



Q3 2024 Presentation

29 November 2024



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Highlights from the Quarter

1

ASK +20% YoY, no. of passengers +18% YoY

2

Load factor of 86%, +3p.p. YoY and best quarter to date

3

Revenue up 8% to USD 222 million, EBITDAR USD 27 million, net loss USD 6 million

4

H2 2024 not expected to be profitable, 2025 expected to be profitable



Strategic Update

Highlights from Strategic Update

1

Detailed LOI signed for longer-term, six aircraft ACMI with reputable international airline

2

Network performance improving; keeping best-performing routes while lowering cost

3

USD 15 million of new capital from BTL&Co; USD 8.7 million¹⁾ of equity, USD 6.3 million of loan

4

Repair issue of up to USD 37 million to follow early 2025

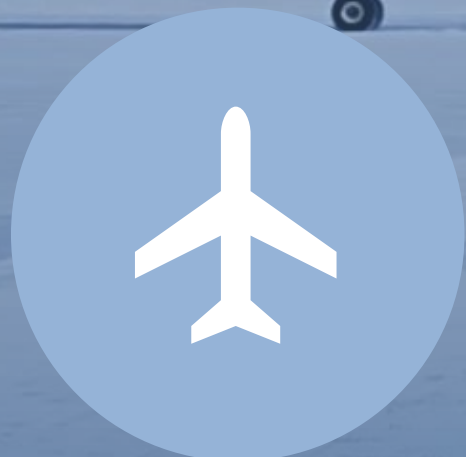


LOI for longer-term wet lease agreement for six aircraft

“On 22 November 2024, the Company entered a detailed letter of intent (the "LOI") with a reputable international airline for wet lease agreements ("wet lease") for six aircraft, subject to final agreements, mutual corporate approvals and regulatory approvals. The initial contract term could be further extended, subject to regulatory approval, to cover a longer-term period, with an estimated contract value of USD 462 million over that extended term. Pursuant to the LOI, and provided final agreements are executed based on the terms therein, two aircraft are expected to be deployed in February 2025, with an additional four aircraft expected in September 2025. Norse will be entitled to payment for 350 block hours per aircraft each month, with additional payments possible if utilization exceeds 350 hours per month.”



Path to Profitability



ACMI/Network Strategy

Multi-year ACMI agreements/LOIs with ~\$500m of ACMI backlog*; completes successful repositioning to dual ACMI/Network strategy



Commercial Overhaul

New commercial team with tech capabilities showing strong trading and LF performance (~90%LF Sep-Oct)



Cost-Efficiency

Reducing SG&A cost by 50% and increasing crew utilization due to improved base structure, technology and automation

**) In part subject to approvals*



Roadmap | Systematic and structured path to attractive profitability

2024

1. Overhaul

Secure longer-term ACMI contracts, transform organization and commercial operations

LOI signed longer-term ACMI with tier 1 airline

New commercial team onboarded showing strong results

2025

2. Transition

Maximize profit from network while implementing the ACMI strategy

~4-5 AC ACMI vs ~7-8 AC Network

New ACMI contract commencing Q1

50% SG&A cost reduction

Crew efficiency

2026

3. Dual Strategy

Full effect from strategic shift to dual ACMI/Network business model

~6-7 AC ACMI vs ~5-6 AC Network

High-graded network with optimized commercial operation

Full effect of SG&A cost optimization and crew utilization

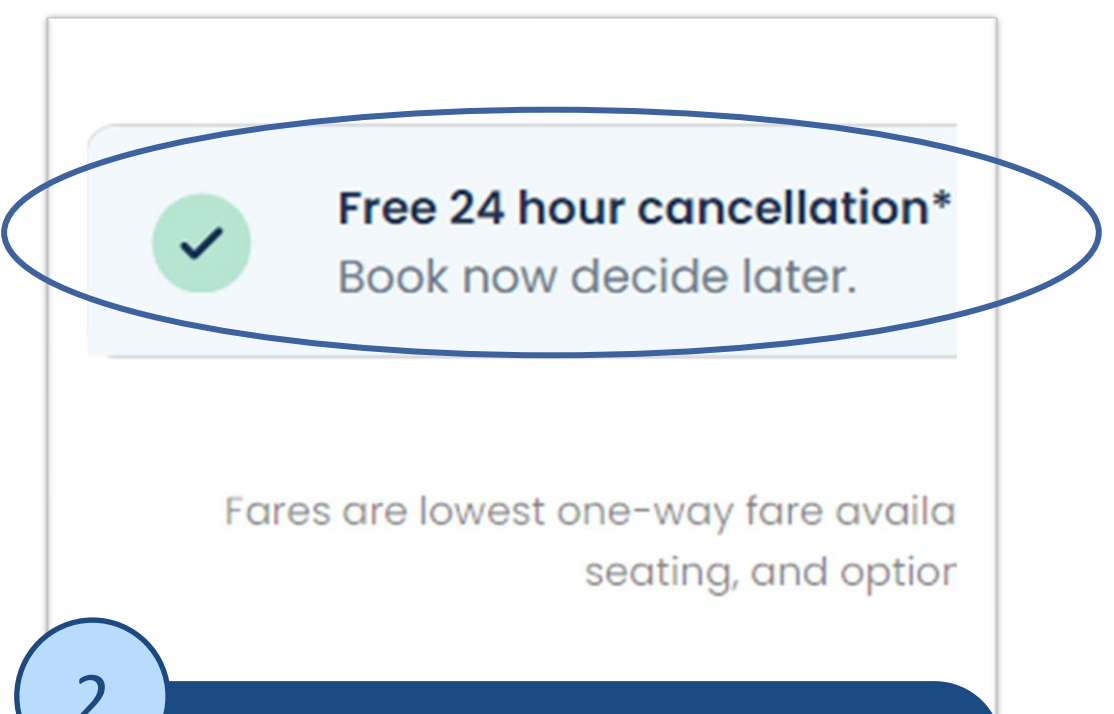


Cracked the commercial code: Improving sales by science-based methodology

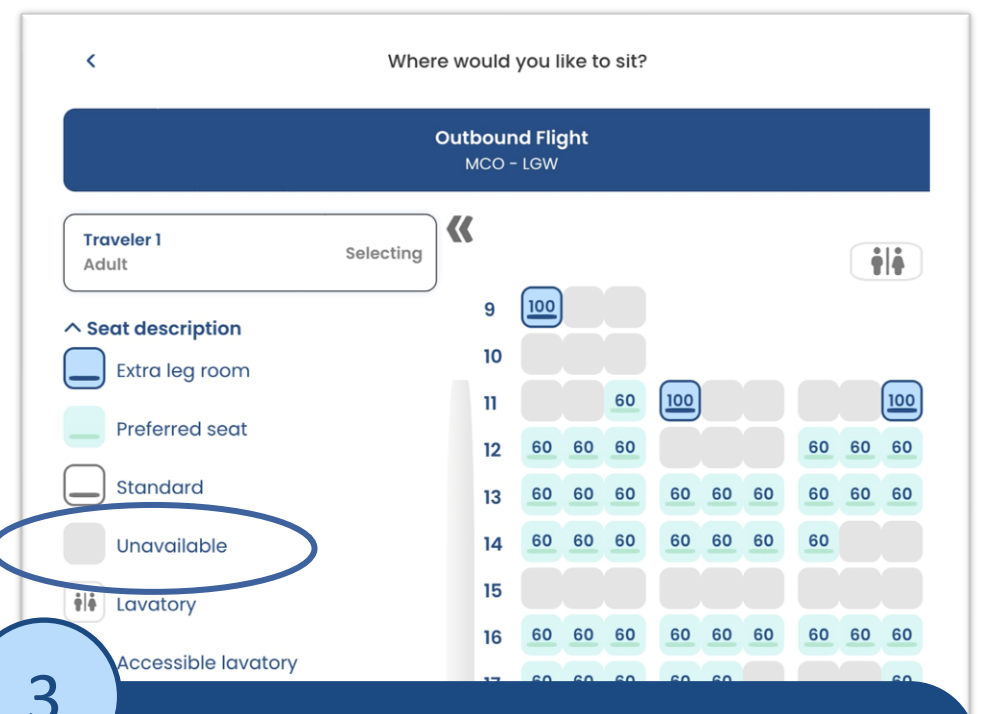
Data-driven product development enables improved earnings – three examples:



1
Introducing carry-on bag for free increased sales by 12.3%



2
"Free cancellation" message increased sales by 4.9%



3
Reducing available seats increased sales by 5.88%

2023 revenues were USD 439 million – 23% increase illustrates a USD 100 million annual potential

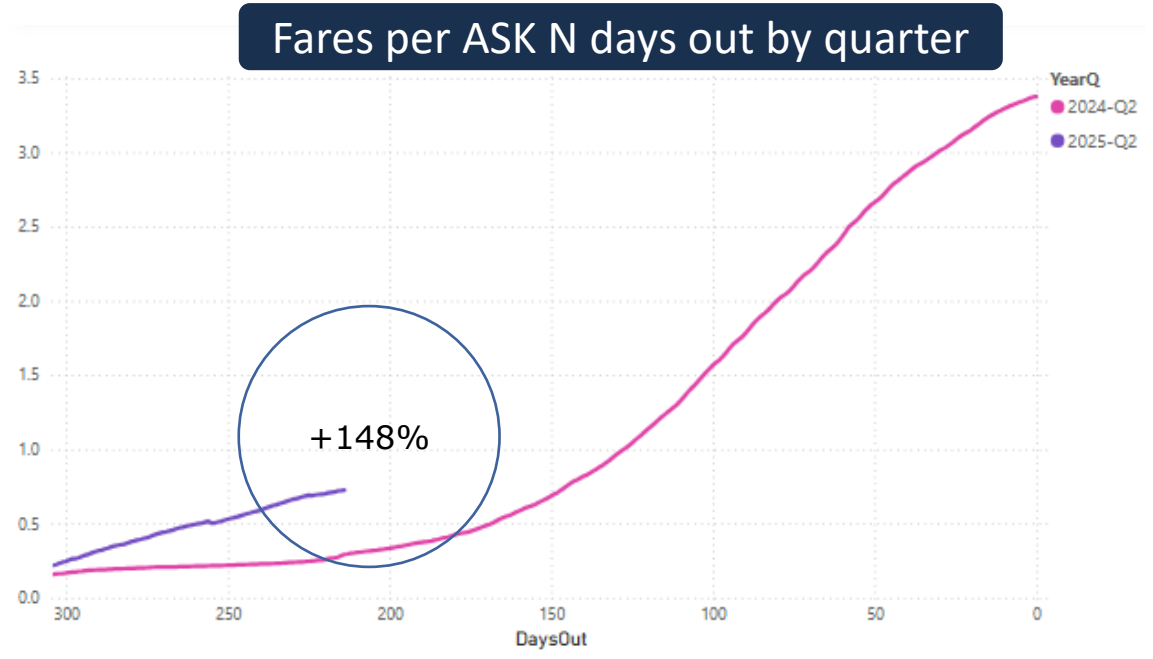
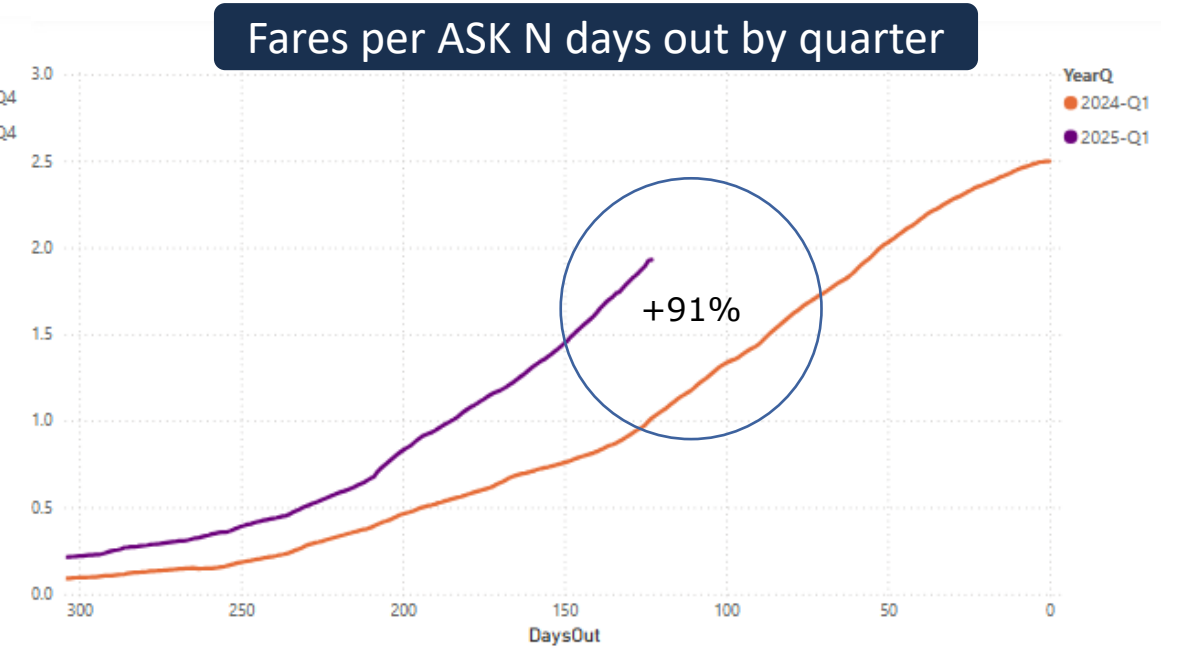
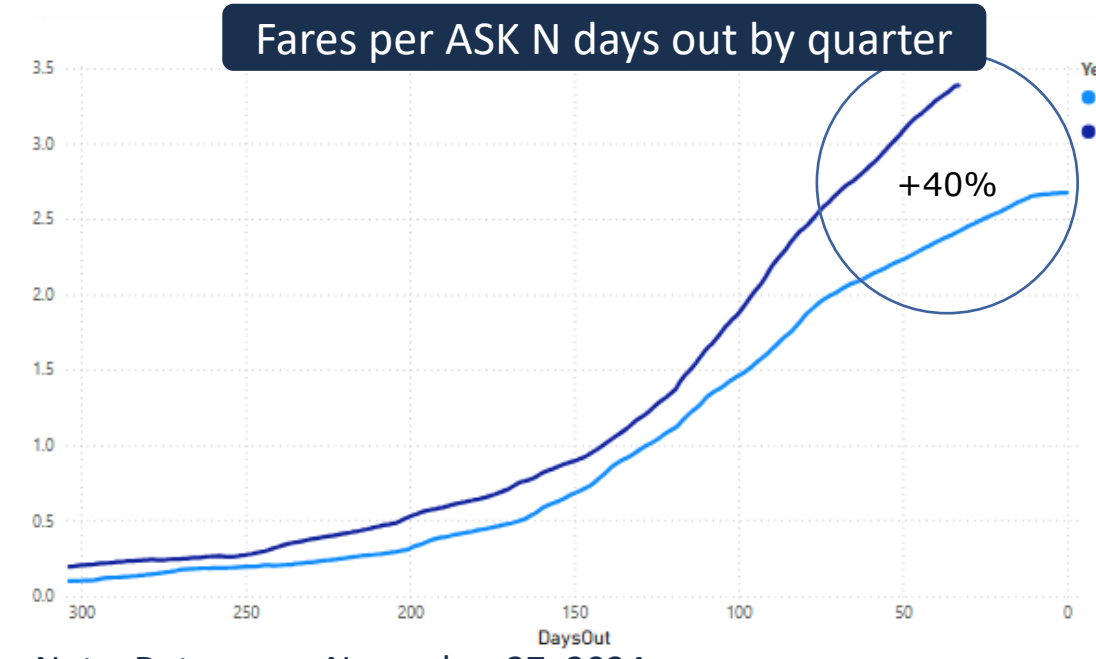
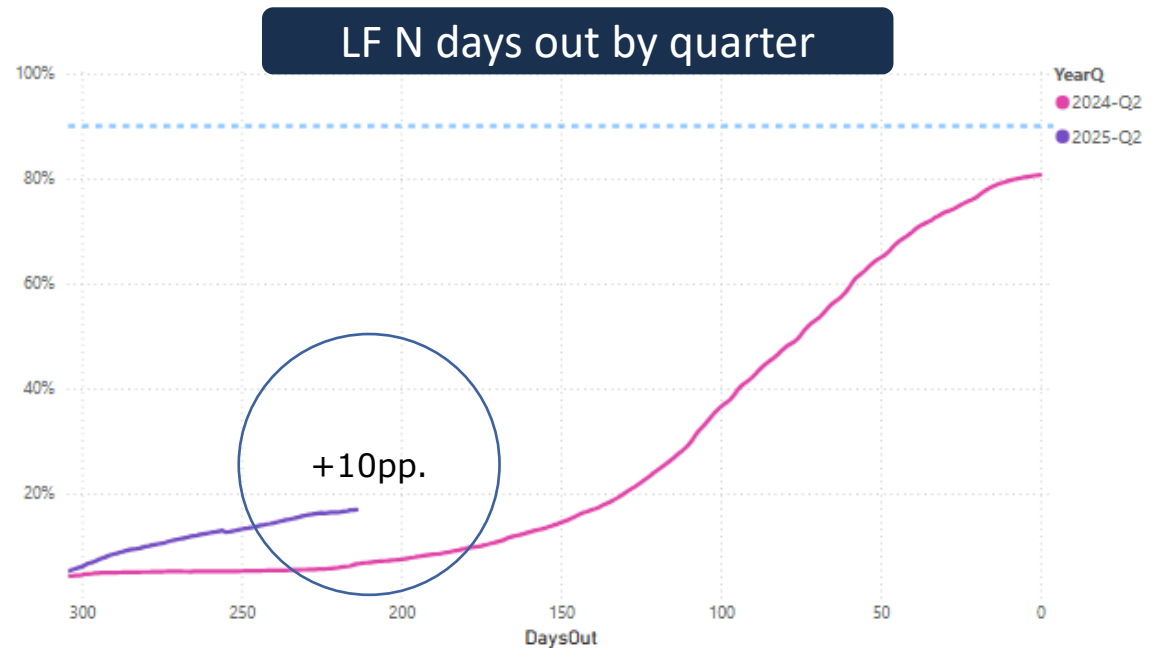
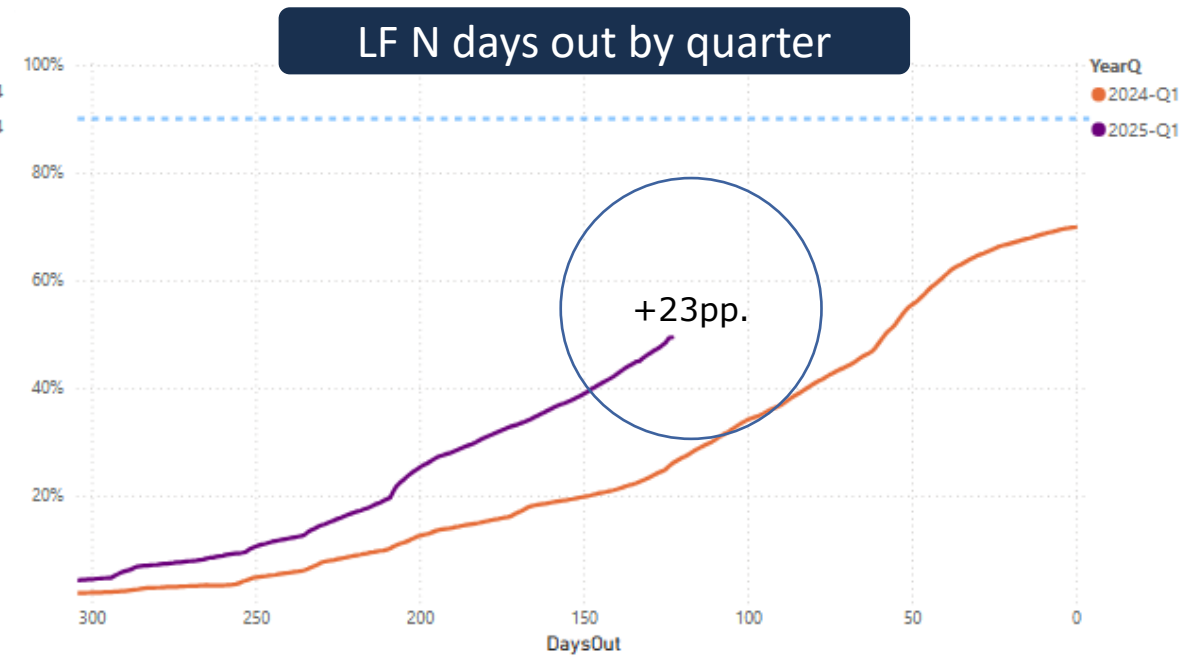
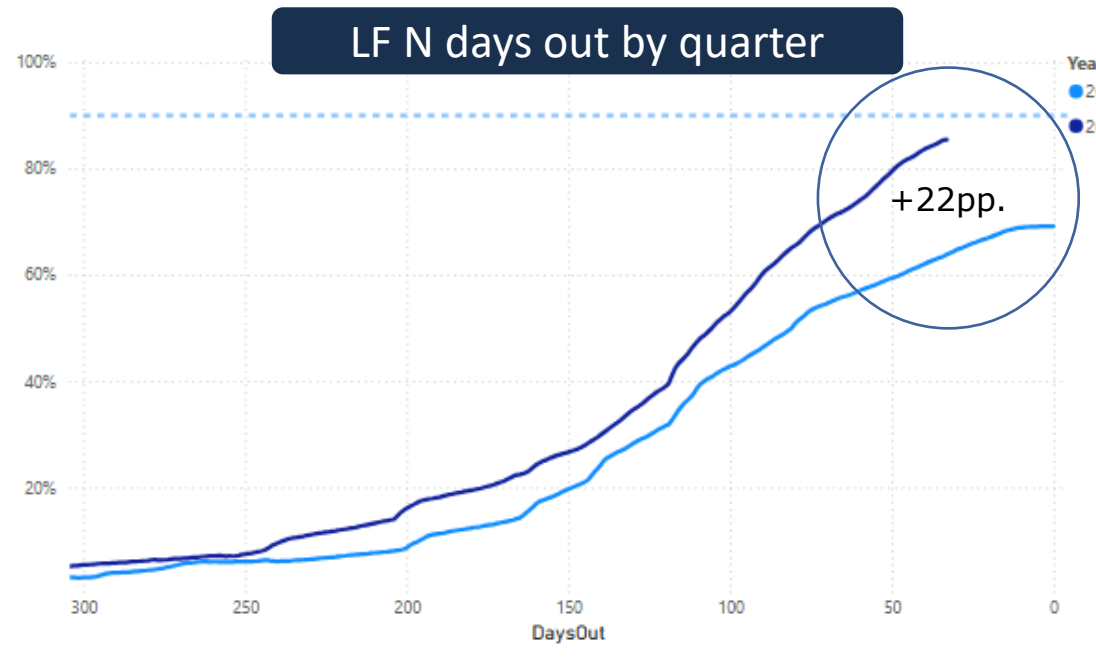


Cracked the commercial code: Strengthening of network operations supported by early baseload and good pre-booking numbers

Q4 2024 already ahead of Q4 2023 actual

Q1 2025 trending ahead of Q1 2024

Q2 2025 trending ahead of Q2 2024



Note: Data as per November 27, 2024



Reducing cost and increasing efficiency with USD ~40 million annually

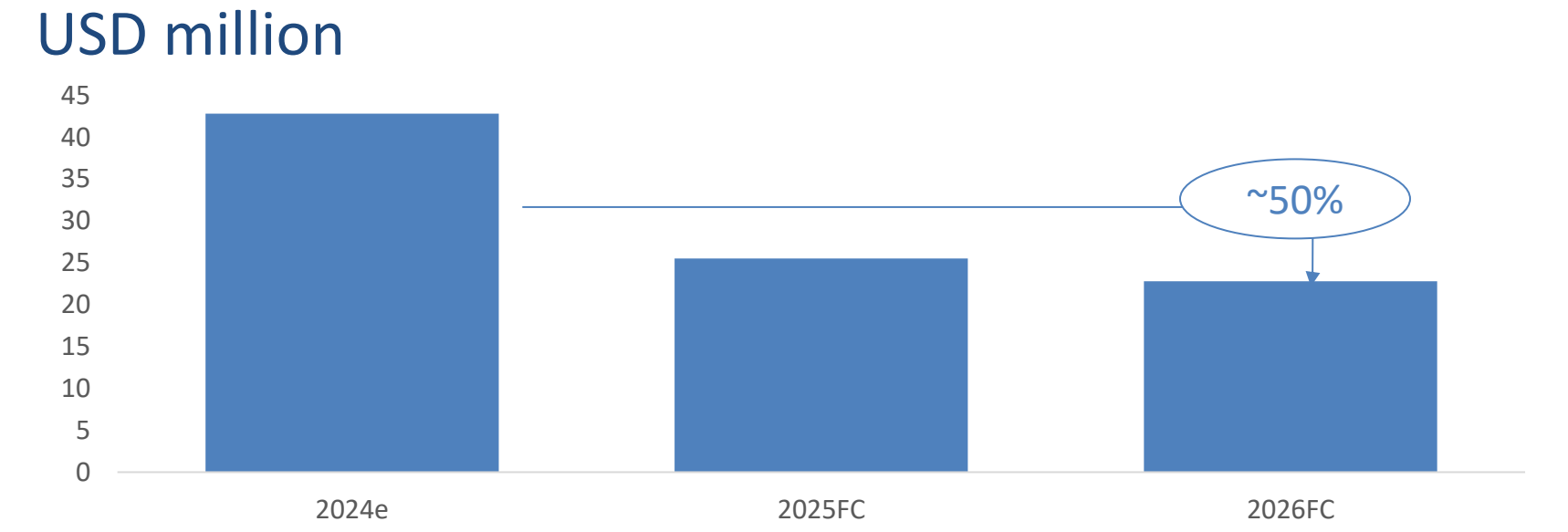
ACMI & Tech focus enables significant cost reductions

SG&A¹⁾ estimated cost development 2024-26

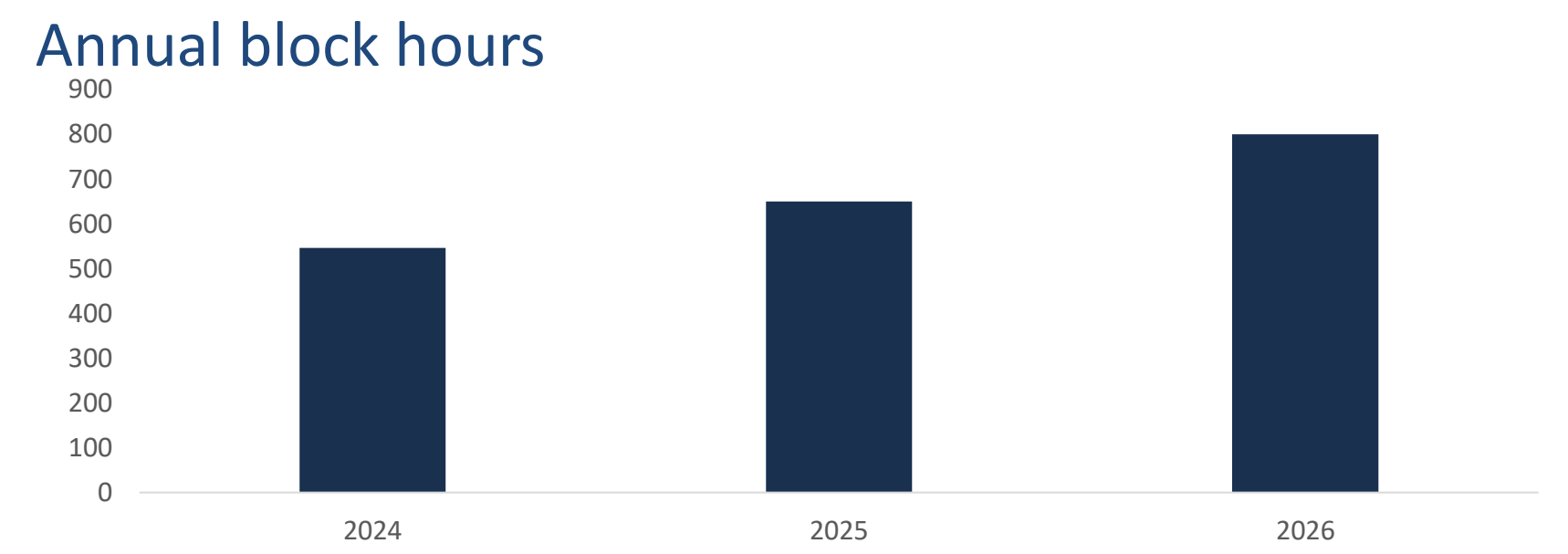
Tech In-house IT development focused on automation and efficiency, est. savings of ~\$4M in 2025

Distribution Reduced 3rd party sales and distribution cost (marketing and agent fees)

Utilization & base Reduced operational complexity and increase efficiency of airborne staff utilization and improved base structure



Crew utilization development 2024-26



1) Includes costs related to marketing and distribution, and well as costs related to central office administration and staff



Transaction summary

- The Company and BT Larsen & Co Limited, 18.88% shareholder and affiliated to CEO Bjørn Tore Larsen, have agreed to strengthen the Company's working capital to facilitate the ongoing strategic repositioning:
 - BT Larsen & Co Limited will invest USD 8.7 million¹ in a directed equity private placement at NOK 5 per share and provide a USD 6.3 million shareholder loan with maturity 31 December 2025, combined USD 15.0 million;
 - Issuance of shares decided by BoD as per authorization from the GM for issuance up to 15% of the share capital;
 - After completion of the transaction, BT Larsen & Co Limited will hold 29.46% of the outstanding shares;
 - All remaining shareholders to be offered to subscribe the same pro rata amounts at the same price in a subsequent offering² ("Repair Offering") of up to USD 37.5 million¹
- Proceeds from the Repair Offering, if any, will be used for general corporate purposes
- The Repair Offering is expected to be launched early 2025, pending approval of prospectus
- The shareholders and the Company have agreed to extend maturity of the existing shareholder loan of nominal amount USD 20.0 million until 31 March 2026

1) In NOK equivalents, USD amount estimated on basis of USD/NOK FX rate of 11.08

2) Subject to prospectus and corporate approvals

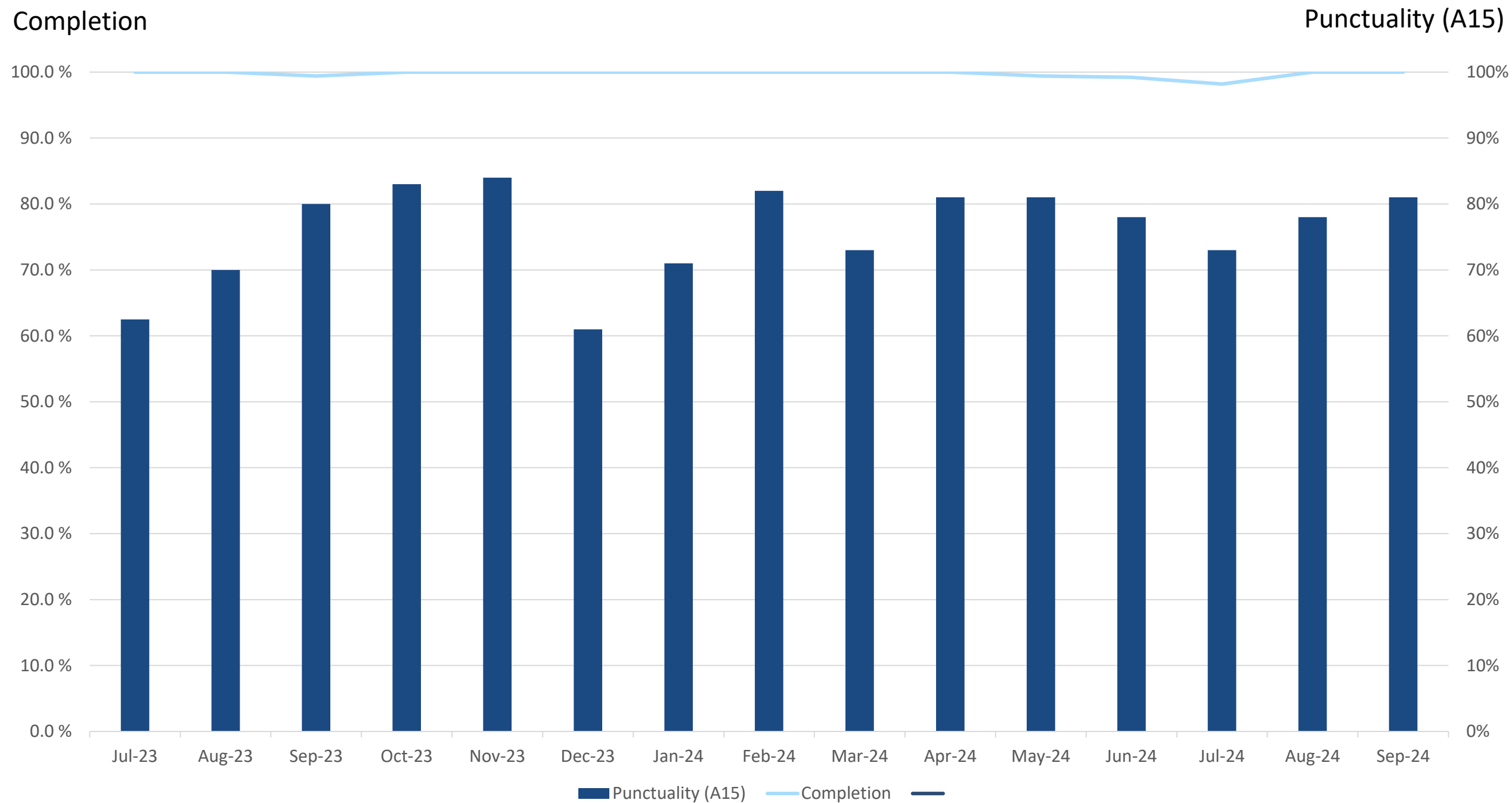


Q3 Update



Operational performance remains strong

% of flights completed and arriving on time

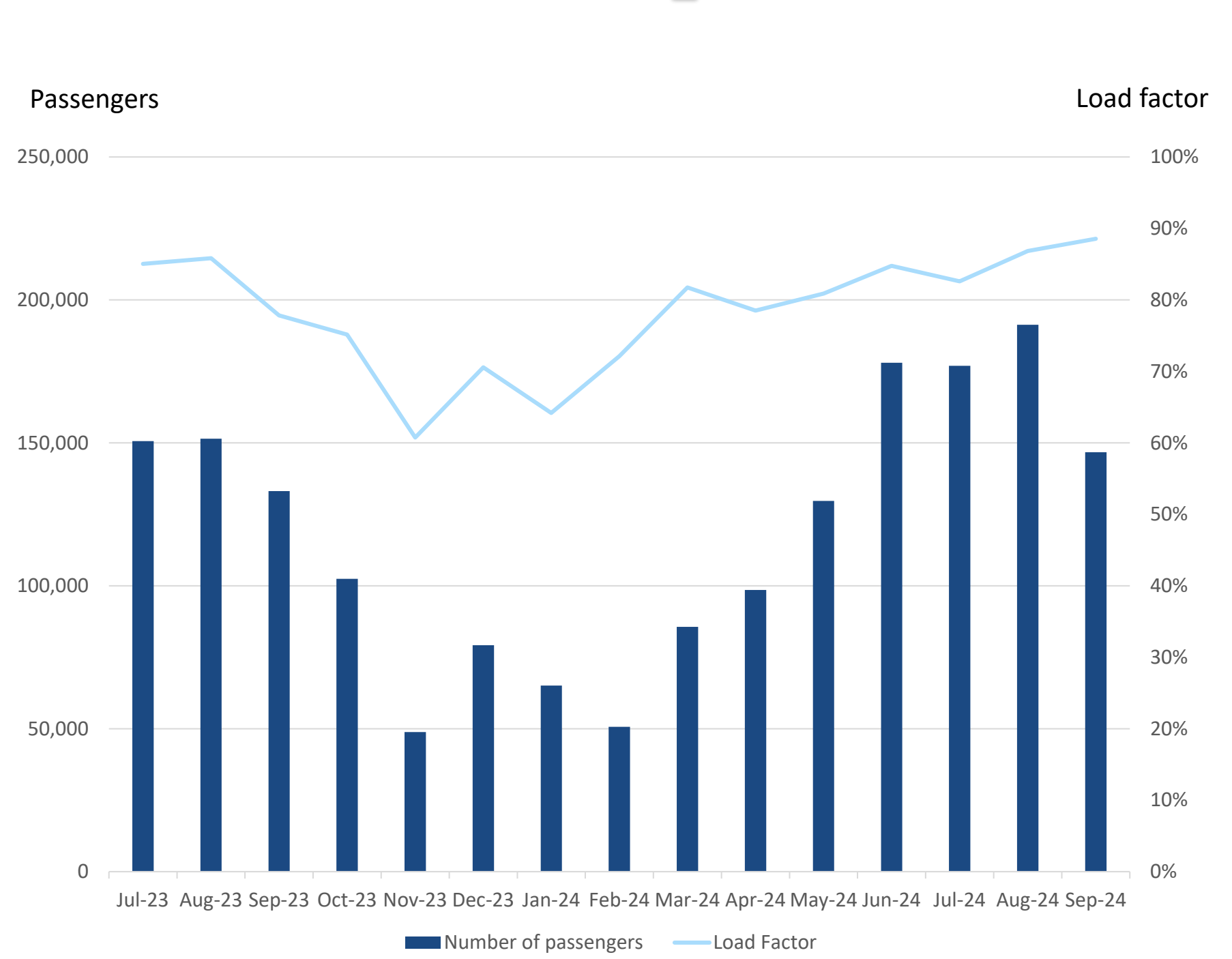


- Completion at 99.3% for the quarter
- Punctuality at 77% for the quarter

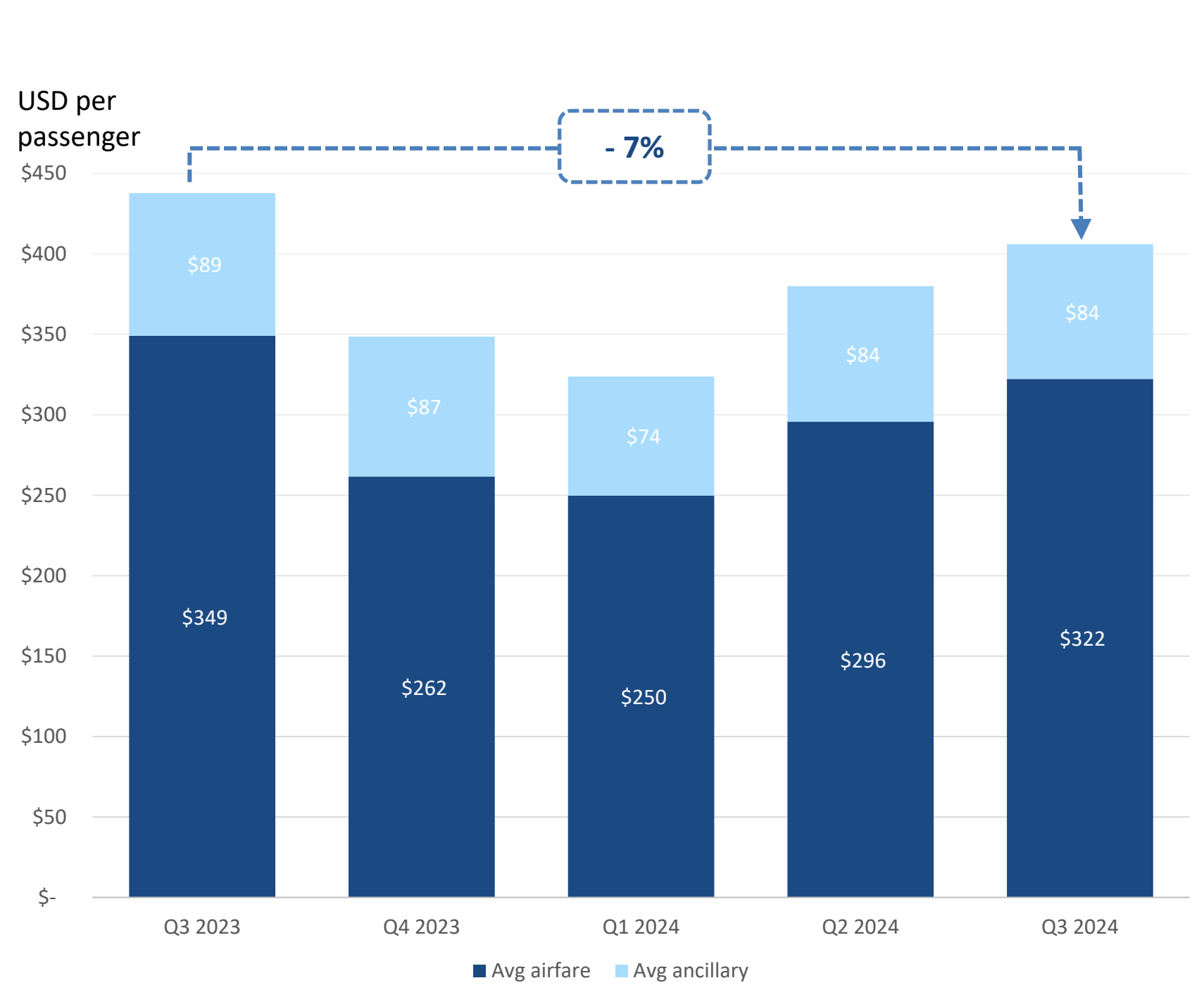


Strong growth YoY

Quarter LF 86% ▲ +3%-points YoY
 Quarter Pax 515' ▲ +80' YoY



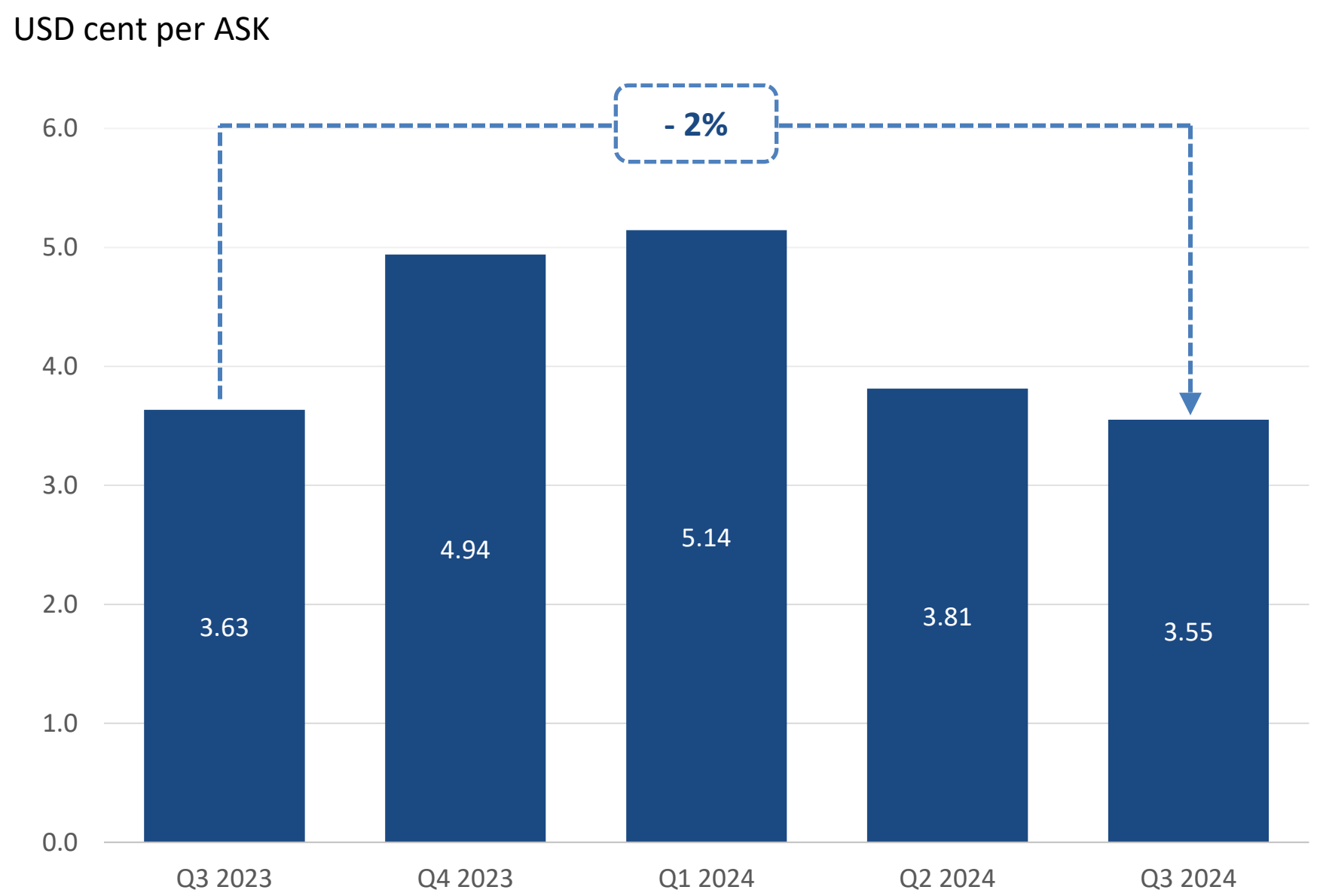
Airfares softened, while ancillary remained strong



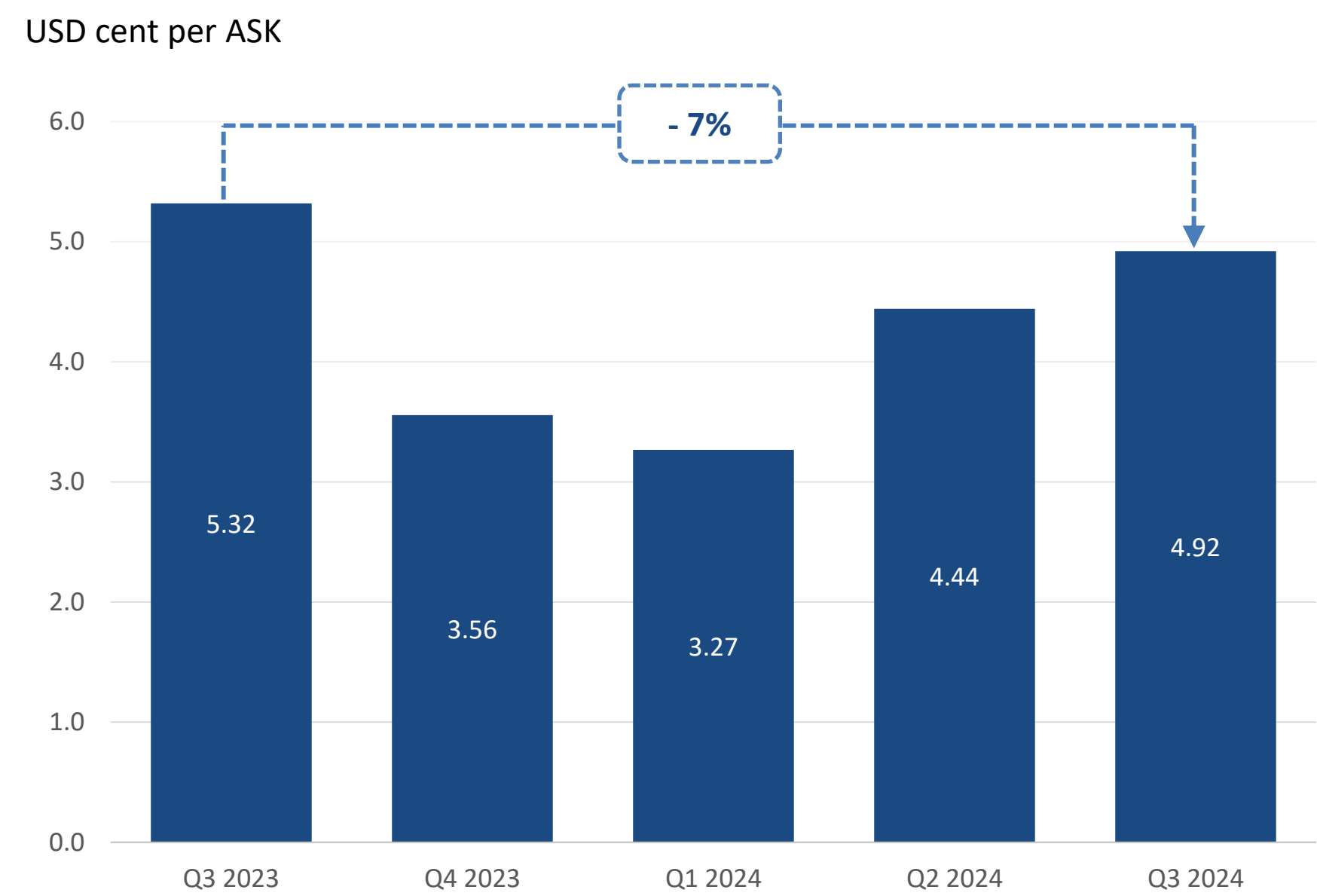


CASK at its lowest-ever level

CASK improving YoY...



...PRASK lower than 2023



Notes: CASK defined as CASK ex. fuel, PRASK: Total passenger revenue per available seat kilometer in own network



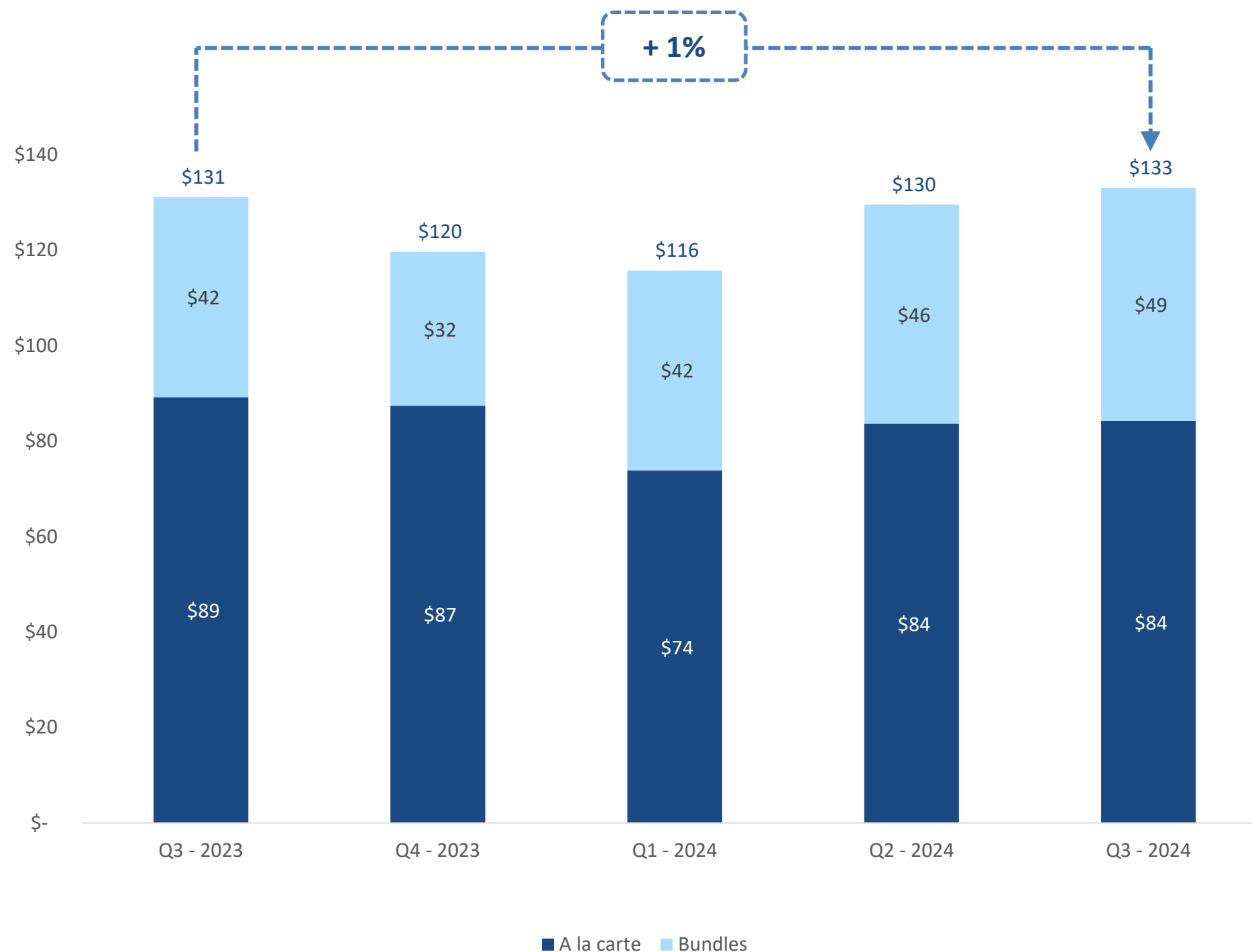
Ancillary remains best in class

- Norse’s fare model provides pricing flexibility to passengers
- Ancillary revenue consists of:
 - Upgrades to Premium cabin
 - Extra baggage
 - Seat selection
 - Food and beverages
 - 3rd party sales commissions
- Continuously adding services



The #1 airline for ancillary revenue

Ancillary revenue per passenger USD



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





Income Statement

<i>USD thousands</i>	3 months Q3 2024	3 months Q3 2023	9 months YTD 2024	9 months YTD 2023	12 months FY 2023
Revenue	221,987	204,796	464,988	344,655	439,436
Personnel expenses	36,837	27,508	96,911	70,451	99,759
Fuel, oil & emissions	65,512	64,561	150,515	112,401	152,527
Other OPEX	80,0931	61,206	178,717	123,445	167,645
SG&A	12,866	10,469	36,385	28,013	37,486
EBITDAR	26,678	41,052	2,461	10,344	(17,980)
Variable aircraft rentals	182	9,290	7,952	25,769	33,139
Depreciation & amortization	21,882	21,453	65,606	62,931	84,103
EBIT	4,614	10,309	(71,097)	(78,357)	(135,223)
Net finance cost	10,759	8,714	29,543	25,907	33,379
EBT	(6,145)	1,595	(100,640)	(104,264)	(168,602)

- Q3 2024 revenue up 8% YoY, driven by;
 - 20% increased capacity (ASK)
 - Load factor up to average of 86% over quarter, compared to 83% in Q3 2023
 - Revenue per pax down by 7% due to softening Transatlantic market
- USD 4 million non-cash aircraft lease accounting cost during quarter (USD 18 million YTD)



Cash Flow Statement

<i>USD thousands</i>	3 months Q3 2024	3 months Q3 2023	9 months YTD 2024	9 months YTD 2023	12 months FY 2023
Operating cash flows before WC¹⁾ movements	28,171	34,479	(25)	(9,783)	(39,054)
WC¹⁾ movements	3,871	(32,409)	35,780	10,078	18,496
Operating cash flows	32,042	2,070	35,754	295	(20,558)
Investing cash flows	(4,016)	(2,924)	(18,899)	(3,025)	(7,332)
Financing cash flows	(25,560)	(15,767)	(44,628)	(34,020)	1,524
Currency effects	215	177	592	(389)	586
Net change in free cash	2,682	(16,444)	(27,182)	(37,139)	(25,780)
Free cash at period end	12,148	27,570	12,148	27,570	38,929
Restricted cash held	13,200	15,000	13,200	15,000	15,901
Total cash	25,348	42,570	25,348	42,570	54,830

- Positive cash from operations during period
- Negative cash flow to financing during period due to service of lease liabilities
- End of quarter cash at USD 25 million



Balance Sheet

Statement of financial position

<i>USD thousands</i>	30 SEP 24	30 SEP 23	31 DEC 23
Total non-current assets	890,595	930,589	935,505
<i>Credit card receivables</i>	<i>124,939</i>	<i>100,245</i>	<i>60,214</i>
<i>Other receivables/current assets</i>	<i>30,659</i>	<i>34,024</i>	<i>32,587</i>
<i>Cash and cash equivalents</i>	<i>25,348</i>	<i>42,570</i>	<i>54,830</i>
Total current assets	180,946	176,838	147,945
Total assets	1,071,541	1,107,428	1,083,136
Total equity	(184,491)	(80,385)	(89,697)
Total non-current liabilities	914,791	954,391	960,060
<i>Deferred passenger revenue</i>	<i>73,120</i>	<i>59,574</i>	<i>52,394</i>
<i>Other current liabilities</i>	<i>268,121</i>	<i>173,847</i>	<i>160,379</i>
Total current liabilities	341,240	233,421	212,773
Total equity & liabilities	1,071,541	1,107,428	1,083,136

Current assets include:

- USD 125 million receivables from credit card companies for booked tickets

Current liabilities include:

- USD 73 million deferred passenger revenue
- USD 21 million revolving credit facility, new maturity 31 March 2026
- Book equity reflects USD 159 million accumulated non-cash lease accounting cost since inception

Summary and outlook



ACMI/Network

USD [500]m ACMI contract backlog
Continued strong ACMI demand
High-graded network drive profitability



Commercial Overhaul

Transformed commercial platform
Improved commercial performance
Higher fares and +90% Load Factor



Cost Efficiency

Reducing SG&A by 50%
Improved crew utilization



Appendix

Key Operational Numbers

Monthly break-down over last five quarters

	Jul23	Aug23	Sep23	Oct23	Nov23	Dec23	Jan24	Feb24	Mar24	Apr24	May24	Jun24	Jul24	Aug24	Sep24
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	4	4	3	3	3	3	3
ASK (millions)	1,215	1,207	1,152	900	557	800	711	485	752	866	1,154	1,481	1,520	1,570	1,184
RPK (millions)	1,034	1,036	896	676	339	564	456	350	615	680	933	1,255	1,256	1,364	1,049
Load factor	85%	86%	78%	75%	61%	71%	64%	72%	82%	79%	81%	85%	83%	87%	89%
Number of passengers (thousand)	151	151	133	102	49	79	65	51	86	99	130	178	177	191	147
Number of flights	524	520	503	403	242	343	313	225	324	398	513	620	639	661	513

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