

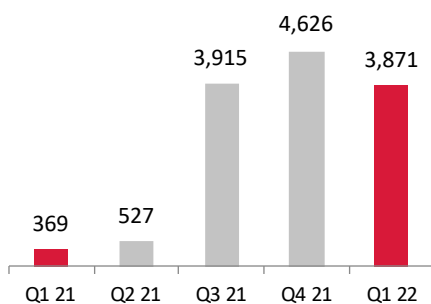
# Norwegian Air Shuttle ASA

## First quarter 2022 financial report

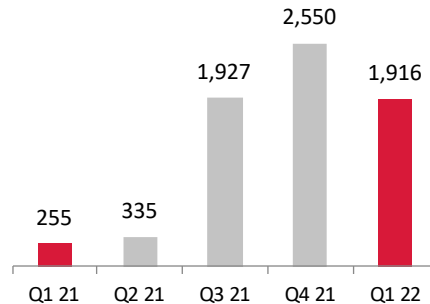


- Earnings (EBIT) negative NOK 849 million in seasonally weak quarter impacted by omicron
- Conserving strong liquidity position – NOK 7.5 billion in cash & cash equivalents
- Strong booking momentum ahead of the summer 2022 season
- Ramping up for summer demand season – fleet increasing to 70 aircraft

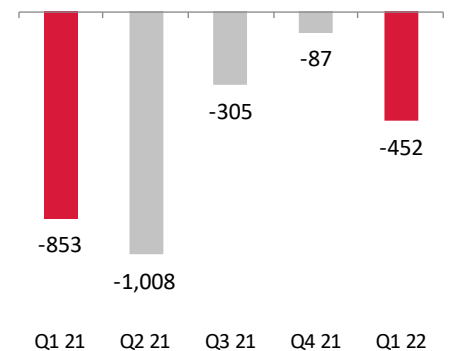
**ASK**  
million



**REVENUE**  
NOK million



**EBITDAR**  
excl other losses/(gains), NOK million



## Norwegian limits losses before tax to NOK 1,031 million in a seasonally weak quarter also impacted by the spread of omicron

**Norwegian today reported its results for the first quarter of 2022. The figures demonstrate Norwegian's ability to adjust capacity to market demand, and discipline in conserving liquidity through the seasonally weakest quarter of the year. Passenger demand in the first-half of the quarter was negatively impacted by the outbreak of the coronavirus, but recovered significantly through the second-half of February and through March. Profit before tax (EBT) amounted to a loss of NOK 1,031 million, compared to a loss of NOK 1,189 million in the first quarter of 2021 and a profit of NOK 117 million in the previous quarter.**

**At quarter-end, the total operational fleet comprised 58 aircraft. Continued cost control and liquidity discipline led the company to conserve its cash position through a seasonally weak quarter. At quarter-end, cash and cash equivalents amounted to NOK 7.5 billion.**

The spread of omicron virus and government-imposed travel restrictions had a softening effect on air travel in December of 2021 that continued into January and February this year. Restrictions in the Nordics and at key European destinations were alleviated from mid-February and onwards, prompting a marked increase in travel and bookings. The use of flexible fleet arrangements through power-by-the-hour lease agreements enabled Norwegian to quickly adapt capacity to changes in demand, minimising losses through an already challenging winter trading period. 27 March marked the start of Norwegian's summer program for 2022 with close to 280 routes in production.

In February, Russia initiated a military invasion of Ukraine. Strict sanctions have been imposed by the United States, the EU and other countries. Following the invasion, international capital markets have seen increased volatility and the oil price has spiked, resulting in increased fuel cost for Norwegian.

On 28 February, it was announced an agreement with AerCap, the world's largest aviation leasing company, to lease 10 new and fuel-efficient 737 MAX 8 aircraft with delivery in the spring of 2023. Additionally, Norwegian is in the process of leasing five more 737 MAX 8 aircraft to meet 2023 requirements. This will bring the fleet to 85 aircraft for the summer 2023 season, up from 70 aircraft this summer.

"This quarter demonstrates our ability to adapt to fluctuations in demand quickly and efficiently, and that we can protect our strong liquidity position through a challenging trading period. We are now seeing a strong increase in bookings ahead of the summer season where we have an attractive offering with close to 280 routes on sale. The increase in fuel price does impact our bottom-line, but we are seeing increased willingness to pay for air travel which partly offsets the increased cost effect. Finally, I am pleased to see that our corporate travellers are again returning, a customer segment that places high value on Norwegian's attractive route network and strong on-time performance record," said Geir Karlsen, CEO of Norwegian.

In the first quarter of 2022, Norwegian had 2.2 million passengers, up from 0.2 million in the same period last year and down from 3.1 million in the previous quarter. Production (ASK) was 3.9 billion, while passenger traffic (RPK) was 3.0 billion. The load factor increased to 76.9 percent, up from 38.5 percent in the same period last year and down from 77.0 percent in the previous quarter.

Punctuality, share of flights departing on schedule, was 88.1 percent in the first quarter of 2022, down from 92.3 percent in the same period last year and up from 87.8 percent in the previous quarter.

### Looking ahead to a strong summer

Looking ahead, Norwegian is well positioned to respond to increasing passenger traffic and strong pent-up demand ahead of the busy summer 2022 leisure season. Travel restrictions have been lifted across the Nordics and all key European destinations, and our customers now have a wide selection of European travel destinations to choose from. Booking trends currently show that customers are planning and booking travels earlier, and that there is higher willingness to pay for air travel across Norwegian's network.

## CONSOLIDATED FINANCIAL KEY FIGURES

<i>(unaudited in NOK million)</i>	Q1 2022	Q1 2021	Change	Full Year 2021
Operating revenue	1,916.2	255.3	651 %	5,067.8
EBITDAR	-467.9	-1,113.0	-58 %	-1,516.0
EBITDAR excl other losses/(gains)	-452.4	-853.2	-47 %	-2,253.5
Operating profit (EBIT)	-848.6	-1,461.8	-42 %	-2,786.0
EBIT excl other losses/(gains)	-833.1	-1,202.0	-31 %	-3,523.5
Profit (loss) before tax (EBT)	-1,031.3	-1,189.0	-13 %	1,876.0
Net profit (loss)	-1,033.6	-1,189.0	-13 %	1,870.5
EBITDAR margin	-24.4 %	-436.0 %		-29.9 %
EBIT margin	-44.3 %	-572.6 %		-55.0 %
EBT margin	-53.8 %	-465.7 %		37.0 %
Net profit margin	-53.9 %	-465.7 %		36.9 %
Book equity per share (NOK)	2.4	-187.5	-101 %	3.5
Equity ratio (%)	11.3 %	-19.9 %	31.2 pp	17.4 %
Cash and cash equivalents	7,534.8	2,379.5	217 %	7,694.8
Net interest-bearing debt	2,171.3	29,544.7	-93 %	1,682.5

# OPERATIONAL REVIEW

## CONSOLIDATED TRAFFIC FIGURES AND RATIOS

<i>(unaudited ratios in NOK)</i>	Q1 2022	Q1 2021	Change	Full Year 2021
Yield - ticket revenue	0.51	0.89	-43 %	0.57
Yield - total	0.62	1.20	-48 %	0.71
Unit revenue - ticket	0.39	0.34	13 %	0.41
Unit revenue - total	0.48	0.46	3 %	0.51
Unit cost	0.71	3.95	-82 %	0.91
Unit cost excl fuel	0.55	3.78	-86 %	0.76
Ancillary revenue per passenger	155	212	-27 %	152
ASK (million)	3,871	369	950 %	9,437
RPK (million)	2,976	142	1994 %	6,869
Passengers (million)	2.22	0.21	970 %	6.19
Load factor	76.9 %	38.5 %	38.4 pp	72.8 %
Average sector length (km)	1,158	566	104 %	960
Fuel consumption (1,000 mt)	77	9	795 %	193
CO <sub>2</sub> per RPK	81	190	-57 %	89

## TRAFFIC DEVELOPMENT

In the first-half of the quarter, passenger demand was significantly affected by the outbreak of the coronavirus omicron. Government imposed travel restrictions were alleviated from mid-February and onwards, prompting a marked increase in the demand for travel with improving yields and load factor. In the first quarter of 2022, Norwegian had 2.22 million passengers, up from 0.21 million in the same period last year and down from 3.14 million in the previous quarter. Production (ASK) was 3,871 million, while passenger traffic (RPK) was 2,976 million. The load factor was 76.9 percent, up from 38.5 percent in the same period last year and down from 77.0 in the previous quarter.

At the end of the first quarter of 2022, the total operational fleet comprised 58 aircraft with 46 aircraft on average being utilised. An additional seven aircraft were in the process of being phased into the fleet, and these were accounted for in the balance sheet through lease obligations and right-of-use assets. Each operational aircraft was on average utilised 8.5 block hours per day, up from 6.0 block hours per day in the same period last year and down from 9.7 block hours in the previous quarter.

## OPERATING PERFORMANCE

Punctuality, share of flights departing on schedule, was 88.1 percent in the first quarter of 2022, down from 92.3 percent in the first quarter of 2021 and up from 87.8 percent in the previous quarter.

Regularity, share of scheduled flights taking place, was 99.4 percent in the first quarter of 2022.

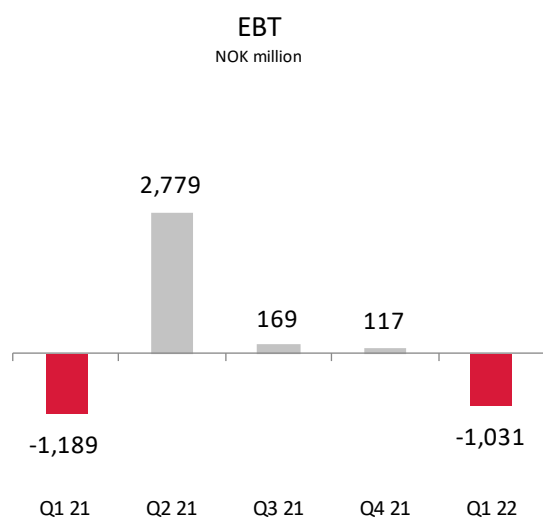
## FINANCIAL REVIEW

There are positive demand trends across markets with clear indications of strong pent-up demand ahead of the summer travel season. The interim financial statements for the first quarter of 2022 are affected by the COVID-19 pandemic, primarily due to negative demand impacts from the outbreak of the omicron virus.

For the first quarter of 2022, production (ASK) was 3,871 million, an increase of 950 percent from the first quarter of 2021 and a reduction of 16 percent from the previous quarter.

EBITDAR was negative NOK 468 million in the first quarter of 2022, compared to negative NOK 1,113 million in the same period last year and positive NOK 114 million in the previous quarter. EBITDAR excl. other losses/(gains) was negative NOK 452 million, an improvement from negative NOK 853 million in the same period last year. Other losses/(gains) amounted to a net loss of NOK 16 million in the quarter, primarily related to currency loss from translation of working capital in foreign currency.

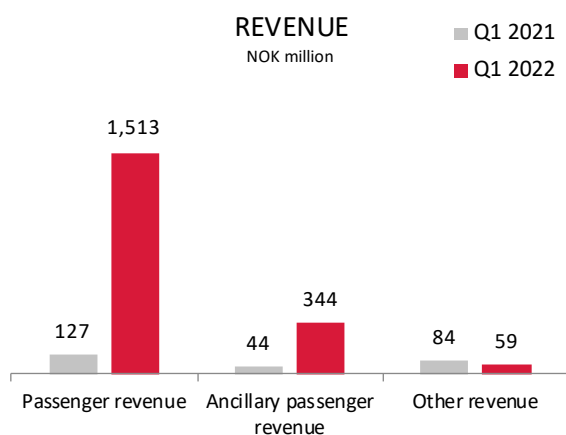
Operating profit (EBIT) for the first quarter of 2022 was negative NOK 849 million, compared with negative NOK 1,462 million in the same period last year and negative NOK 263 million in the previous quarter. Operating Profit (EBIT) excluding other losses/(gains) was negative NOK 833 million, compared with negative NOK 1,202 million in the same period last year and negative NOK 464 million in the previous quarter. Profit before tax (EBT) was negative NOK 1,031 million, compared with negative NOK 1,189 million in the same period last year and a profit of NOK 117 million in the previous quarter.



## REVENUE

Total operating revenue in the first quarter of 2022 increased to NOK 1,916 million from NOK 255 million in the same period last year. Compared to the previous quarter, total operating revenue was down 25 percent, primarily a result of reduced production to match reduction in demand. Passenger ticket revenue was NOK 1,513 million, compared to NOK 127 million in the same period last year and NOK 2,032 million in the previous quarter. Ancillary passenger revenue was NOK 344 million, compared to NOK 44 million in the same period last year and NOK 444 million in the previous quarter. Other revenue of NOK 59 million in the quarter primarily includes commissions and revenue from the loyalty program Norwegian Reward.

Unit ticket revenue in the quarter was NOK 0.39, up from NOK 0.34 in the same period last year and down from NOK 0.44 in the previous quarter. Unit revenue including flight related ancillary revenues was NOK 0.48, compared to NOK 0.46 in the same period last year and NOK 0.54 in the previous quarter. Ticket revenue yield was NOK 0.51, compared to NOK 0.89 in the same period last year and NOK 0.57 in the previous quarter. Yield including flight related ancillary revenues was NOK 0.62, compared to NOK 1.20 in the same period last year and NOK 0.69 in the previous quarter. Ancillary revenue per passenger was NOK 155, down from NOK 212 in the same period last year and up from NOK 141 in the previous quarter.



## OPERATING EXPENSES

Total operating expenses excluding depreciation, amortization and aircraft lease amounted to NOK 2,384 million in the first quarter of 2022, compared with NOK 1,368 million in the first quarter of 2021 and NOK 2,436 million in the previous quarter. Adjusted for other losses/(gains), operational expenses decreased by 10 percent from the previous quarter. Personnel expenses were reduced only by 2 percent from the previous quarter as Norwegian opted to not furlough staff in conjunction with reduced demand in the first-half of the quarter.

Unit cost in the quarter was NOK 0.71, down from NOK 3.95 in the same period last year and up from NOK 0.65 in the previous quarter. Unit cost excluding fuel was NOK 0.55, compared to NOK 3.78 in the same quarter last year and NOK 0.49 in the previous quarter.

Other losses/(gains) in the quarter amounted to a net loss of NOK 16 million, primarily related to currency loss on translation of working capital. In the same period last year, other losses/(gains) amounted to a net loss of NOK 260 million. In the previous quarter, other losses/(gains) amounted to a net gain of NOK 201 million and included 80 percent of the gain related to the sales agreement of slots at London Gatwick in December.

## FINANCIAL ITEMS

Net financial items were negative by NOK 183 million in the first quarter of 2022, compared with a gain of NOK 273 million in the same period last year and a gain of NOK 380 million in the previous quarter. Interest expenses for the quarter include NOK 72 million in interest expense on lease liabilities recognized according to IFRS 16, compared to NOK 43 million in the same period last year and NOK 59 million in the previous quarter.

Other financial income (expense) includes net currency losses of NOK 41 million, primarily related to the revaluation of cash balances denominated in currencies other than functional currencies of the companies in the group.

## FINANCIAL POSITION AND LIQUIDITY

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

Net interest-bearing debt at the end of the first quarter of 2022 increased to NOK 2,171 million from NOK 1,683 million at the end of the previous quarter. Compared to the previous quarter, net interest-bearing debt increased by NOK 489 million, primarily a result of increased lease liabilities with the sourcing of additional aircraft in the quarter. A total of 65 aircraft were accounted for in the balance sheet through lease obligations and owned aircraft, up from 59 aircraft at the end of the previous quarter. Included in net-interest bearing debt is the zero coupon Retained Claims Bonds of NOK 2,554 million.

At the end of the first quarter of 2022, equity amounted to NOK 2,265 million, corresponding to a positive equity ratio of 11.3 percent. Compared to the previous quarter, the equity ratio was down from 17.4 percent, predominately a result of the negative net result after tax this quarter.

**Total non-current assets** amounted to NOK 9,075 million at the end of the first quarter of 2022, compared to NOK 8,961 million at the end of the previous quarter.

Intangible assets amounted to NOK 2,069 million at the end of the quarter, compared to NOK 2,071 million at the end of the previous quarter, and was predominantly comprised of deferred tax assets of NOK 1,889 million.

Tangible assets were NOK 6,795 million at the end of the quarter, compared to NOK 6,768 million at the end of the previous quarter, and was predominantly comprised of owned aircraft and right-of-use assets for leased aircraft.

**Total current assets** amounted to NOK 11,010 million at the end of the first quarter of 2022, compared to NOK 9,864 million at the end of the previous quarter. The increase during the quarter is primarily attributed to increased nominal value of credit card holdback with improving forward bookings. At the end of the quarter, holdback as share of air traffic settlement liabilities was 73 percent, down from 109 percent at the end of the previous quarter.

Cash and cash equivalents amounted to NOK 7,535 million at the end of the quarter, corresponding to a reduction of NOK 160 million from NOK 7,695 million at the end of the previous quarter.

**Total non-current liabilities** were NOK 9,743 million at the end of the first quarter of 2022, compared to NOK 9,489 million at the end of the previous quarter.

**Total current liabilities** amounted to NOK 8,078 million at the end of the first quarter of 2022, up from NOK 6,068 million at the end of the previous quarter.

Air traffic settlement liabilities were NOK 3,613 million at the end of the first quarter of 2022, up from NOK 1,324 million at the end of the previous quarter.

Other current liabilities were NOK 3,271 million at the end of the first quarter of 2022, compared to NOK 3,783 million at the end of the previous quarter. The decrease is primarily attributed to increased usage of Norwegian Reward members' CashPoints.

**Equity** at the end of the first quarter of 2022 was positive NOK 2,265 million, down from positive NOK 3,270 million at the end of the previous quarter.

## CASH FLOW

Cash and cash equivalents were NOK 7,535 million at the end of the first quarter of 2022, a reduction of NOK 160 million from the end of the previous quarter.

**Cash flow from operating activities** in the first quarter of 2022 amounted to positive NOK 107 million, compared to positive NOK 117 million in the previous quarter.

**Cash flow from investing activities** in the first quarter of 2022 was positive NOK 13 million, compared to positive NOK 237 million in the previous quarter.

**Cash flow from financing activities** in the first quarter of 2022 was negative NOK 150 million, compared to negative NOK 219 million in the previous quarter.



# RISK AND UNCERTAINTIES

## COVID-19

The company has been heavily impacted by the coronavirus disease COVID-19 and the imposed travel restrictions.

Although several countries have removed their travel restrictions related to the coronavirus COVID-19 pandemic, it may continue to have a significant impact on the company's financial condition and operations. The company's ability to continue to return to normal operations is dependent upon, amongst other things, COVID-19, the development on travel restrictions and the demand for air travel. The COVID-19 situation is still uncertain and new laws and regulations that affect the company's operations may enter into force.

## OTHER RISK FACTORS

Norwegian is exposed to the currently higher than normal macroeconomic uncertainties, including increased energy and fuel costs, inflationary pressure, fluctuation in foreign exchange rate, as well as the potential impact of disruptions in the global supply chains and consequences of the conflict in Ukraine. Such factors may have a significant impact on Norwegian's business and financial results.

In the event of industrial actions, operations may be disrupted, causing inconvenience for customers and affect financial performance.

For additional explanations regarding risks and uncertainties, please refer to the following sections in the company's Annual Report 2021: The Financial Risk and Risk Management section and the Going Concern section of the Board of Director's report, Note 2: Financial Risk and Note 26: Contingencies and Legal Claims. Note 9 in this interim report includes updates to contingencies and legal claims.

## OUTLOOK

Norwegian is currently adding additional aircraft in its service ahead of the summer 2022 season. The company will operate a total of 70 aircraft to match the production schedule and increasing demand for air travel. For 2022 as a whole, the company is targeting a production of 28,000 million ASK and a significant reduction in unit costs through increasing scale effects.

As previously stated, the company has flexibility by the power-by-the-hour (PBH) lease agreements that allows the company to adjust capacity according to demand also for the upcoming winter season.

Following a period of reduced demand due to the rapid spread of the omicron virus, air travel has returned across all markets following the alleviation of travel restrictions. Consumer confidence is improving across all markets, and there is strong pent-up demand for travel, resulting in higher willingness to pay for tickets and increased bookings ahead of the busy summer 2022 leisure season.

The increase in fuel prices is expected to partly offset the company's positive recovery.

Fornebu, 12 May 2022

Board of Directors  
Norwegian Air Shuttle ASA

# CONDENSED INTERIM FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

<i>(unaudited in NOK million )</i>	Q1 2022	Q1 2021	Full Year 2021
Passenger revenue	1,512.6	127.1	3,911.8
Ancillary passenger revenue	344.5	43.9	941.5
Other revenue	59.1	84.3	214.5
<b>Total operating revenue</b>	<b>1,916.2</b>	<b>255.3</b>	<b>5,067.8</b>
Personnel expenses	632.5	307.8	2,084.9
Aviation fuel	633.7	63.8	1,413.8
Airport and ATC charges	271.4	115.0	820.1
Handling charges	176.3	103.3	757.0
Technical maintenance expenses	272.7	246.4	855.5
Other operating expenses	381.9	272.2	1,390.2
Other losses/(gains)	15.5	259.8	-737.5
<b>Total operating expenses excl lease, depr. and amort.</b>	<b>2,384.1</b>	<b>1,368.3</b>	<b>6,583.9</b>
<b>Operating profit excl lease, depr. and amort. (EBITDAR)</b>	<b>-467.9</b>	<b>-1,113.0</b>	<b>-1,516.0</b>
Aircraft lease, depreciation and amortization	380.7	348.8	1,270.0
<b>Operating profit (EBIT)</b>	<b>-848.6</b>	<b>-1,461.8</b>	<b>-2,786.0</b>
Interest income	17.4	0.0	13.7
Interest expense	165.5	335.1	682.3
Other financial income (expense)	-34.5	607.9	5,330.5
<b>Net financial items</b>	<b>-182.6</b>	<b>272.8</b>	<b>4,662.0</b>
<b>Profit (loss) before tax (EBT)</b>	<b>-1,031.3</b>	<b>-1,189.0</b>	<b>1,876.0</b>
Income tax expense (income)	2.3	0.0	5.5
<b>Net profit (loss)</b>	<b>-1,033.6</b>	<b>-1,189.0</b>	<b>1,870.5</b>
<b>Net profit (loss) attributable to:</b>			
Owners of the parent company	-1,033.6	-1,189.0	1,870.5
Basic earnings per share (NOK)	-1.1	-29.7	3.5
Diluted earnings per share (NOK)	-1.1	-29.7	2.7
Number of shares at the end of the period	929,157,473	40,483,403	928,518,496
Average number of shares outstanding	928,783,553	39,980,836	522,786,820
Average number of shares outstanding after dilution	1,124,965,347	42,296,136	698,547,559
Number of diluted shares at the end of the period	1,126,251,632	42,296,136	1,124,319,545

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(unaudited in NOK million)</i>	Q1 2022	Q1 2021	Full Year 2021
Net profit (loss) for the period	-1,033.6	-1,189.0	1,870.5
Actuarial gains and losses	0.0	0.0	14.1
Exchange rate differences	30.4	171.2	151.0
Other	0.0	-3.9	-3.9
Total comprehensive income for the period	-1,003.2	-1,021.6	2,031.7
Total comprehensive income attributable to: Owners of the company	-1,003.2	-1,021.6	2,031.7

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(unaudited in NOK million)</i>	31 MAR 2022	31 MAR 2021	31 DEC 2021
<b>ASSETS</b>			
Intangible assets	2,068.8	2,162.0	2,070.6
Tangible fixed assets	6,795.4	8,884.6	6,767.5
Fixed asset investments	210.9	140.8	123.1
Total non-current assets	9,075.0	11,187.4	8,961.3
Assets included in disposal group classified as held	0.0	21,114.2	0.0
Inventory	56.6	80.2	16.3
Receivables	3,418.4	3,376.9	2,152.9
Cash and cash equivalents	7,534.8	2,379.5	7,694.8
Total current assets	11,009.8	26,950.8	9,864.1
<b>TOTAL ASSETS</b>	20,084.9	38,138.2	18,825.4
<b>EQUITY AND LIABILITIES</b>			
Shareholder's equity	2,264.5	-7,591.3	3,269.6
Total equity	2,264.5	-7,591.3	3,269.6
Non-current debt	8,513.0	198.1	8,416.4
Other non-current liabilities	1,229.8	2,550.0	1,071.4
Total non-current liabilities	9,742.8	2,748.1	9,487.7
Air traffic settlement liabilities	3,613.1	437.7	1,324.2
Current debt	1,193.1	10,220.9	961.0
Liabilities included in disposal group classified as held for sale	0.0	21,505.1	0.0
Other current liabilities	3,271.3	10,817.6	3,782.9
Total current liabilities	8,077.5	42,981.4	6,068.0
Total liabilities	17,820.3	45,729.5	15,555.8
<b>TOTAL EQUITY AND LIABILITIES</b>	20,084.9	38,138.2	18,825.4

## CONSOLIDATED STATEMENT OF CASH FLOW

<i>(unaudited in NOK million )</i>	Q1 2022	Q1 2021	Full Year 2021
Profit before tax	-1,031.3	-1,189.0	1,876.0
Paid taxes	0.0	0.0	0.0
Depreciation, amortization and impairment	313.8	348.8	1,133.5
Reconstruction effects	0.0	0.0	-5,340.8
Changes in air traffic settlement liabilities	2,288.8	36.2	922.7
Changes in receivables	-1,265.5	133.3	1,131.1
Other adjustments	-198.6	439.0	416.6
Net cash flows from operating activities	107.2	-231.7	139.1
Purchases, proceeds and prepayment of tangible assets	12.9	0.0	231.4
Other investing activities	0.0	0.0	-8.7
Net cash flows from investing activities	12.9	0.0	222.6
Loan proceeds	0.0	0.0	0.0
Principal repayments	-67.7	0.0	-687.6
Financing costs paid	-81.7	-2.1	-13.3
Paid dividend to creditors	0.0	0.0	-377.7
Proceeds from issuing new shares and perpetual bond	0.0	0.0	5,862.9
Net cash flows from financing activities	-149.5	-2.1	4,784.4
Net change in cash and cash equivalents	-29.3	-233.8	5,146.1
Foreign exchange effect on cash	-130.7	-53.7	-118.2
Cash and cash equivalents at beginning of period	7,694.8	2,666.9	2,666.9
Cash and cash equivalents at end of period	7,534.8	2,379.5	7,694.8

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(unaudited in NOK million )</i>	Q1 2022	Q1 2021	Full Year 2021
Equity - Beginning of period	3,269.6	-6,623.9	-6,623.9
Total comprehensive income for the period	-1,003.2	-1,021.6	2,031.7
Share issue	5.8	39.5	4,071.7
Convertible dividend claim issue	0.0	0.0	1,933.5
Perpetual bonds issue	-5.8	10.9	1,843.3
Equity change on employee options	-1.8	3.8	13.2
Equity - End of period	2,264.5	-7,591.3	3,269.6

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

### NOTE 1 ACCOUNTING PRINCIPLES

The condensed consolidated interim financial statements comprise Norwegian Air Shuttle ASA and its subsidiaries (the company). Norwegian Air Shuttle ASA is a limited liability company incorporated in Norway. The consolidated financial statements of the company for the year ended 31 December 2021 are available at [www.norwegian.com](http://www.norwegian.com).

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the rules and regulations of Oslo Stock Exchange and International Accounting Standard (IAS) 34 Interim Financial Reporting. They do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the company for the year ended 31 December 2021.

The accounting policies applied by the company in these condensed consolidated financial statements are the same as those applied by the company in its consolidated financial statements for the year ended 31 December 2021.

### JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of condensed consolidated interim financial statements in accordance with IFRS and applying the chosen accounting policies require management to make judgments, estimates and assumptions which affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical figures and various other factors which are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the company's accounting policies and the key sources of estimation uncertainty, were the same as those that applied to the consolidated financial statements for the period ended 31 December 2021.

The going concern basis of accounting is adopted in preparing these interim financial statements. Refer to the Risks and Uncertainties section of this Interim Report for further information.

## IMPAIRMENT TEST

The company assess no new impairment indicators during the reporting period.

## NOTE 2 RISK

### SENSITIVITY ANALYSIS

<i>(unaudited in NOK million)</i>	<i>Effect on income</i>
1% decrease in jet fuel price	55
1% depreciation of NOK against USD	-22
1% depreciation of NOK against EURO	-2

The sensitivity analysis reflects the effect on operating costs in 2022 by changes in market prices and exchange rates. The effect on operating costs are annualized based on the current level of production, fuel prices and exchange rates.

## NOTE 3 REVENUE

Passenger revenue comprises only ticket revenue, while ancillary passenger revenue is other passenger related revenue such as optional extras. Other revenue consist of revenue not directly related to passengers such as third-party products and other

income. Passenger related revenue per country is based on the starting point of customer journeys. Freight related revenue is based on the starting point of freight services.

### OPERATING REVENUE BY COUNTRY

<i>(unaudited in NOK million )</i>	Q1 2022	Q1 2021	Change	Full Year 2021
Norway	872.5	229.1	281 %	2,487.0
Spain	384.5	1.8	20740 %	651.1
Denmark	186.6	7.8	2279 %	575.8
Sweden	174.7	0.0		524.2
Finland	55.6	0.0		122.0
United Kingdom	55.5	0.0		91.1
France	25.2	0.0		104.8
Poland	23.4	0.0		47.1
Italy	18.0	0.0		66.3
Germany	17.2	0.0		47.5
Other	103.0	16.5	524 %	350.8
Total operating revenue	1,916.2	255.3	651 %	5,067.8
Total outside of Norway	1,043.7	26.2	3882 %	2,580.8

#### NOTE 4 SEGMENT INFORMATION

The Executive Management team reviews the company's internal reporting to assess performance and allocate resources. Executive Management has determined the operating segment on these reports.

Executive Management considers the business as one operational segment, which is low-cost air passenger travel. The company's operating profit arises from airline-related activities and the only revenue generating asset of the company is its aircraft fleet, which is employed flexibly across the entire operation and irrespective of geographic location.

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

#### NOTE 5 INFORMATION ON RELATED PARTIES

For detailed information on related party transactions, please refer to Note 25 in the Annual Report for 2021. There have been no significant transactions with related parties during 2022 apart from recurring agreements such as described in the 2021 Annual Report. All transactions with related parties are considered priced on an arm's-length basis.



## NOTE 6 TANGIBLE FIXED ASSETS

<i>(unaudited in NOK million )</i>	31 MAR 2022	31 MAR 2021	31 DEC 2021
Owned aircraft, parts and installations on leased aircraft	977.3	5,962.5	1,020.7
Right of use assets aircraft and parts	5,261.2	2,313.3	5,152.6
Aircraft, parts and installations	6,238.4	8,275.8	6,173.3
Other fixed assets owned	354.1	403.8	382.3
Right of use assets other	202.9	205.0	212.0
Other fixed assets	557.0	608.7	594.3
Total tangible fixed assets	6,795.4	8,884.6	6,767.5
Total right of use assets	5,464.0	2,518.2	5,364.6

## NOTE 7 BORROWINGS

<i>(unaudited in NOK million )</i>	31 MAR 2022	31 MAR 2021	31 DEC 2021
Bond issue	3,133.5	0.0	3,101.9
Aircraft financing	732.6	0.0	744.7
Lease liabilities	4,512.9	198.1	4,434.8
Other non-current debt	134.0	0.0	134.9
Non-current debt	8,513.0	198.1	8,416.4
Bond issue	125.0	1,299.7	125.0
Loan with state guarantee	0.0	2,989.0	0.0
Aircraft financing	57.6	3,578.6	58.1
Lease liabilities	981.1	2,201.0	777.9
Disposal group aircraft financing	0.0	15,661.2	0.0
Disposal group lease liabilities	0.0	5,843.9	0.0
Other current debt	29.4	152.7	0.0
Current debt	1,193.1	31,726.1	961.0
Total borrowings	9,706.1	31,924.2	9,377.3

## NOTE 8 SHAREHOLDER INFORMATION

## 20 largest shareholders at 31 March 2022\*

Name	Country	Number of shares	Per cent
1 Geveran Trading Company, Ltd.	Cyprus	125,698,801	13.5 %
2 Sundt AS	Norway	105,003,198	11.3 %
3 Folketrygdfondet	Norway	61,302,613	6.6 %
4 Silver Point Capital, L.P.	United States	56,243,500	6.1 %
5 DNB Asset Management AS	Norway	45,281,217	4.9 %
6 Davy Stockbrokers	Ireland	31,847,207	3.4 %
7 Nordnet Bank AB.	Norway	29,930,539	3.2 %
8 Keskinäinen eläkevakuutusyhtiö Varma	Finland	27,500,000	3.0 %
9 Avanza Bank AB	Sweden	23,227,070	2.5 %
10 Handelsbanken Asset Management	Sweden	20,803,928	2.2 %
11 Contrarian Capital Management, LLC	United States	18,304,923	2.0 %
12 Centerbridge Partners, L.P.	United States	17,739,873	1.9 %
13 KLP Forsikring	Norway	11,353,312	1.2 %
14 Nordea Funds Oy	Finland	10,875,001	1.2 %
15 Brumm AS	Norway	10,000,942	1.1 %
16 Swedbank AB	Sweden	8,741,745	0.9 %
17 BlackRock Institutional Trust Company, N.A.	United States	8,312,916	0.9 %
18 Arctic Fund Management AS	Norway	6,832,717	0.7 %
19 HSBC Trinkaus & Burkhardt AG	Germany	5,953,934	0.6 %
20 Citibank N.A. Private Bank	United States	5,598,455	0.6 %
Top 20 shareholders		630,551,891	67.9 %
Other shareholders		298,605,582	32.1 %
Total number of shares		929,157,473	100.0 %

\*) The data is obtained through third-party analysis of beneficial ownership and fund manager information provided in replies to ownership notices issued to custodians. Reasonable efforts have been made to verify the data, however Norwegian Air Shuttle ASA cannot guarantee the accuracy of the analysis.

In the first quarter of 2022 there have been two conversions of debt, where a total of NOK 6 million have been converted. The company have issued total 638,977 new shares in these conversions.

Norwegian Air Shuttle ASA had a total of 929,157,473 shares outstanding at 31 March 2022. There were 78,916 shareholders at the end of the first quarter 2022.

## NOTE 9 CONTINGENCIES AND LEGAL CLAIMS

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

On 21 September 2021, the Norwegian Environment Agency (Nw.: Miljødirektoratet) concluded in an administrative ruling that the cram down of claims in the Examinership and Reconstruction does not apply to the company's obligation to surrender emission allowances under EU ETS (see Section 9.6.2 "Environmental regulations") for emissions pre[1]dating 18 November 2020. The contemplated market value of such allowances was approximately NOK 300 million at year-end. The Reconstructor determined that the Restructuring applies to the company's obligation to surrender

emission allowances because a different view would have given preference to the EU ETS regime which the current insolvency legislation does not facilitate. Therefore, the company was unable to comply with the Norwegian Environment Agency's demand of the company surrendering emissions allowances. The lack of compliance has caused the Norwegian Environment Agency to impose a fine of NOK 400 million on the company. The company filed a complaint on 25 October 2021 and on 4 February 2022 the Norwegian Environment Agency sent the complaint to the Ministry of Climate and Environment. The company, supported by its advisors and the Reconstructor, are of the view that such fine either is invalid as the company is incapable of complying with the EU ETS regime or—if at all valid—will be subject the cram-down introduced in the Restructuring. The company has appealed the administrative ruling and expects the appeal to probably be effective and has therefore not made a provision for the fine. As a consequence of the Reconstruction, the amount corresponding to the contemplated market value of such allowances was crammed down and the company has made a provision of NOK 15 million at year end.

There are no other significant additions or changes to the information regarding contingencies or legal claims presented in Note 26 to the Annual Financial Statements for 2021.

## NOTE 10 EVENTS AFTER THE REPORTING DATE

There have been no material events subsequent to the reporting period that might have a significant effect on the first quarter 2022 financial report.

## DEFINITIONS

### ALTERNATIVE PERFORMANCE MEASURES

Norwegian Air Shuttle's financial information is prepared in accordance with International Financial Reporting Standards (IFRS). In addition, the company presents alternative performance measures (APM). The APMs are regularly reviewed by management and their aim is to enhance stakeholders' understanding of the company's performance. APMs are

calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described in the table below.

The definitions are consistent with those used in previous financial reports.

MEASURE	DESCRIPTION	REASON FOR INCLUDING
Operating profit (EBIT)	Earnings before net financial items, income tax expense (income) and share of profit (loss) from associated companies. Equivalent to operating profit in the consolidated income statement in the annual report	Enables comparability of profitability regardless of capital structure or tax situation
EBIT excl other losses/(gains)	Earnings before net financial items, income tax expense (income) and share of profit (loss) from associated companies, adjusted for other losses/(gains)-net	Enables comparability of profitability regardless of capital structure or tax situation, excluding effects for certain volatile operating expenses
EBIT margin	EBIT divided by total operating revenue	Enables comparability of profitability relative to operating revenue
EBITDAR	Earnings before net financial items, income tax expense (income), depreciation, amortization and impairment, restructuring, aircraft leasing expenses and share of profit (loss) from associated companies	A measure of operating performance that enables comparison between airlines as it is not affected by the method used to finance aircraft
EBITDAR excl other losses/(gains) / Underlying operating result before ownership costs	Earnings before net financial items, income tax expense (income), depreciation, amortization and impairment, restructuring, aircraft leasing expenses and share of profit (loss) from associated companies, adjusted for other losses/(gains)-net	A measure of operating performance that enables comparison between airlines as it is not affected by the method used to finance aircraft, excluding effects for certain volatile operating expenses
EBITDAR margin	EBITDAR divided by total operating revenue	Enables comparability of profitability relative to operating revenue
Profit (loss) before tax (EBT)	Earnings before income tax expense (income). Equivalent to profit (loss) before income tax expense (income) in the Consolidated Income Statement in the annual report	Enables comparability of profitability regardless of capital structure or tax situation
EBT excl other losses/(gains) and impairment	Earnings before income tax expense (income), adjusted for other gains/(losses) and impairment costs	Enables comparability of profitability regardless of one-off impairment losses, excluding effects for certain volatile operating expenses
EBT margin	EBT divided by total operating revenue	Enables comparability of profitability relative to operating revenue
Net interest-bearing debt	Non-current debt plus current debt less cash and cash equivalents	Measurement of the ability to pay all debt with available cash and cash equivalents, if all debt matured on the day of the calculation. It is therefore a measure of the risk related to the company's capital structure
Other losses/(gains)	Gains and losses from foreign currency contracts, forward fuel contracts, adjustment of market value for total return swaps, translation of working capital in foreign currency, net gain or loss from sale of fixed assets and significant restructuring costs	Included as a specification to operating expenses to separate certain volatile effects from other operating expenses
Operating expenses excl leasing, depreciation and amortization	Total operating expenses not including aircraft lease expense, depreciation, amortization and impairment	A measure of operating expenses that enables comparison between airlines as it is not affected by the method used to finance aircraft
Operating expenses excl other losses/(gains), depreciation and lease	Total operating expenses not including other losses/(gains) depreciation, amortization, impairment and lease expenses	A measure of operating expenses that includes leasing but is not affected by other losses/(gains) depreciation, amortization, impairment and lease expenses, relevant to monitor the company's ability to reduce operating expenses during the COVID-19 pandemic and disregarding certain highly volatile and certain fixed costs

## ALTERNATIVE PERFORMANCE MEASURES – RECONCILIATIONS

<i>(unaudited in NOK million)</i>	Q1 2022	Q1 2021	Full Year 2021
<u>Operating profit (EBIT) to EBIT excl other losses/(gains)</u>			
Operating profit (EBIT)	-848.6	-1,461.8	-2,786.0
- Other losses/(gains)*	15.5	259.8	-737.5
EBIT excl other losses/(gains)	-833.1	-1,202.0	-3,523.5
<u>EBITDAR to EBITDAR excl other losses/(gains)</u>			
EBITDAR	-467.9	-1,113.0	-1,516.0
- Other losses/(gains)*	15.5	259.8	-737.5
EBITDAR excl other losses/(gains)	-452.4	-853.2	-2,253.5
<u>Net profit (EBT) to EBT excl other losses/(gains) and impairment</u>			
Profit (loss) before tax (EBT)	-1,031.3	-1,189.0	1,876.0
- Other losses/(gains)*	15.5	259.8	-737.5
EBT excl other losses/(gains) and impairment	-1,015.8	-929.2	1,138.5

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

## OTHER DEFINITIONS

ITEM	DESCRIPTION
Aircraft lease expenses	Lease and rental expenses on aircraft including both dry leases and wet leases
Ancillary revenue per passenger	Ancillary passenger revenue divided by number of passengers
ASK / Production	Available seat kilometers. Number of available passenger seats multiplied by flight distance <i>Note that blocked mid-seats on domestic routes in Norway following virus containment measures do not count as available seats</i>
Average sector length	Total flown distance divided by number of flights
Book equity per share	Total equity divided by number of shares outstanding
CO <sub>2</sub> per RPK	Amount of CO <sub>2</sub> emissions divided by RPK
Constant currency	A currency exchange rate that excludes the impact of exchange rate fluctuations from comparable period, e.g. 2019 as comparable period
Equity ratio	Book equity divided by total assets
Fixed asset investment	Consists of the following non-current assets presented in the statement of financial position in the annual report: Investments in financial assets, investment in associate and other receivables
Fuel consumption	Aviation fuel consumed, presented in metric tons
Load factor	RPK divided by ASK. Describes the utilization of available seats
Passengers	Number of passengers, including no-show* <i>* Note that during the COVID-19 outbreak, no-show passengers are not included</i>
RPK	Revenue passenger kilometers. Number of sold seats multiplied by flight distance
Unit cost	Total operating expenses, excluding impairment and other losses/(gains)-net, divided by ASK
Unit cost excl fuel	Total operating expenses, excluding impairment, other losses/(gains)-net and aviation fuel expenses, divided by ASK
Unit revenue - ticket	Passenger ticket revenue divided by ASK
Unit revenue - total	Passenger ticket revenue and flight related ancillary revenue divided by ASK
Yield - ticket	Passenger ticket revenue divided by RPK. A measure of average fare per kilometre
Yield - total	Passenger ticket revenue and flight related ancillary revenue divided by RPK. A measure of average passenger revenue per kilometre

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Organization number	NO 965 920 358 MVA

## BOARD OF DIRECTORS

Svein Harald Øygard	Chair
Sondre Gravir	Director
Ingrid Elvira Leisner	Director
Chris Browne	Director
Lars Rahbæk Boilesen	Director
Eric Holm	Director, employee representative
Katrine Gundersen	Director, employee representative
Torstein Soland	Director, employee representative

## GROUP MANAGEMENT

Geir Karlsen	Chief Executive Officer
Hans-Jørgen Wibstad	Chief Financial Officer
Magnus Thome Maursund	EVP Network, Pricing & Optimisation
Christoffer Sundby	EVP Sales, Marketing & Customer Care
Guro H. Poulsen	EVP People
Anne-Sissel Skånvik	EVP Communications and Public Affairs
Knut Olav Irgens Høeg	EVP IT and Business services
Adrian Dunne	EVP Operations
Tore Jenssen	SVP Arctic Aviation Assets

## INVESTOR RELATIONS

Jesper Hatletveit	<a href="mailto:investor.relations@norwegian.com">investor.relations@norwegian.com</a> <a href="http://norwegian.com/us/about/company/investor-relations/">norwegian.com/us/about/company/investor-relations/</a>
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## FINANCIAL CALENDAR 2022

<b>13 May</b>	<b>Q1 Results</b>
<b>25 May</b>	<b>Annual General Meeting</b>
7 June	Monthly traffic data May
6 July	Monthly traffic data June
4 August	Monthly traffic data July
<b>25 August</b>	<b>Q2 Results</b>
6 September	Monthly traffic data August
6 October	Monthly traffic data September
<b>26 October</b>	<b>Q3 Results</b>
4 November	Monthly traffic data October
6 December	Monthly traffic data November