Registered number: 9360346

norwegian

Norwegian Air UK Limited

Annual report and financial statements
For the year ended 31 December 2019

Company Information

Directors	F Berg (Resigned on 31th August 2020) E Thorstad (Resigned on 12th October 2020) A Nyseth (Resigned on 12th December 2019) O Melhus (Appointed on 12th October 2020; Resigned on 15 January 2021) J Gauermann (Appointed on 12th October 2020)
Company Secretary	Inlaw Secretaries Limited
Registered number	9360346
Registered office	First Point Buckingham Gate Gatwick Airport RH6 0NT
Independent auditors	Deloitte LLP Statutory Auditor 3 Rivergate Temple Quay Bristol BS1 6GD

Contents

The director presents his strategic report and the financial statements for the year ended 31 December 2019.
The strategic report was written at a time of significant uncertainty. Certain statements were true at the time and may not still be. Please refer to the paragraphs on Going concern and Post balance sheet events in the Director's report and the Notes for the current position.

Business review and future developments

Core Values

Our core values are important as they support the vision, shape our culture and reflect what value we bring to the world, our customers and our colleagues.

Norwegian's core values are Innovation – Teamwork – Simplicity: IT'S Norwegian!
• Innovation: We think creatively and always seek to improve.
• Teamwork: We respect and help each other to succeed.
• Simplicity: We work hard to enhance the Norwegian experience.

Corporarte Responsibility

Norwegian Air UK Limted, ("NUK") strives to be a good corporate citizen in every area of its operation. The Company is committed to operating in accordance with responsible, ethical, sustainable and sound business principles, with respect for people, the environment and the society. The requirements of the Companies Act 2006, section 172 for duty to promote the sucess of the company, have been covered in the separate report of Corporate Responsibility at Norwegian, presented in a separate section of the annual report and available on the Group's website www.norwegian.com. The Corporate Responsibility Report also includes reporting on health, safety, the environment, equality and nondiscrimination, as required by the Comapanies Act, section 172.

Market Conditions

Norwegian Air Shuttle ASA Group ("Norwegian") is one of the largest low-cost carriers in Europe and among the ten largest in the world. It is a truly global airline, with a route network stretching across Europe into North Africa, the Middle East, North America, South America and South-East Asia. Norwegian's long-haul network has increased by more than 20 percent during 2019 and more than 60 intercontinental routes were operated during the year. Norwegian also has 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 and UK.

Air traffic has proven its resilience when compared to slow economic growth by outperforming global GDP which shows a clear global demand and appreciation of the benefits associated with aviation. Revenue passenger kilometres ("RPKs") experienced a global growth of approximately 4 percent between January and November 2019 according to the International Civil Aviation Organization (ICAO) figures. The low-cost carriers continued to increase their market share, with the European market at the top with 45 percent of total seat capacity. 2019 has also been a challenging year for the industry with slowing demand, equipment reliability issues from several original equipment manufacturers (OEMs) and geopolitical uncertainty with increased trade protectionism has significantly impacted the trading environment.

The European airline market remains fragmented with Europe's top seven airline groups only controlling 54 percent of seats to/from/within Europe in summer 2019, compared with a 77 percent share for North America's top seven. Whilst the short-haul market within Europe has continued to experience heavy competition with overcapacity in many areas, the bankruptcy of Thomas Cook and the subsequent purchase of its slots at Gatwick airport by easyJet, shows that there is a slow consolidation of capacity in the most competed markets.

Low cost carrier competition in the Nordic markets stabilized in 2019 with Norwegian continuing to hold a very strong number two position in the market.

Market Conditions (continued)

Competitors on long-haul have continued to adapt their business models to better compete with Norwegian's lower cost offering by de-bundling their products, offering seat-only prices to compete with our low fares and adding additional capacity on thick routes. Actions by airline competitors continue to show that Norwegian's long-haul network is directly impacting on their margins.

With travel bans and an abrupt drop in demand following the spread of the COVID-19 virus, there is considerable uncertainty as to when the aviation industry and the Company is able to return to normalcy, as well as any long-term impact on the market.

Norwegian Air UK Ltd (NUK)

NUK was established in the United Kingdom in 2015 and has seen continued growth throughout 2018 and 2019 with new routes, additional aircraft and increased traffic rights carrying an additional 0.5 million more passengers in 2019 compared to prior year (1.6 million more passangers in 2018 compared to prior year).

During 2019 NUK went from operating twelve Boeing 787 Dreamliners and one Boeing 737-800 to operating 13 Dreamliners. At the end of the year, NUK operated all Norwegian long-haul routes from London Gatwick servicing routes between UK, USA and South America. NUK is a member of Airlines UK, the industry body that represents UK-registered airlines.

In 2019 NUK increased its turnover by 19% from $696M (2018) to $831M (2019) representing an increase of $135M ($612M increase in 2018 vs prior year). Load factor for the year remained high at 88% (88% in 2018). Revenue passenger kilometers (RPK) increased by 27% compared to prior year. Production growth and available seat kilometer (ASK) again increased by 27%. In 2019, measured by revenue at the point of origin, The United States was Norwegian's largest market carrying approximently 2.1 million passengers in total. The planned capacity reduction and optimization of the route network have had a positive impact on the figures for 2019.

NUK is headquartered at London Gatwick with approximately 24 employees.

Operation and market developments

In 2019, Norwegian's strategic focus shifted from growth to sustainable profitability. In line with this strategic shift, network growth moderated to an overall increase in production of 1 percent measured by available seat kilometers (ASK). The long haul network continued to grow with the delivery of additional 787-9 aircraft and is continuing to develop leading positions in key European outbound markets such as London, Paris and Barcelona, and key US outbound markets. As such, Norwegian is now the largest international carrier in both New York and Los Angeles. At the same time, there was a rationalization of the short-haul program to focus on core markets and maintaining the strong position on intra-Nordic and Nordics-to Europe flights.

2019 has seen continued technical fleet challenges from the global grounding of the Boeing 737 MAX aircraft and ongoing Rolls Royce engine issues affecting the 787 operations. Wet-leased aircraft and changes to schedules have mitigated both challenges, however it has had a negative impact on both commercial performance and passenger experience during the year. The Company had contingency plans in place to minimize the inconveniences for passengers in 2020, however overshadowed by the COVID-19 pandemic.

Market Conditions (continued)

Network

Norwegian continues to deliver on its established network strategy, identifying major point-to-point markets that have been over-priced or underserved, while simultaneously maximizing aircraft and crew utilization.

On long haul, NUK has in 2019 consolidated operations into large catchment areas in the US from London. Operations have been consolidated into fewer airports, for instance by servicing one airport in cities like San Francisco and New York. Norwegian launched five new long-haul routes during the year, including Rio de Janeiro from London. At the same time, closure of approximately 20 long-haul routes was announced for the group.

Norwegian also announced that it signed a letter of intent for an interlining agreement with JetBlue and is developing interline capabilities with its global distribution system partner Amadeus. The partnership will provide feeder traffic to and from the US to NUK's long-haul network, complementing the feed from easyJet's short-haul network at Gatwick (powered through the easyJet Worldwide product). The technical solution enables the opportunity to add further interlining partners in the future.

Financial Review

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

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

Maintenance reserve obligations, expected useful lives and residual values of aircraft as well as the recognition of deferred tax assets are among the most important estimates applied by Management when preparing the financial statements.

Financial Review - Key performance indicators

NUK's operating revenue for 2019 increased by 19 percent to $831 million, (2018 $696 million), of which ticket revenue accounted for $597 million (2018 $473 million), representing an increase of 26% on prior year. Ancillary passenger revenue was $156 million (2018 $115 million), while $78 million (2018 $107 million) was related to freight, lease and other revenue. The revenue increase is due to the total number of passenger increase by 29% to 2,15 million (2018 1,67 million) during 2019. Load factor remained steady at 88% (2018 88%) as did yield at $0.04 (2018 $0.04). Ancillary revenue per passenger rose by 35% and revenue per available seat kilometer (unit revenue) for 2019 was up 27% from the previous year. The increase is a result of the Company's optimization of the route network, discontinuing unprofitable routes and strong ticket demand on the long haul market.

Operating expenses including aircraft lease, depreciation and amortization in 2019 amounted to $809 million, (2018 $727 million), with a unit cost of $0.04 down $0.05 in the prior year. The unit cost excluding fuel again decreased by 1 cent from $0.04 down to $0.03 in 2019.

Operating profit for the year was $21 million compared to a loss of $31 million in the prior year. The improved operating performance in 2019 is partially attributable to the successful implementation of the extensive cost reduction program #Focus2019, contributing with cost reductions of NOK 2.3 billion for the group in 2019.

Financial Review (continued)

The negative financial impact of fleet disruptions caused by continued engine issues on the Boeing 787s is only partly covered by the manufacturers, with revenue reductions and cost increases impacting the operating profit of the Company negatively by approximately. Indirect negative effects such as increased passenger service costs, increased fuel burn and lower crew utilization as consequences of increased wet lease are not covered but resulted in increased costs for the Company.

Cash and cash equivalents were $1.6 million at the end of 2019 compared to $2.1 million at the end of 2018.

FINANCIAL RISK AND RISK MANAGEMENT

Principal risks and uncertainties

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

NUK is exposed to the same risks as the parent company, Norwegian Air Shuttle ASA, is exposed to and so the following presents the relevant risks relevant to the group.

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

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

The Group's main strategy for mitigating risks related to volatility in cash flows is to maintain a solid financial position and strong credit rating. Financial risk management is carried out by a central treasury department (Group treasury), under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risk in close cooperation with the Group's operating units. The Board provides principles for overall risk management such as foreign currency risk, jet-fuel risk, interest rate risk, credit risk, use of derivative financial instrument and investment of excess liquidity.

At 31 March 2019, the Group had completed a rights issue providing an equity increase of close to NOK 3 billion in order to restore a satisfactory financial position.

Further, as of the third quarter of 2019, Norwegian announced the postponement of the repayment of two unsecured bonds, thus creating additional financial headroom to return to profitability.

Principal risks and uncertainties (continued)

Interest risk

The Group is exposed to changes in the interest rate level, following the substantial amount of interest-bearing debt. The Group's cash flow interest rate risk arises from cash and cash equivalents and floating interest rate. Floating interest rate borrowings consist of unsecured bonds, aircraft and prepayment financing, loan facility and financial lease liabilities. Fixed interest rate borrowings consist of aircraft financing guaranteed by export credits, commercial debt for aircraft and unsecured bonds. Borrowings are denominated in USD, EUR, SEK and NOK. Hence, there is an operational hedge in the composition of the debt.

Foreign currency risk

A substantial part of the Group's revenues and expenses are denominated in foreign currencies. Revenues are increasingly exposed to changes in foreign currencies against NOK as the Group expands globally with more customers travelling from the USA and between European destinations. The Group's leases, aircraft borrowings, maintenance, jet-fuel and related expenses are mainly denominated in USD, and airplane operation expenses are partly denominated in EUR. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. In order to reduce currency risk, management has a mandate to hedge up to 100 percent of its currency exposure for the following 12 months. At the end of 2019, the Group did not have significant currency forward contracts.

Price risk

Expenses for jet-fuel represent a substantial part of the Group's operating costs, and fluctuations in jet-fuel prices influence the projected cash flows. The objective of the jet-fuel price risk management policy is to safeguard against significant and sudden increases in jet-fuel prices whilst retaining access to price reductions. The Group manages jet-fuel price risk using fuel derivatives. Management has a mandate to hedge 10 to 50 percent of its expected consumption over the next 12 months with forward contracts. At the end of 2019, the Group did not have significant jet fuel forward contracts. The Company entered into fuel term contracts during the first quarter of 2020, covering approximately 35 percent of estimated fuel consumption in the first half of 2020 at an average price of USD 578 per metric ton and approximately 25 percent at USD 571 per metric ton for the full year.

Liquidity risk

The Group monitors rolling forecasts of the liquidity reserves, cash and cash equivalents. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and evaluating the level of liquid assets required. Furthermore, these analyses are used to monitor balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. Following the acquisition of aircraft with future deliveries, Norwegian will have ongoing financing activities. The Group's strategy is to diversify the financing of aircraft through sale-leaseback transactions and term loan financing supported by the export credit agencies in the United States and EU.

Credit risk

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

Principal risks and uncertainties (continued)

Environmental Risks

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

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

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

Political Risks

The U.K. formally left the EU on 31 January 2020 with a business-as-usual transition period running until 31 December 2020. Negotiations are now in progress to agree a trade deal, to take effect from 01 January 2021. The company has in place a full range of contingency measures to cover all potential scenatios.

Operational Risks

Norwegian saw the peak of its long-haul growth in 2018. This growth, combined with Rolls Royce engine issues has resulted in disruption across our network. Norwegian has been forced to wet lease in widebody aircraft to cover grounded 787 aircraft due to engine issues. This has had a negative impact on commercial performance and passenger experience. The position was more positive into 2019 as the Group has ensured greater operational contingency through grounding aircraft during the year. It is also expected that Rolls Royce engine reliability will improve significantly from 2020 onwards.

Future Developments

Outlook

Given the uncertainty and ongoing impact on overall demand for air travel due to the Covid-19 outbreak, Norwegian withdrew its 2020 guidance on 6 March 2020.

Futher detail on future developments and outlook can be found in the Directors report on page 9.

Declaration of the financial statement

We confirm that the financial statements for the year 2019, to the best of our knowledge, have been prepared in accordance with International Financial Reporting Standards (IFRS), gives a true and fair view of the Company's and assets, liabilities, financial position and results of operations, and that the annual report includes a fair review of the development, results and position of the Company, together with a description of the most central risks and uncertainty factors facing the company.

This report was approved by the board on 22 September 2021 and signed on its behalf by,

Johan Johannes Gauermann
Director

The directors present their report and the financial statements for the year ended 31 December 2019.
This Director's report was written at a time of significant uncertainty. Certain statements were true at the time and may not still be. Please refer to the paragraphs on Going concern and Post balance sheet events in the Director's report and the Notes for the current position.

Principal activity

The Company is an airline operator within the Norwegian Air Shuttle ASA group. The Company is a wholly-owned subsidiary of Norwegian Air Shuttle ASA (refer to note 20).
The Company is a private company limited by shares and is incorporated in England. The Company has its registered office address at First Point, Buckingham Gate, Gatwick Airport, RH6 0NT.

Results and dividends

The profit for the year, after taxation, amounted to $6,123,294 (2018 - loss $43,343,234) and at the year end the Company had net assets of $44,976,490 (2018: net assets of $38,853,195).

No dividend payments have been made during 2019 and the directors do not recommend the payment of a final dividend for the period (previous period - $nil).

Directors

The directors who served during the year were:

E Thorstad, A Nyseth and F Berg

Going concern

The Company has been severely impacted by the outbreak of COVID-19 . In a very short time period, the Company lost most of its revenues. This adversely and materially affected the Company's contracts, rights and obligations, including financing arrangements. The COVID-19 outbreak impact on travel restrictions and demand for air travel has forced the Company to enter hibernation mode from March 2020. With most of its revenue lost, the Company is dependent on financing from the Norwegian Group and its parent company Norwegian Air Shuttle ASA (the "Group"). As a consequence of the COVID-19 pandemic, the Group was not capable of complying with its ongoing obligations and forced to restructure its debt and ensure access to the state aid package offered by the Norwegian government in May 2020.

Due to continuous travel restrictions in Europe during 2020, the Group was once more not capable of complying with its financial obligations in the fourth quarter of 2020 and the parent company had to enter into an examinership process in Ireland together with five of its Irish subsidiaries. In the course of the examinership and related financial restructuring process, the Group decided to discontinue its long-haul operations and to reduce its short-haul operations.

A requirement to successfully exit the examinership process was to achieve a sufficient level of equity and working capital considering the Group's operations and risks. The necessary additional working capital and equity was obtained through a rights issue, a private placement and the offering of a New Capital Perpetual Bond to existing creditors in May 2021, raising in total NOK 6,000 million. The examinership process was successfully completed at the same time.

Due to the Group's decision to discontinue its long-haul activities, the Company does not have any source of income any longer and is dependent on obtaining additional working capital in order to meet its obligations in the upcoming twelve-month period. The Company's traffic rights to the US represent a significant value to the Group which would be lost if the Company does not continue as a going concern. Although, based on the successful financial restructuring, the Company believes that there are reasonable prospects to resolve such defaults, there is a significant risk that the Company becomes insolvent and enters into bankruptcy. The director has concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern and that, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Going concern (continued)

Nevertheless, after making enquiries and considering the uncertainties described above, the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Company continues to adopt the going concern basis of accounting in preparing these annual financial statements.

Disclosure of information to auditor

In the case of each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

· so far as the director is aware, there is no relevant audit information of which the Company's auditor are unaware, and
· the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor are aware of that information; and
· this confirmation is given and should be interpreted with the provisions of s418 of the Companies Act 2006.

Post balance sheet events

The Company has been severely impacted by the current outbreak of the COVID-19. In a very short time period, the Company lost most of its revenues. This adversely and materially affected the Company's contracts, rights and obligations, including financing arrangements. COVID-19 outbreak effects on travel restrictions and demand for air travel has forced the Company to enter hibernation mode, with no aircraft operating out of the Company. With most of its revenue lost, the Norwegian Group was not capable of complying with its ongoing obligations and forced to restructure its debt and ensure access to the state aid package offered by the Norwegian government for the Group.

COVID-19 and the following travel restrictions and drop in demand is viewed as a non-adjusting event for the 2019 annual financial statements, since the dramatic effects of the virus spread were unknown to the Company at the end of 2019. With reference to impairment, the effects from the COVID-19 virus will be viewed as an indicator of impairment and lead to renewed impairment evaluations of the Company's assets in subsequent reporting periods. After 31 December 2019, the Company has impaired its deferred tax asset on tax losses carried forward of $11 million, its tangible assets related to leased aircraft of $18 million, its intercompany receivables by $87 million and its deposits on aircraft leases by $32 million.

There is significant uncertainty surrounding the long-term effects of the COVID-19 pandemic and the Company may be dependent on obtaining additional working capital in order to meet its obligations in the upcoming twelve-month period. Although the Company believes there are reasonable prospects to resolve such defaults, 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 its creditors and access to working capital. If the Company should be unable to continue as a going concern, this could have an impact on the Company's ability to realize assets at their recognized values and to extinguish liabilities in the normal course of business at the amounts stated in the financial statements.

In June 2020, Norwegian has issued a notice to Boeing of termination of the Group'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.

On 17 July 2020, Norwegian announced that the fully owned subsidiary Norwegian Air Resources Ltd. and OSM Aviation Ltd. had resolved to separate the business currently conducted through the joint venture such that (i) certain companies in the joint venture are transferred to Norwegian and the remaining entities left in the ownership of OSM, and (ii) to convert approximately NOK 812 million in compromised outstanding claims into 190,988,375 new shares of Norwegian Air Shuttle ASA.

Post balance sheet events (continued)

In the fourth quarter of 2020, the parent company entered into an examinership process in Ireland together with five of its Irish subsidiaries. The examinership and related financial restructuring process have resulted in a reduction of the Group's short-haul operations, discontinuation of long-haul operations, conversion of borrowings, leasing debt and accounts payable to equity, as well as a rights issue, a private placement of shares and the offering of a New Capital Perpetual Bond, raising in total NOK 6,000 million. The Fxaminership process was successfully completed on 26 May 2021.

Outlook

Given the continuous uncertainty and ongoing impact on overall demand for air travel due to COVID-19, Norwegian currently does not provide guidance for the future. Due to Norwegian's strong financial position and the flexibility of our power-by-the-hour (PBH) lease arrangements we can deploy capacity back into the market at a pace that matches recovery of air travel demand. The company will continue it's strict cash- and cost focus to keep operational cash burn at a minimum going forward as the COVID-19 restrictions impede aviation, while taking numerous actions to take the company to an era of profitability.

The group plans to ramp-up operations in a controlled manner, and in line with recovery of our core markets, to a peak of around 50 short-haul aircraft in 2021 and rampup to around 70 short-haul aircraft in 2022. When conditions normalise, Norwegian will solidity and develop its position as a market leader in its four core markets of Norway, Denmark, Sweden and Finland with a balance of intra-Nordic and domestic routes and routes to key cities and popular leisure destinations across Europe.

Director's response to audit disclaimer

The director is aware of Deloitte's inability to express an opinion on the financial statements. He understands it to be based on the uncertainty surrounding the valuation of the balance sheet as at 31 December 2019. The valuation of these balances are largely dependent on the company's underlying and forecast performance, which as been significantly impacted by Covid-19 as disclosed in Note 21, and the post balance sheet events have made it difficult to distinguish between conditions existing as at balance sheet date versus those specifically arising from the pandemic. The director recognises that these balances are a significant part of the overall Norwegian UK Limited financial statements. Having performed a rigorous assessment of the balances and reviewed the applicable accounting guidance, the director believes the treatment gives the best reasonable estimate of the position of the balance sheet at 31 December 2019.

Auditor

Deloitte LLP, Chartered Accountants and statutory audit firm, will cease to continue in office and a new auditor will be appointed accordingly in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 September 2021 and signed on its behalf.

Johan Johannes Gauermann
Director

Director's responsibilities statement
For the year ended 31 December 2019

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

· select suitable accounting policies and then apply them consistently;

· make judgements and accounting estimates that are reasonable and prudent;

· state whether applicable UK Accounting Standards have been followed; and

· prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Norwegian Air UK Ltd

Report on the audit of the financial statements

Disclaimer of opinion

We do not express an opinion on the accompanying financial statements of Norwegian Air UK Ltd (the 'company') for the year ended 31 December 2019. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We were engaged to audit the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

Basis for disclaimer of opinion

The company has faced continued challenges in relation to its performance, operations and uncertainty on forecast trading leading to us being unable to gain sufficient appropriate audit evidence over the recoverability of the deferred tax assets, tangible assets, intercompany receivables and short term deposits on aircraft balances as at 31 December 2019.

Subsequent to year end, as disclosed in note 21, the company has impaired deferred tax assets by $11m, tangible assets by $18m, intercompany receivables by $87m and short term security deposits on aircraft by $32m. We were unable to conclude on whether the impairments represented conditions that existed at the balance sheet date or were due to events that have taken place since the balance sheet date including the impact of COVID-19.

As a result of the matters noted above, we were unable to determine whether any adjustments to the financial statements were necessary for the year ended 31 December 2019.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and *using the going concern basis of accounting unless the directors either intend to liquidate the* company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct our audit in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

Because of the significance of the matter described in the basis for disclaimer of opinion section of our audit report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified any material misstatements in the strategic report or the directors' report, except that the strategic and directors' reports were written at a time of significant uncertainty. Certain statements were true at the time and may not still be. Please refer to pages 6 to 9, particularly to going concern on page 7 and post balance sheet events on page 8 for the updated position.

Matters on which we are required to report by exception

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

SButters

Sonya Butters, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Bristol, United Kingdom
22 September 2021

Statement of comprehensive income
For the year ended 31 December 2019

(USD)	NOTE	2019	2018
Turnover	3	830 913 263	695 939 414
Cost of sales	4	*(809 487 685)*	(727 401 241)
Gross profit/(loss)		21 425 578	(31 461 827)
Administrative expenses		(16 997 407)	(17 935 673)
Operating profit/(loss)		4 428 170	(49 397 500)
Financial Items gain/(loss)		3 328 675	(6 543 441)
Profit/(loss) before taxes		7 756 846	(55 940 941)
Tax on profit/(loss)	9	(1 633 551)	12 597 707
Total comprehensive profit/(loss) for the year		6 123 295	(43 343 234)

Balance Sheet
As at 31 December 2019

(USD)	NOTE	2019	2018 (Restated)
Non current assets			
Deferred tax	9	11 245 984	12 597 707
Tangible assets	7	18 114 528	7 725 759
Investments	8	-	581 604
		29 360 512	20 905 070
Current assets			
Debtors	10	146 898 307	222 171 776
Cash at bank and in hand	11	1 579 585	2 106 037
		148 477 892	224 277 813
Creditors: amounts falling due within one year	12	(123 954 603)	(190 054 052)
Tax Liability	9	(281 828)	-
Net current assets		24 241 460	34 223 761
Total assets less current liabilities		53 601 973	55 142 268
Creditors: amounts falling due after more than one year	13	(2 314 538)	(4 047 143)
		51 287 434	51 095 125
Provisions for liabilities	14	(6 310 945)	(12 241 931)
		(6 310 945)	(12 241 931)
Net assets		44 976 489	38 853 194
Capital and reserves			
Called up share capital	16	102 500 000	102 500 000
Profit and loss account		(57 523 509)	(63 646 806)
Shareholder's funds		*44 976 489*	*38 853 194*

Balance Sheet
As at 31 December 2019

For further details on 2018 restated figures see note 10. Debtors and note 12. Creditors: Amounts falling due within one year.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 September 2021 by

Johan Johannes Gauermann
Director

The notes on pages 19 to 39 form part of these financial statements.

Statement of Changes in Equity
For the year ended 31 December 2019

(USD)	Called up share capital	Profit & loss account	Total equity
At 1 January 2019	102 500 000	(63 646 805)	38 853 194
Comprehensive profit for the year			
Profit for the year	-	6 123 295	6 123 295
Total comprehensive profit for the year	-	6 123 295	6 123 295
Total transactions with owners	-	-	-
At 31 December 2019	102 500 000	(57 523 510)	44 976 487

Statement of Changes in Equity
For the Year Ended 31 December 2018

(USD)	Called up share capital	Profit & loss account	Total equity
At 1 January 2018	27 500 000	(20 303 571)	7 196 429
Comprehensive loss for the year			
Loss for the year	-	(43 343 234)	(43 343 234)
Total comprehensive loss for the year	-	(43 343 234)	(43 343 234)
Contributions by and distributions to owners			
Shares issued during the year	75 000 000	-	75 000 000
Total transactions with owners	75 000 000	-	75 000 000
At 31 December 2018	102 500 000	(63 646 805)	38 853 194

Notes to the Financial Statements
For the year ended 31 December 2019

1. Statement of Accounting Policies

The notes to the accounts are based on the accounting policies outlined below.

1.1 General information

The financial statements of Norwegian Air UK Limited (formerly Westforce Aviation Limited) for the period ended 31 December 2019 were authorised for issue by the board of directors on and the balance sheet was signed on the board's behalf by Edward Thorstad. Norwegian Air UK Limited is incorporated and domiciled in England and Wales.

1.2 Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and applicable accounting standards. The Company's financial statements are presented in US Dollars which is the functional currency of the Company.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 31 December 2019.

1.3 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

· the requirements of IFRS 7 Financial Instruments: Disclosures;
· the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements. These are disclosed in Norwegian Air Shuttle ASAs financial statements, see note 20.
· the requirements of IAS 7 Statement of Cash Flows;
· the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
· the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

1.4 New Standards not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted. The Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:

- Amendments to References to Conceptual Framework in IFRS Standards;
- Definition of a Business (Amendments to IFRS 3);
- Definition of Material (Amendments to IAS 1 and IAS 8);
- IFRS 17 'Insurance Contracts'.

1. Accounting policies (continued)

1.5 New standards, amendments and interpretations that are adopted

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- IFRS 16 'Leases'
- Prepayment Features with Negative Compensation – Amendments to IFRS 9
- Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28
- Annual Improvements to IFRS Standards 2015 – 2017 Cycle
- Plan Amendment, Curtailment or Settlement – Amendments to IAS 19
- Interpretation 23 'Uncertainty over Income Tax Treatments'

Except for IFRS 16 'Leases', their adoption has not had any impact on the disclosures or on the amounts reported in these financial statements.

Transition to IFRS 16 'Leases'

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases.

IFRS 16 allows various adoption approaches. The company applied the modified retrospective approach under which all right-of-use assets (ROU assets) are measured at an amount equal to the lease liability at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

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

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases, including aircraft leases, and leases of low-value assets below USD $5 thousand, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

As a lessee, the Company leases many assets including aircraft and facilities. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company.

After the transition to IFRS 16, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

1. Accounting policies (continued)

Measurement and presentation of right-of-use assets and lease liabilities (contined)

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

The Company has tested its right-of-use assets for impairment in accordance with IAS 36 on the date of transition and at the financial reporting date and has concluded that there is no indication that the right-of-use assets are impaired.

For leases entered into before 1 January 2019, the lease liability is initially measured at the present value of the lease payments that are not paid at the transition date, discounted using the Company's incremental borrowing rate. For leases entered into after 31 December 2018, the lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

The Company presents right-of-use assets from facility leases in tangible assets in the balance sheet. Lease liabilities are included in 'Creditors: amounts falling due within one year' and 'Creditors: amounts falling due after more than one year'. Interest expense on the lease liability is presented as 'Interest expense' in the income statement. Depreciation of the right-of-use assets is presented under 'Administrative expenses'.

All aircraft operated by the Company, are on lease from Group entities. All internal aircraft lease agreements are classified as short-term leases as they include an option both for the internal lessor and the Company to terminate the agreement with a notice period of three months. The agreements do not foresee a termination penalty for either of the parties.

Significant accounting judgements, estimates and assumptions used under IFRS 16

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

1. Accounting policies (continued)

Significant accounting judgements, estimates and assumptions used under IFRS 16 (continued)

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

Transition effects of IFRS 16 on the financial statements

The Company leases an office and parking spaces at London Gatwick airport. This lease contract is in scope of IFRS 16.

Transition effects from the adoption of the new standard are presented in the table below. Further information on right-of-use assets is presented in the table in Note 11 on tangible assets.

USD	31 DEC 2018	IFRS 16 effects	1 JAN 2019
Tangible assets	7 725 759	2 847 540	10 573 299
Creditors: amounts falling due within one year	(354 718 816)	(318 626)	(355 037 442)
Creditors: amounts falling due after more than one year	(4 047 143)	(2 528 914)	(6 576 058)
Shareholder's funds	38 853 194	-	38 853 194

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rate applied is 6.21 percent. The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

Discounted using the incremental borrowing rate at 1 January 2019	1 189 441 314
Less:	
Recognition exemption for leases with less than 12 months of lease term at transition	(1 186 593 774)
Lease liabilities recognised as at 1 January 2019	2 847 540

The table below shows the maturity profile of the Company's lease liabilities based on contractual undiscounted payments:

(USD) **As at 31 December 2019**	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Lease liabilities	498 418	499 418	1 495 254	647 943

1. Accounting policies (continued)

Transition effects of IFRS 16 on the financial statements (continued)

Effects on the income statement are presented in the table below.

(USD)	Excl IFRS 16* 2019	IFRS 16 effects	2019
Turnover	830 913 263	-	830 913 263
Cost of sales	(809 968 508)	480 823	(809 487 685)
Gross profit/(loss)	20 944 755	480 823	21 425 578
Administrative expenses	(16 607 333)	(390 074)	(16 997 407)
Operating profit/(loss)	4 818 244	(390 074)	4 428 170
Financial items gain/(loss)	3 490 157	(161 482)	3 328 675
Total Financial Items	3 490 157	(161 482)	3 328 675
Profit/(loss) before taxes	7 827 579	(70 733)	7 756 846
Income tax expense	(1 646 990)	(13 439)	(1 633 551)
Total comprehensive profit/(loss) for the year	6 180 589	(57 294)	6 123 295

1.6 Revenue recognition

Most of the company's revenues have been recognised at the time of travel. There are certain fees previously being recognized at time of booking, whereas these are recognized at the time of travel under IFRS 15. The associated amounts are considered as immaterial.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances such as passanger delay compensation.

Further to the fair value and the amount at which an instrument could be exchanged in an arm's-length transaction between informed and willing parties the company has entered into a commercial agreement with the parent company, Norwegian Air Shuttle ASA, effective as of November 2018.

Rebates to customers are recognised when control passes to the customer as part of determination of the transaction price for the contract. Customers can earn CashPoints when booking Norwegian flights and buying products or services from partner companies. Reward members can then use CashPoints as full or partial payment on all Norwegian flights or other products and services without restrictions, such as seat reservations and baggage for example.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

• the Company has identified the contract with the customer;
• the performance obligations are determined within the contract;
• the transaction price is determined;
• the allocation of the transaction price to the performance obligations within the contract; and
• revenue is recognised when the Company satisfies the performance obligations defined in the contract.

1. Accounting policies (continued)

1.6 Revenue recognition (contined)

Dry Lease Revenue

Lease revenue is recognised when goods are transferred to the customer, at the transaction price. Revenue is recognised in accordance with that core principle by applying a 5-step model as noted above.

A dry lease is a leasing arrangement whereby an aircraft entity (lessor), provides an aircraft without crew, ground staff, etc to another airline or other type of business acting as a broker of air travel (the lessee), and pays a fixed fee regardless of usage.

Wet Lease Revenue

Revenue from a contract to provide wet lease service is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following are satisfied:

Revenue is recognised over time rather than at a point of time using the input method which looks at the resources used to date to create an asset being tranferred. The input method uses the companies efforts or inputs to the satisfaction of a performance obligation. This includes using the resources consumed, labour hours expended, costs incurred, time lapsed or total hours used, such as flown block hours.

The method used is appropriate for the nature of the contract and the pattern of delivery of the performance obligation. It is also applied consistently to similar contracts.

A wet lease is a leasing arrangement whereby one airline (the lessor) provides an aircraft, complete of crew, maintenance, and insurance to another airline or other type of business acting as a broker of air travel (the lessee), and pays by the total number of hours operated. The lessee provides fuel and covers airport fees, and any other duties, taxes, etc.

Freight revenue

Revenue from freight services is recognised upon delivery of freight to the customer. Related transportation and delivery expenses directly associated with freight are recorded once the revenue is recognised.

Ticket and Other Revenue

Ticket and other revenue consist of the sale of plane tickets and other ancillary services such as pre-boarding revenue including passanger upgrades, extra luggage, and also in-flight passanger revenue such as meals and in-flight services for example. The Company's policy for recognising ticket and other revenue is recognised based on the rendering of services as noted above.

1. Accounting policies (continued)

1.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures and fittings - 5 Years
Equipment - 3 to 5 years
Aircraft leasehold improvements - 8 to 12 years

The assets' residual values, useful lives and depreciation methods are reviewed anually and adjusted prospectively if appropriate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

1.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of *transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.*

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1. Accounting policies (continued)

1.11 Functional and presentation currency

The Company's functional and presentational currency is US Dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'.

1.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.13 Provision for liabilities

Provisions are made where the event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation and are measured at best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are utlised against the provision carried at the balance sheet date.

Maintenance provisions and reserves

In many aircraft lease contracts, the lessee has the obligation to make periodic payments which are calculated with reference to the utilization of airframes, engines and other major life-limited components during the lease (supplemental amounts). In such contracts, upon lessee presentation of invoices evidencing the completion of qualifying work on the aircraft, the lessor reimburses the lessee for the work, up to a maximum of the supplemental amounts received with respect to such work.

1. Accounting policies (continued)

1.13 Provision for liabilities (continued)

The Company records supplemental amounts paid to lessors as maintenance reserves in the balance sheet. These amounts are reclaimable upon completion of agreed maintenance events per the terms of the lease agreement with the lessor. In addition, the Company recognises a provision for the total estimated future maintenance cost of aircraft. The maintenance provision and reserve balances are shown on a net basis in the balance sheet.

1.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the balance sheet date, except that:

· The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
· Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.15 Lease Costs

From 1 January 2019, the Company has applied IFRS 16 'Leases' using the modified retrospective approach. Therefore, the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The new accounting policies for leases and transition effects to IFRS 16 are outlined in paragraph 1.5.

1.16 Financial Instruments

The legal entities of the Norwegian Group have various intercompany (IC) receivables and payables against each other. These intercompany

· Trade debtors and Trade Creditors
· Deposit and Credit facilities

1. Accounting policies (continued)

1.16 Financial Instruments (contined)

Trade receivables and payables are IC items arising from billing of services between the companies as part of the normal course of business. Such IC items are not interest bearing and they fall due within short terms and in accordance with IC agreements being established under an arm's length principle. Trade payables and receivables are normally netted within each currency and thereafter settled in cash in accordance with agreed credit terms. In certain situations, if agreements are established to support such a transfer, trade payables and receivables are transferred to balances of Deposit and Credit facilities and hence made interest-bearing accordingly from that time.

Deposit and Credit facilities are intercompany revolving facility agreements between companies of the Group. All such agreements are interest-bearing under an arm's length principle, they are typically established for a duration of up to three years and they are established alongside legal structure of Group, i.e. the agreements are established between a parent and its subsidiary. The agreements are typically denominated in a currency equal to the functional currency of the subsidiary. Deposit facilities are established for a subsidiary's placement of surplus cash with its parent company, whereas Credit facilities are used for a subsidiary's cash needs for working capital and investments.

All the financial assets arising from Trade receivables and Deposit and Credit facilities meet the cumulative requirements of IFRS 9.4.1.2, i.e. the assets give rise to cash flows solely being principal and interest whereas the assets are held within a business model whose objective it is to collect these cash flows. Hence are such financial assets to be measured at amortized cost.

Impairment of financial assets

As per year-end 2019 all IC assets and liabilities are reconciled to mutually confirm the balances between parties and interest is capitalized on Deposit and Credit facilities such as required by the established agreements. When it comes to Trade Debtors and Creditors the general cash situation of the Group has resulted in some delays in the cash settlement of such IC items, and balances between many companies are therefore larger than what characterizes a normal situation. There are two cash pools in the Group and a certain level of free cash is hence required to settle IC trade items in an effective manner.

The company accounts are reported under an assumption of going concern and so are all the 2019 individual financial statements of the various legal entities. It is the Group's expectation that all intercompany financial assets eventually will be recovered in cash with their full nominal amounts and hence that expected lifetime credit losses will be zero for all intercompany financial assets. In accordance with this assumption none of the Group's entities has recognized any impairment on intercompany financial assets.

1.17 Determination of fair values

Some of the Company's accounting policies and disclosures require the determination of fair value, for financial and non-financial assets and liabilities. Fair value is the amount at which an instrument could be exchanged in an arm's-length transaction between informed and willing parties, other than as part of a forced liquidation sale. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

In consideration of the fair value relating to continued operational disruption due to issues with Rolls Royce engines on the Boeing 787 Dreamliner all maintenance, planning and follow-up activities, both internally and externally, and the liabilities incurred are bourne my the parent company. The transferred consideration to the parent includes the fair value of any asset or liability resulting from a contingent consideration arrangement at the point in which the cost are incurred by the company.

1. Accounting policies (continued)

1.18 Going concern

The Company has been severely impacted by the outbreak of COVID-19 . In a very short time period, the Company lost most of its revenues. This adversely and materially affected the Company's contracts, rights and obligations, including financing arrangements. The COVID-19 outbreak impact on travel restrictions and demand for air travel has forced the Company to enter hibernation mode from March 2020. With most of its revenue lost, the Company is dependent on financing from the Norwegian Group and its parent company Norwegian Air Shuttle ASA (the "Group"). As a consequence of the COVID-19 pandemic, the Group was not capable of complying with its ongoing obligations and forced to restructure its debt and ensure access to the state aid package offered by the Norwegian government in May 2020.

Due to continuous travel restrictions in Europe during 2020, the Group was once more not capable of complying with its financial obligations in the fourth quarter of 2020 and the parent company had to enter into an examinership process in Ireland together with five of its Irish subsidiaries. In the course of the examinership and related financial restructuring process, the Group decided to discontinue its long-haul operations and to reduce its short-haul operations.

A requirement to successfully exit the examinership process was to achieve a sufficient level of equity and working capital considering the Group's operations and risks. The necessary additional working capital and equity was obtained through a rights issue, a private placement and the offering of a New Capital Perpetual Bond to existing creditors in May 2021, raising in total NOK 6,000 million. The examinership process was successfully completed at the same time.

Due to the Group's decision to discontinue its long-haul activities, the Company does not have any source of income any longer and is *dependent on obtaining additional working capital in order to meet its obligations in the upcoming twelve-month period. The Company's* traffic rights to the US represent a significant value to the Group which would be lost if the Company does not continue as a going concern. Although, based on the successful financial restructuring, the Company believes that there are reasonable prospects to resolve such defaults, there is a significant risk that the Company becomes insolvent and enters into bankruptcy. The director has concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern and that, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of

Nevertheless, after making enquiries and considering the uncertainties described above, the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing these annual financial statements.

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2. Critical judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 9 – Deferred tax assets and liabilities

3. Turnover

An analysis of turnover by class of business is as follows:

(USD)	2019	2018
Ticket revenue	597 346 669	473 091 649
Other revenue	109 750 513	86 620 867
Pre-boarding accilliary revenue	40 424 658	25 580 135
Wet lease revenue	36 650 283	21 692 309
Freight revenue	26 105 956	20 154 032
Lease revenue	15 492 156	65 680 687
Inflight accilliary revenue	5 143 027	3 119 735
Total revenues	830 913 263	695 939 414

All turnover arose within the United Kingdom. The turnover and loss for the year are attributable to the principle activity of the company.

Other revenue includes $62,289,310 (2018: $34,945,710) realting to the commercial agreement as entered into with the Company's parent company, Norwegian Air Shuttle ASA, effective from 01 Nov 2018.

4. Profit/(Loss) before tax.

The profit/(loss) before tax is stated after charging:

(USD)	2019	2018
Lease payments outside of the scope of IFRS16	191 518 738	216 710 666
Foreign currency gains/(losses)	4 492 326	(6 425 427)
Depreciation of plant, properly and equipment	2 335 349	592 283
Total	198 346 412	210 877 522

In 2019, the Company sold its shares in Norwegian Air Argentina Holding S.A. to JetSmart. The Company realized a loss of ($119,104) in this transaction which is included in net finacial items gain/(loss). All other revenue and profit for the year are derived from continuing operations.

5. Payroll and personnel expenses

The average monthly number of employees, including the directors, during the period was as follows:

	2019	2018
Management	4	5
Technical	5	6
Operations	10	11
Station	1	1
Total average number of employees	20	23

5. Payroll and personnel expenses (continued)

Staff costs, were as follows:

(USD)	2019	2018
Wages and salaries	2 569 702	2 345 276
Social security costs	327 732	303 312
Costs of defined contribution scheme	158 228	146 472
Other personnel cost	88 040	53 416
Total payroll and personnel expenses	3 143 703	2 848 475

6. Directors' remuneration

The directors are employed by the parent company, Norwegian Air Shuttle ASA. During the year, the Company was not charged in respect of director's services to the company.

7. Tangible fixed assets

Fixtures and fittings

(USD)	
Cost at 1st January 2019 and 31st December 2018	1 456 377
Accumulated depreciation and amortisation	
At 1st January 2019	724 819
Current period depreciation of equipment	292 623
At 31st December 2019	1 017 442
Net book value at the end of the financial year 2019	438 935

Equipment

Cost at 1st January 2019 and 31st December 2018	471 057
Accumulated depreciation and amortisation	
At 1st January 2019	62 808
Current period depreciation of equipment	94 211
At 31 December 2019	157 019
Net book value at the end of the financial year 2019	314 038

7. Tangible fixed assets (contined)

Aircraft leasehold improvements

Cost at 31st December 2018	6 825 443
Additions	9 876 577
At 31st December 2019	16 702 020
Accumulated depreciation and amortisation	
At 1st January	239 491
Current period depreciation of equipment	1 558 440
At 31 December 2019	1 797 931
Net book value at 31st December 2019	14 904 089

Right-of-use assets facility leases

Cost at 31st December 2018	-
Recognition of right-of-use asset on initial application of IFRS 16	2 847 540
Adjusted balance at 1 January 2019	2 847 540
Additions	-
At 31st December 2019	2 847 540
Accumulated depreciation and amortisation	
At 1st January	
Current period depreciation of equipment	390 074
At 31 December 2019	390 074
Net book value at 31st December 2019	2 457 466
Net tangible assets at the end of the financial year 2019	18 114 528

8. Fixed asset investment

(USD)	
Cost	
At 1st January 2019	581 604
Sale of fixed asset investment	581 604
At 31st December 2019	-
Net Book Value	
At 31st December 2018	581 604
At 31st December 2019	-

In 2019, the Company sold its shares in Norwegian Air Argentina Holding S.A. to JetSmart. The Company realized a loss of ($119,104) in this transaction and is included in net finacial items gain/(loss).

9. Tax on profit/(loss)

(USD) **Current tax:**	**2019**	**2018**
Current tax on profits for the year	281 828	-
Total current tax	281 828	-
Deferred tax:		
Current year	1 537 743	(14 079 790)
Adjustment in respect of previous periods	(24 861)	-
Effect of changes in tax rates	(161 159)	1 482 083
Total deferred tax	1 351 723	(12 597 707)
Tax per income statement	1 633 551	(12 597 707)

The tax expense for the period of $1,633,551 (2018: ($12,597,707)), comprises of current and deferred tax asset.

9. Tax on profit/(loss) (continued)

Factors Affecting Total Tax Charge for the Current Period

	2019	2018
Profit/(loss) for the period - continuing activities	7 756 846	(55 940 941)
Tax on loss at standard UK tax rate of 19.00% (2018: 19.00'%)	1 473 801	(10 628 779)
Effects of:		
Adjustments in respect of prior years	(24 861)	-
Expenses not deductible	263 890	67 999
Tax rate changes	(161 159)	1 482 083
Effects of group relief/ other reliefs	81 880	159 151
Amounts not recognised	-	(3 678 161)
Tax charge for the period	1 633 551	(12 597 707)
Income tax expense reported in the income statement	1 633 551	-
Deferred tax (assets) opening postion:	(12 597 707)	-
Adjustment in respect of prior years	(24 861)	-
Deferred tax credit/(charge) to income statement for the period	1 658 412	(12 597 707)
Current tax liabilities on profits for the year	(281 828)	-
Asset at end of period	(11 245 984)	(12 597 707)

The deferred tax asset is primarily made up of losses which will be utilised against future profits. The carrying amount of deferred income tax asset is reviewed at each reporting period to the extent that it will be probable that sufficient taxable profit will be available to allow all of the deferred income tax asset to be utilized. Significant management judgment are 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 and transfer pricing methodology. At 31 December 2019, Management estimated the tax losses carried forward to be utilized within three years. *As a result of the current COVID-19 pandemic, there is significant uncertainity regarding the future development of the company and* to which extent it can realize its deferred tax asset. Further information on the going convern assesment can be found in Note 1.18.

Total tax charge for the year

The Company has gross tax losses and temporary differences of $66,311,592 carried forward as at 31 December 2019 to use against future taxable income.

The tax rate for the current period is lower than the prior period due to changes in the UK Corporation tax rate which decreased from 19.25% to 19% respectively from 1 April 2018.

The Finance (No. 2) Act 2015, substantively enacted on 26 October 2015, reduced the main rate of corporation tax from 20% to 19% from 1 *April 2018 and to 18% from 1 April 2020, whilst the Finance Act 2016, substantively enacted on 6 September 2016, included further* reduction of the rate of 18% to 17% from 1 April 2020. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

10. Debtors

Due within one year

(USD)	2019	2018 (Restated)
Amounts owed by group undertakings	95 001 663	147 090 728
Short term security deposits on aircraft	32 452 869	-
Prepayments and accrued income	13 628 795	37 576 909
Other debtors	5 814 981	2 464 449
	146 898 307	187 132 086

In prior year, amounts owed by group undertakings were presented as gross (2018 non-restated: $311,768,930). In 2019 and as per the intercompany clearing agreement these postions should have been presented as net receivable/payable to group companies. Comparative figues for 2018 have been restated and $147,090,728 has been netted as amounts owed by group undertakings.

The directors consider that the fair value of trade and other receivables equate to their carrying value.

Secuiry desposits are for the financial presented as short term. For further details on classifaction see note 18. Commitments under operating leases.

Prepaid costs as per 31 December 2019 include $277,872 (2018: $246,281) in contract assets associated with cost of distribution of tickets for future travel dates.

Due after more than one year

(USD)	2019	2018
Other debtors due after one year and less than 5 years	-	10 492 161
Long term security deposits on aircraft due after 5 years	-	24 547 529
Total debtors due after more than one year	-	35 039 690
Total debtors	146 898 307	222 171 777

11. Cash and cash equivalents

(USD)	2019	2018
Cash at bank and in hand	1 579 585	2 106 037
Total cash at bank and in hand	1 579 585	2 106 037

12. Creditors: Amounts falling due within one year

(USD)	2019	2018 (Restated)
Amounts owed to group undertakings	48 193 289	120 995 287
Trade creditors	37 927 063	25 740 747
Accruals and deferred income	37 442 972	43 193 066
Lease liability	346 018	-
Other taxation and social security	45 262	124 952
Total creditors falling due within one year	123 954 603	190 054 052

In prior year, amounts owed to group undertakings were presented as gross (2018 non- restated: $285,660,052). In 2019 and as per the intercompany clearing agreement these postions should have been presented as net receivable/payable to group companies. Comparative figues for 2018 have been restated and $120,995,287 have been netted as amounts owed to group undertakings.

13. Creditors: Amounts falling due after more than one year

(USD)	2019	2018
Lease liability	2 276 268	-
Other creditors	38 270	38 297
Accruals and deferred income	-	3 995 409
Total creditors falling due after more than one year	2 314 538	4 033 706
Total creditors	126 269 141	194 087 758

14. Provisions for liabilities

(USD)	2019	2018
At 1st January	12 241 930	6 736 038
Utalisiation/transfer of current year provisons	(6 937 214)	(3 255 779)
Additions in the year	1 006 228	8 761 672
At 31 December	6 310 945	12 241 930

The Company pays a fee to maintenance funds held by the lessor on leased aircraft. The accrued provisions in the accounts are estimated payments for periodic maintenances in excess of payments to the maintenance funds and are provided on the basis of aircraft utilization. The management work closely with the technical department to estimate total cost. The estimation technique for maintenance reserve contribution (MRC) additional provisions is based on contractual payments for maintenance and mandatory maintenance. The estimated costs of overhauls and maintenance are based on the Group's maintenance program and contractual prices. In addition, provisions are set to meet redelivery conditions for leased aircraft and these additional provisions are dependent on redelivery date and redelivery conditions of the different lease terms. In case of lease extension, estimates on maintenance costs will be revised.

15. Financial instruments

Financial assets

(USD)	2019	2018
Financial assets measured at fair value through profit or loss	1 579 585	2 106 037
Financial assets measured at amortised cost	133 686 772	349 655 903
Financial assets that are equity instruments measured at cost less impairment	135 266 357	351 761 940
Financial liabilities		
Financial liabilities measured a amortised cost	(86 486 665)	(311 485 910)

15. Financial instruments (contined)

The fair value of financial assets / liabilities are equal to their amortized cost.

Financial assets measured at fair value through profit and loss comprising of cash and cash equivalents

Financial asset are measured at fair value plus transaction costs, unless it is carried at fair value through profit or loss, in which case transaction costs are immediately expensed and comprise of amounts owed by trade debtors, group undertakings and other debtors.

Financial liabilities are measured at fair value plus transaction costs, unless it is carried at fair value through profit or loss, in which case transaction costs are immediately expensed and comprise of trade creditors and amounts owed to group undertakings.

16. Share capital

(USD)
Authorised, allotted, called up and fully paid

	2019	2018
205,000,000- Ordinary shares of $0.50 each	102 500 000	102 500 000

Norwegian Air shuttle ASA purchased a further 150,000,000 shares in the company, and owns 100% of the share capital of Norwegian Air International Limited. Each class of share leaves no right to a fixed income, but holders have the right to attend and vote and general meetings of the Company and to receive dividends declared and paid by the Company.

17. Pension commitments

The Company provides a defined contribution retirement plan for its staff. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and is disclosed in note 5. Contributions totalling $18,113 (2018: $20,094) were payable to the fund at the balance sheet date.

18. Commitments under operating leases

The Company had the following minimum lease payments at 31 December 2019.

(USD)	2019	2018
Not later than 1 year	44 837 639	42 912 353
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Total lease commitments	44 837 639	42 912 353

All aircraft operated by the Company, are on lease from Group entities. All internal aircraft lease agreements are classified as short-term leases as they include an option both for the internal lessor and the Company to terminate the agreement with a notice period of three months. The agreements do not foresee a termination penalty for either of the parties.

Lease payments relate to the lease of aircraft by the Company. Lease costs for the year ended 31 December 2019 amounted to $200,614,721 (2018: $216,710,666). External lessors require certain charges over leased aircraft.

19. Auditor's remuneration

The company paid the follow amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company.

(USD)	*2019*	*2018*
Fees for the audit of the company	198 797	115 562
Total fees for the audit of the company	198 797	115 562

20. Controlling party

The immediate parent undertaking and ultimate controlling party is Norwegian Air Shuttle ASA, a company incorporated in Norway.

Norwegian Air Shuttle ASA is the parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up for the year ended 31 December 2019. Copies of these financial statements can be obtained from Norwegian Air Shuttle ASA, Oksenøyveien 3, 1366 Lysaker, Norway.

21. Post balance sheet events

The Company has been severely impacted by the current outbreak of the COVID-19. In a very short time period, the Company lost most of its revenues. This adversely and materially affected the Company's contracts, rights and obligations, including financing arrangements. COVID-19 outbreak effects on travel restrictions and demand for air travel has forced the Company to enter hibernation mode, with no aircraft operating out of the Company. With most of its revenue lost, the Norwegian Group was not capable of complying with its ongoing obligations and forced to restructure its debt and ensure access to the state aid package offered by the Norwegian government for the Group.

COVID-19 and the following travel restrictions and drop in demand is viewed as a non-adjusting event for the 2019 annual financial statements, since the dramatic effects of the virus spread were unknown to the Company at the end of 2019. With reference to impairment, the effects from the COVID-19 virus will be viewed as an indicator of impairment and lead to renewed impairment evaluations of the Company's assets in subsequent reporting periods. After 31 December 2019, the Company has impaired its deferred tax asset on tax losses carried forward of $11 million, its tangible assets related to leased aircraft of $18 million, its intercompany receivables by $87 million and its deposits on aircraft leases by $32 million.

There is significant uncertainty surrounding the long-term effects of the COVID-19 pandemic and the Company may be dependent on obtaining additional working capital in order to meet its obligations in the upcoming twelve-month period. Although the Company believes there are reasonable prospects to resolve such defaults, 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 its creditors and access to working capital. If the Company should be unable to continue as a going concern, this could have an impact on the Company's ability to realize assets at their recognized values and to extinguish liabilities in the normal course of business at the amounts stated in the financial statements.

In June 2020, Norwegian has issued a notice to Boeing of termination of the Group'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.

On 17 July 2020, Norwegian announced that the fully owned subsidiary Norwegian Air Resources Ltd. and OSM Aviation Ltd. had resolved to separate the business currently conducted through the joint venture such that (i) certain companies in the joint venture are transferred to Norwegian and the remaining entities left in the ownership of OSM, and (ii) to convert approximately NOK 812 million in compromised outstanding claims into 190,988,375 new shares of Norwegian Air Shuttle ASA.

21. Post balance sheet events (continued)

In the fourth quarter of 2020, the parent company entered into an examinership process in Ireland together with five of its Irish subsidiaries. The examinership and related financial restructuring process have resulted in a reduction of the Group's short-haul operations, discontinuation of long-haul operations, conversion of borrowings, leasing debt and accounts payable to equity, as well as a rights issue, a private placement of shares and the offering of a New Capital Perpetual Bond, raising in total NOK 6,000 million. The Examinership process was successfully completed on 26 May 2021.

There have been no other material events subsequent to the reporting period that might have a significant effect on the financial statements for 2019.

22 Approval of financial statements

The board of directors approved these Financial Statements on 22 September 2021.