



NORSE

Q1 Report 2024



First quarter demonstrating substantial year-on-year improvements while preparing for growth into busy summer season

- Revenue increased by 97% to USD 78.2 million in Q1 2024 compared to Q1 2023
- 201,462 passengers carried in Q1 2024, up 83% compared to Q1 2023
- ASK up by 72% in Q1 2024 compared to Q1 2023
- Load factor increased by 19 percentage points to 73% in Q1 2024 compared to Q1 2023
- Strong operational performance as 100% of planned flights were completed during the quarter
- Record high number of ACMI and charter operations, totalling 107 flights during the quarter
- CASK numbers improving, CASK ex fuel being down by 28% in Q1 2024 compared to Q1 2023
- Total cash held at end of quarter at USD 33.2 million
- Subsequent to the quarter end, a USD 20 million revolving credit facility was secured from Norse's two largest shareholders for the purpose of providing a liquidity buffer prior to moving into the more cash generative summer season
- Strategic options continue to be developed and explored in collaboration with advisors Seabury Securities

CEO, Founder and major shareholder, Bjørn Tore Larsen:

“The first quarter has shown major improvement on all metrics compared to the first quarter of the previous year. ASK was up about 72% year-on-year, and load factors increased by 19 percentage points with improved revenues per passenger. Norse Atlantic continued to demonstrate robust operational excellence as 100 % of the quarter's scheduled planned flights were completed as planned.

This winter we have developed seasonal strategies, with more emphasis on holiday destinations and charters. Norse Atlantic managed a record high of 107 charter flights during the quarter. We will refine this strategy further for next winter, with several longer-term contracts secured or under negotiation.

We are looking forward to the busiest summer season so far in Norse Atlantic's short history. During the summer the fleet of aircraft operated in Norse's own network increases from 10 to 12 aircraft, representing a capacity growth of 20%.

Norse will continue to focus on careful and profitable growth. We are happy to see that our footprint in the market has increased as the network expands to include Athens this summer, Las Vegas from the fall, and a new continent as Cape Town joins the network in the winter. Our goal is to see CASK continuously decreasing year-on-year for each quarter. Norse remains steadfast in its commitment to achieve the lowest CASK in the Transatlantic market. Norse is on a path towards year-round profitability, and a successful summer 2024 is the next important stepping-stone on that journey.”



Key Figures

<i>(USD million or as stated)</i>	Q1 2024	Q1 2023	Full Year 2023
Revenue	78.2	39.8	439.4
EBITDAR ¹	(27.4)	(32.9)	(18.0)
Operating profit (EBIT)	(53.4)	(62.5)	(135.2)
Net profit	(62.8)	(70.9)	(168.6)
Net cash flow from operations	3.2	(20.8)	(20.6)
Book equity	(146.5)	(60.3)	(89.7)
Cash and cash equivalents	33.2	42.0	54.8
Number of flights	862	655	4,002
Number of operating destinations at period end	13	7	13
Average stage length (km)	6,686	5,006	6,426
ASK ¹ (millions)	1,948	1,130	8,672
RPK ¹ (millions)	1,421	612	6,448
Number of passengers	201,462	110,263	979,913
Load factor ¹	73 %	54 %	74 %
Airfare per passenger (USD) ¹	250	184	309
Ancillary per passenger (USD) ¹	74	56	84
Revenue per passenger (USD) ¹	324	240	393
PRASK (US cents) ¹	3.27	2.31	4.44
TRASK (US Cents) ¹	4.02	3.52	5.07
CASK cash adjusted (US cents) ¹	4.05	5.30	3.91
CASK excl. fuel (US cents) ¹	5.14	7.11	4.87
CASK (US cents) ¹	6.76	9.05	6.63
Total number of aircraft in fleet at period end	15	15	15
Total number of aircraft in operation at period end	11	4	10
Total number of aircraft subleased out at period end	4	5	5

¹ Non-IFRS alternative measures are explained and/or reconciled in the notes to the financial statements



Norse Atlantic ASA (combined with its subsidiaries commonly referred to as “Norse”, “Norse Atlantic” or the “Company”), has a fleet of 15 modern, fuel-efficient Boeing 787 Dreamliners at historically low pricing and favourable lease terms. Currently, 11 of the aircraft, of which one is used as a spare, are operating for Norse and four subleased to a third party. One more of the subleased aircraft are

due to be returned to Norse ahead of the peak summer 2024 season. The remaining three aircraft, being 787-8 aircraft, will be returned during the months March to May 2025 ahead of the peak summer 2025 season.



Outlook

Norse remains steadfast in its commitment to achieve the lowest CASK in the Transatlantic market. The company will continue to benefit from favourable aircraft lease terms, whereas remaining lease tenure is an average of more than ten years from 31 March 2024, with staggered maturities up to the end of 2038. The aircraft leases have no pricing increases nor inflationary adjustments during the lease term. Such fixed lease terms are highly favourable compared to current market rates for the aircraft type and stand as a notable advantage compared to prevailing market rates for similar aircraft.

Norse Atlantic strategically has sub-leased five aircraft to another airline, allowing for a gradual phasing-in of the total fleet of 15 aircraft while generating revenue throughout the ramp-up period. All 15 aircraft have been revenue-generating since July 1, 2023, with 10 operated in-house (including one operational spare) and five on sublease. This March one sub-leased aircraft was returned to Norse, with another aircraft to be returned in May.

The Company has staged aircraft returns so that it can have managed growth whereby the Company plans to operate 12 aircraft from peak summer 2024 and expanding to 15 by summer 2025.

On January 23, 2024, Norse announced the formal appointment of Seabury Securities as its investment banker, tasked with supporting the company in executing strategic options identified under Seabury's prior role as strategic

advisor. Pursuing multiple avenues, including potential investments from strategic partners and commercial partnerships, Norse is exploring various initiatives concurrently, recognising that not all options are mutually exclusive and that multiple paths may lead to successful outcomes.

On April 12, 2024, the Company secured a USD 20 million loan facility from its two largest shareholders BT Larsen & Co Limited and Scorpio Holdings Limited for the purpose of providing a liquidity buffer prior to moving into the more cash generative summer seasons.

Norse continues to build its network, and this April, the Company announced the launch of a new route connecting London Gatwick and Cape Town, already on sale and set to commence in October.

Now having entered its third calendar year of operation following first flight in June 2022, Norse has steadily expanded its footprint and brand recognition, bolstered by a strong social media following and favourable media reviews across markets. Our ethos of facilitating travellers' exploration with Norse through value fares and exceptional onboard offerings resonates strongly with customers across Europe and the Atlantic. Year-to-date revenue from segments sold have increased substantially compared to the previous year and Norse is poised for a promising summer season. Moreover, charter revenues booked and under negotiation significantly surpass those achieved in 2023, signalling a clear trajectory toward year-round profitability.



Financial Performance & Position

The Company in the following refers to the first quarter of 2023 (“Q1 2023”) as the period of comparable information.

During the first quarter of 2024 (“Q1 2024” or “the Period”) the Company recorded revenue of USD 78.2 million (USD 39.8 million in Q1 2023), consisting of USD 58.2 million (USD 24.6 million in Q1 2023) in revenues from passengers and USD 20.0 million (USD 15.1 million in Q1 2023) in revenue from other sources. Airfare revenue averaged USD 250 per passenger in own network (USD 184 in Q1 2023) and ancillary revenue USD 74 per passenger (USD 56 in Q1 2023), an aggregate of USD 324 per passenger (USD 240 in Q1 2023), generating revenue of USD 44.9 million (USD 18.9 million in Q1 2023) and USD 13.3 million (USD 5.7 million in Q1

2023), respectively. Norse flew a total of 201,462 passengers during the Period (110,263 in Q1 2023) across own network and ACMI/charter. Norse carried cargo totalling 4,108 tonnes (3,813 tonnes in Q1 2023) at an average rate net of commission and other direct costs of USD 547 per ton (USD 1,126 per ton in Q1 2023), generating total net cargo revenue of USD 2.2 million during the Period (USD 4.3 million in Q1 2023). Norse had five aircraft on sublease to a third party during most of the Period, and recorded lease rental income of USD 7.1 million during the Period (USD 8.3 in Q1 2023). The Company recorded charter revenue of USD 7.8 million during the Period (USD 1.9 million in Q1 2023).

Operating expenses excluding depreciation, amortization, and aircraft leases during the Period totalled USD 105.6 million (USD 72.7 million in Q1 2023), consisting of USD 27.9 million (USD 19.4 million in Q1 2023) in personnel expenses, USD 69.3 million (USD 46.0 million in Q1 2023) in aircraft

operating costs and USD 8.5 million (USD 7.3 million in Q1 2023) in marketing and administrative costs. Variable aircraft lease expenses were USD 4.2 million (USD 8.7 million in Q1 2023), which is the amount the Company paid in Power by the Hour (“PBH”) aircraft lease costs. Norse recognized USD 21.8 million (USD 20.8 million in Q1 2023) of depreciation and amortization during the Period, of which USD 21.3 million (USD 20.4 million in Q1 2023) related to amortization of the aircraft right-to-use assets.

Net financial expense for the Period was USD 9.4 million (USD 8.4 million in Q1 2023), including USD 9.1 million (USD 8.1 million in Q1 2023) in accrued interest on lease liabilities. The Company reported a net loss after tax of USD 62.8 million for the Period (a loss of USD 70.9 million in Q1 2023).

Included in the income statement are non-cash lease accounting costs of USD 8.4 million for the Period (USD 20.0 million in Q1 2023).

As of 31 March 2024, the carrying value of right-of-use assets related to aircraft leases was USD 883.2 million (USD 920.6 million as of 31 March 2023), while the corresponding lease liability for the aircraft was USD 959.5 million (USD 961.4 million as of 31 March 2023).

The Company has current assets of USD 185.8 million at the end of the Period (USD 131.0 million as of 31 March 2023). At the end of the Period the current liabilities were USD 311.6 million (USD 177.6 million as of 31 March 2023). The Company’s book equity was negative by USD 146.5 million (negative by USD 60.3 million as of 31 March 2023).

The Company’s net decrease in free cash and cash equivalents during the Period was USD 20.7 million (net decrease of USD 27.7 in Q1 2023), mainly driven by net cash inflow from operations of USD 3.2 million (outflow of USD 20.7 million in Q1 2023), followed by a net cash outflow to investing activities of USD 8.9 million (inflow of USD 1.3

million in Q1 2023) and USD 15.3 million outflow related to financing activities (outflow of USD 8.5 million in Q1 2023). The Company's free cash and cash equivalents at the end of the Period was USD 18.6 million (USD 37.0 million as of 31 March 2023), while the total cash was USD 33.2 million (42.0 million as of 31 March 2023), including USD 14.6 million in restricted cash (USD 5.0 million as of 31 March 2023).

Organization

As of 31 March 2024, the Company had 1,110 employees (792 as of 31 March 2023), of whom 867 (605 as of 31 March 2023) are airborne crew and the remaining 243 (187 as of 31 March 2023) are engineers, aircraft maintenance personnel, and office-based employees. The Company has its headquarters in Arendal, Norway, and has offices in Oslo Gardermoen, London Gatwick, Fort Lauderdale, and Paris.

Risks

The Company is exposed to normal risks that are associated with newly established enterprises, as well as to risks related to the airline industry, which is a highly competitive industry. Routes, network, and markets have a maturity period, and the airline market is very competitive. As such, the Company may be subject to aggressive and targeted pricing strategies from competitors on the routes it operates, thereby making it more difficult to establish itself and a customer base. Airlines are vulnerable to small changes in demand or sales prices due to high fixed costs for airline businesses. A significant portion of the operating expenses of an airline are fixed costs that cannot be scaled against other factors, such as number of tickets sold, number of passengers or flights flown. Airlines are exposed to the risk of significant loss from aviation accidents involving operations, including crashes and other disasters. Further, airlines are often affected by factors beyond their

control, including pandemics, technical problems, adverse weather conditions or other natural or man-made events.

The development of the airline industry has historically been correlated to macroeconomic developments, making the industry sensitive to general conditions as well as to slow or moderate growth and private consumption trends. Future demand for air travel is subject to seasonal variations and can also be significantly impacted by macroeconomic factors, such as high inflation, that could have a negative impact on customers' spending behaviour. Airline fares, freight rates and passenger demand have fluctuated significantly in the past and may fluctuate significantly in the future. A negative development in macroeconomic conditions may have a negative adverse effect on the demand for air travel and air freight services and result in loss of revenue and additional costs for the Company, which may have a material adverse effect on the Company's business, financial conditions, results of operations and future prospects.

The commercial airline industry has historically been subject to seasonal variations where demand is relatively high between May and October and relatively low between November and April. If Norse is not able to predict variations in demand correctly, and plan its operations accordingly, the Company's flights may become subject to over or under capacity, which in turn may negatively affect its business, financial condition, income or operating result.

Significant risk factors Norse is exposed to include, but are not limited to, factors such as exposure to global macroeconomic and geopolitical factors, airport slot constraints, interruption in IT systems, aviation incidents, changes in taxes, changes in credit card settlement terms, environmental factors, degree of commercial success expressed through achieved load factors and fares, and the future development in jet fuel prices. Operating technically highly advanced aircraft without any



unplanned disruptions also implies operations being dependant on timely access to applicable spare parts and the services of a concentrated base of key suppliers and business partners in relation to aircraft maintenance.

Norse does not currently have any fuel hedging arrangements in place and is thus fully exposed to fluctuations in fuel prices. Further increases in aviation fuel price and any significant and prolonged adverse movements in currency exchange rates could impact the Company's earnings. Both the ongoing war between Ukraine and Russia and the situation of increased tensivity in the Middle East are creating scenarios under which there could be adverse negative effects to the fuel prices.

Just like any growth company, Norse is exposed to liquidity risk. Should sales volumes decrease, fuel prices remain high or increase, or other operational expenses increase, this would impose an increased liquidity risk. Key to the Company's exposure to liquidity risk is also the timing of when Norse receives payment from credit card companies for tickets sold. Currently, approximately 90% of Norse's passenger ticket revenue is received 60-days after the booking date, irrespective of flight date. Any extension of that period will have a negative impact on the Company's liquidity risk. Going concern is described in more detail in the notes to the interim consolidated financial statements (see Note 2.2).

Condensed Interim Financial Statements

Interim Consolidated Statement of Comprehensive Income

<i>(in thousands of USD)</i>	Note	Q1 2024	Q1 2023	Full Year 2023
Revenue				
Total Revenue	4	78,242	39,757	439,436
Operating expenses				
Personnel expenses		(27,853)	(19,353)	(99,759)
Fuel, oil and emission costs		(31,445)	(21,896)	(152,527)
Airport charges and handling		(13,975)	(8,707)	(67,153)
Technical maintenance		(17,183)	(11,757)	(66,493)
Other operating costs		(6,665)	(3,657)	(33,999)
Marketing and distribution costs		(5,164)	(4,785)	(23,343)
Administrative costs		(3,333)	(2,529)	(14,143)
Total Operating exps excl. leases, dep & amort.		(105,617)	(72,683)	(457,417)
Operating profit before leases, dep & amort. (EBITDAR)		(27,376)	(32,926)	(17,980)
Variable aircraft rentals		(4,238)	(8,725)	(33,139)
Depreciation and amortization	6	(21,808)	(20,813)	(84,103)
Operating profit/(loss)		(53,421)	(62,464)	(135,223)
Interest expenses	7	(9,158)	(8,098)	(34,982)
Other financial income/(expenses)	8	(231)	(310)	1,603
Profit/(loss) before tax		(62,811)	(70,873)	(168,602)
Income tax		-	-	(144)
Profit/(loss) after tax and total comprehensive income		(62,811)	(70,873)	(168,746)
Total comprehensive income:				
Profit/(loss) for the period		(62,811)	(70,873)	(168,746)
Other comprehensive income		-	-	-
Total comprehensive income		(62,811)	(70,873)	(168,746)
Basic earnings per share (USD) ¹		(0.50)	(1.38)	(2.50)
Diluted earnings per share (USD) ¹		(0.50)	(1.38)	(2.50)

¹ Based on average number of outstanding shares in the period

Interim Consolidated Statement of Financial Position

<i>(in thousands of USD)</i>	Notes	31 MAR 2024	31 MAR 2023	31 DEC 2023
Non-current assets				
Tangible assets	9	883,953	921,132	898,856
Intangible assets		3,199	3,705	3,324
Aircraft lease deposits		16,161	15,708	16,048
Other non-current assets		20,133	11,603	17,277
Total non-current assets		923,446	952,147	935,505
Current assets				
Credit card receivables		112,095	66,746	60,214
Trade and other receivables	10	13,159	6,094	6,351
Inventories		3,991	2,065	3,466
Other current assets		23,289	14,048	22,770
Cash and cash equivalents	11	33,247	42,030	54,830
Total current assets		185,781	130,984	147,631
Total assets		1,109,227	1,083,131	1,083,136
Equity and liabilities				
Equity				
Share capital	12	65,910	29,945	62,954
Share premium		200,613	162,560	197,756
Other paid-in capital		515	-	309
Retained earnings		(413,526)	(252,842)	(350,716)
Total equity		(146,488)	(60,337)	(89,697)
Non-current liabilities				
Lease liabilities non-current	13	883,436	916,456	902,147
Provisions		60,711	49,419	57,913
Total non-current liabilities		944,147	965,875	960,060
Current liabilities				
Deferred passenger revenue		104,665	63,889	52,394
Trade and other payables		130,629	67,628	88,699
Lease liabilities current	13	76,274	46,076	71,680
Total current liabilities		311,568	177,594	212,773
Total equity and liabilities		1,109,227	1,083,131	1,083,136

Interim Consolidated Statement of Cash Flows

<i>(in thousands of USD)</i>	Notes	Q1 2024	Q1 2023	Full Year 2023
Cash flows from operating activities				
Profit/(loss) for the period		(62,811)	(70,873)	(168,602)
Adjustments for items not affecting operating cash flows:				
Depreciation and amortization	6	21,808	20,813	84,103
Interest expenses		9,158	8,098	34,982
Interest income		(14)	(6)	(2,129)
Share based employee incentives		206	-	309
Income taxes paid		-	-	(144)
Provisions		1,441	-	6,870
Net operating cash flows before working capital movements		(30,211)	(41,967)	(44,610)
Working capital movements		33,363	21,197	24,051
Net cash flows from operating activities		3,151	(20,771)	(20,559)
Cash flows from investing activities				
Aircraft maintenance assets		(8,856)	3,040	(3,963)
Other investments		(28)	(1,784)	(3,370)
Net cash flows from investing activities		(8,884)	1,256	(7,332)
Cash flows from financing activities				
Net proceeds from share issue		5,813	-	68,204
Lease installments		(14,388)	(5,123)	(34,970)
Movements in restricted cash		900	-	(10,500)
Net interest received/(paid)		(7,597)	(3,406)	(20,808)
Net cash flows from financing activities		(15,271)	(8,530)	1,925
Effect of foreign currency revaluation on cash		322	366	586
Net change in free cash and cash equivalents		(20,683)	(27,678)	(25,379)
Free cash and cash equivalents at the beginning of the period		39,330	64,709	64,709
Free cash and cash equivalents at the end of the period		18,647	37,030	39,330
Restricted cash at the end of the period	11	14,600	5,000	15,500
Cash and cash equivalents at the end of the period	11	33,247	42,030	54,830

Interim Consolidated Statement of Changes in Equity

1 Jan 2024 to 31 Mar 2024

<i>(in USD thousands except for number of shares and value per share)</i>	Number of shares	Issued share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Balance as at 1 Jan 2024	122,211,579	62,954	197,755	309	(350,716)	(89,697)
Changes in Equity						
2 February 2024, share issue at USD 1.03 (NOK 11.00) per share	6,312,261	2,955	3,547	-	-	6,502
2 February 2024, transaction costs share issue	-	-	(688)	-	-	(688)
Share based employee incentives	-	-	-	206	-	206
Total comprehensive income for the period	-	-	-	-	(62,811)	(62,811)
Balance at 31 Mar 2024	128,523,840	65,910	200,613	515	(413,526)	(146,488)

1 Jan 2023 to 31 Mar 2023

<i>(in USD thousands except for number of shares and value per share)</i>	Number of shares	Issued share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Balance as at 1 Jan 2023	206,084,314	29,945	162,560	-	(181,970)	10,535
Changes in Equity						
Total comprehensive income for the period	-	-	-	-	(70,873)	(70,873)
Balance at 31 Mar 2023	206,084,314	29,945	162,560	-	(252,842)	(60,337)

1 Jan 2023 to 31 Dec 2023

<i>(in USD thousands except for number of shares and value per share)</i>	Number of shares	Issued share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Balance as at 1 Jan 2023	206,084,314	29,945	162,560	-	(181,970)	10,535
Changes in Equity						
25 April 2023, share issue at USD 0.23 (NOK 2.50) per share	60,000,000	7,030	7,030	-	-	14,060
25 April 2023, transaction costs share issue	-	-	(854)	-	-	(854)
27 April 2023, reverse share split, four shares into one	(199,563,235)	-	-	-	-	-
13 November 2023, share issue at USD 0.99 (NOK 11.00) per share	9,978,161	4,492	5,391	-	-	9,883
29 November 2023, share issue at USD 1.03 (NOK 11.00) per share	45,712,339	21,487	25,784	-	-	47,271
13 and 29 November 2023, transaction costs share issue	-	-	(2,156)	-	-	(2,156)
Share based employee incentives	-	-	-	309	-	309
Total comprehensive income for the period	-	-	-	-	(168,746)	(168,746)
Balance at 31 Dec 2023	122,211,579	62,954	197,755	309	(350,716)	(89,697)

Notes to the Condensed Interim Consolidated Financial Statements

1. General information

These interim condensed consolidated financial statements of Norse Atlantic ASA ("Norse", "Norse Atlantic Airways" or the "Company") were authorized for issue in accordance with a resolution of the Board of Directors passed on 13 May 2024.

Norse Atlantic Airways is a public limited company listed on the Euronext Expand at Oslo Stock Exchange. The Company was incorporated on 1 February 2021 under the laws of Norway and its registered office is at Fløyveien 14, 4838 Arendal, Norway. The Company has wholly owned subsidiaries in Norway, the UK, and the US.

Norse is a new affordable long-haul airline established in 2021 that serves the transatlantic market with modern, fuel-efficient Boeing 787 Dreamliner's. Norse commenced its commercial operations on 14 June 2022 and currently serves destinations including New York, Florida, Berlin, London, Paris, Rome, and Oslo, among others.

2. Basis of preparation

2.1. General

These interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as adopted by the European Union (the "EU") and additional requirements in the Norwegian Securities Trading Act. They do not include all the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended 31 December 2023 as published and available at

the Company's website www.flynorse.com. In the interim financial statements, 2023 is defined as the reporting period from 1 January to 31 December, and the first quarter (Q1) as the one starting on 1 January and ending 31 March. For this interim period the Company presents the first quarter of 2023 as a period of comparable information, and the Company's commentary on the financial development refers to that same quarter.

All amounts are presented in USD thousands (TUSD) unless otherwise stated. These interim financial statements are unaudited.

2.2. Going concern

Management and the Board of Directors take account of and consider all available information when evaluating the application of the going concern assumption.

Being an airline in its build-up phase, the Company has incurred losses over the first periods of operation. In Q1 2024 the Company reports a loss after tax USD 62.8 million, and as at 31 March 2024 the reported equity is negative in the amount of USD 146.5 million.

The Company's cash position as at 31 March 2024 is USD 33.2 million.

For Norse's equity situation, the existence of value in the off-balance sheet assets, particularly related to the significant fair value of the aircraft lease contracts, and more, imply that the real equity is materially higher than the book equity, and hence that the company still has a positive underlying equity value.

The Company's financial forecasts for 2024 show a positive development both in the group's financial results, financial position in terms of equity and in

cash position. Norse's year-to-date bookings have increased significantly compared to last year, and this is expected to materialize in improved cash flow going forward. However, forecasts are subject to risks and uncertainties. The most significant risk factors affecting Norse's financial forecast are those of commercial success expressed through achieved load factors and fares, cargo and charter/ACMI demand, development in jet fuel prices, and technical and operational matters.

The Board of Directors acknowledges that the going concern assumption of the Company is subject to uncertainty. If one or more major risk factors materialise, such as load factors and/or fares being lower than anticipated, and/or jet fuel prices being higher than assumed, the Company might be reliant on securing more financing in the future through debt or equity, or a combination of the two.

On 11 April 2024, the Company secured a short-term, unsecured credit facility with its major shareholders BT Larsen & Co Ltd and Scorpio Holdings Ltd in the total amount of USD 20 million. The facility has a final maturity date at 15 October 2024 and is established for the purpose of adding extra flexibility and buffer to the Company's cash management.

Furthermore, as part of the Company's exploration of its strategic options, there are advanced discussions ongoing with potential strategic investors, considering making investments in the Company. Any such investment will add positively to the cash position of the Company, but no such investments are included in the Company's current financial forecast.

The going concern assumption do serve as basis for the Company's financial statements.

3. Accounting policies

3.1. General

The accounting policies applied by the Company in these condensed interim consolidated financial statements are consistent with those applied in the audited consolidated financial statements for the year ended 31 December 2023. Refer to Note 2 Basis of preparation and significant accounting policies in the Annual Report for information on the Company's accounting policies.

4. Segment reporting and revenues

The Company is in a start-up phase and the chief operating decision maker currently reviews the Company's activities on a consolidated basis as one operating segment.

4.1. Revenues

<i>(in thousands of USD)</i>	Q1 2024	Q1 2023	Full Year 2023
Airfare passenger revenue	44,919	18,883	297,738
Ancillary passenger revenue	13,329	5,727	81,448
Total passenger revenues	58,248	24,610	379,186
Cargo	2,248	4,292	14,277
Total own flights	60,496	28,902	393,463
Lease rentals	7,122	8,335	33,090
Charter	7,753	1,892	5,140
Other revenue	2,870	628	7,744
Total Operating Revenue	78,242	39,757	439,436

Airfare passenger revenue comprises only ticket revenue, while ancillary passenger revenue consists of other passenger related revenue than the ticket revenue. Lease rentals are revenue from subleasing of aircrafts. Other revenue consists of revenue from maintenance services provided the Company's technical personnel to third parties.

5. Critical accounting estimates and judgements

Preparation of the Company's consolidated financial statements requires management and the board to make estimates, judgements and assumptions that affect the reported amount of revenue, expenses, assets and liabilities, as well as the accompanying disclosures. Uncertainty about these estimates, judgements and assumptions could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities in future periods.

The key estimates, judgements and assumptions used by the management in preparation of these interim condensed consolidated financial statements were the same as those applied in preparation of the audited consolidated financial statements for the year ended 31 December 2023.

6. Depreciation and amortization

<i>(in thousands of USD)</i>	Q1 2024	Q1 2023	Full Year 2023
Depreciation of right-of-use assets	21,315	20,434	82,667
Depreciation of other tangible assets	291	229	749
Amortization of intangible assets	202	150	687
Total	21,808	20,813	84,103

7. Interest expenses

<i>(in thousands of USD)</i>	Q1 2024	Q1 2023	Full Year 2023
Lease accounting interest expense	9,110	8,099	34,673
Other interest expense	49	(1)	310
Total	9,158	8,098	34,982

8. Other financial income/(expenses)

<i>(in thousands of USD)</i>	Q1 2024	Q1 2023	Full Year 2023
Other financial income/(expense)	14	6	2,129
Foreign exchange gains	695	250	1,110
Foreign exchange losses	(940)	(566)	(1,635)
Gains (loss) on financial assets	-	0	-
Total	(231)	(310)	1,603

9. Tangible assets

<i>(in thousands of USD)</i>	31 MAR 2024	31 MAR 2023	31 DEC 2023
Aircraft Right-of-Use assets	877,241	914,010	891,573
Aircraft rotatable inventory	5,967	6,621	6,436
Other Right-of-Use assets	77	189	46
Other tangible assets	668	313	802
Total	883,953	921,132	898,856

10. Trade and other receivables

<i>(in thousands of USD)</i>	31 MAR 2024	31 MAR 2023	31 DEC 2023
Trade receivables	9,978	3,969	4,103
Other receivables	3,181	2,125	2,248
Total	13,159	6,094	6,351

11. Cash and cash equivalents

<i>(in thousands of USD)</i>	31 MAR 2024	31 MAR 2023	31 DEC 2023
USD	29,084	37,004	37,453
NOK	1,545	3,028	12,423
GBP	1,809	1,280	2,041
EUR	772	718	2,901
THB	36	-	13
Total cash and cash equivalents	33,247	42,030	54,830
<i>Hereof restricted cash:</i>			
USD	14,600	5,000	15,500

12. Shareholder information

Shareholders of the Company as of 31 March 2024.

Name	Number of shares	Ownership	Voting rights
Scorpio Holdings Limited	27,272,419	21.2%	21.2%
B T Larsen & Co Limited	24,271,225	18.9%	18.9%
UBS Switzerland AG	6,335,661	4.9%	4.9%
The Bank of New York Mellon SA/NV	4,751,347	3.7%	3.7%
Songa Capital AS	3,461,330	2.7%	2.7%
The Bank of New York Mellon	3,032,153	2.4%	2.4%
J.P. Morgan Securities Plc	2,735,337	2.1%	2.1%
Skagen Vekst Verdipapirfond	2,606,883	2.0%	2.0%
The Bank of New York Mellon SA/NV	2,520,215	2.0%	2.0%
MH Capital AS	1,838,187	1.4%	1.4%
Vicama Capital AS	1,701,559	1.3%	1.3%
Fender Eiendom AS	1,389,522	1.1%	1.1%
Alto Holding AS	1,338,013	1.0%	1.0%
Vicama AS	1,301,215	1.0%	1.0%
Verdipapirfondet Delphi Nordic	1,050,682	0.8%	0.8%
Skandinaviska Enskilda Banken AB	1,050,000	0.8%	0.8%
Maximus Invest AS	1,000,000	0.8%	0.8%
Gården	997,825	0.8%	0.8%
Pure AS	997,302	0.8%	0.8%
Goldman Sachs International	923,424	0.7%	0.7%
Total number of shares	128,523,840	100.0 %	100.0 %
Top 20 shareholders	90,574,299	70.5%	70.5%
Other shareholders	37,949,541	29.5%	29.5%

13. Lease liabilities

<i>(in thousands of USD)</i>	YTD 2024	YTD 2023	Full year 2023
Opening balance	973,827	961,729	961,730
Additions during the period	81	1,980	40,304
Interest accrued	7,865	6,931	29,844
Installments and interest payments	(22,062)	(8,108)	(58,050)
Closing balance	959,710	962,532	973,827
Of which:			
Due within 12 months	76,274	46,076	71,680
Due after 12 months	883,436	916,456	902,147

Norse has a fleet of 15 leased Boeing 787 Dreamliners. All aircraft has been on full or partial variable Power by the Hour (PBH) payment terms for a period of 12-24 months after respective aircraft deliveries, followed by fully fixed lease payments for the remainder of the lease period. At the Period end, one aircraft is still on full PBH flexible payment terms, whereas one aircraft is partially on PBH terms. The remaining 13 aircraft are under fully fixed lease payments, of which four aircraft are sub-leased with a locked-in margin. Payments under lease liabilities related to the aircraft commence only after expiry of one year from the delivery date of each aircraft.

14. Subsequent events

On 11 April 2024, the Company secured a USD 20 million loan facility from its two largest shareholders Scorpio Holdings Limited and BT Larsen & Co Limited. B T Larsen & Co Limited is ultimately controlled by Bjørn Tore Larsen, CEO of Norse. The facility is on market terms and final maturity date is 15 October 2024.

On 18 April 2024, the Company announced that it is launching a new route connecting London Gatwick and Cape Town, set to commence on 28 October 2024.

15. Alternative Performance Measures

An Alternative Performance Measure ("APM") is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. Norse prepares its financial statements in accordance with IFRS, and in addition uses APMs to enhance the financial statement readers' understanding of the Company's performance. Definition of APMs used by the Company in these financial statements are provided below.

APM	Description
EBITDAR	Earnings before net financial items, income tax expense/(income), depreciation, amortization and impairment, restructuring items, aircraft leasing expenses and share of profit/(loss) from associated companies. EBITDAR enables comparison between the financial performance of different airlines as it is not affected by the method used to finance the aircraft
Airfare per passenger	Total airfare revenue divided by the number of passengers
Ancillary per passenger	Total ancillary revenue, meaning all passenger revenue that is not the airfare, divided by the number of passengers
Revenue per passenger	Total revenue that the Company earned from passengers, which consists of airfare and ancillary revenue, divided by the number of passengers
PRASK	Passenger revenue per available seat kilometre. Passenger revenue defined as total revenue across airfare and ancillary
TRASK	Total operating revenue per available seat kilometre
CASK	Cost per available seat kilometre. Used to measure the unit cost to operate each seat for every kilometre
CASK (excluding fuel)	Cost per available seat kilometre, excluding the cost of fuel. Used to measure the unit cost to operate each seat for every kilometre, while fuel is excluded due to the nature of its pricing as a commodity due to market conditions being outside the control of the airline
CASK (cash adjusted)	Cost per available seat kilometre, excluding the cost of fuel and the IFRS accounting cost of right-to-use asset. The right-to-use accounting amortization is excluded as it is significantly different from the lease accounting cost. CASK (cash adjusted) gives a more accurate indication of the cash cost of CASK excluding fuel
Own network	Network of Company's own scheduled flights, excluding all ACMI and Charter flights
Operational measures	Description
ASK	Available seat kilometres. Number of available passenger seats multiplied by flight distance
RPK	Revenue passenger kilometres. Number of sold seats multiplied by flight distance
Load factor	RPK divided by ASK. Indicates the utilization of available seats

15.1. Revenue per passenger

<i>(in thousands of USD)</i>	Q1 2024	Q1 2023	Full Year 2023
Airfare passenger revenue - USD thousands	44,919	18,883	297,738
Number of passengers in own network	179,879	102,415	964,094
Airfare per passenger - USD	250	184	309
Ancillary passenger revenue - USD thousands	13,329	5,727	81,448
Number of passengers in own network	179,879	102,415	964,094
Ancillary per passenger - USD	74	56	84
Revenue per passenger - USD	324	240	393

15.2. PRASK

<i>(in thousands of USD)</i>	Q1 2024	Q1 2023	Full Year 2023
Total passenger revenue	58,248	24,610	379,186
Available seat kilometres (millions)	1,783	1,064	8,533
PRASK - US Cents	3.27	2.31	4.44

15.3. TRASK

<i>(in thousands of USD)</i>	Q1 2024	Q1 2023	Full Year 2023
Total operating revenue	78,242	39,757	439,436
Available seat kilometres (millions)	1,948	1,130	8,672
TRASK - US Cents	4.02	3.52	5.07

15.4. CASK (cash adjusted)

<i>(in thousands of USD)</i>	Q1 2024	Q1 2023	Full Year 2023
Operating profit/(loss)	(53,421)	(62,464)	(135,223)
Add-back:			
Revenue	(78,242)	(39,757)	(439,436)
Fuel, oil and emissions costs	31,445	21,896	152,527
Depreciation of right-of-use assets	21,315	20,434	82,667
Cost (adj.) sub-total	78,904	59,892	339,465
Available seat kilometres (millions)	1,948	1,130	8,672
CASK (cash adjusted) - US cents	4.05	5.30	3.91

15.5. CASK (excluding fuel)

<i>(in thousands of USD)</i>	Q1 2024	Q1 2023	Full Year 2023
Operating profit/(loss)	(53,421)	(62,464)	(135,223)
Add-back:			
Revenue	(78,242)	(39,757)	(439,436)
Fuel, oil and emissions costs	31,445	21,896	152,527
Cost (adj.) sub-total	100,218	80,325	422,132
Available seat kilometres (millions)	1,948	1,130	8,672
CASK (excl. fuel) - US cents	5.14	7.11	4.87

15.6. CASK

<i>(in thousands of USD)</i>	Q1 2024	Q1 2023	Full Year 2023
Operating profit/(loss)	(53,421)	(62,464)	(135,223)
Add-back:			
Revenue	(78,242)	(39,757)	(439,436)
Cost sub-total	131,663	102,221	574,659
Available seat kilometres (millions)	1,948	1,130	8,672
CASK - US cents	6.76	9.05	6.63



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