



# Fourth quarter report 2024






## Norse Atlantic Airways



Norse Atlantic Airways, founded by CEO and major shareholder Bjørn Tore Larsen in March 2021, is an airline specializing in low-cost, long-haul, direct flights to a range of exciting destinations on the intercontinental market, offering passengers more opportunities and flexibility to explore the world.

# Load factors at record heights and dual ACMI/network strategy being realized as major long-term ACMI contracts are materializing

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## Q4 2024 headlines

(comparatives for numbers being Q4 2023)

- Revenue increased by 30% to USD 123.1 million
- Loss reduced by USD 30 million, month of December stand-alone profitable
- 337,564 passengers carried, increased by 46%
- ASK increased by 15% to 2,599 million
- Load factor increased by 22 percentage points to record high 92%
- Revenue of USD 343 per passenger during quarter, compared to USD 349 last year
- Number of flights operated during quarter was 1,196, up by 21%
- Strong operational performance as 99.7% of planned flights completed during the quarter
- CASK ex fuel at 4.46 compared to 4.94 last year, a reduction of 10%
- Total cash held at end of quarter was USD 22.9 million
- Revised business strategy being realized as major long-term ACMI contract is materializing, and cost reductions on the way

## CEO, Founder and major shareholder, Bjørn Tore Larsen

During the fourth quarter we achieved a load factor of 92%, a 22-percentage point improvement compared to the fourth quarter of the previous year. The 92% load factor represents the highest load factor achieved in any quarter of the Company's history. The performance also comes in combination with a significant volume growth compared to last year, and while maintaining revenue per passenger at fair levels.

The improved load factors is the result of our new commercial strategy which was implemented during 2024. Total revenue for the quarter came in at USD 123.1 million, 30% above the fourth quarter last year. Revenue per passenger for the quarter shows USD 343, which is slightly down from USD 349 last year. The breakdown of revenue per passenger shows a shift from ancillary toward air fares, reflecting a smaller re-packaging of our product bundles.

We recorded a 46% increase in passengers carried during the quarter, driven by the improved load factor and a 15% increase in ASK and 21% in number of flights. Operational performance remained respectable in the quarter, with 99.7% percentage of the planned flights completed.

Although overall the quarter saw a net loss of USD 35 million, this was a reduction of USD 30 million compared to the same quarter last year, while intra-quarter the Company recorded a profit for the standalone month of December.

During February, the Company completed redelivery of two 787-8 aircraft to the Lessor, with the third 787-8 expected to be

redelivered before the end of Q1 2025. As previously announced, these redeliveries for aircraft that Norse never has operated, will result in a significant positive accounting impact.

We have developed ACMI and charter into a separate business area complementary to the operations in our own scheduled network. Following the announced LOI for a longer-term ACMI engagement, Norse now has entered into firm contracts for the leases of four aircraft with well reputed IndiGo, being India's largest, and also one of the world's largest airlines. Execution of the contracts is subject to regulatory approval, one aircraft commencing in March, and the remainder tentatively commencing second half of 2025.

The new ACMI contracts leaves Norse with a fleet of 11 aircraft operating its own scheduled network during the summer ahead, whereas the longer-term fleet allocation under secured contracts will be eight aircraft in own scheduled network and four aircraft on longer-term ACMI. We believe this represents a good balance between securing year-round fixed revenue from ACMI and maximizing the possibilities in our scheduled network.



Sincerely,

Bjørn Tore Larsen,  
CEO and Founder

# Key figures

(USD million or as stated)	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Revenue	123.1	94.8	588.1	439.4
EBITDAR <sup>1</sup>	(3.3)	(28.3)	(0.9)	(18.0)
Operating profit (EBIT)	(25.9)	(56.9)	(97.0)	(135.2)
Net profit	(34.5)	(64.3)	(135.5)	(168.7)
Net cash flow from operations	19.9	(20.9)	55.6	(20.6)
Book equity	(210.6)	(89.7)	(210.6)	(89.7)
Cash and cash equivalents	22.9	54.8	22.9	54.8

## Revenue

# 123.1

94.8

## EBITDAR<sup>1</sup>

# (3.3)

(28.3)

## Net profit

# (34.5)

(64.3)

## Number of flights

# 1,196

988

## Number of passengers

# 337,564

230,489

## Load factor

# 92%

70%

(USD million or as stated)	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Number of flights	1,196	988	5,402	4,002
Number of operating destinations at period end	13	13	13	13
Average stage length (km)	6,426	6,786	6,733	6,426
ASK <sup>1</sup> (millions)	2,599	2,257	12,323	8,672
RPK <sup>1</sup> (millions)	2,386	1,579	10,343	6,448
Number of passengers	337,564	230,489	1,460,245	979,913
Load factor <sup>1</sup>	92%	70%	84%	74%
Airfare per passenger (USD) <sup>1</sup>	269	262	294	309
Ancillary per passenger (USD) <sup>1</sup>	74	87	81	84
Revenue per passenger (USD) <sup>1</sup>	343	349	375	393
PRASK (US cents) <sup>1</sup>	4.36	3.56	4.42	4.44
TRASK (US cents) <sup>1</sup>	4.74	4.20	4.77	5.07
CASK cash adjusted (US cents) <sup>1</sup>	3.63	4.01	3.37	3.91
CASK excl. fuel (US cents) <sup>1</sup>	4.46	4.94	4.07	4.87
CASK (US cents) <sup>1</sup>	5.73	6.72	5.56	6.63
Number of aircraft in fleet at period end	15	15	15	15
Number of aircraft in operation at period end	12	10	12	10
Number of aircraft subleased out at period end	3	5	3	5

<sup>1</sup> Non-IFRS alternative measures are explained and/or reconciled in separate section of the report.

# Quarterly review

## Outlook

Norse has been in the process of shaping a strategic reorientation for the Company. The decision has already been made to simplify and harmonize the fleet by early redelivering the three 787-8 aircraft, leaving Norse with a uniform and more flexible fleet of 787-9 aircraft only. The execution of the redeliveries took place in February 2025 for two aircraft, and with redelivery of the third aircraft expected for March.

Furthermore, the Company has been working on a revised business plan for the re-sized 12 aircraft fleet, exploring the opportunities of reducing the overall business risk for the Company by replacing some of its variable revenue with more fixed revenue. Following the announced LOI for a longer-term ACMI engagement, Norse now has entered into firm contracts for the leases of four aircraft with well reputed IndiGo, being India's largest, and also one of the world's largest airlines. Execution of the contracts is subject to regulatory approval, one aircraft commencing in March, and the remainder tentatively commencing second half of 2025.

The agreement confirms the strong market potential of long-term ACMI/charter and would allow Norse to lock in more of the fleet's capacity and revenue into longer-term contracts, leaving Norse with a business model carrying lower market risk going forward. Assigning major capacities to this long-term contract potentially secures significant revenues, but also allows for cost reductions, and to build a revised and sustainable business model of Norse Atlantic Airways.

As capacity is shifted into the ACMI segment, the Company will high-grade its own network, focusing more and more on the proven and profitable routes. As a result of an improved commercial approach, the Company over the last few months has seen a strong development in load factor. Transitioning to a dual strategy business model will allow for the Company to reduce the overall cost of operating a slimmer own scheduled network and also aiming to increase crew utilization for the remainder of own operations. Cost improvements are already on their way as the company during the quarter established new offices in Riga,

Latvia, which will take over certain services previously delivered from our Arendal offices, leaving the Company with significant cost improvements. Efforts are also ongoing to secure benefits from better optimization of crew bases and crew resource utilization. The Company has been working on improving marketing and sales, and pre-sales on routes out for sale is continuing to trend well above the pre-sales realized at the same time the previous year.

## Financial performance & position

The Company in the following refers to the fourth quarter of 2023 (“Q4 2023”) as the period of comparable information.

During the fourth quarter of 2024 (“Q4 2024” or “the Period”) the Company recorded revenue of USD 123.1 million (USD 94.8 million in Q4 2023), consisting of USD 90.6 million (USD 78.3 million in Q4 2023) in revenues from passengers and USD 32.5 million (USD 16.5 million in Q4 2023) in revenue from other sources. Airfare revenue averaged USD 269 per passenger (USD 262 in Q4 2023) and ancillary revenue USD 74 per passenger (USD 87 in Q4 2023), an aggregate revenue of USD 343 per passenger (USD 349 in Q4 2023), generating revenue of USD 71.1 million (USD 58.8 million in Q4 2023) and USD 19.5 million (USD 19.5 million in Q4 2023), respectively. Norse flew a total of 337.564 passengers during the Period (230.489 in Q4 2023). Norse carried cargo totalling 6.389 tonnes (4.582 tonnes in Q4 2023) at an average rate net of commission and other direct costs of USD 1.031 per ton (USD 512 per ton in Q4 2023), generating total net cargo revenue of USD 6.6 million during the Period (USD 2.3 million in Q4 2023). During the Period Norse subleased three aircraft to a third party and recorded lease rental income of USD 3.1 million (USD 8.3 in Q4 2023, then subleasing five aircraft). The Company recorded charter and ACMI revenue of USD 21.1 million across 336 flights during the Period (USD 2.5 million across 26 flights in Q4 2023).

Operating expenses excluding depreciation, amortization, and aircraft leases during the Period totalled USD 126.4 million

(USD 123.1 million in Q4 2023), consisting of USD 34.8 million (USD 29.3 million in Q4 2023) in personnel expenses, USD 80.4 million (USD 84.3 million in Q4 2023) in aircraft operating costs and USD 11.3 million (USD 9.5 million in Q4 2023) in marketing and administrative costs. Variable aircraft lease expenses were USD 0.3 million (USD 7.4 million in Q4 2023), which is the amount the Company paid in Power by the Hour (“PBH”) aircraft lease costs. Norse recognized USD 22.3 million (USD 21.2 million in Q4 2023) of depreciation and amortization during the Period, of which USD 21.5 million (USD 21.0 million in Q4 2023) related to amortization of the aircraft right-to-use assets.

Net financial expense for the Period was USD 8.5 million (USD 7.5 million in Q4 2023), including USD 8.9 million (USD 9.0 million in Q4 2023) in accrued interest on lease liabilities. The Company reported a net loss after tax of USD 34.5 million for the Period (a loss of USD 64.3 million in Q4 2023).

Included in the income statement are non-cash lease accounting costs of USD 5.3 million for the Period (USD 9.9 million in Q4 2023).

As of 31 December 2024, the carrying value of right-of-use assets related to aircraft leases was USD 817.2 million (USD 891.6 million as of 31 December 2023), while the corresponding lease liability for the aircraft was USD 904.8 million (USD 973.7 million as of 31 December 2023).

The Company has current assets of USD 154.8 million at the end of the Period (USD 147.6 million as of 31 December 2023). At the end of the Period the current liabilities were USD 319.9 million (USD 212.8 million as of 31 December 2023). Non-current liabilities at the end of the Period includes loan from the two major shareholders in the amount of USD 22.1 million (nil as of 31 December 2023). Such loan was previously presented as current, but became non-current during the Period as the final maturity was extended to 31 March 2026. The Company’s book equity at the end of the Period was negative by USD 210.6 million (negative by USD 89.7 million as of 31 December 2023).

The Company’s net decrease in free cash and cash equivalents during the Period was USD 2.5 million (net increase of USD 11.8 in Q4 2023), mainly driven by net cash inflow from operations of USD 19.9 million (outflow of USD 20.9 million in Q4 2023), followed by a net cash outflow to investing activities of USD 5.5 million (outflow of USD 4.3 million in Q4 2023) and USD 16.1 million outflow related to financing activities (inflow of USD 36.0 million in Q4 2023). The Company’s free cash and cash equivalents at the end of the Period was USD 9.7 million (USD 39.3 million as of 31 December 2023), while the total cash was USD 22.9 million (54.8 million as of 31 December 2023), including USD 13.2 million in restricted cash (USD 15.5 million as of 31 December 2023). Such as announced on 29 November 2024, the Company during the Period established new credit lines in the form of a shareholder loan in the amount of USD 6.3 million. By the end of the Period this loan was fully undrawn.

## Organization

As of 31 December 2024, the Company had 1.121 employees (1.062 as of 31 December 2023), of whom 875 (830 as of 31 December 2023) are airborne crew and the remaining 246 (232 as of 31 December 2023) are engineers, aircraft maintenance personnel, and office-based employees. The Company has its headquarters in Arendal, Norway, and has offices in Riga, 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. 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. 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. As the Company enters into long-term wet lease/ACMI contracts, the Company's overall exposure to the risk of both seasonality and general demand is reduced. ACMI secures fixed revenue year-round and hence eliminates some of the seasonality exposure. For capacity allocated to ACMI, variable revenue is replaced with fixed revenue establishing a floor downwards but still allowing for upward potential during periods of large capacity utilization.



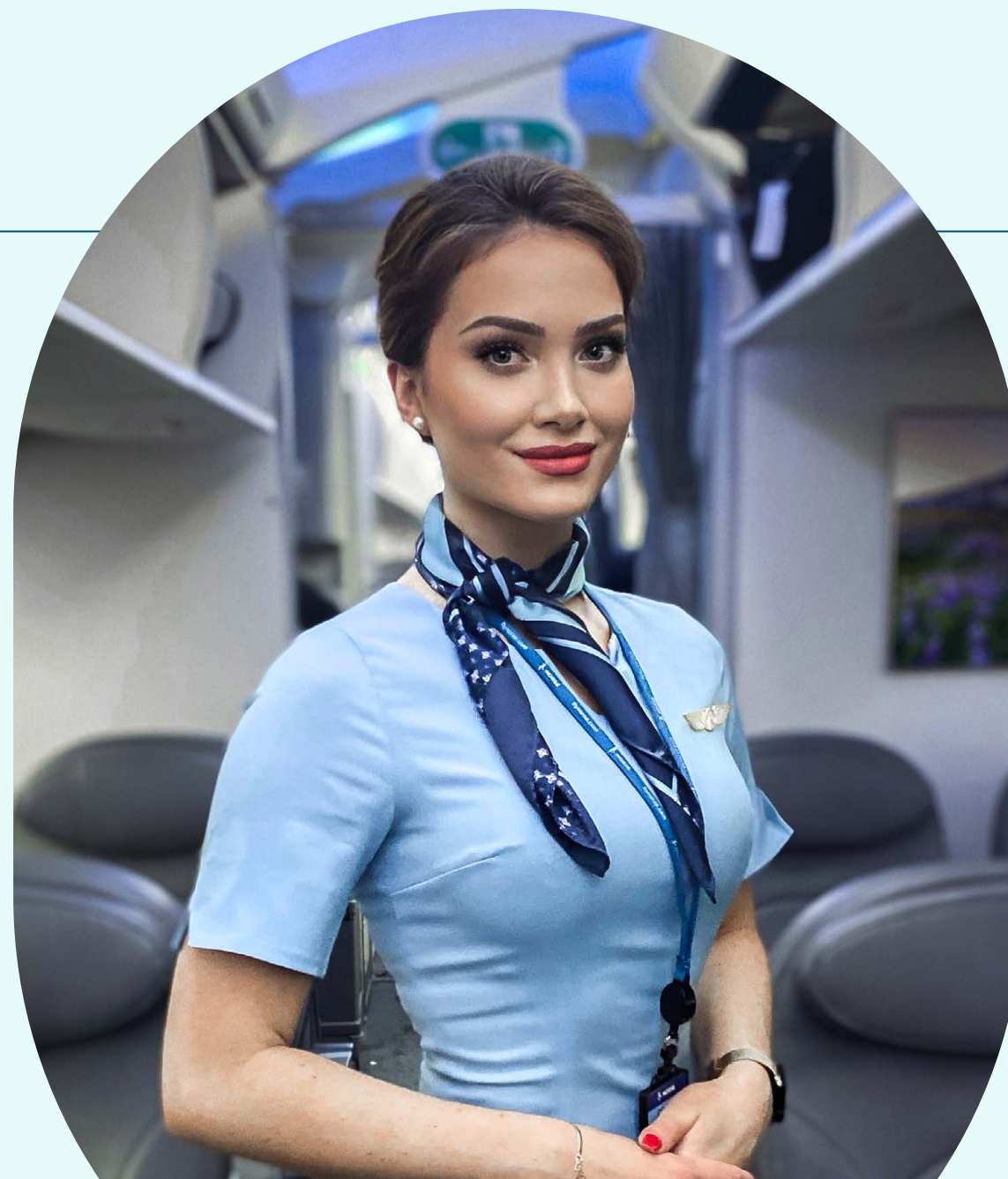
Significant risk factors Norse is exposed to include, but are not limited to, factors such as exposure to global macroeconomic and geopolitical factors, airport slot constraints, interruption in IT systems, aviation incidents, changes in taxes, changes in credit card settlement terms, environmental factors, 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 jet fuel hedging arrangements in place and is thus fully exposed to fluctuations in jet fuel prices. Further increases in jet fuel price and any significant and prolonged adverse movements in currency exchange rates could impact the Company's earnings. The situation of increased tension in the Middle East is creating scenarios under which there could be adverse negative effects to the fuel prices. As the Company enters into a long-term wet lease/ACMI contracts, the Company's overall exposure to the risk of jet fuel price fluctuations is reduced as the jet fuel cost under ACMI capacity is at the expense of the customer.

Just like any growth company, Norse is exposed to liquidity risk. Should sales volumes decrease, jet 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. Hold-back from the credit card companies is structured across a combination of thresholds of hold-back amounts and number of hold-back days varying with season. Any increase in hold-back amounts or extensions of hold-back days will have a negative impact on the Company's liquidity position. Going concern is described in more detail in the notes to the interim consolidated financial statements (see [Note 2.2](#)).

# Condensed interim financial statements

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## Interim consolidated statement of comprehensive income

(in thousands of USD)	Notes	Q4 2024	Q4 2023	FY 2024	FY 2023
<b>Revenue</b>					
<b>Total Revenue</b>	<a href="#">4</a>	123,118	94,782	588,106	439,436
<b>Operating expenses</b>					
Personnel expenses		(34,790)	(29,308)	(131,701)	(99,759)
Fuel, oil and emission costs		(33,102)	(40,125)	(183,617)	(152,527)
Airport charges and handling		(16,615)	(13,619)	(94,205)	(67,153)
Technical maintenance		(19,619)	(20,781)	(84,629)	(66,493)
Other operating costs		(11,033)	(9,800)	(47,151)	(33,999)
Marketing and distribution costs		(6,450)	(4,429)	(31,724)	(23,343)
Administrative costs		(4,828)	(5,044)	(15,938)	(14,143)
<b>Total Operating exps excl. leases, dep &amp; amort.</b>		(126,437)	(123,106)	(588,965)	(457,417)
<b>Operating profit before leases, dep &amp; amort. (EBITDAR) <sup>1</sup></b>		(3,319)	(28,324)	(858)	(17,980)
Variable aircraft rentals		(287)	(7,370)	(8,239)	(33,139)
Depreciation and amortization	<a href="#">6</a>	(22,314)	(21,172)	(87,920)	(84,103)
<b>Operating profit/(loss)</b>		(25,920)	(56,866)	(97,017)	(135,223)
Interest expenses	<a href="#">7</a>	(10,026)	(9,088)	(39,019)	(34,982)
Other financial income/(expenses)	<a href="#">8</a>	1,511	1,616	962	1,603
<b>Profit/(loss) before tax</b>		(34,435)	(64,338)	(135,075)	(168,602)
Income tax		(38)	-	(379)	(144)
<b>Profit/(loss) for the period</b>		(34,473)	(64,338)	(135,454)	(168,746)

(in thousands of USD)	Notes	Q4 2024	Q4 2023	FY 2024	FY 2023
<b>Total comprehensive income:</b>					
Profit/(loss) for the period		(34,473)	(64,338)	(135,454)	(168,746)
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		(34,473)	(64,338)	(135,454)	(168,746)
Basic earnings per share (USD) <sup>2</sup>		(0.26)	(0.73)	(1.04)	(2.50)
Diluted earnings per share (USD) <sup>2</sup>		(0.26)	(0.73)	(1.04)	(2.50)

<sup>1</sup> Non-IFRS alternative measures are explained and/or reconciled in separate section of the report

<sup>2</sup> Based on average number of outstanding shares in the period

## Interim consolidated statement of financial position

(in thousands of USD)	Notes	31 Dec 2024	31 Dec 2023
<b>Non-current assets</b>			
Tangible assets	<a href="#">9</a>	824,694	898,856
Intangible assets		2,819	3,324
Aircraft lease deposits		16,502	16,048
Other non-current assets		32,338	17,277
<b>Total non-current assets</b>		<b>876,353</b>	<b>935,505</b>
<b>Current assets</b>			
Credit card receivables		100,245	60,214
Trade and other receivables	<a href="#">10</a>	11,668	6,351
Inventories		4,601	3,466
Other current assets		15,468	22,770
Cash and cash equivalents	<a href="#">11</a>	22,855	54,830
<b>Total current assets</b>		<b>154,837</b>	<b>147,631</b>
<b>Total assets</b>		<b>1,031,190</b>	<b>1,083,136</b>

(in thousands of USD)	Notes	31 Dec 2024	31 Dec 2023
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	<a href="#">12</a>	74,596	62,954
Share premium		200,418	197,756
Other paid-in capital		588	309
Retained earnings		(486,170)	(350,716)
<b>Total equity</b>		<b>(210,568)</b>	<b>(89,697)</b>
<b>Non-current liabilities</b>			
Lease liabilities non-current	<a href="#">13</a>	826,005	902,147
Shareholder loan		22,056	-
Provisions		73,830	57,913
<b>Total non-current liabilities</b>		<b>921,891</b>	<b>960,060</b>
<b>Current liabilities</b>			
Deferred passenger revenue		101,289	52,394
Trade and other payables		138,864	88,699
Lease liabilities current	<a href="#">13</a>	79,714	71,680
<b>Total current liabilities</b>		<b>319,868</b>	<b>212,773</b>
<b>Total equity and liabilities</b>		<b>1,031,190</b>	<b>1,083,136</b>

## Interim consolidated statement of cash flow

(in thousands of USD)	Notes	Q4 2024	Q4 2023	FY 2024	FY 2023
<b>Cash flows from operating activities</b>					
Profit/(loss) before tax		(34,435)	(64,338)	(135,075)	(168,602)
<b>Adjustments for items not affecting operating cash flows</b>					
Depreciation and amortization	<a href="#">6</a>	22,314	21,172	87,920	84,103
Interest expenses		10,026	9,088	39,019	34,982
Interest income		(857)	(1,581)	(1,489)	(2,129)
Share based employee incentives		(94)	28	279	309
Income taxes paid		(38)	-	(379)	(144)
Provisions		2,233	804	8,848	6,870
<b>Net operating cash flows before working capital movements</b>		(851)	(34,827)	(877)	(44,609)
Working capital movements		20,737	13,973	56,517	24,051
<b>Net cash flows from operating activities</b>		19,886	(20,853)	55,640	(20,558)
<b>Cash flows from investing activities</b>					
Aircraft maintenance assets		(4,206)	(3,478)	(22,423)	(3,963)
Other investments		(1,305)	(829)	(1,987)	(3,370)
<b>Net cash flows from investing activities</b>		(5,512)	(4,307)	(24,411)	(7,332)

(in thousands of USD)	Notes	Q4 2024	Q4 2023	FY 2024	FY 2023
<b>Cash flows from financing activities</b>					
Net proceeds from share issue		8,490	54,997	14,304	68,204
Proceeds from Revolving Credit Facility		-	-	20,000	-
Lease installments		(19,129)	(10,518)	(69,161)	(34,970)
Movements in restricted cash		-	(500)	2,300	(10,500)
Net interest received/(paid)		(5,477)	(8,034)	(28,187)	(20,808)
<b>Net cash flows from financing activities</b>		(16,116)	35,945	(60,745)	1,925
Effect of foreign currency revaluation on cash		(752)	975	(160)	586
<b>Net change in free cash and cash equivalents</b>		(2,494)	11,760	(29,675)	(25,379)
Free cash and cash equivalents at the beginning of the period		12,148	27,570	39,330	64,709
<b>Free cash and cash equivalents at the end of the period</b>		9,655	39,329	9,655	39,329
Restricted cash at the end of the period	<a href="#">11</a>	13,200	15,500	13,200	15,500
<b>Cash and cash equivalents at the end of the period</b>	<a href="#">11</a>	22,855	54,829	22,855	54,829

## Interim consolidated statement of changes in equity

(in USD thousands except for number of shares and value per share)

	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)
<b>Changes in Equity</b>						
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)
6 December 2024, share issue at USD 0.45 (NOK 5.00) per share	19,278,576	8,686	-	-	-	8,686
6 December 2024, transaction costs at share issue	-	-	(196)	-	-	(196)
Share based employee incentives	-	-	-	279	-	279
Total comprehensive income for the period	-	-	-	-	(135,454)	(135,454)
<b>Balance at 31 Dec 2024</b>	<b>147,802,416</b>	<b>74,596</b>	<b>200,418</b>	<b>588</b>	<b>(486,170)</b>	<b>(210,568)</b>
Balance as at 1 Jan 2023	206,084,314	29,945	162,560	-	(181,970)	10,535
<b>Changes in Equity</b>						
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)
<b>Balance at 31 Dec 2023</b>	<b>122,211,579</b>	<b>62,954</b>	<b>197,755</b>	<b>309</b>	<b>(350,716)</b>	<b>(89,697)</b>

# Notes to the condensed interim consolidated financial statements

## Note 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 25 February 2025.

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 the destinations New York, Miami, Orlando, Las Vegas, Los Angeles, Cape Town, Berlin, London, Paris, Rome, Athens, Bangkok, Stockholm and Oslo.

## Note 2 Basis of preparation

### 2.1 General

These interim consolidated 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 consolidated 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](http://www.flynorse.com). In the interim consolidated financial statements, 2023 is defined as the reporting period from 1 January to 31 December, and the fourth quarter (Q4) as the one starting on 1 October and ending 31 December. The period 2024 is defined as the reporting period from 1 January to 31 December. For this interim period the Company presents the fourth 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 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. For this quarterly report, the going concern assumption has been evaluated for a period of 12 months following the end of the reporting period. The going concern assumption of the Company is subject to uncertainty.

Being an airline in its build-up phase, the Company has incurred losses over the first periods of operation, and as at 31 December 2024 the reported equity is negative USD 210.6 million.

The Company’s total cash position as at 31 December 2024 is USD 22.9 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 higher than the book equity.

The Company has been through a process of shaping a strategic reorientation for the Company. The outcome of such process is a revised business plan implying the Company allocating a significant portion of its capacity towards longer-term ACMI services, and whereas as the Company is about to secure new contracts supporting the execution of such business plan. The plan implies a more modest capacity allocated to operation of routes within own scheduled network, in turn allowing for the Company focusing its most profitable routes. The revised business plan implies generation of year-round fixed revenue and cash flows, and a de-risking of the business model.

Based on the major contracts about to be entered into, as well as Company's overall plans and ambitions, Norse has prepared financial forecasts that over time show a positive development both in the group's financial results, financial position in terms of equity and in cash position. Forecasts are subject to risks and uncertainties. Some significant risk factors include, but are not limited to, commercial success expressed through achieved load factors and fares, as well as the future development in jet fuel prices. The 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.

Specifically, the Company also is in a position of owing an amount of approximately USD 18 million of historic and overdue passenger taxes to the US Internal Revenue Service (IRS), whereas current tax payments are serviced as they fall due. The US IRS has mechanisms of downpayment of such overdue taxes, under which individual agreements must be entered into. The Company already has started paying down overdue taxes and has proactively entered into a dialogue with the US IRS aiming at establishing a formal plan of downpayment.

The Board of Directors has previously concluded that the transition to the revised business model would require a strengthening of the Company's financial position and therefore decided to secure more capital to the Company. In December an equity direct private placement therefore was completed towards major shareholder BT Larsen & Co Limited affiliated by CEO Bjørn Tore Larsen, for new shares equal to 15% of the outstanding share capital. The issuance was done at NOK 5.00 per share, bringing in the NOK equivalent of USD 8.7 million. In addition, BT Larsen & Co Limited, provided the Company with a new shareholder loan of USD 6.3 million, bringing the total proceeds of new capital up into the amount of USD 15.0 million. The shareholder loan will a final maturity 31 December 2025. The shareholder loan was fully undrawn as per 31 December 2024 and is still undrawn as per 25 February 2025. Further to this, it was agreed with the existing revolving credit facility with the two major shareholders BT Larsen & Co Limited and Scorpio Holdings Limited, should have its final maturity date extended to 31 March 2026.

In December the shareholders of the Company authorized the Board of Directors to launch a repair a subsequent offering if deemed necessary to secure equal treatment of all shareholders. If conducted, such potential repair offering could bring in an additional amount of up to USD 37.5 million of equity capital. The Board of Directors is yet to make a final conclusion if a repair offering should be launched or not. A repair offering is subject to prospectus and should have its subscription period concluded no later than 18 March 2025.

There are several uncertainties affecting the financial position of the Company. This includes but is not limited to factors such as the commercial success of the Company during the winter season, the future development in jet fuel prices, the applied holdback mechanisms of credit card acquirers, the outcome of a downpayment plan to be established with the US IRS for the overdue US passenger taxes, the final outcome of the potential repair offering, as well as general operational risks. On the other hand, there is upside potential on the commercial and financial performance of the Company's own scheduled network, whereas

pre-sales on routes out for sale is trending well above the pre-sales realized at the same time the previous year.

There are scenarios under which the Company is fully financed for the next 12 months of operations, whereas there are other scenarios which would require the Company to secure additional capital to what now is secured.

Based on knowledge of the business plan established for the Company, in the Board of Directors' opinion, there is established a viable plan for the Company to be able to generate profits. In the Board of Directors' opinion, the going concern assumption is present and applies as basis for the Company's financial statements, but under the conditions present, the going concern assumption is subject to uncertainty. In the case that the going concern assumption should not serve as basis for the Company's financial statements, depending on the specific circumstances, some assets of the Company's may carry values lower than the values at which they are presented in these financial statements.



## Note 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.

## Note 4 Segment reporting and revenues

The Company's chief operating decision maker currently reviews the Company's activities on a consolidated basis as one operating segment.

### 4.1 Revenues

(in thousands of USD)	Q4 2024	Q4 2023	FY 2024	FY 2023
Airfare passenger revenue	71,138	58,763	395,249	297,738
Ancillary passenger revenue	19,465	19,521	108,200	81,448
<b>Total passenger revenues</b>	<b>90,602</b>	<b>78,283</b>	<b>503,449</b>	<b>379,186</b>
Cargo	6,590	2,348	20,678	14,277
<b>Total own flights</b>	<b>97,193</b>	<b>80,631</b>	<b>524,127</b>	<b>393,463</b>
Lease income	3,128	8,297	18,805	33,090
Charter and ACMI	21,112	2,452	37,144	5,140
Other revenue	1,685	3,401	8,031	7,744
<b>Total Operating Revenue</b>	<b>123,118</b>	<b>94,782</b>	<b>588,106</b>	<b>439,436</b>

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

## Note 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.

## Note 6 Depreciation and amortization

(in thousands of USD)	Q4 2024	Q4 2023	FY 2024	FY 2023
Depreciation of right-of-use assets	21,516	20,953	85,670	82,667
Depreciation of other tangible assets	536	17	1,314	749
Amortization of intangible assets	262	202	936	687
<b>Total</b>	<b>22,314</b>	<b>21,172</b>	<b>87,920</b>	<b>84,103</b>

## Note 7 Interest expenses

(in thousands of USD)	Q4 2024	Q4 2023	FY 2024	FY 2023
Lease liabilities interest expense	8,932	9,012	36,061	34,673
Other interest expense	1,094	77	2,958	310
<b>Total</b>	<b>10,026</b>	<b>9,089</b>	<b>39,019</b>	<b>34,983</b>

## Note 8 Other financial income/(expenses)

(in thousands of USD)	Q4 2024	Q4 2023	FY 2024	FY 2023
Other financial income/(expense)	857	1,581	1,489	2,129
Foreign exchange gains	(128)	(442)	820	1,110
Foreign exchange losses	783	477	(1,347)	(1,635)
<b>Total</b>	<b>1,511</b>	<b>1,616</b>	<b>962</b>	<b>1,603</b>

## Note 9 Aircraft and other tangible assets

(In thousands of USD)	31 Dec 2024	31 Dec 2023
Aircraft Right-of-Use assets	817,179	891,573
Aircraft rotatable inventory	6,035	6,436
Other Right-of-Use assets	671	46
Other tangible assets	809	802
<b>Total</b>	<b>824,694</b>	<b>898,856</b>

## Note 10 Trade and other receivables

(in thousands of USD)	31 Dec 2024	31 Dec 2023
Trade receivables	8,976	4,103
Other receivables	2,692	2,248
<b>Total</b>	<b>11,668</b>	<b>6,351</b>

**Note 11 Cash and cash equivalents**

(in thousands of USD)	31 Dec 2024	31 Dec 2023
USD	19,339	37,453
NOK	1,542	12,423
GBP	1,462	2,041
EUR	475	2,901
THB	36	13
<b>Total cash and cash equivalents</b>	<b>22,855</b>	<b>54,830</b>
Hereof restricted cash		
USD	13,200	15,500

**Note 12 Shareholder information**

Shareholders of the Company as of 31 December 2024.

Name	Number of shares	Ownership	Voting rights
B T Larsen & Co Limited	43,549,801	29.5%	29.5%
Scorpio Holdings Limited	27,272,419	18.5%	18.5%
Songa Capital AS	4,461,330	3.0%	3.0%
UBS Switzerland AG	3,808,123	2.6%	2.6%
MH Capital AS	2,394,684	1.6%	1.6%
Fender Eiendom AS	2,295,661	1.6%	1.6%
Société Générale	2,043,245	1.4%	1.4%
Vicama AS	2,000,000	1.4%	1.4%
Alto Holding AS	1,911,147	1.3%	1.3%
Skandinaviska Enskilda Banken AB	1,500,000	1.0%	1.0%
UBS AG	1,400,613	0.9%	0.9%
UBS Financial Services INC	1,000,000	0.7%	0.7%
Maximus Invest AS	1,000,000	0.7%	0.7%
Pure AS	997,302	0.7%	0.7%
Kai Vidar Kvade	930,000	0.6%	0.6%
Pegasi AS	917,679	0.6%	0.6%
BNP Paribas	826,535	0.6%	0.6%
Observatoriet Invest AS	785,000	0.5%	0.5%
Valleløkken AS	769,466	0.5%	0.5%
Bryan Charles Khatib Semnani	762,801	0.5%	0.5%
Top 20 shareholders	100,625,806	68.1%	68.1%
Other shareholders	47,176,610	31.9%	31.9%
<b>Total number of shares</b>	<b>147,802,416</b>	<b>100.0%</b>	<b>100.0%</b>

**Note 13 Lease liabilities**

(in thousands of USD)	FY 2024	FY 2023
Opening balance	973,827	961,730
Additions during the period	834	40,304
Interest accrued	30,903	29,844
Installments and interest payments	(99,845)	(58,050)
<b>Closing balance</b>	<b>905,719</b>	<b>973,827</b>
Of which:		
Due within 12 months	79,714	71,680
Due after 12 months	826,005	902,147

Norse by the end of the Period has a fleet of 15 leased Boeing 787 Dreamliners, all under fully fixed lease payments, of which three aircraft are sub-leased with a locked-in margin. The Company has agreed terms with the lessor to early redeliver the three subleased aircraft, whereas such redelivery took place past quarter end, in February 2025, for two aircraft, with the third aircraft pending for expected redelivery in March

**Note 14 Subsequent events**

On 6 February 2025, the Company announced that following the announcement 29 November 2024 regarding the entering into of a letter of intent (the "LOI") for wet lease agreements for six aircraft with a reputable international airline, the Company now had signed a firm wet lease agreement for one aircraft with the Indian airline IndiGo. The aircraft is expected to start operations in March 2025 serving long haul routes out of India. The initial term of the Agreement is six months, extendable to up to 18 months, subject to regulatory approvals. Both Parties remain committed to explore opportunities to further extend this period, subject to regulatory approvals. Norse and IndiGo continue exploring opportunities to contract additional aircraft and increase their collaboration further. The commercial terms of the wet lease agreement for one aircraft are in line with what was communicated by the Company in the announcement of the LOI on 29 November 2024.

In August 2024, the Company announced that it had, in principle, agreed commercial terms with one of its lessors for early redelivery of its three 787-8 aircraft. Two of these aircraft were executed for such redelivery in February 2025, with the third aircraft pending for expected redelivery in March 2025.

Following the Company's announcement 29 November 2024 regarding the entering into of a letter of intent for wet lease agreements for six aircraft with a reputable international airline, the Company on 25 February signed firm wet lease agreements for additional three aircraft with the Indian airline IndiGo, bringing the total number of aircraft contracted with IndiGo up into four. The three additional aircraft will commence second half of 2025.

# 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

APM	Description
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

**Revenue per passenger**

	Q4 2024	Q4 2023	FY 2024	FY 2023
Airfare passenger revenue - USD thousands	71,138	58,763	395,249	297,738
Number of passengers in own network	264,130	224,611	1,342,434	964,094
<b>Airfare per passenger - USD</b>	269	262	294	309
Ancillary passenger revenue - USD thousands	19,465	19,521	108,200	81,448
Number of passengers in own network	264,130	224,611	1,342,434	964,094
<b>Ancillary per passenger - USD</b>	74	87	81	84
<b>Revenue per passenger - USD</b>	343	349	375	393

**PRASK**

(in thousands of USD)	Q4 2024	Q4 2023	FY 2024	FY 2023
Total passenger revenue	90,602	78,283	503,449	379,186
Available seat kilometres in own network (millions)	2,078	2,201	11,391	8,533
<b>PRASK - US Cents</b>	4.36	3.56	4.42	4.44

**TRASK**

(in thousands of USD)	Q4 2024	Q4 2023	FY 2024	FY 2023
Total operating revenue	123,118	94,782	588,106	439,436
Available seat kilometres (millions)	2,599	2,257	12,323	8,672
<b>TRASK - US Cents</b>	4.74	4.20	4.77	5.07

**CASK (cash adjusted)**

(in thousands of USD)	Q4 2024	Q4 2023	FY 2024	FY 2023
Operating profit/(loss)	(25,920)	(56,866)	(97,017)	(135,223)
Add-back:				
Revenue	(123,118)	(94,782)	(588,106)	(439,436)
Fuel, oil and emissions costs	33,102	40,125	183,617	152,527
Depreciation of right-of-use assets	21,516	20,953	85,670	82,667
Cost (adj.) sub-total	94,421	90,569	415,837	339,465
Available seat kilometres (millions)	2,599	2,257	12,323	8,672
<b>CASK (cash adjusted) - US Cents</b>	3.63	4.01	3.37	3.91

**CASK (excluding fuel)**

(in thousands of USD)	Q4 2024	Q4 2023	FY 2024	FY 2023
Operating profit/(loss)	(25,920)	(56,866)	(97,017)	(135,223)
Add-back:				
Revenue	(123,118)	(94,782)	(588,106)	(439,436)
Fuel, oil and emissions costs	33,102	40,125	183,617	152,527
Cost (adj.) sub-total	115,936	111,522	501,507	422,132
Available seat kilometres (millions)	2,599	2,257	12,323	8,672
<b>CASK (excl. fuel) - US Cents</b>	<b>4.46</b>	<b>4.94</b>	<b>4.07</b>	<b>4.87</b>

**CASK**

(in thousands of USD)	Q4 2024	Q4 2023	FY 2024	FY 2023
Operating profit/(loss)	(25,920)	(56,866)	(97,017)	(135,223)
Add-back:				
Revenue	(123,118)	(94,782)	(588,106)	(439,436)
Cost sub-total	149,038	151,647	685,124	574,659
Available seat kilometres (millions)	2,599	2,257	12,323	8,672
<b>CASK - US Cents</b>	<b>5.73</b>	<b>6.72</b>	<b>5.56</b>	<b>6.63</b>

# Responsibility Statement

We confirm that, to the best of our knowledge, these interim condensed consolidated financial statements for the period ended 31 December 2024, which have been prepared in accordance with IAS 34 - Interim Financial Reporting, give a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the interim report includes a fair review of the information under the Norwegian Securities Trading.

Arendal, 25 February 2025

The Board of Directors and CEO of Norse Atlantic ASA





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