

Norse Atlantic Airways

Q1 2024 Presentation

14 May 2024



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Norse Atlantic Airways – The Explorers' Airline

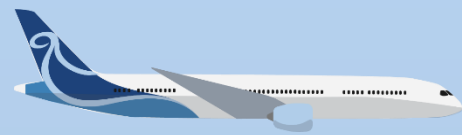


- Norse Atlantic Airways is a long haul airline offering great value and comfort at affordable fares.
- The company was founded by CEO and major shareholder Bjørn Tore Larsen in January 2021.
- Norse has a fleet of 15 modern, fuel-efficient and more environmentally friendly Boeing 787 Dreamliners.
- +1100 employees globally, including +900 aircrew
- Almost 1 million passengers in 2023

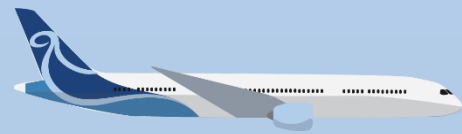


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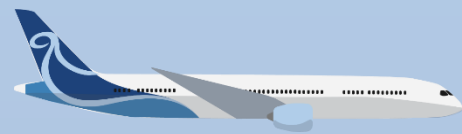
Highlights from first quarter



201,000 passengers across 862 flights



Revenue increased 97% YoY, revenue per passenger up 30% YoY

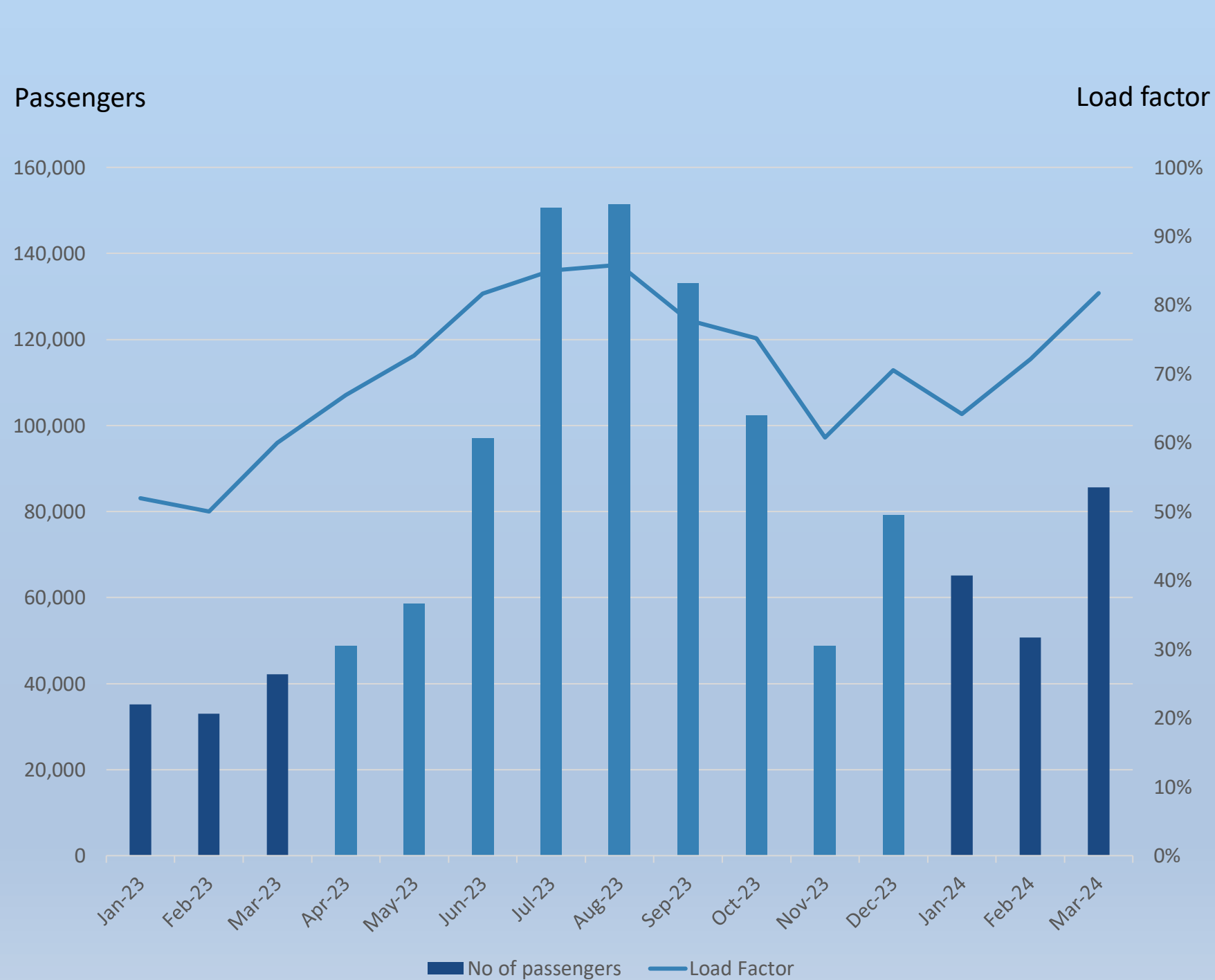


Load factor of 73% - up from 54% Q1 2023

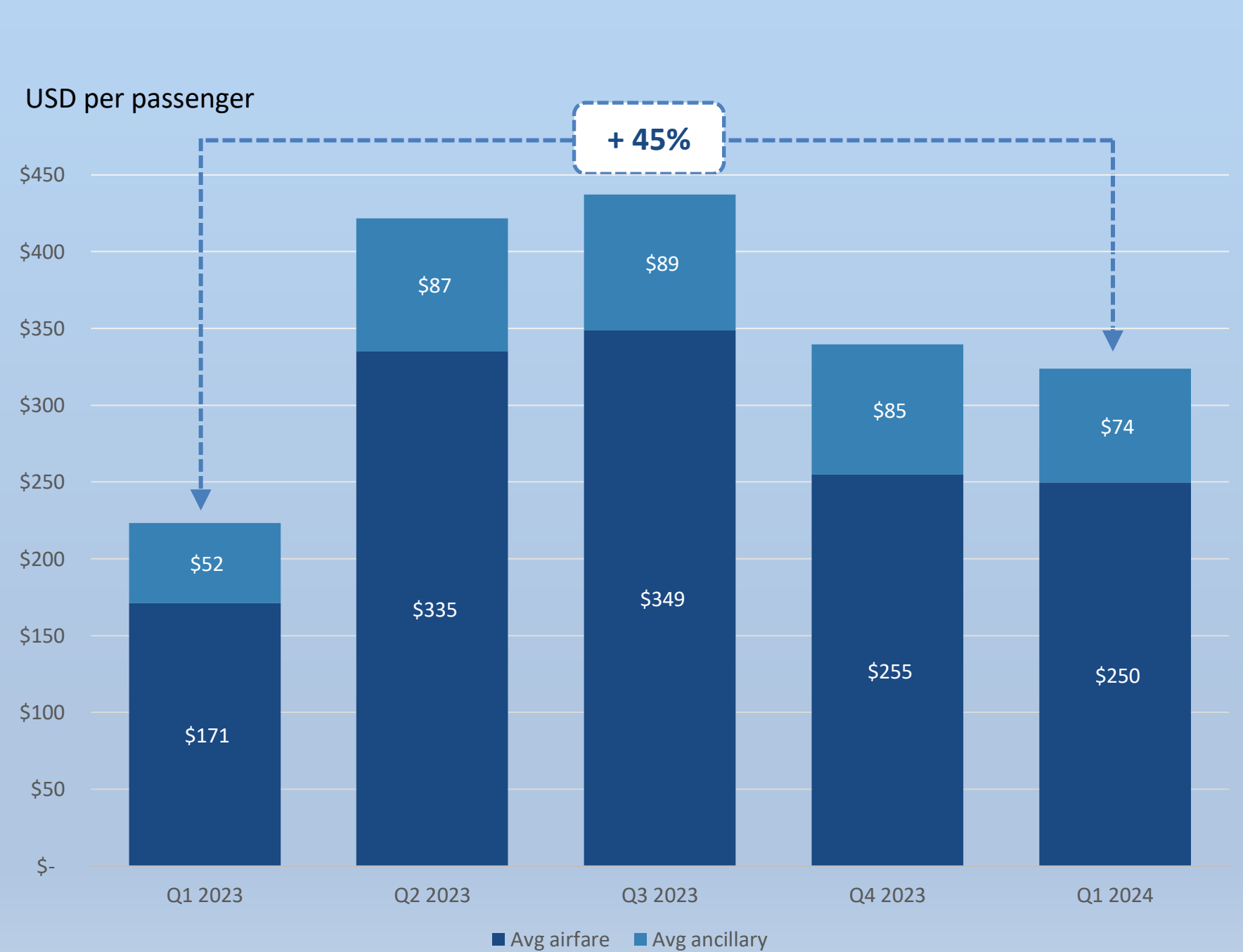


Filling more seats at higher prices

Increase in passenger numbers and Load Factor

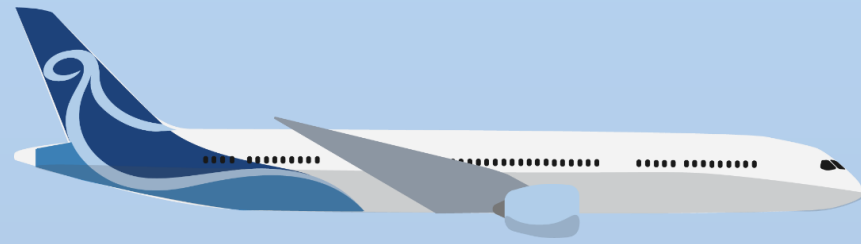


Airfare and ancillary sales growing



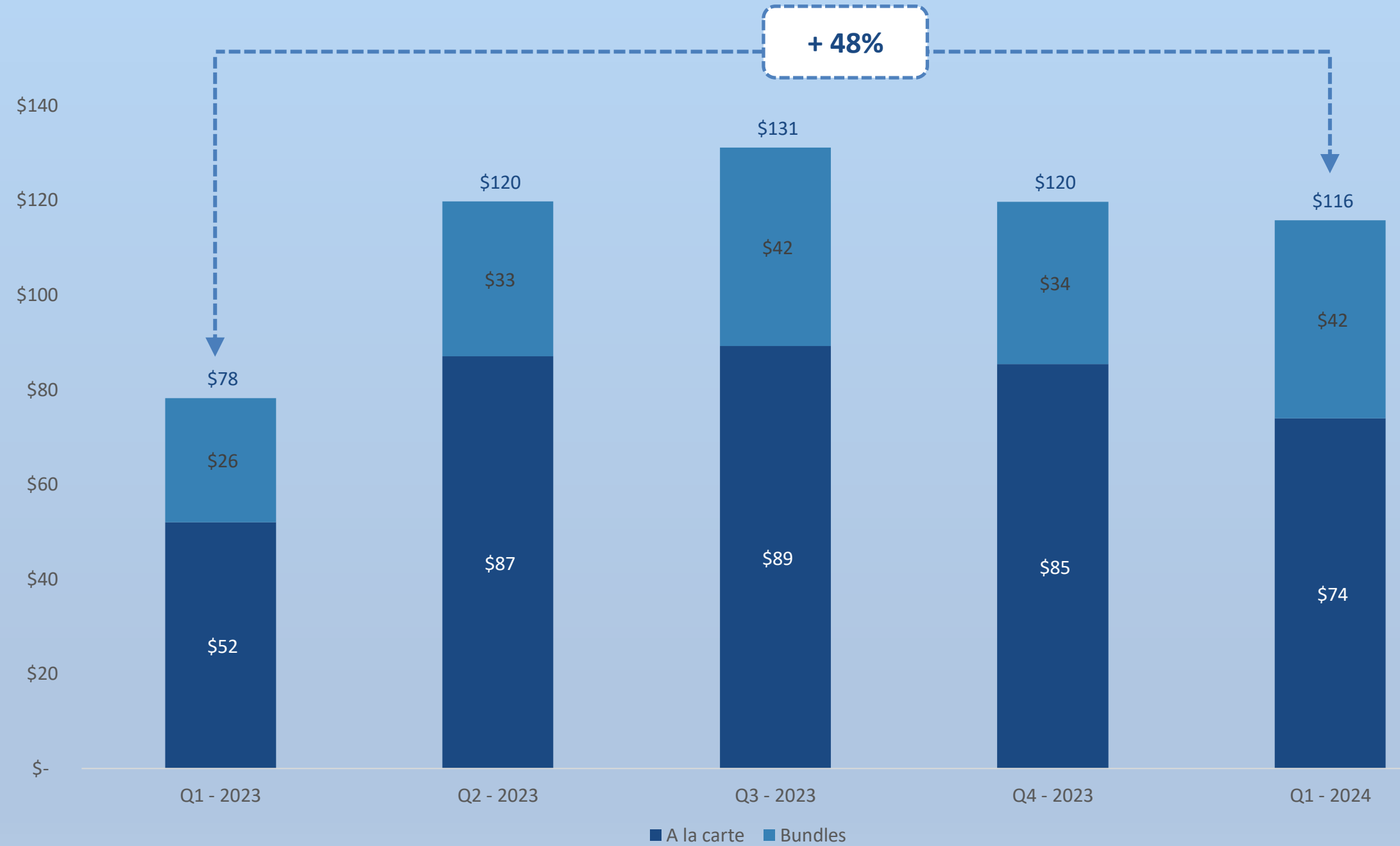
YoY: Year on Year, Q1 2024 compared to Q1 2023

Ancillary level increasing



Norse's fare model offers value and choice

Ancillary revenue per passenger USD

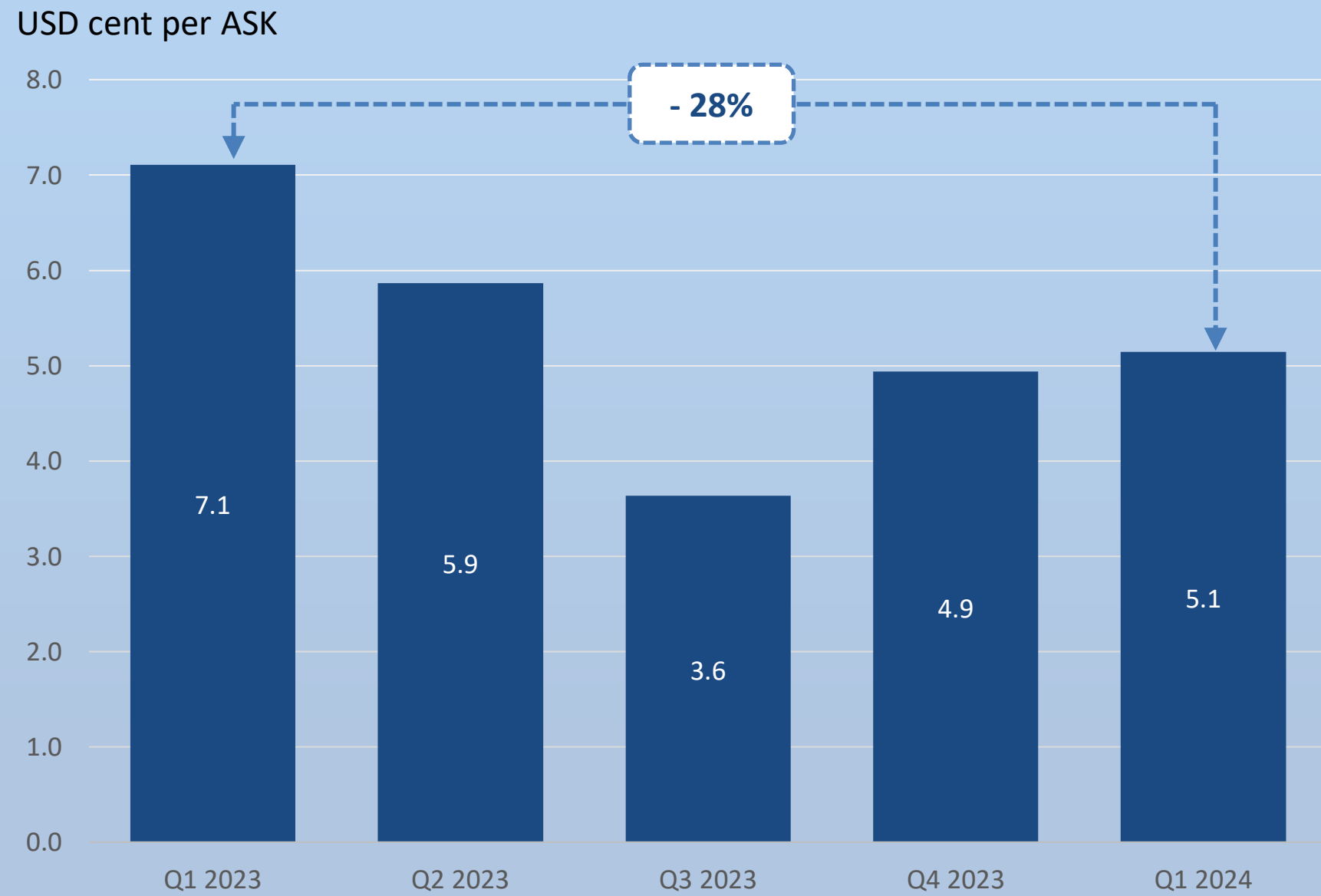


- Bundles are ancillary items included in the original ticket price of Classic and Flextra fares and are showed as ticket revenue in our financials

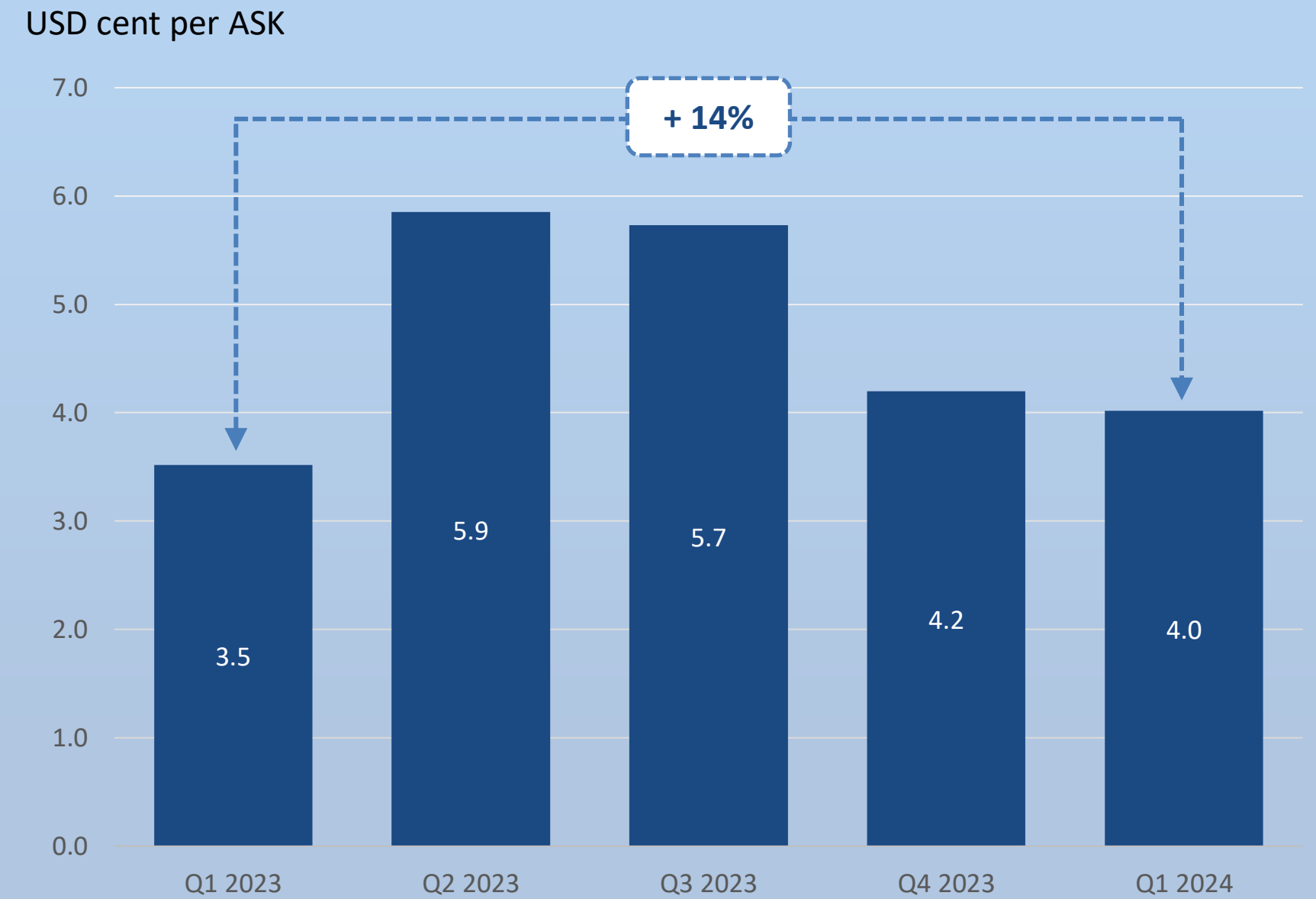


Lowering cost and growing revenue

CASK improving



RASK growing

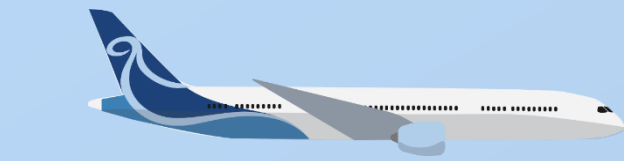
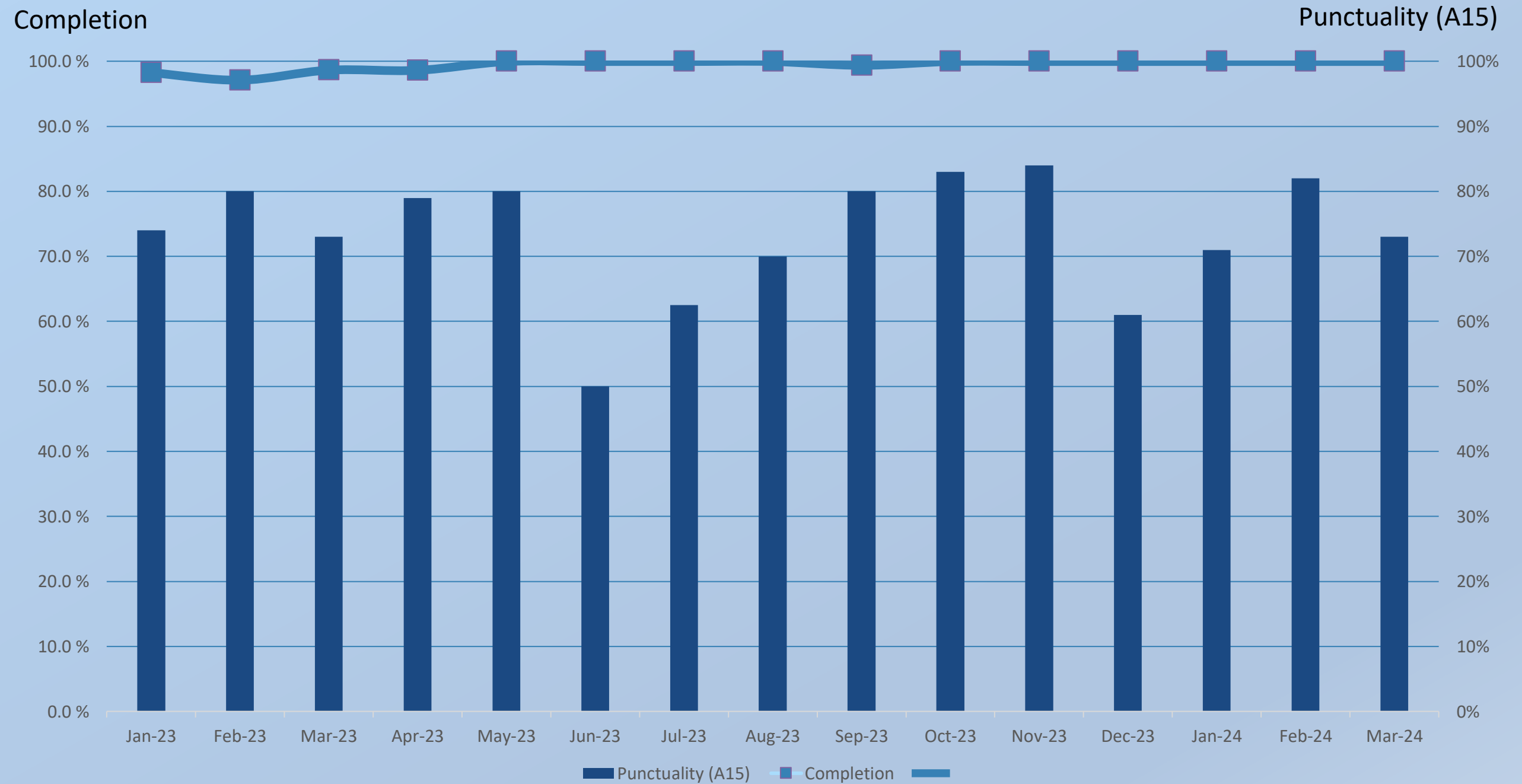


Notes: CASK defined as CASK ex. fuel RASK defined as TRASK: Total revenue per available seat kilometer

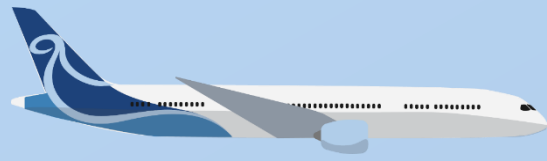
YoY: Year on Year, Q1 2024 compared to Q1 2023

Strong operational performance

% of flights completed and arriving on time



100% completion rate through Q1



Improved on-time performance through fall, weather-related dip during winter

A15: Arrival within 15 minutes of scheduled time

Income Statement

<i>USD thousands</i>	3 months Q1 2024	3 months Q1 2023	12 months FY 2023
Revenue	78,242	39,757	439,436
Personnel expenses	27,853	19,353	99,759
Fuel, oil & emissions	31,445	21,896	152,527
Other OPEX	37,824	24,120	167,645
SG&A	8,497	7,315	37,689
EBITDAR	(27,376)	(32,926)	(17,980)
Variable aircraft rentals	4,238	8,725	33,139
Depreciation & amortization	21,808	20,813	84,103
EBIT	(53,421)	(62,464)	(135,223)
Net finance cost	9,389	8,409	33,379
EBT	(62,811)	(70,873)	(168,602)

- Q1 2024 revenue up 97% YoY due to;
 - 72% increased capacity (ASK)
 - 30% increased revenue per passenger
 - Load factor up to average of 73% over quarter, compared to 54% in the same quarter last year
- Variable aircraft rentals represents cash paid under Power By the Hour (PBH) aircraft lease terms
- USD 8.5 million non-cash aircraft lease accounting cost under depreciation and net finance cost for the quarter (USD 60 million for the full year 2023)

Cash Flow Statement

<i>USD thousands</i>	3 months Q1 2024	3 months Q1 2023	12 months FY 2023
Operating cash flows before WC¹⁾ movements	(30,211)	(41,967)	(44,610)
WC¹⁾ movements	33,363	21,197	24,051
Operating cash flows	3,151	(20,771)	(20,559)
Investing cash flows	(8,884)	1,256	(7,332)
Financing cash flows	(15,271)	(8,530)	1,925
Currency effects	322	366	586
Net change in free cash	(20,683)	(27,678)	(25,779)
Free cash at period end	18,647	37,030	39,330
Restricted cash held	14,600	5,000	15,500
Total cash	33,247	42,030	54,830

- Net cash outflow during first quarter's seasonal low
- Net proceeds of USD 5.8 million from January repair share offering
- USD 33 million total cash held at end of Q1 2024
- Revolving credit facility of USD 20 million secured post quarter end

1) WC: Working Capital

Balance Sheet

Statement of financial position

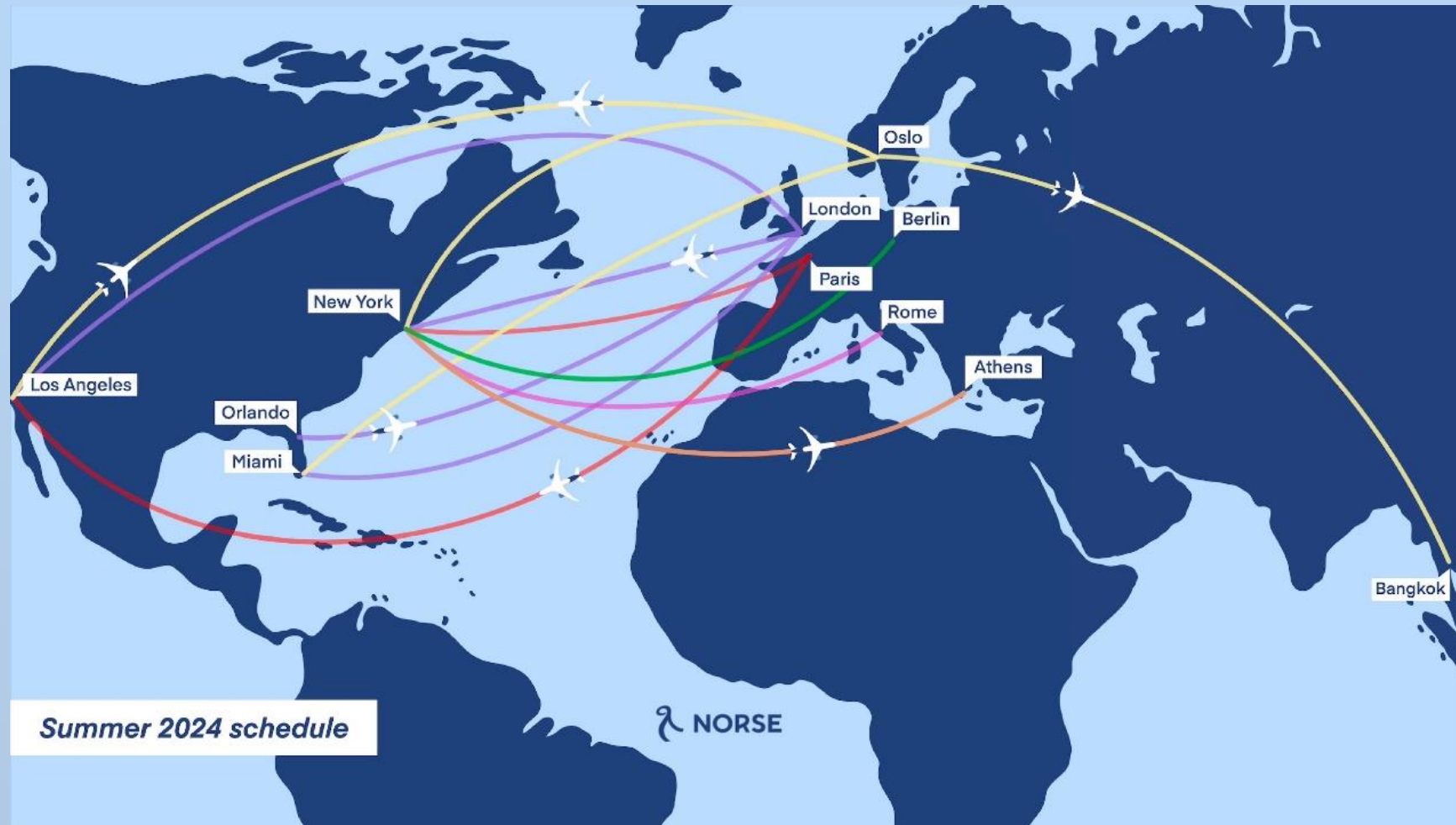
<i>USD thousands</i>	31 MAR 24	31 MAR 23	31 DEC 23
Total non-current assets	923,446	952,147	935,505
<i>Credit card receivables</i>	<i>112,095</i>	<i>66,746</i>	<i>60,214</i>
<i>Other receivables/current assets</i>	<i>40,439</i>	<i>22,207</i>	<i>32,587</i>
<i>Cash and cash equivalents</i>	<i>33,247</i>	<i>42,030</i>	<i>54,830</i>
Total current assets	185,781	130,984	147,945
Total assets	1,109,227	1,083,131	1,083,136
Total equity	(146,488)	(60,337)	(89,697)
Total non-current liabilities	944,147	965,875	960,060
<i>Deferred passenger revenue</i>	<i>104,665</i>	<i>63,889</i>	<i>52,394</i>
<i>Other current liabilities</i>	<i>206,904</i>	<i>113,705</i>	<i>160,379</i>
Total current liabilities	311,568	177,594	212,773
Total equity & liabilities	1,109,227	1,083,131	1,083,136

- USD112 million receivables from credit card companies for booked tickets
- USD 105 million liabilities to passengers for fares booked, not yet flown
- Book equity reflects USD 149 million accumulated non-cash aircraft lease accounting cost since inception
- Value adjusted equity positive including NPV value of the aircraft leases and more



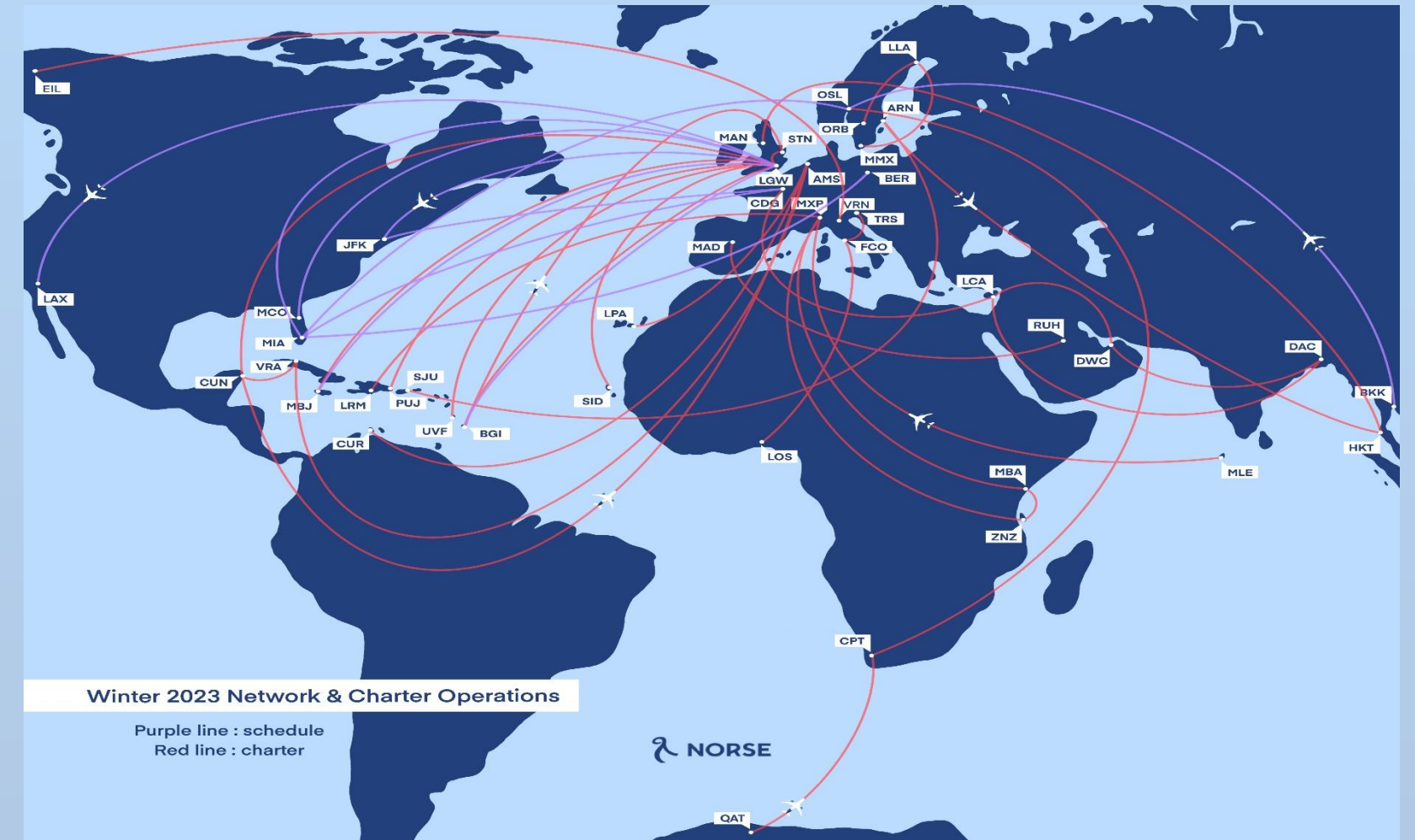
NORSE

An opportunistic strategy leading to a sustainable year-round business model



SUMMER

- Non-stop, direct flights between major cities
- Reduces complexity and overheads and therefore costs.
- Flexible, a la carte ticket options where customers don't have to pay for what they don't want or need.



WINTER

- Extensive charter operations with reduced own network flying during winter.
- Profitable charter contracts secured for Winter 2024/2025

Outlook

Building a profitable long-haul low-cost airline



Operating fleet increasing from 10 to 12 in 2024 and to 15 in 2025

Extensive charter operations

Strategic partnerships under negotiations



Number of ticket sold YTD '24 +45%¹ versus YTD '23

Strong demand for summer season.

Building the order book for next winter's charter

Weak cargo market



Continued cost control across the business

Scale reduces unit cost

Lowest CAPEX among peers

Fuel efficiency of Boeing 787 fleet



Aiming to achieve full year profitability in 2024.

1) YTD 30 April 2024 compared to YTD 30 April 2023



Appendix



Key Operational Numbers

Monthly break-down over last five quarters

	Jan23	Feb23	Mar23	Apr23	May23	Jun23	Jul23	Aug23	Sep23	Oct23	Nov23	Dec23	Jan24	Feb24	Mar24
Number of aircraft in fleet	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Number of aircraft subleased out	5	5	5	5	5	5	5	5	5	5	5	5	5	5	4
ASK (millions)	397	344	390	449	511	750	1,215	1,207	1,152	900	557	800	711	485	752
RPK (millions)	206	172	234	300	371	619	1,034	1,036	896	676	339	564	456	350	615
Load factor	52%	50%	60%	67%	73%	83%	85%	86%	78%	75%	61%	71%	64%	72%	82%
Number of passengers (thousand)	35	33	42	49	57	97	151	151	133	102	49	79	65	51	86
Number of flights	229	203	223	218	243	351	524	520	503	403	242	343	313	225	324

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