in the company following the capital increase. The holder of shares without voting rights may at any time require that such shares be converted to ordinary shares in the company.*
8. *The new shares will carry rights to dividends and other shareholder rights in the company from the time the share capital increase is registered with the Norwegian Register of Business Enterprises.*
9. *§ 3 of the articles of association shall be amended to state the company's share capital and number of shares following the share capital increase.*
10. *The aggregate estimated costs for this capital increase are 0.04 per cent of the debt converted.*

Note that no commitments or agreements have been entered into with respect to conversion of lease liabilities and aircraft financing liabilities to Shares, nor are the terms of any such conversion decided. Such conversion may therefore not be carried out on the above-mentioned terms or at all.

Conversion of other current and non-current liabilities of the Group to Shares

At the EGM held on 17 December 2020, the shareholders of the Company resolved to approve to convert all or part of certain other current and non-current liabilities of the Group, including trade and other accounts payable, in the amount of NOK 14.84 billion as of 30 September 2020, to Shares at a minimum conversion price of NOK 5 and a maximum conversion price of NOK 200, subject to the outcome of the Phase 2 Restructuring and discussions with the applicable creditors.

The resolution is as follows:

1. *The share capital is increased by minimum NOK 0.10 and maximum NOK 29.69 million by issue of minimum 1 and maximum 2,969 million new shares, each with a nominal value as determined by the resolution "Reduction of share capital" above.*

2. *The subscription price is minimum NOK 5 and maximum NOK 200 as determined at the discretion of the board of directors.*

3. *The shares may be subscribed for by creditors with accounts receivable against the company or subsidiaries of the company, or affiliates of the foregoing.*

4. *The new shares shall be subscribed for no later than 30 June 2021.*

5. *The subscription amount shall be settled by set-off (conversion) of all or parts of the applicable current and non-current liabilities, including interest accrued on the debt being converted until and including the last interest payment date (if applicable). Upon conversion, the value of debt shall if denominated in a currency other than NOK be calculated using the exchange rate published by Norges Bank on Tuesday 1 December 2020.*

6. *The new shares issued will be registered with a separate ISIN number and be subject to a lock-up to be determined at the discretion of the board of directors.*

7. *The new shares will carry the same rights as the other shares in the company. However, if one creditor subscribes for shares, which give the creditor (alone or on a consolidated basis) an aggregate shareholding in excess of 33.3 % of the share capital in the company following this capital increase, the company shall, if requested by creditor, issue a number of shares without voting rights in a new and separate share class to such creditor so that the creditor (alone or on a consolidated basis) only holds shares representing 33.3 % of the voting rights in the company following the capital increase. The holder of shares without voting rights may at any time require that such shares be converted to ordinary shares in the company.*

8. *The new shares will carry rights to dividends and other shareholder rights in the company from the time the share capital increase is registered with the Norwegian Register of Business Enterprises.*

9. *§ 3 of the articles of association shall be amended to state the company's share capital and number of shares following the share capital increase.*

10. *The aggregate estimated costs for this capital increase are 0.04 per cent of the debt converted.*

Note that no commitments or agreements have been entered into with respect to conversion of certain other current and non-current liabilities of the Group, including trade and other accounts payable, to Shares, nor are the terms of any such conversion decided. Such conversion may therefore not be carried out on the above-mentioned terms or at all.

Issue of perpetual bonds

Certain creditors of the Group may be subject to regulations or investment mandates that prohibit them from owning Shares. At the EGM held on 17 December 2020, the shareholders authorised issuance of perpetual bonds to such creditors.

The resolution is as follows:

1. *The company shall issue a convertible bond pursuant to the Public Limited Liability Companies Act chapter 11. The loan shall be regulated by bond terms (the Bond Terms) entered into between the company and Nordic Trustee AS on behalf of investors.*

2. *The size of the bond issue is a minimum of NOK 1 and a maximum of NOK 15 billion (including any part of the bond issue issued in EUR, SEK or USD, converted at the fixed exchange rate set out in the Bond Terms, being the exchange rate published for each such currency published by Norges Bank on Tuesday 1 December 2020).*

3. *The bond issue will consist of bonds, each with a nominal value of EUR 1, SEK 1 or USD 1 (each a Bond).*

4. *The subscription price for each Bond is minimum EUR 0.025, SEK 0.025 or USD 0.025 and maximum EUR 1, SEK 1 or USD 1, as determined at the discretion of the board of directors.*

5. *The Bonds may only be subscribed for by the creditors of the company as determined at the discretion of the board of directors. The existing shareholders' preferential right to subscribe for bonds pursuant to the Public Limited Liability Companies Act § 11-4 is thus deviated from.*

6. *The deadline for subscription of Bonds is 30 June 2021.*

7. *The bond issue has no fixed maturity date.*

8. *The conversion right under the Bonds will expire on the date that is five years after the issue date, or at the date pursuant to any resolution by the company to extend the conversion right. As long as there is a conversion right attached to it, the Bonds may be converted into the company's ordinary shares.*

9. *The Bonds accrue no interest, save for if the company fails to extend the conversion rights in respect of the Bonds, in which event the Bonds accrue payment-in-kind interest at 20 % p.a. from the lapse of such conversion rights, and no distributions may be made in respect of equity or parity obligations to the Bonds unless all Bonds outstanding are redeemed by the company.*

10. *The loan amount constitutes the amount of obligations of the company towards subscribers that may be converted to Bonds.*

11. *The Bonds are unsecured and deeply subordinated, ranking below all secured and unsecured debt obligations of the company, senior to ordinary shares, and pari passu with the most senior ranking class of preference share of the company from time-to-time.*

12. *The new shares issued will be registered with a separate ISIN number and be subject to a lock-up to be determined at the discretion of the board of directors.*

13. *Upon conversion of Bonds to shares, a consideration per share equal to NOK 200 (the Conversion Price) shall be paid (subject to adjustment as described in item 15 below). Payment is carried out by set-off against the Bonds. The number of new shares to be issued upon conversion shall equal the aggregate nominal value of the Bonds that are to be converted, multiplied by the applicable fixed exchange rate set out in the Bond Terms, divided by the applicable Conversion Price. If this does not result in a whole number of shares, it shall be rounded down to the nearest number of whole shares. Instead of issuing new shares, the company may elect to deliver treasury shares to the holders of the Bonds.*

14. *Shares issued through conversion of Bonds will carry shareholder rights and entitle its holder to dividends from the first business date after the delivery of a conversion notice in respect of such Bonds.*

15. *Upon distributions to shareholders, subdivision or combination of shares and mergers or de-mergers, the Conversion Price shall be adjusted to the extent prescribed in the Bond Terms (based on the so-called Euro-market standard provisions as amended) which form a part of this resolution. Other than the above, the holders of the Bonds shall have rights upon decisions as mentioned in § 11-2 second paragraph no. 11 of the Public Companies Act.*

16. *The conversion right cannot be separated from the Bonds.*

Note that no commitments or agreements have been entered into with respect to issue of such bonds, nor are the terms of any such issuance decided. Such issuance may therefore not be carried out on the above-mentioned terms or at all.

Authorization to the Board to adopt capital increases by way of share issue

At the EGM held on 17 December 2020, the Board of Directors was granted a general authorization to increase the share capital.

The authorization covers increases in the share capital by up to NOK 198,666,435. This authorization is valid until the AGM in 2021, but no longer than to 30 June 2021. The preferential rights of the existing Shareholders to subscribe to the new Shares pursuant to Section 10-4 of the Norwegian Public Limited Liability Companies Act may be deviated from. The authorization may be used connected to a merger resolution and covers potential share capital increases against contribution in kind.

The mandate to increase the share capital:

1. *The board of directors is granted an authorization to increase the share capital by up to NOK 198,666,435.*
2. *The authorization applies until the ordinary general meeting of the Company in 2021, but in any case, no later than 30 June 2021.*
3. *The shareholders' preferential right pursuant to the Public Limited Companies Act § 10-4 may be deviated from.*
4. *The board of directors may determine that the new shares may carry a preferential right to distributions from the Company before the ordinary shares of the Company and/or that the new shares shall carry no or limited voting rights and be subject to transfer restrictions.*
5. *The authorization comprises capital increases against non-cash contributions and the right to incur special obligations, including mergers and demergers, cf. the Public Limited Companies Act § 13-5 and § 14-6 (2).*
6. *This authorization shall replace the previous authorization to increase the capital that is registered with the Norwegian Register of Business Enterprises with effect from the date the new authorization is registered there.*

Authorization to issue convertible loans

At the EGM held on 17 December 2020, the Board of Directors has been granted an authorization to issue convertible loans. The aggregate amount of loans that may be borrowed is NOK 10 billion (or a corresponding amount in another currency). The share capital may be increased by up to NOK 198,666,435. This authorization is valid until the AGM in 2021, but no longer than to 30 June 2021. The preferential rights of the existing Shareholders to subscribe to the new Shares pursuant to Section 10-4 of the Norwegian Public Limited Liability Companies Act may be deviated from.

The mandate to issue convertible loans:

1. *The Board of Directors is authorized to adopt resolutions regarding borrowings as mentioned in the Public Limited Companies Act § 11-1.*
2. *The aggregate amount of loans that may be borrowed is NOK 10 billion (or a corresponding amount in another currency).*
3. *The share capital may in total be increased by up to NOK 198,666,435.*
4. *The authorization applies until the ordinary general meeting of the Company in 2021, but in any case, no later than 30 June 2021.*
5. *The shareholders preferential rights upon subscription of the loans pursuant to the Public Limited Companies Act § 11-4 cf. § 10-4 and § 10-5, may be deviated from.*
6. *This authorization shall replace the previous authorization to issue convertible loans that is registered with the Norwegian Register of Business Enterprises with effect from the date the new authorization is registered there.*

8.1.4 Own Shares and mandate to acquire own Shares

As per the date of this Registration Document, the Company owns 1,400 own Shares.

Authorization to loans with interest dependent on the dividends or profits of the company

At the EGM held on 17 December 2020, the Board of Directors has been granted an authorization to issue loans in the amount of up to NOK 10 billion (or a corresponding amount in another currency) where the interest as determined at the discretion of the Board of Directors is wholly or partly dependent on the dividends that are distributed to the shareholders or the profits of the Company.

Authorization to acquire own Shares

At the AGM held on 30 June 2020, the Board of Directors has been granted authorization to repurchase the Company's own shares within a total par value of NOK 30,696,248, corresponding to 10 percent of the Company's share capital at the time of the resolution. This authorization is valid until the AGM in 2020, but no longer than to 30 June 2020.

The mandate to acquire own Shares:

"The General Meeting authorizes the Board of Directors to acquire treasury shares on the following conditions:

1. *The board of directors is authorized to acquire treasure shares with an aggregate nominal value of 30,696,248.*
2. *The authorization applies until the annual general meeting of the Company in 2021, but in any case, no later than 30 June 2021*
3. *The highest price that may be paid per share is NOK 50. The lowest price that may be paid per share is NOK 0.10.*
4. *The board of directors may at its discretion determine the method of acquisition and any disposal of the shares.*
5. *This authorization shall replace the previous authorization to acquire treasury shares.*

As of the date of this Registration Document, the Board of Directors has not used the above authorization to acquire own Shares.

8.1.5 Transferability and foreign ownership

There are no restrictions on trading in the Shares under Norwegian law, the Articles of Association or any shareholders agreement known to the Company. Any Shares and perpetual bonds issued pursuant to the Debt Conversion may, if issued, be subject to various lock-up periods.

There are no general restrictions on foreign ownership of the Shares, however, in accordance with articles 12 and 13 of the Articles of Association, the Board of Directors has a right to request or compel shareholders that are not being domiciled within EEA to sell shares or to redeem their shares in certain circumstances. Please refer to Section 8.4 "The Articles of Association and general shareholder matters" below for further description.

8.1.6 Legislation and rights attached to the Shares

Reference is made to the review of legislation and rights attached to the Shares in Section 8.4 "The Articles of Association and general shareholder matters".

8.2 Historical development in share capital and number of shares

Below is a table showing the development in the number of Shares and the share capital of the Company since 1 January 2016 until the date of the Prospectus (all figures in NOK), i.e. not including the New Shares:

Date of registration	Type of change	Change in share capital	Subscription price	Total issued share capital	No of shares
Number of shares and share capital prior to 1 January 2016				3,575,963.90	35,759,639
23 March 2018	Capital increase (tranche 1 of a private placement)	295,096.30	155	3,871,060.20	38,710,620
18 April 2018	Capital increase (tranche 2 of a private placement)	543,613.40	155	4,414,673.60	44,146,730
5 July 2018	Capital increase and subsequent offering	129,032.30	155	4,543,705.90	45,437,059
15 March 2019	Capital increase (rights issue)	9,087,131.80	33	13,630,837.70	136,308,377
3 December 2019	Capital increase (private placement)	2,725,000.00	40	16,355,837.70	163,558,377
20 May 2020	Capital increase (private placement)	40,000,000	1	56,355,837.70	400,000,000
20 May 2020	Capital increase (conversion of debt)	266,962,480.70	4.24919	306,962,480.70	2,669,624,807
10 June 2020	Capital increase (conversion of debt)	4,781,948.7	4.24919	311,744,429.4	3,117,444,294
17 June 2020	Capital increase (conversion of debt)	10,893,808	4.24919	322,638,237.4	3,226,382,374
26 June 2020	Capital increase (conversion of debt)	16,473.1	4.24919	322,654,710.5	3,266,547,105
2 July 2020	Capital increase (conversion of debt)	4,456,961.1	4.24919	327,111,671.6	3,271,116,716
20 July 2020	Capital increase (conversion of debt)	628,073.2	4.24919	327,739,744.8	3,277,397,448
21 July 2020	Capital increase (conversion of debt)	28,966,427.3	4.24919	356,706,172.1	3,567,061,721
3 August 2020	Capital increase (conversion of debt)	57,120.1	4.24919	356,763,292.2	3,567,632,922

6 August 2020	Capital increase (conversion of debt)	5,564,198.4	4.24919	362,270,370.5	3,622,703,705
7 August 2020	Capital increase (conversion of debt)	618,307.7	4.24919	362,888,678.2	3,628,886,782
19 August 2020	Capital increase (conversion of debt)	477,556.4	4.24919	363,366,234.6	3,633,662,346
4 September 2020	Capital increase (conversion of debt)	604,680.2	4.24919	363,970,914.8	3,639,709,148
26 October 2020	Capital increase (conversion of debt)	5,631,424.8	4.24919	369,602,339.6	3,696,023,396
4 November 2020	Capital increase (conversion of debt)	455,586.8	4.24919	370,057,926.4	3,700,579,264
11 December 2020	Capital increase (conversion of debt)	253,970,846	4.24919	397,332,869.30	3,973,328,693
15 December 2020	Capital increase	7	4.24919	397,332,870	3,973,328,700
18 December 2020	Reverse share split	0	-	397,332,870	39,733,287
23 December 2020	Capital increase (conversion of debt)	16,079	4.24919	397,493,660	39,749,366
Total number of shares and share capital at the date of this Registration Document:				397,493,660	39,749,366

8.3 Major shareholders

The table below shows, insofar as known to the Group, the largest shareholders of the Company which as of 12 January 2021 had directly or indirectly, interest in 5% or more of the issued share capital of the Company (which constitutes a notifiable holding under the Norwegian Securities Trading Act):

Shareholder name	No. of Shares	% of shares
Avanza Bank AB	5,838,793	14.69 14,698.47
Nordnet Bank AB	3,366,820	8.47 8,476.97
Saxo Bank A/S	2,771,781	6.97 6,97.j
Euroclear Bank S.A./N.V.	2,289,800	5.76 5,76

In accordance with the disclosure obligations under the Norwegian Securities Trading Act, where a shareholder's proportion of shares and/or rights shares reaches, exceeds or falls below 5 percent, 10 percent, 15 percent, 20 percent, 25 percent, 1/3, 50 percent, 2/3 or 90 percent of the share capital or voting rights of a company listed on Oslo Børs must notify Oslo Børs immediately. The table above shows the percentage held by each such shareholder, and each shareholder with 5 percent or more of the Shares is subject to the disclosure requirement when such shareholder reaches, exceeds or falls below any of these thresholds.

There are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change in control of the Company, other than what follows from the potential Restructuring.

8.4 The Articles of Association and general shareholder matters

The Company is registered with the Norwegian Register of Business Enterprises, with business registration number (Norwegian: *organisasjonsnummer*) 965 920 358. The Articles of Association of the Company are incorporated by reference to this Registration Document.

8.4.1 Introduction

According to article 3 of the Articles of Association, 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 directly or indirectly be engaged in other forms of internet-based provision of goods and services, including car-rental, hotel booking, payment services, financial services and services related to issuing of credit cards. Participation in such activities as mentioned may take place through co-operation agreements, ownership interests or by any other means.

According to article 12 and 13 of the Articles of Association, the Board of Directors has the right and duty to implement certain measures if there are circumstances that in the Board of Directors' opinion may cause the Company's or any of its subsidiaries' authorizations to carry out air traffic operations to be annulled or temporary revoked on the grounds of violation of provisions in bilateral civil aviation agreements or violation of statutory rules requiring the Company and/or its subsidiaries to be owned and controlled by shareholders who are EEA nationals. The Board of Directors has a duty to either:

(a) request that shareholders not being domiciled within EEA to either sell shares or see to that such shares are owned and controlled by persons and/or companies domiciled within the EEA;

(b) compel shareholders that (i) are non-EEA nationals and (ii) have acquired shares in the Company and (iii) by such acquisition cause the Company to violate provisions as mentioned in article 12 first paragraph, within a time-limit as further determined by the Board of Directors to sell shares in a portion sufficient to so as to ensure that the Company no longer violates the above mentioned provisions regarding ownership and control; or

(c) decide that the Company shall acquire treasury shares in the Company from shareholders that (i) are non-EEA nationals and (ii) have acquired shares in the Company and (iii) by such acquisition conduce or cause the Company to violate provisions as mentioned in article 12 first paragraph of the Articles of Association (wherein such shareholders will be obliged to make such sale).

In addition to the measures included in (a) to (c) above, the Board of Directors may decide that shares that are owned by shareholders that (i) are non-EEA nationals and (ii) have acquired shares in the Company and (iii) by such acquisition cause the Company to violate provisions as mentioned in article 12 first paragraph, shall be redeemed by reduction of the share capital of the Company, cf. the Norwegian Public Limited Liability Companies Act Section 12-7. The assessment as to whether a shareholder is an EEA national shall be based on the at any time prevailing guidelines applied by the Civil Aviation Authority.

8.4.2 Voting rights and other shareholder rights

The Company has one class of shares, and each Share carries equal voting rights at the General Meeting.

As a general rule, resolutions that shareholders are entitled to make pursuant to Norwegian law or the Articles of Association, require approval by a simple majority of the votes cast. In the case of election of directors to the Board, the person who obtains the most votes is elected to fill the vacant position.

However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights in connection with any issue of shares, convertible bonds, warrants etc., to approve a merger or demerger, to amend the Articles of Association, to authorize an increase or reduction in the share capital, to authorize an issuance of convertible loans or warrants or to authorize the Board to purchase own Shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast, as well as at least two-thirds of the share capital represented at a General Meeting.

Further, Norwegian law requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval of all the holders of such shares or class of shares as well as the majority required for amendments of the Articles of Association. Decisions that (i) would reduce any existing Shareholder's right in respect of dividend payments or other rights to the assets of the Company or (ii) restrict the transferability of the Shares require a majority vote of at least 90 percent of the share capital represented at the General Meeting in question as well as the majority required for amendments to the Articles of Association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amendments to the Articles of Association. The Articles of Association do not contain conditions that are more significant than required by the Norwegian Public Limited Liability Companies Act, including with regard to (i) what action is necessary to change the rights of holders of the Shares, and (ii) changes in capital.

In general, in order to be entitled to vote, a Shareholder must be registered as the beneficial owner of Shares in the share register kept by the VPS or provide proof of its beneficial ownership. Beneficial owners of Shares that are registered in the name of a nominee may not be entitled to vote under Norwegian law unless such Shares are re-registered in the name of the beneficial owner, nor are any persons who are designated in the register as holding such Shares as nominees entitled to vote such Shares.

Readers should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote nominee-registered shares. For example, Oslo Børs has in a statement on 21 November 2003 held that in its opinion "nominee-shareholders" may vote in general meetings if they prove their actual shareholding prior to the general meeting.

Under the Norwegian Public Limited Liability Companies Act, shareholders will have preferential rights to subscribe for new securities issued by the Company, unless such rights are departed from (such departure requires a majority of two-thirds of the votes present and represented at that General Meeting).

A Shareholder will have the right to a share in the profits of the Company that are distributed as dividend, as well as any surplus following liquidation of the Company. There is no time limit after which entitlement to dividends lapses under the Norwegian Public Limited Liability Companies Act or the Articles of Association. Furthermore, there are no dividend restrictions for non-resident shareholders. See Section 10.2.1 “Taxation of dividends” for a description of the Norwegian tax rules that apply to dividend paid to domestic and foreign shareholders of the Company. The Shares are not subject to redemption rights with the exemption provided for in the Securities Note dated 14 January 2021, Section 6 under “Compulsory acquisition”. There are no conversion provisions applicable to the Shares.

8.4.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, its Articles of Association must be amended, which requires the same vote as other amendments to its Articles of Association. In addition, under Norwegian law, the shareholders have a preferential right to subscribe to issues of new Shares. The preferential rights to subscribe to an issue may be waived by a resolution in a General Meeting passed by the same vote required to approve amendments to the Articles of Association. A waiver of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding shares, irrespective of class.

The General Meeting may, with a vote as required for amendments to the Articles of Association, authorize the Board of Directors to issue new Shares, and to waive the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the par value of the shares to be issued may not exceed 50 percent of the registered nominal share capital when the authorization is registered.

Under Norwegian law, bonus shares may be issued, subject to approval by a General Meeting, by transfer from the Company's distributable equity or from its share premium reserve. Any bonus issues may be effectuated either by issuing shares or by increasing the par value of the shares outstanding.

To issue shares to holders who are citizens or residents of the United States upon the exercise of preferential rights, the Company may be required to file a registration statement in the United States under United States securities laws. If the Company decides not to file a registration statement, such holders may not be able to exercise their preferential rights and in such event would be required to sell such rights to eligible Norwegian persons or other eligible non-US holders to realize the value of such rights. See the Securities Note dated 14 January 2021, section "Risks related to the Shares".

8.4.4 Shareholder vote on certain reorganizations

A decision to merge with another company or to demerge requires a resolution of the shareholders passed by two-thirds of the aggregate votes cast at a General Meeting. A merger plan or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all shareholders at least one month prior to the General Meeting.

8.4.5 Legal constraints on the distribution of dividends

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Liability Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that the Company may distribute dividend to the extent that the Company's net assets following the distribution covers (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealized gains. The total nominal value of own shares which the Company has acquired for ownership or as security prior to the balance sheet date, as well as credit and security which, pursuant to Section 8–7 to Section 8-10 of the Norwegian Public Limited Liability Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.
- The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorize the Board of Directors to declare dividend based on the Company's annual accounts. Dividend may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.
- Divided can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

The Norwegian Public Limited Liability Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 10.3 "Foreign shareholders – Norwegian taxation".

8.4.6 Procedure for dividend payments

Any dividends on the Shares will be denominated in NOK. Any dividends or other payments on the Shares will be paid through the Company's registrar in the VPS, DNB Securities Services. Dividends and other payments on the Shares will be paid, on a payment dated determined by the Company, to the bank account registered in connection with the VPS account of the registered shareholder as of the record date for the distribution.

Dividends and other payments on the Shares will not be paid to shareholders who have not registered a bank account with their VPS account. Shareholders who have not received dividends for this reason will receive payment if they register a bank account with their account operator in the VPS and inform the VPS registrar of the details of such bank account.

Shareholders with a registered address outside of Norway may register a bank account in another currency than NOK with their VPS account. Shareholders who have done so will receive payment in the currency of such bank account. The exchange rate(s) applied will be the VPS registrar's rate on the date of payment.

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. Accordingly, a shareholder's right to receive dividends or other distributions will lapse three years after the payment date if bank account details have not been provided to the VPS registrar within such date. Following the expiry of the limitation period, any remaining dividend amounts will be returned from the VPS registrar to the Company.

There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 10 “Norwegian taxation”.

The Company is expected to be subject to dividend restrictions in its loan agreement(s), including the Perpetual Bonds.

8.4.7 Related party transactions

Please refer to Section 12.5 “Related party transactions” for a description of the Group's agreement with related parties.

8.4.8 Minority rights

Norwegian law contains a number of protections for minority shareholders against oppression by the majority, including but not limited to those described in this and preceding paragraphs. Any Shareholder may petition the courts to have a decision of its General Meeting declared invalid inter alia on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the Company itself. In certain circumstances, shareholders may require the courts to dissolve the company as a result of such decisions.

Shareholders holding 5 percent or more of the Company's share capital (individually or as a group) have the right to demand in writing that the Company holds an Extraordinary General Meeting to discuss or resolve specific matters. In addition, any Shareholder may in writing demand that the Company places an item on the agenda for any General Meeting if it is notified to the Board of Directors at least seven days before the deadline to call for that General Meeting together with a proposal for resolution or an explanation as to why the item is to be placed on the agenda. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if at least 21 days remain before the General Meeting is to be held.

8.4.9 Liability of Directors

Directors owe a fiduciary duty to the Company and the shareholders. Such fiduciary duty requires that each Director acts in the best interests of the Company when exercising his or her functions and exercise a general duty of loyalty and care toward the Company. The Directors' principal task is to safeguard the interests of the Company.

Directors may each be held liable for any damage they negligently or willfully cause the Company. Norwegian law permits the General Meeting to exempt any such person from liability, but the exemption is not binding if substantially correct and complete information was not provided at the General Meeting when the decision was taken. If a resolution to grant such exemption from liability or not to pursue claims against such a person has been passed by a General Meeting with a smaller majority than that required to amend the Articles of

Association, shareholders representing more than 10 percent of the share capital or, if there are more than 100 shareholders, more than 10 percent of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds it receives as a result of the action. If the decision to grant an exemption from liability or not to pursue claims is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders cannot pursue the claim in the Company's name.

8.4.10 Indemnification of Directors and officers

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by the Company or the Board of Directors. However, as of the date of this Registration Document, the Company has a board of directors' and officers' liability insurance program.

8.4.11 Liquidation and dissolution, as well as public administration and winding up

According to the Norwegian Public Limited Liability Companies Act, the Company may be liquidated by a resolution in a General Meeting passed by a two-thirds majority of the aggregate votes cast as well as two thirds of the aggregate share capital represented at that General Meeting.

The Shares rank pari passu in the event of a return on capital by the Company upon a liquidation or otherwise.

In the event a resolution to liquidate the Company has been made, the Company's assets shall be transformed to cash in order to cover the Company's contractual obligations and for distribution to the shareholders as long as the shareholders have not accepted to receive the dividends in kind.

8.5 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

8.6 Dividend policy

The Company aims to generate competitive returns to its shareholders. The Group's financing arrangements include restrictions on the Group's ability to pay dividends. The Board has recommended not to distribute dividends but to retain any earnings. The Company has not paid dividends during the years that ended on 31 December 2019, 2018, 2017 and 2016, and has not paid dividends during 2020 until the date of this Registration Document.

8.7 Shareholder agreements

To the extent known by the Company, there are no shareholders agreements in force between the shareholders of the Company.

8.8 Corporate governance

The principle behind good corporate governance is to establish and maintain a strong, sustainable and competitive company in the best interest of the shareholders, employees, business associates, third parties and society at large.

The Board of Directors acknowledges and has implemented the Corporate Governance Code and will use its guidelines as the basis for the Board's governance duties in all areas. The Board of Directors publishes an annual statement on how the Group complies with the Corporate Governance Code in the Group's annual report. The Group complies with the Corporate Governance Code.

9. REGULATORY OVERVIEW

9.1 Introduction

The Group is subject to extensive and complex rules and regulations, both on a domestic and international level, including numerous EU regulations applicable throughout the EEA. The influence of national governments over civil aviation in the EEA is decreasing as a result of new EU regulations. The implementation of EU regulations has also further harmonized the national regulations of the Scandinavian countries. A summary of certain significant regulatory matters affecting the Group's activities is set out below. The summary – which is divided into descriptions of the international regulatory framework, the European regulatory framework, the Norwegian regulatory framework, the regulation of non-EEA services and other legal and regulatory developments – is not intended to provide a comprehensive description of all such regulatory matters and should not be considered exhaustive.

Through the International Air Transport Association ("**IATA**"), the airline industry actively works toward influencing civil aviation regulation to benefit airlines' customers and the industry as a whole. IATA is the trade association for the world's airlines, representing some 280 airlines or 83 percent of the total air traffic. It has a pivotal role through its contact with governmental agencies.

9.2 International regulatory framework

The Chicago Convention and the ICAO

The regulatory system for international air transport is based upon principles set out in the Convention on International Civil Aviation of 1944 (the "**Chicago Convention**"). The Chicago Convention has since been revised eight times (in 1959, 1963, 1969, 1975, 1980, 1997, 2000 and 2006). The Chicago Convention, with 192 contracting states (including all member states of the United Nations, except for Dominica and Liechtenstein; however, the convention was extended to cover Liechtenstein by ratification of Switzerland), establishes the general principle that each state has sovereignty over its air space (Article 1) and has the right to control the operation of scheduled air services over its territory (Article 6). International air transport rights are based primarily on traffic rights granted by individual states to other states through bilateral air transport agreements which are founded on the Chicago Convention. Each state grants the rights it receives to its designated home air carriers.

As envisioned by the Chicago Convention, ICAO was established in 1947. The aims and objectives of ICAO, an agency of the United Nations, are to develop the principles and techniques of international air navigation and to foster the planning and development of international air transport. ICAO establishes standards and recommended practices covering, for example, aircraft operations, staff licensing, aviation safety, accident investigation, airport operations and environmental protection, all with a view to ensuring conformity among the rules and regulations of the 192 member states.

The Rome Convention

The primary aim of the Convention on Damage Caused by Foreign Aircraft to Third Parties on the Surface of 1952 (the "**Rome Convention**"), is to impose strict liability on the part of the airline operator in respect of damage to third parties on the ground caused by any of such airline's aircraft, regardless of any fault on its part. The Rome Convention has 49 signatory states, including Denmark, Norway and Sweden.

The Rome Convention incorporates certain limits on liability and only applies to damage caused on the ground of a signatory state by an aircraft in flight, registered in another signatory state. ICAO has set out to modernize the Rome Convention, principally prompted by the events of 11 September 2001 and the perceived inadequacy of the compensation mechanism and liability limits contained in the convention. This process resulted in two draft ICAO conventions (concerning damage arising out of general aviation risks and acts of unlawful interference, respectively). The objective of these two new conventions is to ensure equitable benefits for victims, while not unduly increasing the economic and regulatory burden on carriers. The conventions aim to modernize the existing system by addressing the perceived inadequacies of liability limits and provision of financial security for carriers and victims, as well as provide a more predictable compensation system.

A diplomatic conference to consider the two drafts was held from 20 April to 2 May 2009. The conference adopted the two new airline conventions. The first convention is the Convention on Compensation for Damage caused by Aircraft to Third Parties Resulting From Acts of Unlawful Interference Involving Aircraft (the "**First Convention**"), including acts of sabotage and terrorism. The First Convention aims to provide compensation for damage to third parties caused by acts of unlawful interference with aircraft. Central to the First Convention is the creation of an International Civil Aviation Compensation Fund that will potentially provide compensation to persons, who suffer physical injury or property damage, as a result of unlawful interference with an aircraft in flight. The second convention is the Convention on Compensation for Damage Caused by Aircraft to Third Parties (the "**Second Convention**"). The Second Convention covers damages caused as a result of matters, other than those involving unlawful interference and provides for victims to be compensated. It may still take years before the new conventions are ratified and come into effect.

The Montreal Convention

The Convention for the Unification of Certain Rules for International Carriage by Air of 1999 (the "**Montreal Convention**") establishes airline liability in the case of death or injury to passengers, damage or loss of baggage and cargo. It unifies all of the different international treaty regimes covering airline liability that had developed since 1929, and the Montreal Convention is designed to be a single, universal treaty to govern airline liability around the world. As of the end of 2017, there were 127 parties to the Montreal Convention, including all EU member states, Norway, the United States, China and Japan. Under Regulation (EC) No. 889/2002, amending Regulation (EC) No. 2027/97 on air carrier liability in the event of accidents, the rules of the Montreal Convention have been extended to apply to all flights, whether domestic or international, operated by airlines with operating licenses granted by EU member states. A number of fast-growing aviation markets in Asia, such as Thailand, and Vietnam, have yet to sign up. This means that a patchwork of liability regimes continues to exist around the world.

The EU-US Open Skies Agreement

The so-called "EU-US Open Skies Agreement" was signed on 30 April 2007 and became effective on 30 March 2008, replacing existing bilateral agreements between EU member states and the United States, creating an "open-skies" framework. Under the agreement, every EU and US airline is authorized to fly between any airport within the EU and the United States. US airlines are also allowed to fly between points in the EU. However, EU airlines are not allowed to operate domestic flights within the United States. On 16 June 2011, the Agreement was extended to include EEA members Norway and Iceland.

9.3 The European regulatory framework

Air Services Regulation

Pursuant to Regulation (EC) No. 1008/2008 (the "**Air Services Regulation**"), air carriers that are subject to the air traffic regulation rules of the EU must have an operating license for the transportation of passengers, mail and/or freight in commercial air traffic. An operating license is granted only if the air carrier holds an AOC. Such an AOC specifies the types of aircraft that can be operated by the air carrier as well as compliance with other safety, operational and technical specifications.

The Air Services Regulation consolidates and updates the Third Aviation Liberalization Package, which established a single EU air transport market, effective from 1 January 1993. The Air Services Regulation is part of Annex XIII of the European economic area agreement establishing the EEA (the "**EEA Agreement**") and is therefore binding on nationals of Iceland, Liechtenstein and Norway.

The Air Services Regulation sets out the financial conditions that all EU airlines (which the Air Services Regulation refers to as "Community carriers") must fulfill, in order to obtain and maintain an operating license; clarifies the criteria for the granting and validity of operating licenses in the EU; introduces uniform standards for the review and monitoring of operating licenses in the EU Member States; simplifies the procedure for fulfilling public service obligations; clarifies the framework for relations with third countries and requires that traffic rights for non-EU airlines to operate between European cities be negotiated on an European level. The Air Services Regulation also lays down the conditions for the leasing of aircraft.

The principal features of the regulatory regime established in the Air Services Regulation are as follows:

Operating licenses

The Air Services Regulation provides that an operating license may be granted to an undertaking by the EU Member State in which it has its principal place of business, subject to such undertaking having a valid AOC; demonstrating to the relevant licensing authority that it can meet its actual and potential obligations for a period of 24 months from the start of operations; and demonstrating that it can meet its fixed and operational costs for a period of three months from the start of operations, without taking account of revenue from its operations, and subject to the conditions mentioned in the next paragraph below.

Under the Air Services Regulation, an EU airline must (a) have its principal place of business in the EU Member State from which it obtained its license, (b) have air services as its main occupation and (c) be more than 50 percent owned and be effectively controlled by Qualifying Nationals and continue to be so owned and controlled. A "**Qualifying National**" includes (i) EEA nationals, (ii) Nationals of Switzerland and (iii) in respect of any undertaking, an undertaking which satisfies the conditions as to nationality of ownership and control of undertakings granted an operating license contained in Article 4(f) of the Air Services Regulation. An EU airline must also comply with insurance requirements, provide proof of good repute of its management, if required by its licensing authority and have at least one aircraft available to it through ownership or lease.

An EU airline must notify the licensing authority in advance of changes in its activities, such as the operation of certain new services, or a substantial change of scale in its activities, of a merger or acquisition, and within 14 days of a change of ownership of any single shareholding, which represents ten percent or more of its total share capital or that of its parent or ultimate holding company. The licensing authority may request a revised business plan or resubmission of approval for the license.

The license is suspended if the carrier cannot meet its obligations during a twelve-month period, although a temporary license may be issued, pending financial reorganization. The license is also suspended if the carrier furnishes false information on an important point, if the AOC is suspended or revoked, or if the carrier no longer complies with any good repute requirements.

Access to routes

The Air Services Regulation enables all EU/EEA airlines to operate any routes within the EEA and Switzerland, including routes within those states, with no restrictions on capacity and frequency.

Subject to the approval of the European Commission and certain conditions, an EU Member State may make rules distributing traffic between airports serving the same city or conurbation. Such rules cannot be discriminatory.

EU Member States may also enter into agreements with airlines for the operation of services on "public service obligation" routes to ensure standards of continuity, regularity, capacity and pricing of a scheduled service to peripheral or development regions in their territories, following consultations with other EU Member States concerned and after having informed the European Commission and air carriers operating on the relevant routes.

Pricing

The Air Services Regulation allows EU airlines to fix their own fares on services provided within the EU, subject to EU competition law and to fares agreed for public services obligations. The Air Services Regulation also specifies that the published price for a service shall include the fare and all applicable taxes, charges, surcharges and fees that are unavoidable and foreseeable at the time of publication. In addition, details must be given of the different components of the price (fares, taxes, airport charges and other costs).

Airport slot allocation

The rules for the allocation of slots at coordinated airports in the EEA and Switzerland are contained in Council Regulation (EEC) No. 95/93 (as amended by Regulation (EC) No. 793/2004) (the "**Slot Regulation**"). The principal objective of the Slot Regulation is to facilitate competition between airlines and to encourage and support new entrants in the EU air transport market. The Slot Regulation is part of the EEA Agreement (Annex XIII) as well as of the EU-Switzerland Air Transport Agreement and is therefore binding on Iceland, Liechtenstein, Norway and Switzerland.

The Slot Regulation provides for the designation by EU Member States of congested airports for coordination by independent coordinators, whose appointment must be ensured by the EU Member States concerned. The Slot Regulation draws a distinction between "coordinated" airports and "schedules-facilitated" airports.

A schedules-facilitated airport is an airport where there is potential for congestion during some periods of the day, week or year, which is amenable to resolution by voluntary co-operation between air carriers and where a schedules facilitator has been appointed to facilitate the operations of air carriers, operating services or intending to operate services at that airport.

A coordinated airport means an airport where, in order to land or take off, it is necessary for an air carrier or any other aircraft operator to have been allocated a slot by a coordinator. EU Member States are obliged to carry out a thorough capacity analysis of an airport (a) when they consider it necessary, (b) when requested to do so either by air carriers representing more than half of the operations at the airport in question, or the airport's managing body or (c) upon request of the European Commission. The EU Member State will make its decision whether to designate an airport as coordinated, on the basis of this capacity report and consultation with the managing body of the airport, the air carriers, their representatives and representatives of general aviation and air traffic control.

The main principles of the Slot Regulation affecting slot allocation are the following:

a. Provision for the long established principle of historical precedence, under which an airline, holding and using a series of slots for a particular industry scheduling period (winter or summer) shall be entitled to that series of slots in the next equivalent period, subject primarily to the "use-it-or-lose-it" rule. The "use-it-or-lose-it" rule means that in order to claim such historical precedence the airline must have operated the series of slots for at least 80 percent of the time during the scheduling period, for which they were allocated. Otherwise, all the slots constituting the series are placed in the slot pool.[23]

b. The creation of a slot pool into which newly-created slots (created through increases in hourly scheduling limits or new runway capacity) are placed, together with slots returned, either voluntarily or under the "use-it-or-lose-it" rule and slots otherwise unclaimed under historical precedence. 50 percent of the pool slots must be allocated to new entrants, unless they request a lesser number. A new entrant is defined as (i) an airline requesting, as part of a series of slots, a slot at an airport on any day on which that airline holds or has been allocated fewer than five slots or (ii) an airline which requested a series of slots for a non-stop service between two airports in the EU, where at most two other carriers operate a direct service between those airports or airport systems on that day and where the applicant airline holds or has been allocated fewer than five slots on that day for that service or (iii) any air carrier requesting a series of slots at an airport for a non-stop service between that airport and a regional airport, where no other air carrier operates an air service between those airports on that day, where the applicant holds or would hold fewer than five slots at that airport on that day for that service. Any airline with more than five percent of all slots at an airport or more than four percent of slots at an airport system (being two or more airports grouped together and serving the same city or conurbation, as listed in Annex II to Council Regulation (EEC) 2408/92) cannot qualify as a new entrant.

c. Recognition of additional rules. Airport coordinators are required to take into account additional rules and guidelines established by the air transport industry worldwide (such as the IATA Worldwide Slot Guide) or in the EU, as well as any local guidelines approved by the relevant EU Member State for the airport in question, provided that such rules and guidelines do not affect the independent status of the coordinator.

[23] Due to the COVID-19 outbreak, the use-it-or-lose-it" rule has been temporarily suspended though Regulation (EU) 2020/459 amending Council Regulation (EEC) No 95/93 on common rules for the allocation of slots at Community airports, involving that slots allocated in certain periods shall be considered as having been operated by the air carriers to which they were allocated.

Slots are not route-specific or aircraft-specific and may be used by an airline for any aircraft, type of service or destination. Slots may be exchanged one for one with other airlines. This has given rise to a mechanism for the secondary trading of slots. A practice developed, mainly at London Heathrow airport, whereby airlines exchange a valuable slot for a less valuable one (which may have been obtained from the coordinator for this purpose and is returned to the slot pool after the exchange). Payment is made by the airline receiving the more valuable slot. This has allowed airlines to receive payments of millions of pounds for trading series of valuable slots. The English High Court ruled that this practice is compatible with the Slot Regulation in R v Airport Coordination Limited ex parte States of Guernsey Transport Board 1999 EULR 745. Subsequently, in a communication on the application of the Slot Regulation dated 30 April 2008 (COM(2008)227 final), the European Commission stated: "The text of the Slot Regulation is silent on the question of exchanges with monetary and other consideration to reflect differences in value between slots at different times of day and other factors. Given that there is no clear and explicit prohibition of such exchanges, the Commission does not intend to pursue infringement proceedings against EU Member States, where such exchanges take place in a transparent manner, respecting all the other administrative requirements for the allocation of slots set out in the applicable legislation". Slot trading has continued at London Heathrow airport and has been practiced at London Gatwick airport and possibly, to a limited extent, at some other coordinated airports.

In December 2011, the European Commission adopted a package of measures containing a proposed revised regulation on common rules for the allocation of slots to address capacity shortages at European airports and improve the quality of services offered to passengers (the "**Better Airports Package**").

The proposed regulation has the aim of maximizing use by airlines of available capacity. In particular, under the proposed regulation:

a. airlines will be able to trade slots with each other at airports anywhere in the EU in a transparent way and under clear conditions. Slot trading will be supervised by national authorities;

b. the rules requiring airlines to demonstrate that they have used their slots sufficiently during the season will be tightened, by increasing the slot utilization threshold from 80 percent to 85 percent and the length of the slot series from the current five to ten for the winter season and 15 for the summer season. The tightening of the so-called "use-it-or-lose-it" rule should ensure that airlines who wish to keep slots for the coming season fully utilize the capacity; and

c. there will be additional safeguards for the independence of the slot coordinator and increased level of transparency on slots transactions.

The Better Airports Package falls under the ordinary legislative procedure of the EU; both the European Parliament and the Council are co-legislators and need to approve the same final text of the regulation. On 12 December 2012, the plenary session of the European Parliament adopted legislative resolutions at first reading, introducing amendments to the proposed regulation on slots allocation. The amendments maintain the current slot utilization thresholds at 80 percent and strengthen the penalty system to discourage airlines from holding slots without using them. The proposed revised regulation still awaits final approval by the Council of the EU.

Air carrier liability

Regulation (EC) No. 2027/97 (as amended by Regulation (EC) No. 889/2002) imposes provisions equivalent to the Montreal Convention with respect to the carriage of passengers and their baggage by air. The regulation is part of the EEA Agreement and is therefore binding on nationals of Iceland, Liechtenstein and Norway. The Montreal Convention imposes strict liability on airlines in the event of death or injury to passengers up to a maximum of the equivalent of 113,100 Special Drawing Rights (approximately USD 158,340 per passenger). Thereafter, liability is unlimited, but an airline can escape liability if it proves either that it was not negligent or guilty of a wrongful act or omission, or that the accident was caused by the fault of a third-party. The airline is also required to compensate passengers, or their survivors, for their expenses in the immediate aftermath of an accident within 15 days. Liability for loss, damage or delay to baggage is limited to 1,131 Special Drawing Rights (approximately USD 1,583).

Regulation (EC) No. 785/2004 on insurance requirements for air carriers and aircraft operators (as amended by Regulation (EC) No. 1137/2008 and Commission Regulation (EU) No. 287/2010) sets out the minimum insurance requirements for liability linked to passengers, baggage, cargo and third parties for air carriers and air traffic operators flying within, into, out of or over the territory of an EU Members State. The regulation is part of the EEA Agreement as well as the EU-Switzerland Air Transport Agreement and is therefore binding on Iceland, Liechtenstein, Norway and Switzerland and their nationals.

Passenger rights and compensation (the Flight Compensation Regulation)

Regulation (EC) No. 261/2004 (the "**Flight Compensation Regulation**") establishes common rules on compensation and assistance to passengers in the event of denied boarding, cancellation or a long delay of flights.

The rights apply to any flights, including charters, from an EU airport or to an EU airport from an airport outside the EU when operated by an EU airline. The regulation is part of the EEA Agreement as well as the EU-Switzerland Air Transport Agreement and is therefore also applicable to flights to or from an airport in Iceland, Liechtenstein, Norway and Switzerland. Where a passenger is denied boarding against his will, the airline must offer compensation and assistance, together with a choice of reimbursement of the full cost of the ticket and a return flight to the point of first departure or re-routing to the passenger's final destination, except where there are reasonable grounds to deny the passenger boarding, such as reasons of health, safety, security or inadequate travel documentation.

The compensation amount payable depends upon the length of the flight: EUR 250 for all flights of 1,500 km or less (type 1 flight); EUR 400 for all intra-EU flights of more than 1,500 km and non-intra-EU flights between 1,500 and 3,500 km (type 2 flight); and EUR 600 for all other flights (type 3 flight).

The regulation also imposes obligations with regard to care and assistance of passengers in the case of delays that exceed certain defined durations, ranging from two to four hours depending on the length of the delayed flight. A right of reimbursement also arises if a flight is delayed by more than five hours.

Where a flight is cancelled, the airline must offer passengers care and assistance together with the choice of a refund of the passenger's ticket and a return flight to the first point of departure or re-routing to the passenger's final destination. In the case of cancellation, compensation may also be payable at the same amounts as are applicable to denied boarding, unless the airline can prove that the cancellation was caused by extraordinary circumstances, which could not have been avoided, even if all reasonable measures had been taken.

A revision of Regulation (EC) No. 261/2004 is currently being considered and the European Commission has put forward a proposal creating new passenger rights and facilitating and strengthening enforcement. On 5 February 2014, the European Parliament adopted a legislative resolution on the European Commission proposal. The proposed regulation falls under ordinary legislative procedure, meaning the European Parliament and Council, as co-legislators, need to adopt the same final text. The Council may now accept the European Parliament’s position or adopt its own position for further discussions with the European Parliament. On 22 May 2014, a Presidency progress report was published in the Council Register outlining major outstanding issues with the revised regulation, which it is hoped the Council will take note of in future discussions.

Ground handling

Access to the market for ground handling at EU airports has been liberalized under Directive 96/67/EC (as updated and amended by Regulation (EC) No. 1882/2003). The aim of this directive is to provide open access to the ground handling market at European airports. EU Member States are obliged to ensure that access to the ground handling market is granted by the airport authorities, under a transparent and impartial procedure that prevents airport authorities or airlines from maintaining certain barriers to market entry. This directive is part of the EEA Agreement as well as the EU-Switzerland Air Transport Agreement and is therefore binding on airport authorities in Iceland, Liechtenstein, Norway and Switzerland.

The Better Airports Package adopted by the Commission in December 2011 includes a proposal for a new regulation on ground handling services that would repeal Directive 96/67/EU. The proposed regulation intends to improve the quality and efficiency of ground handling services at airports by:

- increasing the minimum choice of ground handlers for restricted services (baggage handling, ramp handling, refueling and oil, freight and mail services) at large airports from two to three;

- creating a new role for the airport managing body as the "ground coordinator" with overall responsibility for the coordination of ground handling services (including minimum quality standards);

- allowing EU Member States to impose a requirement on companies that win ground handling contracts in restricted markets to transfer the staff from the previous contract holder with their full existing conditions; and

- allowing mutual recognition of national approvals for ground handlers issued by EU Member States, so that a handler approved by one EU Member State would be able to provide the same services in another EU Member State.

The Better Airports Package falls under the ordinary legislative procedure of the EU; both the European Parliament and the Council are co-legislators and need to approve the same final text of the regulation. On 16 April 2013, the plenary session of the European Parliament adopted a legislative resolution at first reading, introducing amendments to the proposed regulation on ground handling services. The European Commission supports the amendments. The proposed regulation still awaits final approval by the Council of the EU.

Rights for disabled passengers

Regulation (EC) No. 1107/2006 strengthening the rights of disabled air passengers and passengers with reduced mobility ("disabled passengers") was formally adopted on 5 July 2006 and entered into force on 15 August 2006. This regulation is binding on all EU airlines. The regulation is part of the EEA Agreement as well as the EU-Switzerland Air Transport Agreement, and is therefore also binding on airlines from Iceland, Liechtenstein, Norway and Switzerland.

The regulation bans air carriers from refusing reservations or boarding to disabled passengers on the grounds of their disability. All assistance to disabled passengers must be provided free of charge. Wheelchairs and recognized assistance dogs must be accommodated on aircraft.

Reservations and boarding by disabled passengers may be refused on safety grounds or where the size of the aircraft makes embarkation or carriage physically impossible. If a disabled passenger is refused boarding, he must either be re-routed on another flight or be reimbursed. The passenger must be informed in writing of the reasons why his reservation or boarding was refused.

Airlines are responsible for all assistance on-board aircraft. Airport managing bodies are responsible for all assistance in airports but may recover the ensuing costs from airlines, which may be asked to pay a charge proportional to the total number of passengers the airport managing body embarks and disembarks at the airport, irrespective of the number of passengers with reduced mobility, which the airline carries.

Noise restrictions at EU airports

On 16 April 2014, the European Parliament adopted at second reading, under the co-decision procedure, Regulation (EU) No. 598/2014 of the European Parliament and of the Council on the establishment of rules and procedures with regard to the introduction of noise-related operating restrictions at Union airports within a Balanced Approach. The Regulation repeals Directive 2002/30/EC and leaves the responsibility for concrete decisions about noise-related operating restrictions with national and local authorities that have to follow an EU- harmonized process. The Commission will review the quality of the process and, if necessary, take action before restricting measures are implemented. The new Regulation entered into force on 13 June 2016. The Regulation does not set out noise quality goals, which will continue to derive from Directive 2002/49/EC of the European Parliament and of the Council of 25 June 2002, relating to the assessment and management of environmental noise, and other relevant Union rules or legislation within each Member State. This regulation is part of the EEA Agreement and is therefore binding on airport authorities in Iceland, Liechtenstein and Norway.

Security

According to Regulation (EC) No. 300/2008, an air carrier is required to demonstrate specific security measures as set out in, and in compliance with, a security program appropriate to meet the requirements of the national civil aviation security program, approved by the national civil aviation authority.

Within the EU, there is an ongoing effort to develop a detailed implementation plan, including the possible simplification and streamlining of the current regulations for aviation security, introduced as a direct consequence of the events of 11 September 2001. Work is also ongoing to harmonize EU regulations with corresponding rules in non-EU countries, such as those with respect to the carriage of liquids and tax-free items in cabin baggage.

Air safety

The Group's operations are subject to a wide range of safety standards. Annex III to Regulation (EEC) No. 3922/91, as amended, ("**EU OPS**") details common technical requirements, as well as safety and related procedures, applicable to commercial transportation by aircraft. The EU OPS requirements and procedures relate to, among other things, certification and supervision, flight operations, weather conditions, aircraft performance and equipment, maintenance, flight crew, cabin crew and transportation of dangerous goods.

EASA is an EU agency created under Regulation (EC) No. 1592/2002 (subsequently repealed by (EC) No. 216/2008). Under (EC) No. 216/2008 EASA's responsibilities include provision of expert advice to the EU for the purpose of new legislation, implementation and surveillance of safety rules, type-certification of aircraft and components, authorization of non-EU aircraft operators and safety analysis and research. EASA works with the national civil aviation authorities of EEA member states and has assumed certain of their functions, in the interest of aviation safety standardization across the EEA.

Implementing regulations extending EASA powers to safety certification of airports in the EU are currently under discussion and are likely to come into force in the near future.

Insurance

Regulation (EC) No. 785/2004 prescribes insurance requirements for air carriers and aircraft operators regarding their liability in respect of passengers, luggage, cargo and third parties. Each of the air carrier and aircraft operator is responsible for obtaining sufficient cover, as prescribed by this regulation. For further information about the Company's insurance coverage, see Section 5.9

Competition

Airlines operating in the EU must observe EU competition rules, in particular Articles 101 and 102 of the FEU Treaty, which seek to address anti-competitive behavior. Article 101(1) prohibits agreements, decisions by associations of undertakings and concerted practices that restrict competition, whereas Article 102 is directed toward the unilateral conduct of firms with a dominant market position, that act in an abusive manner.

An agreement that falls within Article 101(1) is not necessarily unlawful. Agreements, decisions or concerted practices, that satisfy certain conditions, may qualify for an individual exemption under Article 101(3) or fall under a so-called bloc exemption. In principle, individual entities must assess for themselves whether their agreements, concerted practices and decisions are compatible with Article 101 of the FEU Treaty.

Regulation (EC) No. 487/2009, which codifies Regulation (EC) No. 3976/87, authorizes the European Commission to apply the exemptions of Article 101(3) to certain categories of agreements and concerted practices in the air transport sector, in respect of traffic within the EU, as well as in respect of traffic between the EU and non-member states. While this authority has been used in the past, there are currently no bloc exemptions in force under Regulation (EC) No. 487/2009 or the previous Regulation (EC) No. 3976/87. It should nevertheless be noted that the European Commission has adopted general bloc exemptions for certain types of horizontal and vertical agreements that apply also to the air transport sector.

9.4 Norwegian regulatory framework

Aviation laws and regulations of Norway have been harmonized as a result of, and are to a large extent based on, international standards and EU regulations.

The principal national civil aviation law in Norway is the Norwegian Aviation Act of 1993 ("luftfartsloven") with detailed regulations issued by the national aviation regulator, the Norwegian Civil Aviation Authority ("Luftfartstilsynet").

9.5 Regulation of non-EEA services

The Group's services that involve airports located in non-EEA countries are subject to regulation under international air services agreements. These are agreements between states or between a state and a group of states (such as the EU) that establish how airlines are authorized to serve routes between the territories of the parties to the agreement, what routes can be served, regulation of pricing (if any) and conditions for operations and sales in the territory of one party for airlines authorized by the other party. Historically, many bilateral air services agreements contained provisions regarding the designation of airlines by the bilateral partners to operate air services that permitted only the designation of airlines which were owned and controlled by nationals of the relevant country. For EU airlines, the ownership and control requirements in international air services agreements have changed substantially as a result of the *Open Skies* judgment of the European Court of Justice of 5 November 2002 which ruled that the maintenance of restrictive ownership and control provisions in air services agreements with non-EU countries breached EU law.

9.6 Other legal and regulatory developments

9.6.1 Flight time limitations

Council Regulation (EEC) 3922/91 on EU civil aviation rules (as last amended by Regulation (EC) No. 859/2008 of 20 August 2008) imposes restrictions on maximum total duty time, duty block time and daily flight duty periods for crew members and stipulates rest periods. The regulation is part of the EEA Agreement, and is therefore binding on nationals of Iceland, Liechtenstein and Norway.

On 29 January 2014, the European Commission Regulation 83/2014 amending Regulation 965/2012 was published in the Official Journal. It has more than 30 provisions aimed at improving safety rules on pilot and crew fatigue, such as a reduction of flight duty time at night by 45 minutes. It became effective as of 18 February 2016. The regulation is part of the EEA Agreement, and is therefore binding on nationals of Iceland, Liechtenstein and Norway.

9.6.2 Environmental regulations

Commercial aviation uses aircraft that are internationally approved according to ICAO certification standards. Environmental approval is an integral part of national registrations of aircraft. Environmentally-based national and/or local permits, rules and regulations provide a framework for aircraft use. The current trend is toward stricter environmental framework conditions for the airline industry.

Airlines need no separate environmental licenses or permits for their operations, but rely on permits that airport operators have, such as for handling of fuel and glycol for aircraft de-icing, runway de-icing, and threshold levels for noise and emissions. There is an exemption for the use of the hazardous gaseous fire suppression agent halon in fire extinguishers on board aircraft. Halon use is heavily restricted under the Montreal Protocol on Substances that Deplete the Ozone Layer of 1987, as amended, and airline operators must submit annual reports to the authorities on the use and storage thereof.

Emissions trading

In February 2009, Directive 2008/101/EC came into force, amending Directive 2003/87/EC and bringing the aviation industry within EU ETS. EU ETS is a cap and trade scheme established in 2003 by Directive 2003/87/EC, as a means of securing compliance with its obligations to reduce greenhouse gas emissions under the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

All flights departing from, and arriving at, EU airports were to have been included within EU ETS from 2012. The legislation applies to EU and non-EU airlines alike. Emissions from flights to and from Iceland, Liechtenstein and Norway are also covered under the EEA Agreement. Incoming flights may be exempted from the EU ETS if the EU recognizes that the country of origin is taking measures to limit aviation emissions from departing flights.

EU ETS delivers a market price for carbon, capping total emissions to a fixed limit with operators required to surrender allowances for each reporting year to cover their total emissions. Under the legislation, airlines are granted a certain number of allowances free of charge based on historical emissions in designated benchmark years and their share of the total aviation market; further allowances are auctioned by EU Member States.

The inclusion of the aviation sector in EU ETS is likely to have a substantial negative effect on the European aviation industry, including the Group, despite the young age of its aircraft fleet. In addition to the financial impact, inclusion in EU ETS imposes administrative burdens (in particular, monitoring and reporting obligations) on participants.

While a challenge to the inclusion of the aviation industry in EU ETS on the grounds of international law was rejected by the European Court of Justice in 2011 (Case C-366/10), a number of non-EU countries, including China, India, Russia and the United States, remain strongly opposed to the inclusion of international aviation in EU ETS.

In April 2013, the Council of the EU adopted a decision temporarily deferring enforcement of the obligations of aircraft operations in respect of incoming and outgoing international flights under EU adoption ETS for 2012 ("stop the clock"). This derogation temporarily exempted airlines from the EU ETS requirement to report carbon emissions for flights between EU airports and third countries and sanctions will not be imposed for failure to report. It applied from 24 April 2013. EU ETS continues to apply in full for intra-EU flights. In October 2013, the European Commission published guidance (2013/C 289/01) clarifying how authorities in Member States should implement this decision, including its geographical extent and how aviation allowances should be allocated and returned for 2012.

The EU ETS Aviation Amending Regulation came into force on 30 April 2014 (Regulation (EC) No. 421/2014 amending Directive 2003/87/EC). It established a scheme for greenhouse gas emission allowance trading within the Community, in view of the implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions. The Regulation amends the EU ETS by extending the effect of the Stop the Clock Decision of 2013 until 31 December 2016, exempting small non-commercial aircraft operators from 2013 to 2020 (and postponing obligations to report emissions for flights within the EEA?).

Following adoption by ICAO of a global Market-Based Mechanism (CORSIA), the EU in 2017 again renewed the reduction in geographical scope, which will be reviewed at the end of 2023.

In December 2018, the EU Commission adopted implementing regulation 2018/2066 pursuant to Directive 2003/87/EC and amending Commission Regulation 601/2012. The regulation shall apply to emissions and activity data occurring from 1 January 2021.

9.6.3 Taxes and charges on air travel

Air travel is subject to numerous taxes and charges, which are typically levied on the basis of national legislation and thus vary among countries. Examples of traffic charges paid by carriers and included in air fares are take-off and landing charges, emission charges, noise charges, terminal navigation charges and en route charges. Additional passenger charges are paid by every customer on top of the fare to cover, for example, the cost of airport terminals, facilities and air travel-related security. In addition, certain countries impose a special air passenger tax to travelers who depart from airports within such countries. Tickets may also be subject to a separate ticket tax as well as value added tax. Charges and taxes that are not included in an air carrier's fare must be included in the total amount shown, when the carrier advertises to the public.

In accordance with a policy issued by ICAO in the 1950s, jet fuel for international commercial aviation is untaxed. The European Commission has been advocating within ICAO to introduce a global carbon tax on jet fuel. However, there has been considerable opposition to such a tax among ICAO members and, as of the date of this Offering Memorandum, no such measures have been introduced or are planned to be introduced.

Norway levies both a carbon tax and a tax on nitrogen oxide (NOx) on aviation.

In addition, Norway levies a passenger tax on all commercial flights departing from Norwegian airports with passengers. The passenger tax is progressive depending on the length of the flight: NOK 75 per passenger on flights with final destination within Europe and NOK 200 per passenger on flights with final destination outside Europe.

9.6.4 Other legislation

The airline industry is highly regulated and airlines cannot always pass on to their customers the costs associated with regulation. Regulatory changes can have an adverse impact on airlines' costs, flexibility, marketing strategy, business model and ability to expand.

9.6.5 Material changes in the regulatory environment

There have been no material changes in the Company’s regulatory environment since the period covered by the latest published audited financial statements. However, temporary amendments to aviation regulations and relief measures have been implemented to support airlines in light of the sharp drop in air traffic due to the COVID-19 pandemic. These changes are not considered material to the Company.

10. NORWEGIAN TAXATION

10.1 Introduction

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on Norwegian laws, rules, and regulations in force in Norway as at the date of this Registration Document, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. The summary does not address foreign tax laws.

The following summary is of a general nature and does not purport to be a comprehensive description of all Norwegian tax considerations that may be relevant for a decision to acquire, own or dispose of Shares. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers, as the tax legislation in Norway and, if different, in the jurisdiction in which the Shareholder is resident for tax purposes may have an impact on the income received from the Shares. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or Non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

10.2 Norwegian shareholders

10.2.1 Taxation of dividends

Norwegian Individual Shareholders

Dividends received by shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Individual Shareholders**") are taxable as ordinary income for such shareholders at a flat rate of currently 31.68 percent (the nominal rate is 22 percent but the taxable income is multiplied with a factor of 1.44) to the extent the dividend exceeds a tax-free allowance.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate after tax of interest on treasury bills ("statskasseveksler") with three months' maturity. The allowance is calculated for each calendar year, and it is allocated solely to Norwegian Individual Shareholders holding shares at the expiration of the relevant income year.

Norwegian Individual Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("**Excess Allowance**") may be carried forward and set off against future dividends received on, or gains upon realization of, the same share. Any excess allowance will also be included in the basis for calculating the allowance on the same share in the following years.

Norwegian Individual Shareholders may hold their shares through a share savings account (Norwegian: Aksjesparekonto). Dividends and capital gains related to shares held through a share savings account are not taxed until withdrawn from the account. Withdrawals from the account are only subject to tax to the extent that the withdrawal amount exceeds the amount deposited into the account by the Shareholder. The exceeding amount is taxed as ordinary income at a flat rate of currently 31.68 percent. The rules regarding tax-free allowance also apply to shares held through a share savings account.

Norwegian Corporate Shareholders

Dividends received by shareholders that are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are effectively taxed at a rate of 0.66 percent (3 percent of dividend income from such shares is included in the calculation of ordinary income for

Norwegian Corporate Shareholders and subject to tax at a flat rate of currently 22 percent). For Norwegian Corporate Shareholders that are considered to be financial institutions (e.g. banks etc.) the applicable effective tax rate is 0.75 percent (3 percent of dividend income is subject to tax at the flat tax rate for financial institutions of currently 25 percent).

10.2.2 Taxation of capital gains on realization of shares

Norwegian Individual Shareholders

Sale, non-proportionate redemption, or other disposals of shares is considered as realization for Norwegian tax purposes. A capital gain or loss derived by a Norwegian Individual Shareholder through realization of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the shareholder's ordinary income in the year of disposal and taxable at an effective rate of 31.68 percent (the nominal rate is 22 percent but the taxable income or deductible loss is multiplied with a factor of 1.44).

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share, as the difference between the consideration for the share and the Norwegian Individual Shareholder's cost price of the share, including any costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Individual Shareholders are entitled to deduct any Excess Allowance, cf. Section 0 above. Any Excess Allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e., any Excess Allowance exceeding the capital gain upon the realization of a share will be annulled.

If the Norwegian Individual Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Individual Shareholders may hold their shares through a share savings account (Norwegian: Aksjesparekonto). Dividends and capital gains related to shares held through a share savings account are not taxed until withdrawn from the account. Withdrawals from the account are only subject to tax to the extent that the withdrawal amount exceeds the amount deposited into the account by the Shareholder. The exceeding amount is taxed as ordinary income at a flat rate of currently 31.68 percent. The rules regarding tax-free allowance also apply to shares held through a share savings account. A loss upon realization of shares held through the account is not in itself tax deductible, but the loss will affect the amount, if any, subject to tax upon closing of the account (i.e. any withdrawal amount exceeding the amount deposited into the account).

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares qualifying for participation exemption, including shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purpose.

10.2.3 Taxation of Subscription Rights

Norwegian Individual Shareholders

A Norwegian Individual Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares.

Sale and other transfer of subscription rights are considered as realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Individual Shareholders through a realization of subscription rights is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for the computation of ordinary income in the year of disposal. The ordinary income is taxable at an effective rate of 31.68 percent (the nominal rate is 22 percent but the taxable income or deductible loss is multiplied with a factor of 1.44).

Capital gains related to subscription rights granted to employees as a consequence of their employment will be regarded as employment income and thus taxable at a marginal (maximum) rate of 46.4 percent. The employer will be required to calculate and pay employer's social security contributions at a (maximum) rate of 14.1 percent.

Norwegian Corporate Shareholders

A Norwegian Corporate Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares.

Sale and other transfer of subscription rights are considered a realization for Norwegian tax purposes. Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of subscription rights qualifying for the Norwegian participation exemption. Losses upon the realization and costs incurred in connection with the purchase and realization of such subscription rights are not deductible for tax purposes.

10.2.4 Net wealth tax

The value of shares and subscription rights held by Norwegian Individual Shareholders as at 1 January in the year of assessment (i.e. the year following the relevant fiscal year) is included in the basis for the computation of net wealth tax imposed on such shareholders. Currently, the marginal wealth tax rate is 0.85 percent of the value assessed. The value for assessment purposes for listed shares is equal to 55 percent of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

10.3 Foreign shareholders – Norwegian taxation

10.3.1 Taxation of dividends

Non-Norwegian Individual Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Individual Shareholders**") are, as a general rule, subject to withholding tax at a rate of 25 percent. The withholding tax rate of 25 percent is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation. Documentation requirements apply to Non-Norwegian Shareholders who claim entitlement to a reduced withholding tax rate. Non-Norwegian Individual Shareholders may be required to provide a Certificate of tax residence, which cannot be older than three years at the time of the dividend resolution, in order to benefit from a reduced withholding tax rate.

Non-Norwegian Individual Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance in respect of each individual share (please see Section 0 "Norwegian Individual Shareholders" above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25 percent calculated on the gross dividend less the tax-free allowance.

If a Non-Norwegian Individual Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Individual Shareholder, as described above.

Non-Norwegian Individual Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply individually to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders that are limited liability companies not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**") are, as a general rule, subject to withholding tax at a rate of 25 percent. The withholding tax rate of 25 percent is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If the Non-Norwegian Corporate Shareholder holds the shares in connection with business activities in Norway, the shareholder will be subject to the same taxation as a Norwegian Corporate Shareholders, as described above.

Documentation requirements apply to Non-Norwegian Shareholders who claim entitlement to a reduced withholding tax rate or a withholding tax exemption. These documentation requirements vary depending on whether the Shareholders claims a reduced withholding tax rate in accordance with an applicable tax treaty or whether the Shareholder claims a tax exemption based on being a tax resident in another EEA country and depending on whether the Non-Norwegian Corporate Shareholder has previously qualified for a reduced rate for, or an exemption from, the withholding tax. Thus, Non-Norwegian Corporate Shareholders should consult with their own tax advisers in order to determine the documentation required. The documentation requirements apply equally to nominee registered shares.

Non-Norwegian Corporate Shareholders who have suffered to a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax withheld. The same applies to Non-Norwegian Corporate Shareholders within the EEA that are exempt from Norwegian tax on dividends, pursuant to participation exemption.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

10.3.2 Taxation of capital gains on realization of shares

Non-Norwegian Individual Shareholders

Gains from the sale or other disposals of shares in the Company by a Non-Norwegian Individual Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Individual Shareholder holds the shares in connection with business activities carried out in or managed from Norway. In such cases the shareholder will be subject to the same taxation as Norwegian Individual shareholders.

Non-Norwegian Corporate Shareholders

Capital gains derived from the sale or other type of realization of shares in the Company by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway

10.3.3 Taxation of Subscription Rights

A Non-Norwegian Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway.

Capital gains derived by the sale or other transfer of subscription rights by Non-Norwegian Shareholders are not subject to taxation in Norway unless the Non-Norwegian Shareholder holds the subscription rights in connection with business activities carried out or managed from Norway. In such cases the shareholder will be subject to the same taxation as Norwegian shareholders. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

10.4 Net wealth tax

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax.

Non-Norwegian Individual Shareholders may, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

10.5 Vat and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

10.6 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

10.7 Taxation of the Perpetual Bonds

10.7.1 Introduction

The below description is based on the assumption that the Perpetual Bonds are classified as a debt instrument for Norwegian tax purposes. However, as described above in Section 1 "Risk related to tax classification of the Bonds", there is a risk that the Norwegian tax authorities may classify the Perpetual Bonds as equity for Norwegian tax purposes, which in case may impact the tax treatment for the holders of Perpetual Bonds.

Further, tax legislation of the investor's Member State and Norwegian tax legislation may have an impact on any income received from the Perpetual Bonds.

10.7.2 Classification

For convertible bonds where the holder is given a right to subscribe for shares by way of setting off the bond element against the obligation to pay the subscription amount (conversion), the full instrument (i.e. including the warrant element) shall be taxed according to the rules applicable to debt instruments.

10.7.3 Norwegian Bondholders

Taxation of return on convertible bonds prior to disposal

Any kind of return received on convertible bonds prior to disposal is taxable as "ordinary income" subject to the flat rate of 22% (25% for financial institutions). Return on convertible bonds is taxed on an accruals basis (i.e. regardless of when the return is actually paid).

Taxation upon disposal or redemption of convertible bonds

Redemption of convertible bonds is treated as realization and may result in a capital gain or loss. Capital gains will be taxable as "ordinary income", subject to the flat rate of 22 per cent (25% for financial institutions). Losses will normally be deductible in the bondholder's "ordinary income".

Any capital gain or loss is computed as the difference between the amount received by the bondholder on realization and the cost price of the bonds. The cost price is equal to the price for which the bondholder acquired the bonds. Costs incurred in connection with the acquisition and realization of bonds may be deducted from the bondholder's taxable income in the year of the realization.

Net wealth taxation

The value of bonds at the end of each income year will be included in the computation of a bondholder's taxable net wealth for municipal and state net wealth tax purposes. Listed bonds are valued at their quoted value on 1 January in the assessment year. The marginal tax rate is currently 0.85%. Limited liability companies and similar entities are not subject to net wealth taxation.

10.7.4 Foreign Bondholders

Norwegian withholding tax

Payments on bonds to foreign bondholders will not be subject to Norwegian withholding tax.

Please note however that the Norwegian Government has proposed to introduce withholding tax on interest payments effective from 1 July 2021. Under the proposed rule, Norway may levy withholding tax on interest payments from a Norwegian company to (i) a related party (50% or more joint ownership) (ii) which is tax resident in a low-tax jurisdiction (effective taxation lower than 2/3 of Norwegian effective taxation). The domestic withholding tax rate for interest payments is 15%, but may be reduced under an applicable tax treaty.

Taxation of return and capital gain upon disposal or redemption

Return received or capital gain upon disposal or redemption of convertible bonds will not be subject to tax in Norway unless the foreign bondholder is holding the convertible bonds in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

Net wealth taxation

Foreign bondholders are not subject to Norwegian net wealth tax with respect to convertible bonds, unless the bondholder is an individual, and the bondholding is effectively connected with a business which the bondholder takes part in or carries out in Norway. Such taxation may be limited according to an applicable tax treaty.

10.7.5 Transfer taxes, etc. – VAT

There are currently no Norwegian transfer taxes, stamp duty or similar taxes connected to purchase, disposal or redemption of bonds. Furthermore, there is no VAT on transfer of bonds.

11. LEGAL MATTERS

11.1 Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the Company and/or group's financial position or profitability, except from those described below in this Section 11.1.

11.1.1 Examinership and Reconstruction

On 9 November 2020, the Norwegian government announced that it would not provide additional financial support to the Company for the time being. As a consequence, the Board of Directors of the Company resolved on 17 November 2020 to seek to downsize its aircraft platform through a court-supervised process in Ireland termed "examinership". An interim examiner was appointed on 18 November 2020, and on 7 December 2020, the Irish High Court formally accepted the entry of the Company and certain of its Irish subsidiaries into the Examinership. On 8 December 2020, following formal acceptance of the Company and certain of its Irish subsidiaries into the Examinership, the Company filed for and was accepted into a supplementary Norwegian court-supervised Reconstruction.

The Examinership and the Reconstruction are ongoing, and impose a global "automatic stay" on creditors. This means that, for the duration of the processes, creditors of the companies subject to Examinership and Reconstruction (including the Company) are generally unable to take action to secure payment, and the relevant companies cannot pay or otherwise discharge liabilities incurred prior to the commencement of the processes. The Examinership and Reconstruction processes are as of the date of this Registration Document expected to be completed during Q1 2021, though may be extended.

Both Examinership and Reconstruction are corporate rescue processes whereby the directors and management continue to run the subject company, whilst independent experts (the examiner and the reconstructor, respectively) are appointed by the court to oversee the restructuring process. During the processes, restructuring proposals are presented that are voted on by creditors and, if approved by the requisite majority, become binding on the creditors.

Please see section 4.7 for more details on the Phase 2 Reconstruction and the Company's proposed Indicative Plan to exit the Examinership and Reconstruction process.

11.1.2 Boeing

In June 2020, Norwegian issued a notice to Boeing of termination of the company's purchase agreements of the remaining five Boeing 787 aircraft, 92 Boeing 737 MAX aircraft and the GoldCare service agreements (BSG) related to the 787 and MAX aircraft. Norwegian has in addition filed a legal claim seeking the return of predelivery payments (PDP) related to the aircraft and compensation for the company's losses related to the grounding of the 737-Max and engine issues on the 787. Boeing has contested the Company's position and asserted claims against the Group. It is challenging to predict the outcome, also as the Company is subject to the Examiner and Reconstruction processes.

11.1.3 Reassessment from the Norwegian tax authorities

In March 2017 and June 2018, the Norwegian Tax Authorities made a reassessment pertaining to an EEC cross-border restructuring that took place in 2013 and 2014. The restructuring was carried out under the rules of contingent tax-free group reorganizations. The assessment was appealed, and in January 2020 the Tax Appeals Board ruled in line with the tax authorities' assessment. The ruling indicates increased tax payable for the years in question with up to NOK 571 million, a reduction in prepaid taxes of NOK 166 million and interests estimated to a maximum of NOK 119 million up to 31 December 2019. The maximum total potential cost increase would be NOK 856 million, with a corresponding reduction in equity. The Tax Appeal Board ruled that part of the payment should be deferred, and the timing of the tax collection is not finally determined. Further, a negative outcome of the case could lead to a reduction in not recognized deferred tax assets of NOK 376 million with no immediate change to tax cost or equity. The disputed question is if the rules on contingent tax-free group reorganization, as they applied in 2013 and 2014, are contrary to EU law.

Norwegian and its tax advisor are of the opinion that the ruling is without merit and that it is probable that the ruling will be reversed in court. The case is currently scheduled in Oslo Municipality court 12-26 April 2021. The Group has not made any provision for any potential tax claim in the Interim Financial Statements.

11.1.4 Reassessment from Irish Revenue

In December 2019 and April 2020, Irish Revenue made an assessment for the period 2014 – 2018 and 2019, respectively of EUR 24 million pertaining to withholding income tax (PAYE) on non-resident crew exercising their employment on an aircraft in international traffic where the enterprise has its place of effective management in Ireland. The crew in scope are non-Irish residents and their employment are not exercised in Ireland. The company, supported by its tax advisors, are of the opinion that Irish Revenue's application of the provision is overly broad and is contrary to the EU law and have concluded that it is more likely than not that the assessment will be reversed.

The assessment is appealed.

11.1.5 Customer claims and claims based on Regulation (EC) 261/2004

The Group is, from time to time, subject to litigation, arbitration and administrative proceedings in the jurisdictions in which it operates. Many of these proceedings relate to claims arising in the ordinary course of business including, but not limited to, litigation relating to service interruption, flight delays, cancellations and lost or damaged luggage.

Claims for care and compensation as per Regulation (EC) 261/2004 (the EU regulation establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights) account for a significant proportion of the Group's exposure to litigation and administrative proceedings and are also a significant cost component. The Group is subject to Regulation (EC) 261/2004 where it applies.

The Group's potential liability is not only determined in litigation to which itself is a party, but also in litigation involving other carriers, as decisions issued by higher courts of EU member states and the European Court of Justice may create precedence to which the Group seeks to comply. Such precedents can potentially both widen or narrow the scope of liability for carriers under Regulation (EC) 261/2004, and may also affect claims retrospectively.

The Group aims to resolve all claims from passengers for Regulation (EC) 261/2004 compensation in an expedited manner without resorting to dispute resolution procedures, however, because of e.g. processing delays or disagreement concerning the eligibility, claims are sometimes also escalated to national enforcement bodies within the EU/EEA (NEBs), alternative dispute resolution bodies (ADRs) or to the courts of the relevant EU/EEA member state. Such proceedings will be ongoing in the ordinary course of business. Claims related thereto may be significant, and the handling and processing of these may also be affected to the current Examinership/Reconstruction processes.

Norwegian Air Shuttle has recently been named defendant in Daversa-Evdyriadis et. al. v. Norwegian Air Shuttle and Kiwi.com, Ltd., a class action filed in the United States District Court for the Central District of California in April 2020. The plaintiffs allege, *inter alia,* breach of contract relating to delayed refunds for cancelled flights. The Company filed a motion to dismiss the case which was granted by the court on 17 September 2020. The ruling was subsequently appealed by the plaintiff on 30 September 2020. The appeal has moved the case to the Ninth Circuit of Appeal in California.

11.1.6 Other claims

Certain claims have been filed by aircraft lessors and other creditors which are as of the date of this Registration Document subject to the aforementioned moratorium arising under the Examinership and the Reconstruction.

11.2 Material contracts which Norwegian is dependent on in its ordinary course of business

Aircraft purchase commitments

The Group has several aircraft purchase commitments from agreements entered into with Boeing and Airbus. An overview of these agreements is presented in Section 4.14 "Investments". Reference is however made to description of the termination of purchase orders from, and claim for compensation against, Boeing and Boeing's contesting and claims asserted thereto. The result of the claims is highly uncertain.

Operating leases

As outlined above, Norwegian has adopted the new accounting standard IFRS 16 Leases from 1 January 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases from a lessee point of view. Instead, all leases are treated in a similar way to finance leases under IAS 17. From 1 January 2019, all external aircraft lease contracts in the Group are presented as ROU assets.

Norwegian has chosen to apply the recognition exemptions under IFRS 16 for all property and car lease agreements meeting the requirements for such exemptions. Those leases as well as variable payments for the lease of technical equipment are accounted for in the same way as operating leases under IAS 17.

Obligations from such lease contracts are presented in the table below and include 21 (2018: 14) cars and 116 (2018: 126) properties in Oslo, Dublin and London, in addition to properties in all the operating bases worldwide. Leasing costs related to cars, properties and technical equipment expensed in other operating expenses in 2019 was NOK 172.8 million (2018: NOK 228.9 million).

Leasing costs expensed on aircraft leases within operational expenses were NOK 4,351.4 million in 2018. Included in leasing costs were wet lease and operating lease costs on aircraft from sale-and-leaseback transactions.

Annual minimum rent on non-cancellable operating lease agreements per 30 September 2020, 31 December 2019 and 31 December 2018 were as follows:

In NOK millions, nominal values	**30 Sep 2020**	**31 Dec 2019**	**31 Dec 2018**
Within one year	8.7	14.6	5,110.9
Between 1 and 5 years	0.5	14.8	17,865.8
After 5 years	0.0	0.0	17,093.3
Total lease commitments	**9.2**	**29.4**	**40,070.0**

Current estimates of maintenance reserves payments over the lease agreements at 30 September 2020: NOK 1,155.3 million (31 December 2019: NOK 5,905.4 million).

Other contracts

On 24 October 2019, the Company announced the formation of a JV with CCB Leasing (International) Corporation DAC (CCBLI), which is a wholly owned subsidiary of China Construction Bank Corporation (CCB), an industry leader in banking, financial services and leasing, and the world's second largest bank by asset value. CCBLI is the majority owner of the joint venture with a 70 percent share, while the Company, through its wholly owned subsidiary AAA, holds the remaining 30 percent. The purpose of the joint venture is to finance, own and lease aircraft which are part of the Company's Airbus A320 family aircraft order book. Under the terms of the agreement, the joint venture will purchase from AAA a total of 27 Airbus A320 NEO aircraft to be delivered from 2020 to 2023, of which three aircraft are currently delivered and on lease with a third party operator. Aircraft deliveries into the joint venture will start from Q1 2020. CCBLI has committed to provide senior debt financing to the joint venture for all of the 27 aircraft. In addition to a positive equity effect, the joint venture reduces the Company's committed capital expenditure by approximately USD 1.5 billion based on the initial 27 aircraft.

The Company has selected the Rolls-Royce Trent 1000 engine to power all new 787 Dreamliner aircraft. The contract, signed with Rolls-Royce, includes "Total Care" long-term support agreements which include all maintenance, spare parts and other support services. The contract value quoted at list price is USD 450 million when comprising 18 engines.

The Company has entered into a maintenance agreement with Boeing comprising all long-haul aircraft on order. The agreement secures cost efficient maintenance and has a duration of twelve years.

On 18 December 2015, the Group signed an agreement to lease out twelve Airbus A320neo aircraft to airline HK Express. The first seven aircraft were delivered from December 2016 to May 2018, and then sold to another lessor at a profit. The Group expects to deliver the remaining five aircraft into its joint venture with CCBLI in 2020.

Bond agreements and other loan agreements

For further information on the bond agreements and other loan agreements, please refer to Section 4.15 "Key Financial Agreements".

12. ADDITIONAL INFORMATION

12.1 Documents on display

For twelve months from the date of this Registration Document, copies of the following documents will be available for inspection at the Company's website www.norwegian.no:

- The Articles of Association of the Company.
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Registration Document.

12.2 Advisers

Advokatfirmaet BAHR AS (Tjuvholmen Allé 16, 0252 Oslo, Norway) is acting as legal counsel to the Company.

12.3 Independent auditor

The Company's independent auditors are PriceWaterhouseCoopers AS ("**PWC**") which has their registered business address is at Dronning Eufemias gate 71, 0194 Oslo, Norway. PWC was engaged as the Company's independent auditors on 30 June 2020. PWC is member of the Norwegian Institute of Public Accountants ("Den norske Revisorforening").

PWC has not audited, reviewed or produced any report on any other information provided in this Registration Document.

12.4 Documents incorporated by reference

For the life of this Registration Document the following documents (or copies thereof), where applicable, is incorporated by reference, and may be found at the website of the Company:

Section in Prospectus	Disclosure requirements of the Prospectus	Reference document and link	Page (P) in reference document
Section 8.4	Articles of Association	Articles of Association: https://www.norwegian.no/om-oss/selskapet/investor-relations/corporate-governance/articles-of-association/	All
Section 6.1	Audited historical financial information	Norwegian Air Shuttle ASA, Annual report 2017: https://www.norwegian.no/om-oss/selskapet/investor-relations/reports-and-presentations/	P21-P80
		Norwegian Air Shuttle ASA, Annual report 2018: https://www.norwegian.no/om-oss/selskapet/investor-relations/reports-and-presentations/	P24-P84
		Norwegian Air Shuttle ASA, Annual report 2019: https://www.norwegian.no/om-oss/selskapet/investor-relations/reports-and-presentations/	P20-P101
Section 6.1	Audit reports	Norwegian Air Shuttle ASA, Annual report 2017: https://www.norwegian.no/om-oss/selskapet/investor-relations/reports-and-presentations/	P81
		Norwegian Air Shuttle ASA, Annual report 2018:	P85

		https://www.norwegian.no/om-oss/selskapet/investor-relations/reports-and-presentations/	
		Norwegian Air Shuttle ASA, Annual report 2019: https://www.norwegian.no/om-oss/selskapet/investor-relations/reports-and-presentations/	P117-P119
Section 6.1	Unaudited historical financial information	Norwegian Air Shuttle ASA, Interim report H1 2020 https://www.norwegian.no/om-oss/selskapet/investor-relations/reports-and-presentations/	All
Section 6.1	Unaudited historical financial information	Norwegian Air Shuttle ASA, Interim report Q3 2020: https://www.norwegian.no/om-oss/selskapet/investor-relations/reports-and-presentations/	All

12.5 Related party transactions

For detailed information on related party transactions, please refer to Note 26 in the Annual Report for 2019. There have been no significant transactions with related parties during the third quarter of 2020 apart from recurring agreements such as described in the 2019 Annual Report. All transactions with related parties are considered priced on an arm's-length basis.

12.6 Regulatory Disclosure

Companies listed on the Oslo Stock Exchange are subject to disclosure requirements according to the Norwegian Securities Trading Act. Below is an overview of the disclosures published by Norwegian Air Shuttle ASA pursuant to the Norwegian Securities Trading Act on its ticker "NAS" on www.newsweb.no during the last twelve months prior to the date of this Registration Document.

Inside Information

Date	Title	Description	Prospectus cross reference
14 January 2021	Norwegian Air Shuttle (NAS) – Presents indicative plan for Reconstruction, exit of Examinership and Reconstruction processes and post-reconstruction Company	The Company announced a proposed Indicative Plan for the refinancing and recapitalisation pursuant to the Examinership and Reconstruction process, as well as closure of its long haul operations	4.7
07.01.2020	Norwegian Air Shuttle ASA (NAS) - Traffic figures for December 2020	Norwegian published traffic figures for December 2020, which are heavily influenced by the travel restrictions and drop in demand.	N/A
17.12.2020	Norwegian Air Shuttle ASA (NAS) – Minutes from the extraordinary general meeting (EGM)	The Company published the minutes from the extraordinary general meeting (EGM) held on 17 December 2020.	8.1
16.12.2020	Norwegian Air Shuttle ASA (NAS) – Board of directors updates proposed resolutions for the extraordinary general meeting	The board of directors published updated proposed resolutions for the EGM.	8.1
08.12.2020	Norwegian Air Shuttle ASA (NAS) – Conversion of vendor debt	Following bankruptcy of OSM Aviation Finland Oy ("OSM Finland") and Norwegian OSM Fi Oy	4.7

Date	Title	Description	Prospectus cross reference
		("Norwegian OSM"), the Company reached, through constructive dialogue with the bankruptcy estates of OSM Finland and Norwegian OSM, an agreement whereby a total of EUR 7,379,907 million in outstanding payables under certain crew service agreements would be converted into 18,778,583 new shares at the conversion price of NOK 4.24919.	
08.12.2020	Norwegian Air Shuttle ASA (NAS) has successfully been made subject to a supplementary reconstruction process in Norway	The Company was formally accepted into the Norwegian reconstruction process	1.1, 4.5, 4.11, 11.1
08.12.2020	Norwegian Air Shuttle ASA (NAS) has filed for a supplementary reconstruction process	The Company filed for a supplementary reconstruction process in Norway	1.1, 4.5, 4.11, 11.1
07.12.2020	Norwegian Air Shuttle ASA (NAS) - The Irish High Court has formally approved the Examinership	The Irish High Court formally accepted the entry of the Company and certain of its Irish subsidiaries into the examinership process	1.1, 4.5, 4.11, 11.1
04.12.2020	Norwegian Air Shuttle ASA (NAS) - Traffic figures for November 2020	The Company announced its traffic figures for November 2020.	N/A
03.12.2020	Norwegian Air Shuttle ASA (NAS) - Notice of extraordinary general meeting	The board of directors called an extraordinary general meeting setting out its plans with respect to the examinership, and proposing a number of resolutions in connection with its second phase of restructuring, including seeking wide authorisations to convert debt into equity and to issue new shares, as well as a proposed Rights Offering, a reverse share split and a reduction in nominal value in respect of the Shares	1.1, 4.2, 4.12, 8.1
20.11.2020	Norwegian Air Shuttle ASA (NAS) – Additional shares and perpetual bonds released from lock-up	The Company announced that additional shares and perpetual binds were released from lock-up.	4.5
18.11.2020	Norwegian initiates a reorganisation plan with its daughter companies NAI and AAA seeking protection under Irish Examinership	The Company announced that it had initiated a reorganisation plan with daughter companies under Irish examinership.	1.1, 4.5, 4.11, 11.1.1
10.11.2020	Norwegian Air Shuttle ASA (NAS) - Resignation of board member	The Company announced that it had been notified by Mr. Anton Joiner that he resigned as a member of the board of directors of the company.	4.5
05.11.2020	Norwegian Air Shuttle ASA (NAS) - Traffic figures for October 2020	The Company announced its traffic figures for October 2020.	N/A
06.10.2020	Norwegian Air Shuttle ASA - Traffic figures for September 2020	The Company announced its traffic figures for September 2020.	N/A
04.09.2020	Norwegian Air Shuttle ASA (NAS) - Traffic figures for August 2020	The Company announced its traffic figures for August 2020.	N/A

Inside Information

Date	Title	Description	Prospectus cross reference
17.07.2020	Norwegian Air Shuttle ASA (NAS) – Agreement with OSM and conversion of vendor debt; Disclosure of large shareholding	The Company announced an agreement with OSM and conversion of vendor debt, in addition to a disclosure of large shareholding.	4.5, 4.7
29.06.2020	Norwegian Air Shuttle ASA (NAS) – Notice of termination to the Boeing Company of purchase agreements and GoldCare agreement	The Company announced the termination of its agreements with the Boeing Company and GoldCare	4.5
17.06.2020	Norwegian Air Shuttle ASA (NAS) – Additional conversion of debt to equity; vendor debt conversion and conversion of convertible bonds	The Company provided information on the addition conversion of debt to equity, vendor debt conversion and conversion of convertible bonds.	4.7
28.05.2020	Norwegian Air Shuttle ASA (NAS) – Trading update for the first quarter 2020	The Company reported on its consolidated pre-tax results for the three-month period that ended on 31 March 2020.	N/A
20.05.2020	Norwegian Air Shuttle ASA (NAS) – Detailed results of the NOK 12.7 billion recapitalization – Completion of the Offering and Debt Conversion	The Company announced results from the recapitalisation, completion of the offering and debt conversion.	1.1, 4.5, 4.7, 4.11
18.05.2020	Norwegian Air Shuttle ASA – Results from the Bondholders' Meeting in NAS07	The Company announced results from the bondholders meeting in NAS07.	4.7
18.05.2020	Norwegian Air Shuttle ASA (NAS) – Final result of the public offering and allocation to primary insiders – conversion shares and conversion price in the bonds and lease debt conversion	The Company announced the results of the public offering and allocation to primary insiders, conversion shares and conversion price in the bonds and lease debt conversion	4.7
14.05.2020	Norwegian Air Shuttle ASA (NAS) – Preliminary results of the public offering	The Company announced the preliminary results of the public offering.	N/A
14.05.2020	Norwegian Air Shuttle ASA (NAS) – The application period for the public offering expires today	The Company announced the expiration of the application period for the public offering.	N/A
13.05.2020	Norwegian Air Shuttle ASA (NAS) – Status of bookbuilding and applications by primary insiders	The Company gave a status update of the bookbuilding and received applications by primary insiders.	N/A
07.05.2020	Norwegian Air Shuttle ASA (NAS) – Update on the public offering	The Company gave an update on the offering of the securities referred to in prospectus approved 5. May 2020.	N/A
06.05.2020	Norwegian Air Shuttle ASA (NAS) - Approved prospectus and commencement of application period in the public offering	The Company announced the approval of the prospectus.	N/A

Inside Information

Date	Title	Description	Prospectus cross reference
05.05.2020	Norwegian Air Shuttle ASA announces the terms of the public equity offering, pre-commitments in excess of NOK 100 million in subscriptions received	The Company announced the terms of the Offering and other Offering details as described in the prospectus	N/A
04.05.2020	Norwegian Air Shuttle ASA – Number of shares after conversion of debt and implied conversion price	The Company announced that a total of 2,978,402,828 new shares would be issued to bondholders and lessors as part of the debt conversion, and that the total number of shares in the Company after the debt conversion hence would be 3,141,775,135. The implied conversion price for the new shares was NOK 3.8 per share based on the announced conversion of the bonds and the current commitments at the date from lessors, however, made subject to any additional conversions committed from lessors before the registration of the share capital.	N/A
04.05.2020	Norwegian Air Shuttle ASA – EGM voted in favor of the proposed resolutions	The Company announced that the EGM voted in favor of all proposed resolutions, including resolutions pertaining to the Conversion of Debt and the Offering.	4.5
04.05.2020	Norwegian Air Shuttle ASA – Recapitalization process nearly complete – agreement securing additional debt conversion commitments from lessors	The Company could announce that it had received strong support from lessors for a minimum conversion to equity of USD 730 million (excluding conversion under the so-called power-by-the-hour arrangement), up from the previously announced USD 550 million.	4.7
04.05.2020	Norwegian Air Shuttle ASA (NAS) – Board of Directors updates proposed resolutions for the extraordinary general meeting	The Company announced that it had received strong support from both its bondholders and lessors, and that the Board of Directors therefore had updated the proposed resolutions for the EGM to reflect these agreements and narrowed the potential outcomes for its shareholders.	4.7
03.05.2020	Norwegian Air Shuttle ASA – Summons of Bondholder Meeting NAS07	The Company published the summons of a new Bondholder Meeting in NAS07 to be held on 18 May 2020, and also informed that it had reached an agreement (in writing) with the largest NAS07 bondholders. The Company said that it would obtain re-confirmation from the CB holders and that NAS08 would get the same improvement as NAS07, while no new bondholder meeting would be summoned for NAS09.	4.7
01.05.2020	Norwegian Air Shuttle ASA – Results from the bondholders' meetings	The Company announced the results from the bondholders' meetings whereby 3 out of 4 bondholder groups had approved the Company's proposal. NAS07 bondholders did not approve and needed to be re-summoned.	4.7
30.04.2020	Norwegian Air Shuttle ASA – revised offer to bondholders	The Company announced a further revised offer to the bondholders to convert Bonds into equity in the	N/A

Inside Information

Date	Title	Description	Prospectus cross reference
		Company. The bondholders meeting was also extended until 23:00 CEST on 30 April 2020.	
28.04.2020	Norwegian Air Shuttle ASA – Revised offer to bondholders	The Company announced revised terms of the offer to its bondholders to convert Bonds to equity on the Company.	N/A
27.04.2020	Norwegian Air Shuttle ASA announces the details of the restructuring plan and its intention to launch a public equity offering of up to NOK 400 million	The Company announced its proposed terms for the Refinancing and the Offering.	4.5
14.04.2020	Norwegian Air Shuttle ASA (NAS) – Summons to bondholders' meetings with proposal to amend terms and convert bonds into equity	The Company announced that it had requested Nordic Trustee as the trustee for the outstanding bonds NAS07, NAS08, NAS09 and the USD 150m convertible bond to summon bondholders' meetings on 30 April 2020 with the aim to approve a proposal to amend terms and convert full or in parts the bonds into equity.	N/A
08.04.2020	Norwegian Air Shuttle ASA (NAS) - Notice of Extraordinary General Meeting	The Company announced its intention to convert its debt to equity in order to, inter alia, meet the requirements of the Norwegian state guarantee program, and the Board of Directors summoned to an Extraordinary General Meeting to be held on 4 May 2020.	4.5
25.03.2020	Update regarding the Norwegian government proposal of guarantees and loans in connection with the COVID-19 travel restrictions	Announcement in respect of the Company's launch of a forbearance request to its financial creditors necessitated in order to attract tranche 2 of the contemplated loan guarantee package from the Norwegian Government.	N/A
25.03.2020	HBK Holding AS – redelivery of lending shares in Norwegian Air Shuttle ASA	HBK Holding AS requested redelivery to HBK of the shares in the Company currently which had been lent in the market by HBK.	4.5
24.03.2020	Norwegian fulfills criteria for initial NOK 300 million in guarantee from the Norwegian Government	With reference to the press release from the Norwegian Government on 19 March 2020 regarding the financial measures to support Norwegian airline industry, the Company announced that it had met the criteria to receive the first tranche of NOK 300 million.	1.1, 4.11, 4.15
19.03.2020	Update regarding government measures for Norwegian aviation	Notice regarding the Norwegian government's announcement of a guarantee package to limit some of the damage to air transportation due to the COVID-19.	4.5
16.03.2020	Norwegian to cancel 85 percent of its flights and temporarily layoff approximately 7,300 colleagues	The Company announced that it would cancel most of its flights and temporarily lay off a major share of its workforce due to the COVID-19 situation.	4.5
10.03.2020	Norwegian to cancel approximately 3,000 flights and implement temporary layoffs due to the effects of COVID-19	Due to the COVID-19 situation, the Company announced that it was preparing to cancel approximately 3,000 flights between mid-March and mid-June. This represented approximately 15	4.5

Inside Information

Date	Title	Description	Prospectus cross reference
		percent of the total capacity for this period. The Company also announced several other measures it had put in place, including temporary layoffs of a significant share of its workforce.	
04.02.2020	Norwegian Air Shuttle ASA: Cancellation of subsequent repair offering	The Company announced that it canceled the contemplated private placement and the potential subsequent repair offering due to the shares trading at a similar price to or below the subscription price in the private placement.	N/A

Major Shareholding Disclosure

Date	Title	Description	Prospectus cross reference
16.12.2020	Disclosure of shareholding - AerCap Holdings N.V.	Announcement that on 15 December 2020, AerCap Holdings N.V. ("AerCap") had, through its wholly owned subsidiary Ballyfin Aviation Limited, sold 41,605,161 shares in the Company. Following this transaction, AerCap had, through certain of its indirect wholly owned subsidiaries, as well as certain other companies in which AerCap has an interest, an interest in a total of 177,893,106 ordinary shares, representing approximately 4.5% of the share capital and voting rights in NAS.	N/A
30.11.2020	Disclosure of shareholding - AerCap Holdings N.V.	Announcement that on 27 November 2020, AerCap Holdings N.V. ("AerCap") had, through its wholly owned subsidiary Ballyfin Aviation Limited, sold 47,846,873 shares in the Company. Following this transaction, AerCap had, through certain of its indirect wholly owned subsidiaries as well as certain other companies in which AerCap has an interest, an interest in a total of 114,791,646 ordinary shares, representing 3.1% of the share capital and voting rights in NAS. In addition, certain of the Relevant Entities held an interest in perpetual bonds in NAS. Such perpetual bonds can be converted into 219,498,267 ordinary shares in NAS, representing in total 5.9% of the share capital and voting rights in NAS.	N/A
24.11.2020	Disclosure of sale of shareholding - BOC Aviation Limited	Announcement that BOC Aviation Limited sold 38,874,417 shares in the Company as a consequence of which BOC Aviation thereafter held 182,122,301 shares in NAS, representing 4.92% of the outstanding shares and votes in NAS. Prior to completion of the sale, BOC Aviation held 220,996,718 shares and votes in NAS and controlling companies of BOC Aviation did not hold any other shares or votes in NAS.	N/A

18.11.2020	Disclosure of shareholding - AerCap Holdings N.V.	Announcement that AerCap Holdings N.V. had, through its wholly owned subsidiary Ballyfin Aviation Limited, sold 23,872,745 shares in the Company. Following this transaction, AerCap had, through certain of its indirect wholly owned subsidiaries as well as certain other companies in which AerCap an interest in a total of 331,842,814 ordinary shares, representing 9% of the share capital and voting rights in NAS. In addition, certain of the Relevant Entities held an interest in perpetual bonds in NAS. Such perpetual bonds can be converted into 219,498,267 ordinary shares in NAS, representing in total 5.9% of the share capital and voting rights in NAS.	N/A
24.09.2020	Disclosure of sale of shareholding - BOC Aviation Limited	Announcement that BOC Aviation Limited sold 421,000 shares in the Company, as a consequence of which BOC Aviation thereafter held 363,970,734 shares in NAS, representing 9.99% of the outstanding shares and votes in NAS. Prior to completion of the sale, BOC Aviation held 364,391,734 shares and votes in NAS and controlling companies of BOC Aviation did not hold any other shares or votes in NAS.	N/A
31.07.2020	Disclosure of large shareholding - OSM Aviation Ltd.	Announcement that OSM Aviation Ltd. and its group companies sold 2 602 886 shares in NAS. After the sale, OSM Aviation owned on a consolidated basis 178 122 029 shares in NAS, which was equal to approximately 4.99% of the outstanding shares and votes in NAS.	N/A
22.07.2020	Notification of large shareholding - MG Aviation Limited	Announcement that, MG Aviation Limited, through 787 MSN 37307 Limited, 787 MSN 37308 Limited, 789 MG 62082 Limited, and 789 MG 37931 Limited had an interest in a total of 327,615,749 ordinary shares in the Company, which following the Company's share capital increase was reduced from representing 10.00% to 9.18% of the share capital and voting rights in NAS. Subsequent to the capital increase on 21 July 2020, subsidiaries of MG Aviation had divested ordinary shares in the amount of 1,870,746, resulting in an interest in a total of 325,745,003 ordinary shares representing 9.13% of the share capital and voting rights in NAS.	N/A
22.07.20202	Notification of large shareholding - AerCap Holdings N.V.	Announcement that following the completion of the share issuance, AerCap Holdings N.V. held, through certain of its indirect wholly owned subsidiaries as well as certain other companies in which AerCap Holdings N.V. has an interest in a total of 487,915,559 ordinary shares, representing 13.7% of the share capital and voting rights in NAS. In addition, certain of the Relevant Entities held an interest in perpetual bonds in NAS. Such perpetual bonds can be converted into 219,498,267 ordinary shares in NAS, representing in total 6.2% of the share capital and voting rights in NAS.	N/A

21.07.2020	Disclosure of large shareholding - Avolon Holdings Limited	Announcement that Avolon Holdings Limited had, through certain of its indirect wholly owned subsidiaries an interest in a total of 168,787,395 ordinary shares in the Company, which following the share capital increase was reduced from representing approx. 5.15% to approx. 4.73% of the total outstanding share capital and voting rights in NAS.	N/A
30.06.2020	Purchase of treasury shares	The Company announced that it had purchased 890,000 shares in the Company at an average price of NOK 2.7051 per share, which implies a total consideration of NOK 2,407,539. Following the transaction NAS held a total of 891,400 treasury shares.	4.5
11.06.2020	Disclosure of large shareholding - DP Aircraft Ireland	Announcement regarding conversion of convertible bonds and new registered share capital in relation to such conversion. DP Aircraft Ireland, a wholly owned subsidiary of DP Aircraft 1 Limited had an interest in a total of 154,189,712 ordinary shares in the Company, which following the share capital increase was reduced from representing 5.02% to 4.95% of the share capital and voting rights in NAS.	N/A
20.05.2020	Disclosure of large shareholding - MG Aviation Limited	Announcement regarding the completion of the recapitalization, which includes, inter alia, the conversion of leasing debt into equity and an offering of new shares in the Company. Following completion of this transaction MG Aviation Limited had, through 787 MSN 37307 Limited, 787 MSN 37308 Limited, 789 MG 62082 Limited, and 789 MG 62082 Limited, an interest in a total of 335,936,365 ordinary shares in the Company, representing 10.94% of the share capital and voting rights in NAS.	N/A
20.05.2020	Disclosure of large shareholding - Avolon Holdings Limited	Announcement regarding the completion of the recapitalization, which included, inter alia, the conversion of leasing debt into equity and an offering of new shares in the Company. Following completion of this transaction Avolon Holdings Limited had, through certain of its indirect wholly owned subsidiaries (collectively the “Relevant Entities”), an interest in a total of 168,787,395 ordinary shares, representing 5.50 % of the share capital and voting rights in NAS.	N/A
20.05.2020	Disclosure of large shareholding - DP Aircraft Ireland	Announcement regarding the completion of the recapitalization, which included, inter alia, the conversion of leasing debt into equity and an offering of new shares in the Company. Following completion of this transaction DP Aircraft Ireland, a wholly owned subsidiary of DP Aircraft 1 Limited, had an interest in a total of 154,189,712 ordinary shares in the Company, representing 5.02% of the share capital and voting rights in NAS.	N/A
20.05.2020	Disclosure of large shareholding - BOC Aviation Limited	Announcement regarding BOC Aviation Limited entry into an agreement to convert lease obligations to	N/A

		389,053,742 shares in the Company in connection with the share capital increase resolved by the general meeting of NAS on 4 May 2020, and upon completion of the conversion, BOC Aviation held 389,053,742 shares in NAS, representing 12.67% of the outstanding shares and votes in the Company.	
20.05.2020	Disclosure of large shareholding - AerCap Holdings N.V.	Announcement regarding the share issuance by the Company through conversion of lease debt to shares. Following the completion of the share issuance AerCap Holdings N.V. will, through certain of its indirect wholly owned subsidiaries as well as certain other companies in which AerCap Holdings N.V. had an interest, in a total of 487,931,515 ordinary shares, representing 15.9% of the share capital and voting rights in NAS.	N/A
04.05.2020	Flagging i Norwegian Air Shuttle ASA (disclosure of shareholding)	Folketrygdfondet announced that its shareholding in the Company was reduced to 0.4% due to the conversion of debt to equity in connection with the refinancing of the Company.	N/A
31.03.2020	Disclosure of large shareholding – HBK Holding AS	Announcement regarding HBK Holding AS' sale of 617,269 shares in the Company, equal to approx. 0.38% of the shares. HBK Holding AS' holding following the sale was 7,581 127 shares, equal to approx. 4.64% of the shares in the Company.	N/A

Share Capital and voting rights

Date	Title	Description	Prospectus cross reference
23.12.2020	Norwegian Air Shuttle ASA (NAS) – New share capital registered	Announcement that the Company registered the share capital increased pertaining to the conversion of the EUR perpetual bonds in the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Company's new share capital was NOK 397,493,660 divided into 39,749,366 shares, each with a nominal value of NOK 10.	8.28.1.2
15.12.2020	Norwegian Air Shuttle ASA (NAS) – New share capital registered	Announcement that the board of directors resolved to issue 7 shares so that the total number of shares in the Company is divisible by 100, in order to prepare for the proposed reverse share split in the ratio of 100:1. The increase pertaining to the share issuance was registered in the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Company's new share capital was NOK 397,332,870.00 divided into 3,973,328,700 shares, each with a nominal value of NOK 0.10.	8.2
11.12.2020	Norwegian Air Shuttle ASA (NAS) – New share capital registered	Announcement that the Company registered the share capital increased pertaining to the perpetual bonds conversion in the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Company's new share capital was NOK 397,332,869.30 divided into 3,973,328,693 shares, each with a nominal value of NOK 0.10.	8.2

09.12.2020	Norwegian Air Shuttle ASA (NAS) – Conversion of Perpetual Bonds - New share capital registered	Announcement that the Company registered the share capital increased pertaining to the vendor conversion in the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Company’s new share capital will be NOK 371,935,784.70 divided into 3,719,357,847 shares, each with a nominal value of NOK 0.10.	4.7
05.11.2020	Norwegian Air Shuttle ASA (NAS) – Conversion of Perpetual Bonds – New share capital registered	Announcement that the Company's share capital was increased by NOK 455,586.80 by issue of 4,555,868 new shares. The increase pertaining to the conversion of the Perpetual Bonds was registered in the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Company's new share capital was NOK 370,057,926.40 divided into 3,700,579,264 shares, each with a nominal value of NOK 0.10.	4.7
26.10.2020	Norwegian Air Shuttle ASA (NAS) – New share capital registered	Announcement that the Company registered the share capital increase pertaining to the vendor conversion in the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Company’s new share capital was NOK 369,602,339.60 divided into 3,696,023,396 shares, each with a nominal value of NOK 0.10.	4.7
04.09.2020	Norwegian Air Shuttle ASA (NAS) – Conversion of Perpetual Bonds – New share capital registered	Announcement that the Company's share capital was increased by NOK 604,680.20 by issue of 6,046,802 new shares. The increase pertaining to the conversion of the Perpetual Bonds was registered in the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Company's new share capital was NOK 363,970,914.80 divided into 3,639,709,148.00 shares, each with a nominal value of NOK 0.10.	4.7
19.08.2020	Norwegian Air Shuttle ASA (NAS) – New share capital registered	Announcement that the Company registered the share capital increase pertaining to the lease conversion in the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Company's share was is increased by NOK 477,556.40 by issue of 4,775,564 new shares. The Company’s new share capital was NOK 363,366,234.60 divided into 3,633,662,346 shares, each with a nominal value of NOK 0.10.	4.7
07.08.2020	Norwegian Air Shuttle ASA (NAS) – New share capital registered	Announcement that the Company registered the share capital increase pertaining to the vendor conversion in the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Company’s new share was is NOK 362,888,678.20 divided into 3,628,886,782 shares, each with a nominal value of NOK 0.10.	4.7
06.08.2020	Norwegian Air Shuttle ASA (NAS) – New share capital registered	Announcement that the Company registered the share capital increase pertaining to the lease conversion in the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Company's share capital was increased by NOK 5,507,078.30 by issue of 55,070,783 new shares. The Company’s new	4.7

		share capital was NOK 362,270,370.50 divided into 3,622,703,705 shares, each with a nominal value of NOK 0.10.	
03.08.2020	Norwegian Air Shuttle ASA (NAS) – Additional conversion of convertible bonds – New share capital registered	Announcement that the share capital increase pertaining to the conversion of convertible bonds was registered in the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Company's new share capital was NOK 356,763,292.20 divided into 3,567,632,922 shares, each with a nominal value of NOK 0.10.	4.7
21.07.2020	Norwegian Air Shuttle ASA (NAS) – New share capital registered	Announcement that the Company registered the share capital increase pertaining to the vendor conversion in the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Company's new share capital was NOK 356,706,172.10 divided 3,567,061,721 shares, each with a nominal value of NOK 0.10	4.7
02.07.2020	Norwegian Air Shuttle ASA (NAS) – Additional conversion of convertible bonds – New share capital registered	Announcement that the share capital increase pertaining to the conversion was registered in the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Company's new share capital was NOK 327,111,671.60 divided into 3,271,116,716 shares, each with a nominal value of NOK 0.10.	4.7
26.06.2020	Norwegian Air Shuttle ASA (NAS) – New share capital registered	Announcement that the Company registered the share capital increase pertaining to the conversion in the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Company’s share capital was increased by NOK 4,016,473.10 by issue of 40,164,731 new shares. The Company’s new share capital is NOK 326,654,710.50, divided into 3,266,547,105 shares, each with a nominal value of NOK 0.10.	4.7
17.06.2020	Norwegian Air Shuttle ASA (NAS) – New share capital registered	Announcement that the Company registered the share capital increase pertaining to the conversion in the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Company's new share capital was NOK 322,638,237.40 divided into 3,226,382,374 shares, each with a nominal value of NOK 0.10.	4.7
10.06.2020	Norwegian Air Shuttle ASA (NAS) – New share capital registered	Announcement that the Company registered the share capital increase pertaining to the conversion in the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Company's new share capital was NOK 311,744,429.40 divided into 3,117,444,294 shares, each with a nominal value of NOK 0.10.	4.7
20.05.2020	Norwegian Air Shuttle ASA (NAS) – New share capital registered	Announcement of registration of new share capital with the Norwegian Register of Business Enterprises (Nw. Foretaksregisteret) following the offering and he conversion of debt. The Company's new share capital was NOK 306,962,480.70 divided into 3,069,624,807 shares, each with a nominal value of NOK 0.10.	4.7

04.12.2019	Norwegian Air Shuttle ASA – update regarding the amendments to its two unsecured bonds NAS07 and NAS08	Announcement of changes being made to the Bond Issues NAS07 and NAS08 following the resolution from the Board of Directors and in accordance with the bondholder vote in favor of the proposed amendments.	4.7

Financial Reporting

Date	Title	Description	Cross reference to section in this Registration Document
10.11.2020	Norwegian Air Shuttle ASA (NAS) - interim report for the third quarter 2020	Publication of interim report Q 3 2020	12.4
09.06.2020	Norwegian Air Shuttle ASA: Annual report 2019	Publication of the 2019 annual report	12.4
13.02.2020	Norwegian Air Shuttle reports fourth quarter 2019 results	Publication of Q4 2019 financial report.	12.4

Additional regulatory information required to be disclosed

Date	Title	Description	Cross reference to section in this Registration Document
16.12.2020	Revised key information relating to the preferential rights issue to be carried out by Norwegian Air Shuttle ASA (NAS)	Notice in respect of key information relating to the proposed preferential rights issue whereas with respect to the subscription rights, the last day the shares were to be traded including the rights, together with the corresponding ex-date and record date, should be set by the board of directors following the determination of subscription price.	N/A
11.12.2020	Mandatory notification of trade, Employee Share Saving Plan	Notice in respect of an error with the service provider, that 351,250 more shares were purchased than required by the plan. 104,656 of the excess shares were sold by a broker on 10 December 2020 at an average price of NOK 0.935 per share.	N/A
27.04.2020	Norwegian Air Shuttle ASA (NAS) – Notice to shareholders planning on attending the extraordinary general meeting 4 May 2020	Practical information to shareholders planning to attend the EGM, whereby the Company announced that it had decided that the EGM would be held as a digital meeting with electronic voting.	N/A
20.04.2020	Norwegian's pilot and cabin crew companies in Sweden and Denmark file for bankruptcy	Due to the ongoing COVID-19 crisis, the Company announced that four of its crew subsidiaries in Sweden and Denmark had filed for bankruptcy.	4.3
05.03.2020	Mandatory notification of trade	Primary insider Guro Halvorsen Poulsen announced her purchase of 245 shares at a price of NOK 17.00 per share.	N/A
28.02.2020	Mandatory notification of trade	Primary insider Lasse Sandaker-Nielsen announced his purchase of 2,881 shares in the Company at a price of NOK 17.83 per share and Primary insider	N/A

Additional regulatory information required to be disclosed

Date	Title	Description	Cross reference to section in this Registration Document
		Kei Grieg Toyomasu announced that he bought 2,500 shares in the Company at a price of NOK 19.89 per share.	
14.02.2020	Mandatory notification of trade - Employee Share Saving Plan	Notice in respect of the purchase of a total of 72,208 shares on behalf of employees in Norwegian Air Shuttle ASA participating in the company's employee share saving program. The average purchase price was NOK 39.85 per share.	7.3

14. DEFINITIONS AND GLOSSARY

AAA	Arctic Aviation Assets DAC
Annual Financial Statements	The Group's consolidated financial statements as of, and for the years ended, 31 December 2019, 2018 and 2017.
Air Services Regulation	Pursuant to Regulation (EC) No. 1008/2008
Airbus GMF	Airbus Global Market Forecast
Annual General Meeting(s) or AGM	an annual general meeting of shareholders in the Company
AOC	Air Operator's Certificate
Articles of Association	NAS' articles of association
ASK	Available Seat Kilometers
Bank Norwegian	Bank Norwegian AS, business reg. no. 991 455 671
Better Airports Package	A package of measures containing a proposed revised regulation on common rules for the allocation of slots to address capacity shortages at European airports and improve the quality of services offered to passengers adopted by the European Commission in December 2011
Block Hours	Average number of hours per day every operational aircraft is utilized (time of block off to block on – industry standard measure to aircraft utilization)
Board of Directors or Board	The board of directors of Norwegian Air Shuttle ASA
Bond Loans	NAS07, NAS08, NAS09 and the CB
CAGR	Compound annual growth rate
CAPA	Centre for Aviation
CASK	Unit cost or Cost per available seat-kilometer
CCBLI	CCB Leasing (International) Corporation DAC
CEO	Chief executive officer
CFO	Chief financial officer
Chicago Convention	The Convention on International Civil Aviation of 1944
CO2 per RPK	Amount of CO2 emissions divided by RPK
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance ("Den norske anbefalingen om eierstyring og selskapsledelse")
Company, NAS, Norwegian Air Shuttle, Norwegian or Issuer	Norwegian Air Shuttle ASA, business reg. no. 965 920 358
Company Register	The Norwegian Register of Business Enterprises
COVID-19	The corona disease cause by the coronavirus SARS-CoV-2
Debt Conversion	Conversion of all parts of the Group's senior loans, lease debt, aircraft financing, liabilities and certain other current and non-current liabilities of the Group into Shares
Deloitte	Deloitte AS, business reg. no. 980 211 282
Director(s)	The members of the Board
EASA	The European Aviation Safety Agency
EEA	European Economic Area
EEA Agreement	The agreement with the European Union regarding the EEA
EGM	The Extraordinary General Meeting in the Company held on 17 December 2020.
EU	European Union
EU ETS	The EU emissions trading system
EU OPS	Annex III to Regulation (EEC) No. 3922/91, as amended
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act

EUR..	Euro
EVP..	Executive Vice President
Examinership	Court-supervised process in Ireland
Excess Allowance	Any part of the calculated allowance one year exceeding the dividend distributed on the share
Extraordinary General Meeting(s)	"Extraordinary General Meetings" mean the extraordinary general meetings of shareholders in the Company; and "Extraordinary General Meeting" means any one of them
FAA..	The US regulator, The Federal Aviation Administration
Financial Statements....................	The Interim Financial Statement and the Annual Financial Statements
First Convention	The Convention on Compensation for Damage caused by Aircraft to Third Parties Resulting From Acts of Unlawful Interference Involving Aircraft
Flight Compensation Regulation	Regulation (EC) No. 261/2004
Forward-looking statements...........	Projections and expectations regarding the Group's future financial position, business strategy, plans and objectives
Fuel Consumption	Aviation fuel consumed
Future Maintenance Bonds.............	The zero coupon perpetual subordinated convertible bonds with ISIN NO 001 0884646
Future Maintenance Bond Terms	The bond terms in respect of the Future Maintenance Bonds
GDP..	Gross Domestic Product
General Meeting(s)	the Annual General Meetings and Extraordinary General Meetings in the Company; and "General Meeting" means any one of them
Group or Norwegian.....................	Norwegian Air Shuttle ASA, business registration number 965 920 358, and its Subsidiaries
Group Company/-ies	Norwegian Air Shuttle ASA and its Subsidiaries
IAG	International Airline Group, the owner of British Airways and Spanish carrier Iberia
IATA	The International Air Transport Association
ICAO..	Assembly of the International Civil Aviation Organization
ICCT..	The International Council on Clean Transportation
IFRS	International Financing Reporting Standards, issued by the International Financial Reporting Interpretations Committee (IFRIC) (formerly, the "Standing Interpretations Committee" (SIC))
Interim Financial Statements.........	The Group's unaudited consolidated interim financial statements for the three and nine months' period ending 30 September 2020.
IAA..	Aviation Authority of Ireland
ISIN	International Securities Identification Number
JV..	Joint Venture
LCC	Low Cost Carrier
LEI	Legal Entity Identifier
Lilienthal	Lilienthal Finance Limited
Listing......................................	The listing of the Perpetual Bonds on the Oslo Stock Exchange
Load Factor	RPK divided by ASK. Describes the utilization of available seats
Management	The executive management of the Group
Montreal Convention....................	The Convention for the Unification of Certain Rules for International Carriage by Air of 1999
NAA...	Norwegian Air Argentina
NAB..	Norwegian Brand Limited
NAI	Norwegian Air International Limited
NAN	Norwegian Air Norway AS, business reg. no. 912 084 949
NAS or Company	Norwegian Air Shuttle AS, business reg. no. 965 920 358

NAS07	EUR 250,000,000 Norwegian Air Shuttle ASA Senior Secured Bond Issue 2015/2019 ("NAS07") with ISIN NO 001 0753437
NAS07 Bond Terms	The bond terms in respect of NAS07
NAS08	SEK 963,500,000 Norwegian Air Shuttle ASA Senior Secured Bond Issue 2017/2020 ("NAS08") with ISIN NO 001 0783459
NAS08 Bond Terms	The bond terms in respect of NAS08
NAS09	NOK 250,000,000 Norwegian Air Shuttle Senior Secured Bond Issue 2017/2020 ("NAS09") with ISIN NO 001 0809940
NAS09 Bond Terms	The bond terms in respect of NAS09
NCAA	Civil Aviation Authority of Norway
NOFI	Norwegian Finans Holding ASA
NOK	Norwegian Kroner, the lawful currency of the Kingdom of Norway
Non-Norwegian Corporate Shareholders	Shareholders that are limited liability companies not resident in Norway for tax purposes
Non-Norwegian Individual Shareholders	Shareholders who are individuals not resident in Norway for tax purposes
November 19 Bonds	The USD 150 million Norwegian Air Shuttle ASA Senior Unsecured Convertible Bonds 2019/2024 with ISIN NO 001 0868284 issued in November 2019
November 2019 Bond Terms	The bond terms in respect of the November 19 Bonds
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Norwegian FSA	Financial Supervisory Authority of Norway (No.: Finanstilsynet)
Norwegian Individual Shareholders	Shareholders who are individuals resident in Norway for tax purposes
Norwegian Securities Trading Act	The Securities Trading Act of 29 June 2007 no. 75 (No.: verdipapirhandelloven)
NSE	Norwegian Air Sweden AB
NUK	Norwegian UK Limited
OEM	Original equipment manufacturer
Oslo Børs or Oslo Stock Exchange	Oslo Børs ASA (translated "the Oslo Stock Exchange")
Other losses/(gains)-net	Gains and losses from foreign currency contracts, forward fuel contracts, adjustment of market value for total return swaps, translation of working capital in foreign currency and net gain or loss from sale of fixed assets
Perpetual Bonds	Means the zero coupon perpetual subordinated convertible bonds subject to the Listing.
Phase 1 Restructuring	Has the meaning as ascribed in section 4.7
Phase 2 Restructuring	The reverse share split, reduction of nominal value of the Shares, the Rights Issue, the Debt Conversion, issuance of perpetual bonds and authorisations to the board of directors, as further described in the risk factor "COVID-19 Outbreak and Bankruptcy Risk"
PLLC	A Norwegian Public Limited Liability Company (No. "allmennaksjeselskap"), as regulated by the Norwegian Public Limited Liability Companies Act
Prospectus	The Registration Document, the Securities Note and the Summary are together referred to as the Prospectus
Public Limited Liability Companies Act	The Norwegian Public Limited Liability Companies Act dated 13 June 1997 no. 45
PWC	PRICEWATERHOUSECOOPERS AS, business reg. no. 987 009 713
Qualifying National	EEA nationals, Nationals of Switzerland and in respect of any undertaking, an undertaking which satisfies the conditions as to nationality of ownership and control of undertakings granted an

	operating license contained in Article 4(f) of the Air Services Regulation
RASK	Unit revenue or Ticket revenue per available seat kilometer
Reconstruction	Supplementary Norwegian court-supervised reconstruction process
Registration Document	This Registration Document dated 14 January 2021
Reverse share-split	The 100:1 reverse Share split that was resolved by the EGM on 17 December 2020.
Rights Issue	The proposed rights issue of up to 800 million new Shares that was resolved by the EGM on 17 December 2020.
Rome Convention	The Convention on Damage Caused by Foreign Aircraft to Third Parties on the Surface of 1952
RPK	Revenue Passenger Kilometers
Second Convention	The Convention on Compensation for Damage Caused by Aircraft to Third Parties
Securities Note	The Securities Note dated 14 January 2021
Share(s)	“Shares” mean the new shares in the Company; and “Share” means any one of them
Share Capital Reduction	The proposed share capital reduction in the Company that was resolved by the EGM on 17 December 2020.
Shareholder Register	NAS' shareholder register
Shareholder(s)	"Shareholders" mean the Company's existing shareholders, from time to time; and "Shareholder" means any one of them
Slot Regulation	Council Regulation (EEC) No. 95/93 (as amended by Regulation (EC) No. 793/2004)
STA	Swedish Transport Agency
Summary	The Summary dated 14 January 2021
Total operating expenses excl leasing, depreciation and amortization	Total operating expenses not including aircraft lease expenses, depreciation, amortization and impairment
Total operating expenses excl depreciation and amortization	Total operating expenses not including depreciation, amortization and impairment
UK	The United Kingdom
UK CAA	Civil Aviation Authority of the United Kingdom
Unit cost	Total operating expenses excl depreciation and amortization, excluding other losses/(gains)-net, divided by ASK
Unit cost excl depreciation ex fuel	Total operating expenses excl depreciation and amortization, excluding other losses/(gains)-net and aviation fuel expense, divided by ASK
Unit cost excl depreciation	Total operating expenses excl depreciation and amortization and excluding other losses/(gains)-net, divided by ASK
Unit cost incl depreciation	Total operating expenses, excluding impairment and other losses/(gains)-net, divided by ASK
Unit cost incl depreciation ex fuel	Total operating expenses, excluding impairment, other losses/(gains)-net and aviation fuel expense, divided by ASK
Unit Revenue	Passenger revenue divided by ASK (as defined above)
US	United States of America
USD	US dollar, the lawful currency of the United States of America
VPS	Verdipapirsentralen (Norwegian Central Securities Depository), which organizes a paperless securities registration system
VPS account	An account with VPS for the registration of holdings of securities
Vueling	Vueling Airlines S.A.
Yield	Passenger revenue divided by RPK, being a measure of average fare per kilometer