NORSE

Annual 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.

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Letter from the CEO

Dear shareholders

In 2024, we at Norse Atlantic took new steps towards building a sustainable and profitable airline, making long haul travel affordable for more people. Into the summer season the fleet in Norse's own operations was scaled up from 10 to 12 aircraft, and together with improved performance of filling the aircraft, Norse experienced significant volume growth throughout the year.

The number of flights went from 4,002 in 2023 to 5,402 in 2024, a growth of 35 per cent. And as load factor went from 74 per cent in 2023, to 84 per cent in 2024, a 10 per cent-points increase, these factors combined took number of passengers up by 49 per cent, from 980 thousand in 2023 to 1.46 million in 2024. And again, our operations team demonstrated their ability to handle large growth as 99.6 per cent of all flights was completed as planned, whereas most interruptions were due to external factors such as adverse weather conditions or third-party operational disturbances.

The summer season was negatively affected by increased transatlantic market capacities, and over the year revenue per passenger came in at USD 375, which was 5 per cent down from 2023. Driven by the volume growth, passenger revenue however saw large growth, increasing by 33 per cent from 2023 to 2024. Cargo revenue increased by 45 per cent from 2023 to 2024, which is above the general capacity increase. The sub-lease income was down in 2024 as two aircraft were moved from sub-leases to own operations. Following our increased emphasis on charter and ACMI, charter revenue on the other hand increased seven-fold from 2023 to 2024, ending at USD 37 million for the year. All in all, revenue went from USD 439 million in 2023 to USD 588 million in 2024, a 34 per cent increase equalling to USD 149 million uplift of revenue.

Aiming for our low cost being best in class, we saw the year average CASK ex fuel coming down to 4.1 US cents, representing a decrease of 16 per cent compared to the year average of 2023. Norse Atlantic continues its relentless focus on cost into 2025, aiming at bringing these levels further down.

Although improving both operating margins and net margins and seeing intra-year improvements, the Company is still carrying losses, and we initiated major initiatives both to increase revenues and decrease costs to achieve sustainable profitability.

On the commercial side we developed a new approach during the second half of the year, applying science-based methods and data-driven product development facilitated by a new-built tech team. Great results have already been delivered as the fourth quarter load factor came out at 92 per cent, a 22 per centage-points improvement from the same quarter the year before. The first months of 2025 have shown that load factor is sticking at high levels spite being in the typically low winter season. We also see that sales and forward load factor build for all quarters of 2025 is trending well above the corresponding numbers of 2024. In 2024 we connected to a light global distribution system (GDS), and we will build further presence on GDS in 2025, allowing for broader distribution of our affordable fares.

After the year-end Norse Atlantic entered into longer-term ACMI contracts with India's largest airline IndiGo for the wet lease of four of our Dreamliners. Such allocation of fleet capacity allows for Norse Atlantic to de-risk the business model as we secure year-round fixed revenue for a sizeable part of the fleet. It also allows for Norse Atlantic to improve profitability of our own scheduled network as focus going forward will be on the routes that has proven most profitable.

Norse Atlantic maintains its relentless focus on reducing cost, both significantly reducing the overheads as well as better aligning crew bases with the network and improving aircraft utilization.

To further support the streamlining of the Company, we made the decision to early redeliver to the head lessor the three 787-8 aircraft having been subleased. The aircraft were redelivered first quarter of 2025, which then comes with a significant accounting gain. The redeliveries leave us with a fully uniform fleet of 787-9 aircraft only, a fleet being more flexible from a commercial perspective, as well as even more efficient from a cost perspective.

Heading into the 2025 summer season the fleet consist of 12 aircraft of which 11 operates mainly in our own scheduled network and one is fully dedicated to IndiGo wet lease. During the fall, number of aircraft servicing our own network will move to eight, whereas number of aircraft at IndiGo wet leases will increase to four. We believe that this represents a good balance between risk and reward of serving our own scheduled network and picking up on other opportunities offered by a market of widebody capacities being at scarce capacity.

We still have lots of work ahead of us, but we love what we do, and we are looking forward to the summer season and continuing our path towards building a profitable and sustainable future of Norse, and as well as continue making transatlantic travel affordable for all!

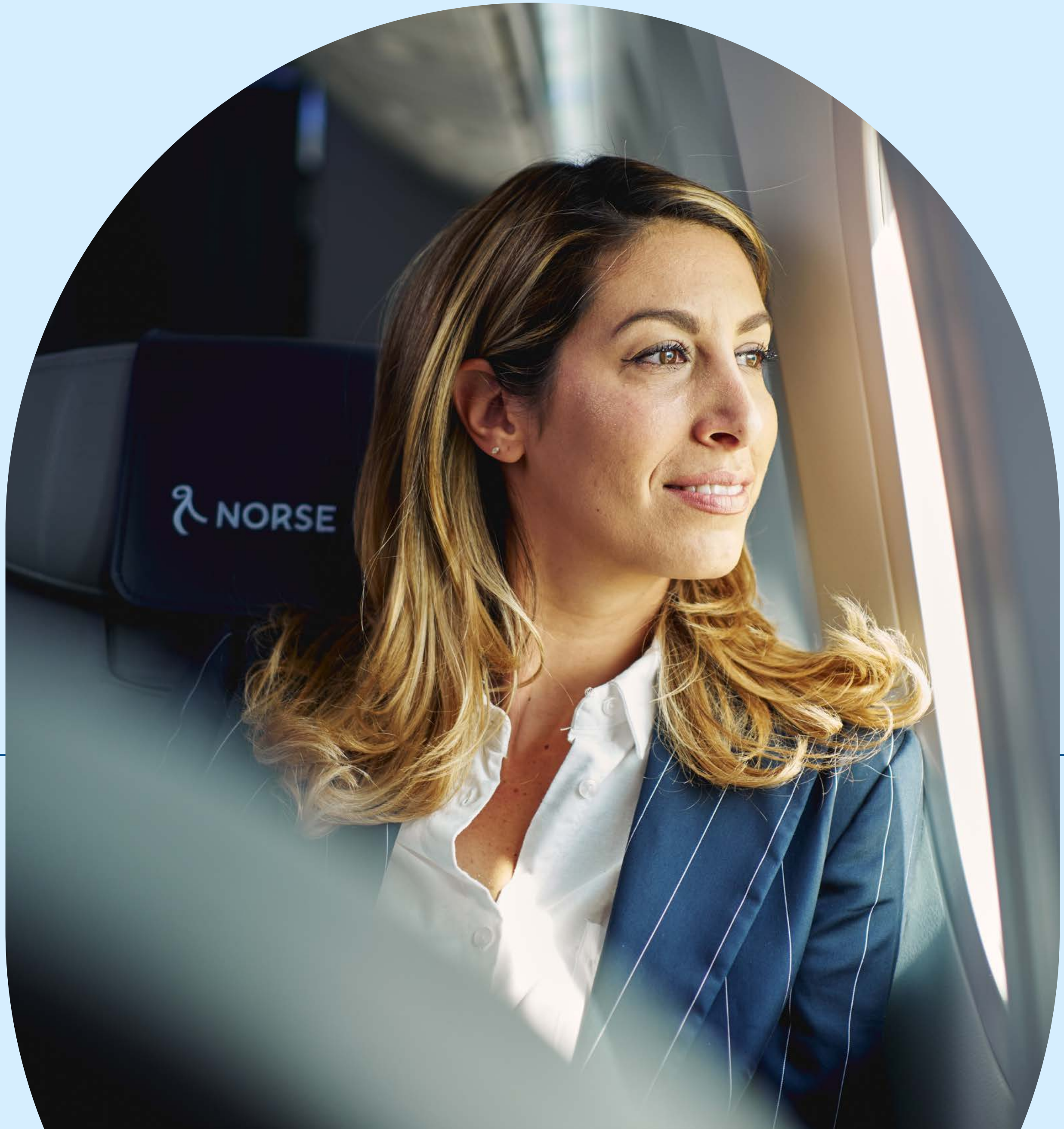
Welcome aboard!

Sincerely,

Bjørn Tore Larsen
CEO and Founder

Board of Directors' report

Year in review



About Norse Atlantic Airways

Norse Atlantic ASA ("Norse") is a public limited company listed on the Euronext Expand Oslo and is a company incorporated under the laws of Norway.

Its registered office is Fløyveien 14, 4838 Arendal, Norway. Norse is an affordable long-haul airline established in 2021 that serves the transatlantic market with modern, fuel-efficient Boeing 787 Dreamliners. Norse's headquarters are located in Arendal, Norway, and has offices in Fort Lauderdale, USA, Paris, France, Riga, Latvia and London Gatwick, UK, as well as an aircraft maintenance competence satellite at Oslo Gardermoen, Norway. Norse holds a Norwegian AOC (Air Operator's Certificate) through Norse Atlantic Airways AS and a UK AOC through Norse Atlantic UK Ltd. The AOC entities are 100 per cent owned by Norse Atlantic ASA. The Company has a branch in France and wholly owned subsidiaries in Norway, Latvia, the UK, and the USA. Norse Atlantic ASA and its subsidiaries combined, in this annual report are commonly referred to as "Norse", "Norse Atlantic Airways", or the "Company".

As of 31 December 2024, Norse holds a fleet of 15 aircraft, of which 12 are 787-9 aircraft under its own operations, as well as three 787-8 aircraft subleased to a third party. The three subleased aircraft were early redelivered to the head lessor during first quarter of 2025 to secure an even more streamlined fleet.

Norse commenced its commercial operations in June 2022, flying approximately four aircraft in its own operations during the first 12 months of operations, increasing to 10 aircraft from summer 2023, and further up to 12 aircraft from summer 2024. Norse currently serves a scheduled network across the destinations New York, Orlando, Miami, Las Vegas and Los Angeles in the US, to Berlin, London, Paris, Rome, Athens, Stockholm and Oslo in Europe, as well as flying from Europe to Cape Town and Bangkok.

In addition to scheduled flying, Norse provides charter and ACMI flights for third parties, particularly during the lower demand winter season. As from the first quarter of 2025, the Company will wet lease aircraft to the Indian airline IndiGo on longer term contracts, starting out with one aircraft, gradually increasing up to four aircraft during the second half of 2025, securing the Company year-round fixed revenue.

Key figures

(USD million or as stated)	2024	2023
Revenue	588.1	439.4
EBITDAR[1]	(0.9)	(18.0)
Operating profit (EBIT)	(97.0)	(135.2)
Net profit	(135.5)	(168.6)
Net cash flow from operations	55.6	(20.6)
Book equity	(210.6)	(89.7)
Cash and cash equivalents	22.9	54.8

(USD million or as stated)	2024	2023
Number of flights	5,402	4,002
Number of operating destinations at period end	13	13
Average stage length (km)	6,733	6,426
ASK[1] (millions)	12,323	8,672
RPK[1] (millions)	10,343	6,448
Number of passengers	1,460,245	979,913
Load factor[1]	84%	74%
Airfare per passenger (USD)[1]	294	309
Ancillary per passenger (USD)[1]	81	84
Revenue per passenger (USD)[1]	375	393
PRASK (US cents)[1]	4.42	4.44
TRASK (US cents)[1]	4.77	5.07
CASK cash adjusted (US cents)[1]	3.37	3.91
CASK excl. fuel (US cents)[1]	4.07	4.87
CASK (US cents)[1]	5.56	6.63
Number of aircraft in fleet at period end	15	15
Number of aircraft in operation at period end	12	10
Number of aircraft subleased out at period end	3	5

Revenue

588.1

439.4

EBITDAR[1]

(0.9)

(18.0)

CASK excl. fuel (US cents)[1]

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4.87

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Load factor

84%

74%

Number of passengers

1,460,245

979,913

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

Business highlights

2024 was Norse's second full year of operations, during which the Company scaled up its own operations from 10 to 12 aircraft and introduced new destinations such as Athens, Cape Town and Las Vegas. The Company over the year carried almost one and a half million passengers across 5,400 flights. Compared to 2023, number of passengers were up by 49 per cent and number of flights were up by 35 per cent. Norse's Available Seat Kilometres (ASK) increased by 42 per cent in 2024 compared to the previous year.

The Company recorded an average load factor of 84 per cent in 2024 compared to 74 per cent in 2023. Following improvements in commercial approach, the Company showed strong load factors over the last few months of 2024, resulting in an average load factor of 92 per cent in the fourth quarter of 2024, and with the strong trend continuing into 2025.

The Company's robust operational performance was again demonstrated in 2024 as 99.6 per cent of all scheduled flights were completed as scheduled during another period of substantial growth.

Norse recorded an average Revenue per passenger of USD 375 in 2024, 5 per cent down from USD 393 in 2023, following there being overcapacities and pressure on prices in the transatlantic market during parts of the year. In 2024, Norse achieved an ancillary revenue exclusive of bundles of USD 81 per passenger, compared to USD 84 per passenger in 2023, still maintaining its relatively strong position on ancillary revenue compared to that of peers.

Cost per ASK (CASK) ex. fuel was reduced by approximately 16 per cent from 2023 to 2024, coming in at US cents 4.07 compared to US cents 4.87 in 2023. The improved CASK mainly comes from Norse building further scale to its operations.

In a market characterized by scarce widebody capacities, Norse has experienced increasing demand for charter and ACMI. Norse has taken opportunities from this, especially during the traditional seasonal lows, and completed 608 charter and ACMI flights in 2024 compared to 71 flights in 2023. In 2023 charter and ACMI represented 2 per cent of Norse's production, whereas this increased to 11 per cent in 2024. Charter and ACMI contributed with revenue of USD 37 million in 2024, with the two main customers being the cruise lines P&O Cruises and the Italian airline Neos.

Norse completed a repair offering of shares on 2 February 2024, raising new equity capital of USD 5.8 million. On 6 December 2024, Norse raised equity capital of another net USD 8.5 million through a private placement directed towards major shareholder BT Larsen & Co Limited. Total additional equity capital raised during 2024 was net USD 14.3 million. To further strengthen the financial position of the Company, the Board of Directors on 12 April 2024 decided to accept a shareholder loan offered by the two largest shareholders BT Larsen & Co Limited and Scorpio Holdings Limited in the total amount of USD 20 million with a final maturity date later set at 31 March 2026. Further to this, the Board of Directors on 29 November 2024 decided to enter into an additional shareholder loan offered by major shareholder BT Larsen & Co Limited in the amount of USD 6.3 million with a final maturity date of 31 December 2025. The latter loan remains fully undrawn as per 31 December 2024.

On 28 August, Norse announced that it in principle had agreed terms with one of its head lessors for early redelivery of three 787-8 aircraft at favourable terms. These aircraft have been subleased to an external third party since they were originally delivered to Norse, had relatively short remaining lease terms and carried a different configuration than the rest of the fleet in terms of cabin and certain technical specifications. Returning these aircraft would leave Norse with a uniform, flexible and cost-efficient 12 aircraft fleet of 787-9 aircraft only. The three aircraft were redelivered during the first quarter of 2025, which will come with a significant accounting gain.

In February 2025, after the year-end, Norse entered into longer-term ACMI contracts with India's largest airline IndiGo for the wet lease of four of our Dreamliners, one aircraft already commenced in March 2025, and additional three aircraft expected to commence in second half of 2025, post having contributed to the summer program of Norse's own scheduled network. Norse aims for such allocation of capacity to de-risk the business model by securing year-round fixed revenue for a significant part of the fleet.

Business and strategy

Norse's vision is to be "The Explorer's Airline." Inspired by the Norsemen and Norsewomen who travelled and explored the world with their state-of-the art longships, Norse Atlantic enables people the opportunity to explore other continents by offering affordable flights onboard modern and fuel-efficient Boeing 787 Dreamliners. The Group's strengths and strategy is focused on giving customers value, the Norse culture, and the Company's low cost base.

The Company provides two main passenger services by providing an affordable scheduled carrier service as well as providing charter and ACMI services to third parties. Norse is a point-to-point low-cost long-haul carrier, with a demand driven approach focusing on both leisure and smart business travellers who value an affordable, high-quality product. Norse mainly focuses on thick, profitable transatlantic routes where there is high passenger demand.

Norse does charter and ACMI (Aircraft, Crew, Maintenance and Insurance) charters for third parties, firstly with a focus on providing such services at times when demand for scheduled traffic is lower on the routes Norse services. Now Norse has taken it a step further, allocating one third of its fleet's capacity to wet leases with the Indian airline IndiGo, securing a base of year-round fixed revenue. During the low season Norse may allocate further capacity to charter and ACMI on shorter-term and ad-hoc basis.

Norse is able to offer affordable tickets due to its low cost base, including having secured one of the most fuel- and cost-efficient aircraft, the Boeing 787 Dreamliner at attractive and historically low lease rates. Lease contracts are for long durations up until 2038 for the longest contracts, and under fixed lease rates with no inflationary or other price adjustment features. Still being a young airline enables Norse an unprecedented opportunity to establish a best-practice and cost-efficient airline without prior financial restraints.

The Group's pricing strategy focuses on providing an unbundled affordable entry level fare and charging either as a bundle for a set fee or as additional items priced individually, allowing the customer to choose what they pay for. The Company offers cost-conscious business travellers, as well as premium leisure customers, a Premium product. Norse Premium Class includes upgraded meal options, priority check-in and boarding, on-board amenities like pillows and blankets, and seats with an industry-leading 43-inch pitch. Norse Premium Class aims to offer customers superior value compared to competing business class products, by offering an equivalent travel experience at an attractive price point.

Industry and market overview

Market introduction

The long-distance market[1] is estimated to constitute more than 90 per cent of the total airline market, according to statistics represented in Boeing's June 2023 market update[2]. The long-distance market has increased 5.1 per cent per year (compounded) over a 25-year period until 2019 (pre-COVID).

Air travel continues to experience steady growth, and despite the lingering effects of the pandemic, actual demand aligns closely with pre-COVID estimates according to Boeing Analysis (2024)[3]. Overall, macroeconomic fundamentals remain favourable for sustained growth, with GDP rising, inflation slowing, and interest rates declining. As such, travel remains a priority for consumers according to Boeing (2024), with a significant portion of passengers planning to travel more frequently and for longer durations than before the pandemic.

Aviation plays a critical role as an enabler in an increasingly interconnected world. The global airline network has doubled since 2004, and remains highly competitive, where 90 per cent of routes are served by multiple airlines. By helping to keep air travel affordable airlines collectively have delivered a stable global passenger yield over the past 20 years, even as global consumer prices have nearly doubled in the same period. The affordability of tickets can largely be attributed to improved fleet efficiency, driven by advancements in technology, and more fuel-efficient aircraft. Allowing for enhanced productivity and improved regulatory. In total, airlines have been able to optimize load factors, further contributing to cost-effective ticket pricing.

Opportunities

The Company has leased out five and since three aircraft to another airline since 2022, first for an initial period of 18 months with subsequent extensions/renewals. This allowed the Company to phase in the total of 15 aircraft gradually and generate revenue from all aircraft during the ramp-up period. During 2024 the Company reviewed the strategy and concluded that the market, known as ACMI operation, carriers' attractive benefits in form of lower risk and earnings potential, and therefore extended this. Meanwhile, the Company also capitalized on three aircraft leases by agreeing commercial terms for returning them to the leasing company against a cash consideration to the Company. The three aircraft were executed for redelivery first quarter of 2025. Upon completion, the Company has 12 aircraft partly operated on its own scheduled network, as well as through charters and ACMI. Pursuant to the IndiGo agreements, the Company has phased in one aircraft on a longer-term ACMI contract in Q1 2025, with an additional three aircraft expected to be added to such longer-term contract from the second half of 2025. From Q4 2025 and onwards the Company expects to have a third of its operated capacity on ACMI and charter contracts, whereas the remainder of the capacity will be assigned to its own scheduled network. Norse Atlantic is well positioned for 2025 with significant higher utilization of aircraft and production capabilities, addressing the known growth in demand and capacity between US and Europe. Furthermore, Norse Atlantic increased capacity between Europe and Asia, and continue resilient connection between UK and South Africa.

[1] Flights that are longer than 500 miles (approximately 800 kilometres).
[2] Source: Boeing, Commercial Market Outlook, 15 June 2023
[3] Source: Boeing, Commercial Market Outlook, 16 July 2024

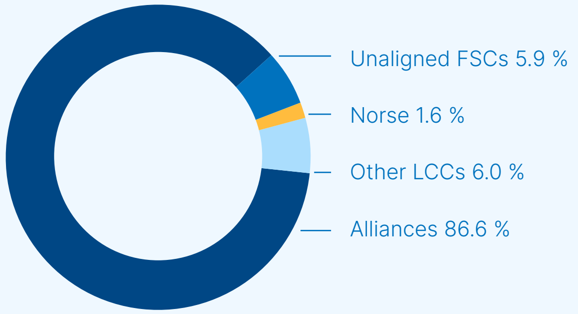
Competitive situation

The transatlantic market is dominated by three large airline alliances – SkyTeam, Oneworld, and Star Alliance – who by 2024 have 86.6 per cent market share, up from 80.7 per cent pre-Covid (see chart 1, below) In 2024, 7.6 per cent of the market was provided by Low-Cost Carriers ("LCC"), of which Norse Atlantic has a share of 1.6 per cent. Norse Atlantic has proven its existence by capitalize on the void left behind in low-cost operator presence when the main LCC operator left the market in 2020. The 2024 return of LCC market share demonstrate the demand for such service to the markets, even with a stronger consortium of Alliance offerings.

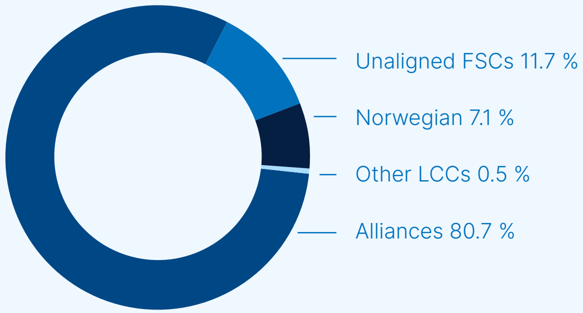
Norse operates in markets that are either operated solely by full-service operators or markets where low-cost presence already exists. However, in both types of markets, Norse is able to co-exist next to full-service and low-cost operators alike. This is demonstrated in four (out of five) of Norse Atlantic's New York routes from Europe, all of which have significantly grown in available seat capacity between Summer 2019 and Summer 2024. Even though these routes saw substantial growth in figures and a large number of competitors, Norse was able to generate strong traffic on its routes and establish its position in the market. This is reinforced by the fact that Norse has been able to achieve origin and destination (O&D) passenger market shares between 10 per cent and 20 per cent on the majority of its transatlantic routes in the first full summer season of operations. These passenger shares have outpaced Norse's seat capacity shares on all transatlantic routes. Demand for several of these routes is believed to have been stimulated by the entry of Norse's low-cost business model and captured from other carriers through the attractive price point.

Looking specifically at airport-level competition, Norse Atlantic faces head-to-head competition on some of its transatlantic routes, while several routes are operated solely by Norse. For example, of the seven routes operated from London Gatwick, the Group operated four routes without any head-to-head competition. As presented in the charts, routes where Norse competes directly with other carriers have various degrees of competition. The head-to-head competition trend has remained relatively similar compared to the competition levels prior to the COVID-19 pandemic, with some exceptions, mainly in the London market due to Virgin Atlantic's network shift to London Heathrow.

Passenger market shares in 2024



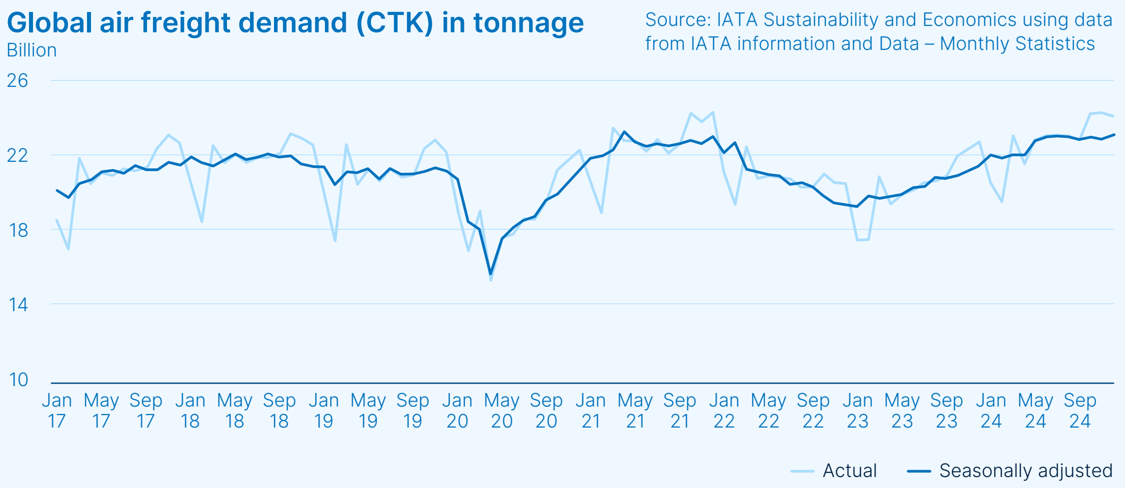
Passenger market shares in 2019



Market segment cargo

Cargo 2024 global market development

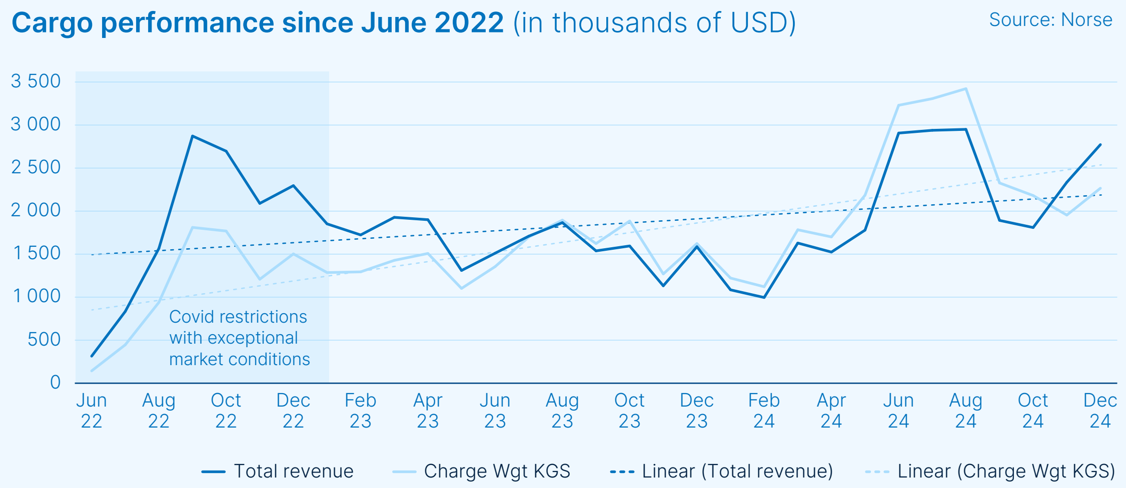
The global demand increased during 2024, rising 6.1 per cent year-over-year (YoY), marking 17 consecutive months of growth. The full year 2024 saw industry-wide demand (CTK) surpass 2023 levels by 11.3 per cent, setting a new record by exceeding 2021's volumes. The Asia-North America trade lane, the largest in cargo volume, saw an 8 per cent annual rise in cargo demand. All regions and trade lanes saw growth averaging over 5 per cent for the full 2024. Global air cargo capacity, measured in Available Cargo Tonne-Kilometres (ACTK), increased by 7.4 per cent compared to 2023.



The E-commerce demand continues to push yields up in Asia during 2024, resulting in relocation of freighter capacities into this region. The yield development between Europe and North America (the biggest area/capacity share for Norse) continues to be under pressure due to the imbalance demand vs capacity. This has resulted in a decrease of freighter capacities on this sector during 2024.

Norse cargo 2024 performance

Norse Cargo contribution developed positively during 2024, the second full year of operation since the start of Norse. We increased the flown air cargo tonnage by ca 48 per cent (to ca 26,5 thousand tons) while the yield dropped 16 per cent vs 2023. The graphics below illustrate Norse cargo performance since June 2022 and up to year-end 2024:



UK represents the biggest area of flown cargo tonnages with ca 36 per cent during 2024. Followed by Italy, Norway and France with all together ca 34 per cent of the flown air freight.

Cargo 2025 market outlook

Different sources confirm a cautious optimism in regard to demand growth of ca 4-6 per cent in 2025, which remains tempered by its susceptibility to geopolitical tensions, a subdued manufacturing outlook, and political interventions in an increasingly volatile world. The continued geopolitical tensions, threats of US tariffs, tightened measures of de minimis threshold related to e-commerce, increased security risks from rising global tension, extreme weather and natural disasters pose many uncertainties for this year's global air cargo demand and supply chain. While the threat of further US East Coast port strikes seems to have now been removed, any further disruptions to global ocean freight is likely to see shippers resorting to the predictability of air freight for urgent shipments, triggering further spikes in air cargo rates. October's three-day strike at US ports produced a +12 per cent jump in air cargo volumes month-on-month from Europe to the US.

Market segment charter/ACMI

The charter/ACMI market (Aircraft, Crew, Maintenance & Insurance) is continuing to grow. Increased global demand for air travel, economic upswing and the expansion of regional middle-class demographics. In addition, many operators are experiencing long delays for ordered aircraft and engines. Several airlines have approached Norse requesting to wet lease our aircraft and we expect this to continue for the next few years due to the lack of imminent capacity.

The charter and ACMI market saw a significant growth during the winter season 2024/2025 – across the whole world. During 2024 Norse have been flying to all of the world's seven continents. Asia, Africa, North America and Europe is part of our regular schedule flights and then South America, Antarctica and Australia for external customers. From November 2024 to the end of March 2025 Norse operated close to 700 Charter/ACMI flights compared to around 100 the same period one year earlier.

In addition to short term ACMI contracts and ad-hoc charter flights, Norse has entered into a longer-term agreement with the Indian airline IndiGo for the wet lease of four aircraft, one aircraft commencing March 2025, and the remaining three commencing second half of 2025. The four aircraft will mainly be operated from Europe to India.

Going forward, we foresee Norse to engage less in ad-hoc 'ambulance' charter/ACMI for the benefit of focusing short- and long-term agreements with established airlines and tour operators.

Financial review

Consolidated statement of cash flow

The Company's net decrease in cash and cash equivalents during the year ended 31 December 2024 (the "Period") was USD 32.0 million (USD 14.9 million in 2023), driven by net cash inflow from operations of USD 55.7 million (outflow of USD 20.6 million in 2023), a net cash outflow to investing activities of USD 24.4 million (USD 7.3 million in 2023) and cash outflow of USD 60.7 million (inflow USD 1.9 million in 2023) to financing activities. Cash flow from financing activities include net proceeds of USD 14.3 million from share issue during the Period (USD 68.2 million in 2023). The Company's cash and cash equivalents as at 31 December 2024 was USD 22.9 million, including USD 13.2 million of restricted cash (USD 54.8 million as at 31 December 2023, including USD 15.5 million of restricted cash).

Consolidated statement of financial position

As at 31 December 2024, Norse had gross assets of USD 1,031 million (USD 1,083 million at 31 December 2023), consisting of non-current assets of USD 876.4 million (USD 935.5 million at 31 December 2023) and current assets of USD 154.8 million (USD 147.6 million at 31 December 2023). Current assets consist mainly of USD 111.9 million of receivables (USD 66.6 million at 31 December 2023) and USD 22.9 million of cash and cash equivalents (USD 54.8 million at 31 December 2023). Non-current assets consist mainly of right-of-use assets related to aircraft and associated maintenance assets carrying value of USD 849.5 million (USD 908.9 million at 31 December 2023). Lease liabilities, mainly being aircraft and related assets were USD 905.7 million (USD 973.8 million at 31 December 2023). Other non-current assets, totalling USD 26.8 million, consist of aircraft lease deposits, capitalized software development, and other property plant and equipment (total of USD 26.7 million at 31 December 2023). The Company's total liabilities were USD 1,241.8 million at 31 December (USD 1,172.8 million at 31 December 2023), of which non-current liabilities were USD 921.9 million (USD 960.1 million at 31 December 2023), consisting of USD 826.0 million (USD 902.1 million at 31 December 2023) in lease liabilities, USD 22.1 million of shareholder loan (nil at 31 December 2023) and USD 73.8 million (USD 57.9 million at 31 December 2023) in provisions. The lease liabilities relate to 15 aircraft leased in by the Company and the provisions mainly consist of estimated redelivery costs for the aircraft at the end of the respective lease periods and future periodic maintenance costs. The Company had total current liabilities of USD 319.9 million (USD 212.8 million at 31 December 2023), of which USD 138.9 million were trade and other payables (USD 88.7 million at 31 December 2023), USD 101.3 million were towards the Company's liability for tickets sold but not flown (USD 52.4 million at 31 December 2023) and USD 79.7 million was for the current portion of lease liabilities (USD 71.7 million at 31 December 2023). At the end of the Period, the Company's current assets were lower than its current liabilities by USD 165.0 million (USD 65.1 million as at 31 December 2023). The Company's book equity was negative USD 210.6 million as at 31 December 2024 (negative by USD 89.7 million as at 31 December 2023).

Consolidated statement of comprehensive income

During the Period, the Company recorded a total operating revenue of USD 588.1 million (USD 439.4 million in 2023), consisting of USD 503.4 million in revenues from passengers (USD 379.2 million in 2023), USD 18.8 million from subleases (USD 33.1 million in 2023), USD 20.7 million from cargo (USD 14.3 million in 2023), USD 37.1 million from charter including ACMI (USD 5.1 million in 2023) and USD 8.0 million (USD 7.7 million in 2023) in revenue from other sources. Airfare revenue averaged USD 294 per passenger (USD 309 in 2023) and ancillary revenue was USD 81 per passenger (USD 84 in 2023), an aggregate of USD 375 per passenger (USD 393 in 2023). Total revenue from ticket sold were USD 395.2 million (USD 297.8 million in 2023) and total ancillary passenger revenue were USD 108.2 million (USD 81.4 million in 2023).

The Company's operating expenses excluding depreciation, amortization and aircraft leases during the Period totalled USD 589.0 million (USD 457.4 million in 2023), consisting of USD 131.7 million in personnel expenses (USD 99.8 million in 2023), USD 409.6 million in aircraft operating costs (USD 320.2 million in 2023) and USD 47.7 million (USD 37.5 million in 2023) in marketing, distribution and administrative costs. Variable aircraft lease expenses were USD 8.2 million (USD 33.1 million in 2023), which is the amount the Company paid in cash for power-by-the-hour aircraft lease costs. Norse recognized USD 87.9 million of depreciation and amortization during the Period (USD 84.1 million in 2023), of which USD 85.5 million related to amortization of the aircraft right-to-use assets (USD 82.5 million in 2023). Net financial expense for the Period was USD 38.1 million (USD 33.4 million in 2023), including USD 36.1 million in lease accounting interest cost (USD 34.7 million in 2023). The Company recorded a net loss for the Period of USD 135.5 million (USD 168.7 million in 2023), of which USD 23.8 million related to non-cash lease accounting costs (USD 59.7 million in 2023). The Board of Directors propose that the net loss is transferred to accumulated losses.

Parent company's unconsolidated financial statements

Norse Atlantic ASA (the "Parent") is a holding company and the parent company of the Norse Atlantic Airways group of companies ("Norse") comprising Norse Atlantic ASA and its underlying subsidiaries. In addition to owning the subsidiaries, the Parent has entered into aircraft leases with external lessors and has subleased the aircraft to its subsidiaries and third-party customers.

During the Period, the Parent's net cash outflow to operating activities was USD 11.5 million (inflow of USD 29.3 million in 2023), including USD 29.4 million in negative working capital movement (positive USD 14.5 million working capital movements in 2023). Net cash inflow from investing activities was USD 26.5 million (outflow of USD 69.0 million in 2023) which also includes inflows from loans to subsidiaries of USD 44.7 million (outflow of USD 35.7 million in 2023). During 2024 the Parent raised net proceeds of USD 14.3 million in additional share capital (net proceeds of USD 68.5 million in 2023), which has been used to finance the Parent and its subsidiaries. Net cash outflow to financing activities for the Period was USD 33.7 million (inflow of USD 33.5 million in 2025), after lease instalments of USD 66.2 million (USD 26.6 million in 2023) and net paid interest of USD 4,0 million (net received USD 2.1 million in 2023). Cash and cash equivalent at the end of the Period was USD 13.6 million (USD 34.4 million at yearend 2023), including USD 13.2 million (USD 15.5 million in 2023) held in restricted bank accounts.

Gross assets of the Parent as at 31 December 2024 were USD 924.1 million (USD 1,021.0 million at 31 December 2023). Non-current assets were USD 834.9 million (USD 901.3 million at 31 December 2023), consisting of USD 732.4 million in non-current receivables from subsidiaries (USD 716.4 million at 31 December 2023), USD 53.6 million in aircraft and other tangible assets (USD 151.6 million at 31 December 2023), USD 14 thousand in investments in subsidiaries (USD 8 thousand at 31 December 2023) and USD 48.8 million in other non-current assets (USD 33.3 million at 31 December 2023). USD 729.0 million of non-current receivable from subsidiaries are related to the 12 aircraft (10 in 2023) that are subleased to the subsidiaries (USD 706.7 million at 31 December 2023).

The Parent's book equity value was USD 3.1 million at 31 December 2024 (USD 56.4 million at 31 December 2023), while total liabilities were USD 920.9 million (USD 964.6 million at 31 December 2023). Non-current liabilities were USD 828.7 million (USD 881.1 million at 31 December 2023), consisting of USD 776.8 million in aircraft lease liabilities (USD 850.4 million at 31 December 2023) and a provision of USD 29.9 million (USD 30.6 million at 31 December 2023) that represents the estimate of redelivery costs for the aircraft at the end of the respective leases. The Parent had current liabilities of USD 92.2 million (USD 83.6 million at 31 December 2023), of which USD 15.7 million were trade and other payables (USD 14.7 million at 31 December 2023) and USD 76.5 million being lease liabilities payable within one year from the end of the Period (USD 68.8 million at 31 December 2023).

The Parent's total revenue for the Period was USD 31.6 million (USD 33.1 million in 2023), hereof USD 18.8 from subleasing of aircraft to a third party (USD 33.1 million in 2023) and USD 12.7 million of gain from cancellations of subleases (nil in 2023). The Parent recorded an operating loss of USD 64.8 million (USD 183.8 million in 2023), after recognizing impairment losses of USD 66.3 million (USD 171.3 million in 2023). Net loss for the Period was USD 67.8 million (USD 187.3 million in 2023). The Board of Directors propose that the net loss is transferred to accumulated losses.

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 annual 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 could be 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, whereas the Company has secured 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 entered into, as well as the 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 per cent of the outstanding

share capital. The issuance was done at NOK 5.00 per share, bringing in the NOK amount 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 has a final maturity 31 December 2025. The shareholder loan was fully undrawn as per 31 December 2024 and is still undrawn as per 29 April 2025. Further to this, it was agreed that 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.

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, 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.

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.

Financial risk

Overview

As of 31 December 2024, the Company carries interest-bearing liabilities in the form lease liabilities and shareholder loan. As at the yearend, the Company's principal financial assets are its cash deposits held with the banks. The Company's primary financial risks relate to market risk, credit risk and liquidity risk.

The table below shows the carrying value of Norse's financial assets and liabilities.

Financial assets

(in thousands of USD)	31 Dec 2024	31 Dec 2023
Aircraft lease deposits	16,502	16,048
Other non-current assets: Maintenance reserve payments	32,338	17,277
Credit card receivables	100,245	60,214
Other receivables	11,668	6,351
Other current assets: Deposits	3,607	1,799
Other current assets: Prepayments	11,861	20,970
Cash and cash equivalents	22,855	54,830
Total financial assets at amortised cost	**199,076**	**177,490**

Financial liabilities

(in thousands of USD)	31 Dec 2024	31 Dec 2023
Shareholder loan	22,056	-
Lease liabilities non-current	826,005	902,147
Deferred passenger revenue	101,289	52,394
Trade and other payables	138,864	88,699
Lease liabilities current	79,714	71,680
Total financials liabilities at amortised cost	**1,167,929**	**1,114,920**
Total net financial liabilities at amortised cost	**968,852**	**937,430**

Foreign currency risk

The Company has exposure to the risk of changes in foreign exchange rates related to its cash and cash equivalents held in foreign currencies. As at 31 December 2024 15 per cent of the Company's cash and cash equivalents are held in foreign currencies. The following table represents the Company's cash balance's exposure to foreign currencies:

(in thousands of equivalent USD)	31 Dec 2024	31 Dec 2023
Cash and cash equivalents held in foreign currencies		
NOK	1,542	12,423
GBP	1,462	2,579
EUR	475	2,901
THB	36	13
Total Cash and cash equivalents held in foreign currencies	**3,515**	**17,915**
Cash and cash equivalents held in USD	19,339	36,915

There is also foreign exchange rate risk present in the current line items 'Credit card receivables', 'Deferred passenger revenue' and 'Trade and other payables'.

Around 70 per cent of the Company's passenger revenues are denominated in USD, and all cargo revenue and aircraft lease revenues including charter/ACMI are in USD, hence the majority of revenues are in USD. The major operating costs, including fuel cost and aircraft lease cost, are denominated in USD, while airport and personnel costs are denominated in a mixture of USD, GBP, EUR and NOK, depending on the location of the operation. The Company has a somewhat similar revenue-to-cost ratio in the four main currencies of USD, GBP, EUR and NOK. Currently, the Company has not entered into any currency risk hedging arrangements outside of the natural hedges being inherent in the assets, liabilities and cash flows of the business activities.

The following table shows the impact on the Company's profit or loss as at 31 December 2024 from a +/- 10 per cent change in foreign exchange rates of the currencies representing the largest exposure to foreign exchange rate risk:

(in thousands of USD)	NOK	GBP	EUR
Effect on profit and loss of FX rate +10%	1,068	(1,222)	(197)
Effect on profit and loss of FX rate -10%	(1,068)	1,222	197

Interest rate risk

The Company has limited exposure to changes in interest rate as it does not have any external interest-bearing debt other than that following from leases carrying fixed interest rates. The Company is exposed to interest rate risk on cash held at bank. The Company does not currently hedge its interest risk. The following table presents the estimated effect on profit or loss from one percentage point change in interest rates:

(in thousands of USD)	
Effect on profit and loss of interest rate +1%	8
Effect on profit and loss of interest rate -1%	(8)

Liquidity risk

The objective of the Company's liquidity risk management is to ensure that the Company maintains sufficient cash balance to prepare the Company ready for its operations and take it well into its operational phase. The Company's senior management closely monitors the movement in the Company's liquidity position on a weekly basis and forecasts for liquidity reserves based on expected cash flows.

The following table shows the maturity profile of the Company's financial liabilities as at 31 December 2024 based on the contractual payment terms. The amounts disclosed below are undiscounted cash flows.

2024

(in thousands of USD)	Within 6 months	6–12 months	1–2 years	3–5 years	More than 5 years	Total
Aircraft lease payments	50,220	50,220	100,440	200,880	611,255	1,013,015
Other lease payments	4,017	4,017	7,996	16,017	49,925	81,973
Total of lease liabilities	54,237	54,237	108,436	216,897	661,180	1,094,988
Shareholder loan	-	-	26,316	-	-	26,316
Deferred passenger revenue	26,335	74,954	-	-	-	101,289
Trade and other payables	138,864	-	-	-	-	138,864
Total as at 31-Dec-2024	**219,437**	**129,191**	**134,752**	**216,897**	**661,180**	**1,361,457**

2023

(in thousands of USD)	Within 6 months	6–12 months	1–2 years	3–5 years	More than 5 years	Total
Aircraft lease payments	42,644	49,220	100,440	200,880	711,685	1,104,869
Other lease payments	4,008	4,059	7,907	15,723	57,485	89,182
Total of lease liabilities	46,652	53,279	108,347	216,603	769,170	1,194,051
Deferred passenger revenue	52,394	-	-	-	-	52,394
Trade and other payables	88,699	-	-	-	-	88,699
Total as at 31-Dec-2023	**187,745**	**53,279**	**108,347**	**216,603**	**769,170**	**1,335,144**

Credit risk

Credit risk is the risk that a counterparty defaults on its contractual obligations, resulting in financial loss to the Company. The Company is exposed to credit risk primarily from cash held at bank and aircraft lease deposits, as well as credit exposure to commercial customers/credit card institutions. The Company manages its counterparty risk relating to cash held at bank by only holding deposits at reputable international banks and financial institutions. The risk arising from receivables on credit card companies are monitored closely. The Company manages its counterparty risk relating to aircraft lease deposits by entering leases with internationally renowned aircraft lessors. At 31 December 2024 the Company had deposits with AerCap Holdings NV and BOC Aviation Ltd. The Company's fleet by the end of the Period consists of 15 aircraft, of which three were 787-8 aircraft sub-leased to a third-party lessee. Sublease agreements have and will be entered into on standard market terms. To reduce the credit risk, the lessee has paid a deposit equivalent to one month's rent per aircraft. The three subleased aircraft by the end of the Period were agreed to be early redelivered to the head lessor to streamline the fleet of the Company into 787-9 aircraft only. The three aircraft were redelivered to head lessor during the first quarter of 2025.

Capital management

The objective of the Company is to manage capital to ensure a going concern in order to meet operational demands, minimise cost of capital and maximise the return on capital employed. The Company mainly has been financed by equity and lease liabilities following from lease agreements, whereas it in 2024 also has established a shareholder loan in the nominal amount of USD 20 million with its two largest shareholders.

Fuel risk

One of the Company's most material variable costs is, and will continue to be, aviation fuel. The Company's financial performance will be materially affected by fluctuations in the price and availability of such fuel. Both the cost and availability of aviation fuel are subject to economic and political factors beyond the Company's control. Any increase in the price of aviation fuel will have a material adverse impact on the Company's profitability. Norse does not currently have any fuel hedging arrangements in place and thus is fully exposed to fluctuations in the aviation fuel prices. Norse makes an ongoing evaluation as to whether entering into such fuel hedging arrangements is beneficial. Any such hedging arrangements may develop to prove commercially unattractive due to the later development of fuel prices and/or currency exchange rates and may have a material negative impact on the Company and its prospects.

The military invasion of Ukraine in February 2022 and the war between Israel and Hamas on Gaza are among events that have caused increased volatility in aviation fuel prices and the energy markets. The Group has had increased aviation fuel costs, where the jet fuel price has materially increased compared to the price at Company's establishment in 2021. There is significant uncertainty regarding how the price of oil and gas and other commodities will develop in the short and long term, which in turn may affect, directly or indirectly, the fuel price, and the Group's business, financial condition, results of operations, cash flows and prospects may be impacted adversely.

As the Company currently does not hedge its fuel price risk, fuel risk in principle is an operational risk and does not constitute a financial risk per se.

Climate risk

The business activities and assets of the Company are subject to certain aspects of climate risk. The Company is in the aviation industry, representing two per cent of global carbon emissions. The cost of carbon emissions should be expected to increase. In times of increased emission costs, Norse's relative position will be strong as the fleet of Boeing 787 Dreamliners renowned for their carbon emission efficiency. When sustainable aviation fuels become more available and commercially viable, Norse is also committed to transpose to such fuels, in turn potentially reducing direct emission costs.

As temperatures rise and extreme weather events become more frequent, operational disruptions - including increased turbulence, runway restrictions, and heightened risks of storm-related delays - may become more frequent. Coastal airports may be impacted by rising sea levels and flooding impacting operations at short notice. Changing weather patterns can challenge traditional routings and scheduling directly impacting fuel efficiency. All the above potentially comes with higher costs of running the Company's operations.

For assets of the Company being subject to climate risk, the material risk sits with the aircraft right-of-use assets. Such assets in the future potentially can become more expensive to operate during times of increased emission costs, and they can become less competitive as alternative carbon emission-free technology may develop. Such risks may have the consequence of assets decreasing in value, or in the very long run becoming completely obsolete. However, as for now, the fleet of Boeing 787 Dreamliners constitutes the best technology available in terms of carbon emission efficiency, which constitutes a competitive advantage relative to other airlines, and also implying that the Company's assets hold a relatively high resistance towards obsolescence. If the assets in a very long term potentially should become fully impaired and obsolete, the ultimate risk of this does not sit with the Company, as the assets are leased and will be returned to the lessor by the end of the lease terms.

Technical and operational risk

Norse furthermore is subject to risks related to technical and operational matters. Being an airline implies the Company in general being subject to a wide set of laws and regulations. Continuous compliance with all such requirements is a prerequisite for the operations of the Company to run as planned. 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 key suppliers and business partners in relation to aircraft maintenance. The Company's operations furthermore are exposed to potential risks such as strikes, accidents, adverse weather conditions, changes in credit card settlement terms, interruptions in IT systems and more.

People and organization

Sustainability statement

As from the reporting period 2024 Norse is in scope of reporting under the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) such as issued by the European Financial Reporting Advisory Group (EFRAG). Norse's first report under CSRD is presented under a separate Sustainability statement section of this Board of Directors' report. Further to that presented below please refer to that section for further information and datapoints on employees and other social aspects of the business.

Norse culture

Norse believes that our Company culture is a critical success factor of our success. Norse is developing a great team of passionate people who work together to deliver the best experience to our customers. The Company emphasizes a fruitful employer-employee relationship and has engaged in entering agreements with the unions represented with the Company. The Norse values – Inclusiveness, Ownership and Kindness – have been created by the Norse employees for the Norse employees and continue to be the core to our operations and decision making.

Equality and non-discrimination

Norse operates in an international business and working environment and do believe in fostering a culture of diversity and inclusion – we see the build of a global mindset as the best support to the build of a global business. Norse follows applicable laws and regulations in the field of equality and non-discrimination but has not yet adopted any formal policies on such matters. Norse do believe in leading by example, and whereas as equality and non-discrimination is an inherent in the culture and business practices.

The Company aims to provide a workplace with equal opportunities and to prevent discrimination on any basis. Applicants are assessed based on experience, qualifications and skills required for the job. Norse does not employ based on gender and does not discriminate in relation to pay or any employment matters on that or any other basis. Norse's workforce is in fact well diversified in terms of geographic origin, gender and ethnicity.

Gender equality

Out of Norse's total number of employees as of 31 December 2024, 59 per cent are male and 41 per cent are female (compared to 58 per cent respectively 42 per cent as of 31 December 2023). For further break-down of such gender data, please refer to the Sustainability statement.

Women's share of men's wages constitutes 78 per cent for management personnel, 56 per cent for pilots, 98 per cent for cabin crew and 92 per cent for other personnel. It should be noted that wage differences arise from there being several ranks within each of the above group of employees, and the genders' relative representation at each level differs. The majority of our employee groups' salary levels are defined by CBA agreements. This will apply to all airborne personnel, technical and maintenance and operational office staff. Equal work is always equally paid.

D&O insurance

Norse has Directors and Officers (D&O) insurance that covers board members and executives of the Company, including in subsidiaries.

Working environment

In 2024 there was a total sickness leave of 3.2% out of available working days during the Period. The Company focuses development of processes and culture on reporting of Health, Safety and Environment (HSE) incidents. Among incidents reported in 2024, there were reported nine incidents that led to injuries, of which none were severe. Most often it was cabin crew that were exposed to the incidents, leading to minor injuries to legs and back.

Corporate social responsibility

Sustainability statement

As from the reporting period 2024 Norse is in scope of reporting under the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) such as issued by the European Financial Reporting Advisory Group (EFRAG). Norse's first report under CSRD is presented under a separate Sustainability statement section of this Board of Directors' report. Please refer to this section for further information on Norse's work on corporate social responsibility.

Transparency Act

The Company is obliged and committed to comply with the Norwegian Act on enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act). The Act and the duties following from it builds upon the UN Guiding Principles for Business and Human Rights. Norse applies relevant policies internally in its own organisation and externally towards suppliers, carries out risk-based due diligence assessments of own activities and in the supply chain, and implement improvement measures such as appropriate. The Company's yearly statements on the due diligence assessments are made available on the Company's website once approved by the Board of Directors. The Company will publish an updated statement no later than 30 June 2025.

Corporate governance

Norse's governance systems are based on principles set out in the Norwegian Code of Practice for Corporate Governance, as issued by The Norwegian Corporate Governance Board. A separate statement of policies on corporate governance at Norse is included in this Annual Report. Please refer to the below separate corporate governance section of this Annual Report for more information.

Outlook

Following the decision to simplify and harmonize the fleet, Norse is now set up with a uniform fleet of 787-9 aircraft only, being flexible from a commercial perspective, as well as even more efficient from a cost perspective. The Company will continue to benefit from favourable aircraft lease terms for the remainder of the lease terms being in the range of seven to 14 years and an average lease length of 10.5 years. The aircraft leases have no pricing increases nor inflationary adjustments during the lease term. The lease terms are highly favourable compared to current market rates for the aircraft type and provides Norse with a significant cost advantage.

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 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 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 will continue its focus on reducing cost, aiming to being instrumental under the ambition of achieving the lowest cost per unit in the Transatlantic market

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.

Sustainability statement

Chapter 1

ESRS 2 General disclosures

1.1 Basis for preparation

This sustainability statement has been prepared in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) as issued by the European Financial Reporting Advisory Group (EFRAG).

In addition, information and data points following from other EU legislation is presented. A table of all these datapoints are presented in this chapter's sections 1.8 and 1.9, indicating whether datapoints are applicable and where they can be found in the sustainability statement.

The 2024 reporting period covers the period 1 January 2024 to 31 December 2024 (the reporting period) and has been prepared on a consolidated basis in line with the 2024 financial statements. Any critical or material events occurring on or after 1 January 2025 and up until the publication date are also covered in this report.

Norse is a first-time adopter of CSRD in 2024, and this sustainability report is hence the first sustainability report prepared by Norse in accordance with the CSRD framework.

The Company is presenting a double materiality analysis (DMA) as part of its sustainability statement. The DMA covers impacts, risks and opportunities within Norse's own operations, as well as upstream and downstream value chains.

The Company has not omitted any disclosure of any material information due to it being classified information or sensitive information, or it being a specific piece of information corresponding to intellectual property, know-how or the results of innovation.

1.2 Sustainability governance

1.2.1 The Board of Directors

The Board of Directors oversees the sustainability reporting process of Norse and holds the ultimate responsibility for the Company's sustainability reporting under CSRD. The Board has received updates on ESG matters from the Chief Executive Officer via the Audit Committee as part of the CSRD implementation project and has approved this sustainability statement. Going forward, the Board will receive regular updates on ESG matters from the Chief Executive Officer. By the end of the reporting period, the Board has eight members, including three employee representatives (37.5 per cent) and two independent directors (25 per cent). The three employee representatives on the Board are executive members, whereas the three other Board members are non-executive members. Three out of eight Board members are female (37.5 per cent), whereas five are male (62.5 per cent). The Board of Directors does not include members with specific expertise on sustainability and ESG, but several of the Board members are engaged in board roles and executive roles of other international corporations and are continuously building experience on sustainability matters across industries.

1.2.2 The Audit Committee

The Audit Committee is a sub-committee of the Board of Directors. The Audit Committee is in charge of supervising the processes of sustainability reporting, financial reporting, internal controls, risk management and auditing. Such duties, including those of sustainability reporting, are described in the Board of Directors' instructions to the Audit Committee. Going forward, the Board will receive regular updates on ESG matters from the Chief Executive Officer. The Audit Committee is preparing matters on the above topics before they are presented to the full Board for it to provide final approvals. By the end of the reporting period the Audit Committee has three members, hereof one female member (33.3 per cent) and two male member (66.7 per cent). The Audit Committee oversees that appropriate skills and expertise are available for the Company's administrative, management and supervisory bodies on sustainability matters. The Company is in the early stages of its journey towards implementing a structured sustainability agenda, and while we have established a proper fundamental skillset within all bodies and levels of sustainability governance, the Audit Committee will focus on further developing these skillsets in the future.

1.2.3 Executive Management

The Company's Executive Management team, such as lead by the Chief Executive Officer, is in charge of defining Norse's objectives, how the Company monitor progress over such objectives and overseeing the governing policies that address the material impacts, risks and opportunities. By the end of the reporting period the Executive Management has six members, of which one is female (16.7 per cent) and five are male (83.3 per cent). Executive Management does not include members with specific expertise on sustainability and ESG.

1.2.4 Sustainability Management

The Chief Executive Officer has delegated to the Chief Financial Officer to manage the sustainability agenda on behalf of Norse. Reporting on sustainability topics is integrated with the reporting of financials, and there is hence one integrated finance and sustainability reporting function sitting within the finance organization. This integrated function coordinates the Company's various sustainability initiatives in a broad context, ranging from strategic alignment of sustainability efforts, via policies, target setting and action plans, and down to establishing relevant internal controls, data collection, as well as preparing applicable internal and external reporting. The function is centralized and coordinates across the Group, so that the line organization is engaged as appropriate within the various functional areas such as people, procurement and the various elements of operations. The function on a regular basis prepares reporting as appropriate to the beforementioned bodies within Norse's sustainability governance.

The Company has not yet fully implemented a structured methodology for assessing impacts, risks, and opportunities related to sustainability when overseeing its strategy and major business transactions.

1.2.5 Sustainability risk management and internal controls

Being a first-time adopter of CSRD in 2024, the Company is at an early stage of establishing internal controls over the sustainability reporting process, and current internal controls would in general have to be described as less mature. The Company will invest further in the development of processes and associated internal controls in the time to come. For the time being, the Company has not implemented any specialized software system support for the purpose of supporting sustainability reporting. The data forming basis for the KPIs to be reported are sourced from a distributed system landscape inside and outside of the business.

For now, the Company sees itself best served by applying manual processes of collecting, consolidating and controlling applicable sustainability data, but whereas such manual processes in turn are overseen by not yet formalized internal controls. Over some more time, and when the focus of the sustainability reporting has settled in on a set of KPIs and underlying assumptions to apply, the Company may find it appropriate to support the reporting processes by applying more specialized sustainability software.

For completeness and integrity of data, we believe risk levels to be quite moderate for data captured within our own operations, whereas data captured in the downstream value chain is subject to a higher risk. In the latter, the Company is dependent on third party data collection, whereas such data may not be applicable management information for the suppliers themselves, and the data hence not structured and subject to well-established internal controls. Such data therefore suffers risk of incompleteness, and in some cases, data will be calculated using various estimation methods, which create an inherent risk of inaccuracy. The Company applies post-calculation methods as well as analytical methods on data exposed to the above risks to reduce risks of errors and misstatements to acceptable levels.

Currently, there is no direct integration of sustainability-related performance in incentive schemes of the Company as defined by ESRS 2 GOV-3.

1.3 Strategy and business model

Norse's idea is to be the explorer's airline, making long-haul travel affordable for all, operating point to point transatlantic flights at a low cost.

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 in Arendal, Norway. The Company has wholly owned subsidiaries in Norway, Latvia, the UK, and the US.

Established in 2021, Norse is a new affordable long-haul airline that serves the transatlantic market, flying point to point with modern, fuel-efficient Boeing 787 Dreamliners. Norse commenced its commercial operations on 14 June 2022 and currently serves destinations including New York, Florida, Las Vegas, Los Angeles, Cape Town, Berlin, London, Paris, Rome, Athens, Bangkok, Stockholm and Oslo.

By the end of the reporting period, Norse has a fleet of 15 leased aircraft, of which three are dry leased out to another airline, whereas 12 aircraft are operated by Norse. Norse operates in its own scheduled network but does also offer charter services and ACMI services, especially during the winter season. The three dry leased-out aircraft are agreed to be re-delivered to the head lessor early 2025.

For leases, charters and ACMI, sales are based on negotiating and entering bi-lateral B2B contracts, whereas remuneration is fixed or per block hour operated. For operations in own scheduled network, sales mainly are direct B2C sales via the Company's website. Towards the end of 2024, Norse has also connected to global distribution systems (GDS) allowing for additional distribution channels and mixing in more B2B sales in its ticket sales. Operations in our own scheduled network give rise to passenger revenues from fares and ancillary, as well as cargo revenue. Cargo services are B2B activities, whereas sales and delivery are supported by an external cargo agent. Norse has built a maintenance organization carrying out base maintenance on the aircraft

[1] ACMI: Leasing agreement where the lessor provides Aircraft, Crew, Maintenance and Insurance to the lessee in return for a payment based on the number of block hours operated

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operated by Norse, and some spare capacity allows for some minor sales of maintenance services to other airlines.

During the reporting period, passenger revenue is the dominating revenue stream of the Company, whereas from 2025, the Company aims to lease out a significant part of its fleet on longer-term ACMI contracts to secure year-round fixed revenue and de-risking its business model. Passenger revenue's portion of total revenue is therefore expected to decline, whereas the leasing revenue portion is expected to increase. When it comes to airborne personnel, Norse sources all its pilots and crew members through direct employment with the Company.

For the operation of the airline, leasing of aircraft is at the core of the Company's supply chain. Other important elements of supplies are fuel, airport services, ground handling, catering and maintenance services, as well as various other services and goods.

Operating a commercial airline implies that the Company's main sustainability impact is that of operating a business model being a major contributor to the world's GHG emissions until large technological shifts makes it possible to materially reduce such impact.

The Company has not set specific targets on sustainability and therefore does not include an assessment of its current significant services in relation to sustainability goals.

The illustration below shows the Company's value chain, including its own operations, upstream and downstream activities:

Upstream value chain

Suppliers of services

Dry lease in of aircraft
Maintainance
Ground handling
Airports
Traffic control
Cargo services
IT
Other

Suppliers of goods

Jet fuel
Aircraft spare parts
Catering goods
Electricity
Other

Own operations

Flight operations

Own scheduled network
ACMI/charter

Non-core operations

Technical services to 3P
Dry lease out of aircraft

Supporting operations

Technical
Commercial
Finance and Administrative

Downstream value chain

Travelers with Norse (B2C)
ACMI/charter customer and their travelers (B2B)
Cargo customers (B2B)
Maintainance customers (B2B)
Dry lease customers (B2B)

1.4 Our stakeholders

Norse is engaging with its stakeholders to form the basis for strong and productive relationships, including bringing transparency to, and ability to influence relevant impacts, risks and opportunities. In the following we are describing our main groups of stakeholders, how we interact with them and some of the outcomes of such dialogues.

1.4.1 Customers

Entertaining dialogues with customers is part of the Company daily business, including the possibility for customers to engage in direct dialogue with the Company's customer service representatives.

Customers of Norse on their own initiative have established a community in social media [1] where they engage with each other on their shared engagement in the products and services of Norse. The Company follows the news stream of the community to pick up on customer views on Norse offerings, and Norse on occasion also has asked the administrators of the community to present to Norse their view on the headlines of customers' perception of Norse offerings.

Norse has established an approach of so-called A/B testing during development of web sales front-end features. This implies that varying small features at the time, various groups of customers are exposed to alternative sales journeys, allowing for the Company to observe which journeys trigger the best customer satisfaction (measured through conversions to sales). Customer journeys that are proving to be preferred by a significant portion of the customers will since be implemented for all customer journeys.

The Company is working on implementing further tools and processes on the measurement of customer satisfaction. This will happen through the use Net Promoter Score (NPS), a market research metric that is based on a single survey question asking customers to rate the likelihood that they would recommend Norse to a friend or colleague. It will also be possible to gather additional qualitative information as basis for management to take actions for continuous improvement. By the end of the reporting period the processes are yet to be implemented.

1.4.2 Employees

Employees are key assets to the operations of Norse. Since the inception of the Company, Norse has proactively engaged in dialogue with employees as well as with their unions, encouraging employees to organize, and seeking to establish collective bargaining agreements with all major groups of employees in all major jurisdictions of operations. The Company engages in meetings with unions' representatives on a regular basis. The Company has established forums of dialogue and cooperation with employees such as it follows from good practice and legal requirements within the various jurisdictions. The Company carries out surveys among employees on a regular basis, allowing management to better understand the perspectives of the employees, in turn allowing for informed decisions. At the Board of Directors of the parent company Norse Atlantic ASA, three out of eight board members are elected by and among the employees of the Group, hence strengthening employee perspectives and influence on key decision making of the Company. [2]

1.4.3 Suppliers

Norse maintains close and typically longer-term relationships with a series of suppliers. Some key suppliers will be for the leasing of aircraft, fuel supplies, airport services, ground handling services, catering and maintenance services. Within several of the service categories, suppliers are subject to strict industry regulations and practices in order to ensure safety and security for passengers, as well as HSE for the employed personnel. Norse has a compliance team that performs audits of all operational areas of the Group's two airlines, including external suppliers. These audits ensure adequate compliance with regulation and procedures in various areas, including safety, working hours and general working conditions. Norse has established a supplier code of conduct, aiming to incorporate it into contracts with material suppliers, or ensuring that such suppliers hold CoC's of similar standard.

1.4.4 Shareholders

Norse Atlantic ASA is listed on Euronext Expand at Oslo Stock Exchange and holds in total almost 6,500 shareholders. In addition to annual and quarterly financial reports, the Company keeps shareholders informed on the development and performance of the business through monthly traffic report releases as well as event-driven stock exchange notices published on NewsWeb.

[1] Facebook: Norse Atlantic Airways travelers and fans
[2] From legal reasons, selectable representatives to the Board of Directors are those being employees of the Norwegian airline entity Norse Atlantic Airways AS

The Company also maintains an investor relation section on its corporate website.

In conjunction with quarterly financial reports, and when else suited, the Company hosts investor presentations allowing shareholders to attend live or virtual. Investor presentations occasionally are followed by plenary investor meetings allowing for two-way dialogue between shareholders and management, as well as the option for shareholders to attend one-to-one meetings with management.

Outside of these structured events, shareholders hold the opportunity of engaging in direct dialogue with the Company's investor relations function.

1.4.5 Authorities

Airline operations are subject to extensive and strict regulations, and for an airline to operate it needs to hold an air operator certificate (AOC). Norse holds two AOCs, one in Norway with its Norwegian subsidiary Norse Atlantic Airways AS, and one in the UK with its British subsidiary Norse Atlantic UK Ltd. The civil aviation authorities (CAA) of the respective countries are granting the AOCs and are overseeing compliance with regulations through various reporting requirements, performance of audits, as well as other monitorial activities.

1.4.6 The industry

Norse for various purposes engages in various cooperative activities together with other players across the aviation industry. An example of such is that Norse has been participating in and also part-funding an industry initiative collaborating against the increasing problem of unruly passengers potentially compromising on the safety of passengers and crew. The Company has also been involved in industry initiatives to prevent human trafficking, which amongst others resulted in an information campaign, and Norse airborne personnel has been trained in awareness and identification of possible human trafficking with obligations to report suspected incidents of human trafficking.

1.5 Materiality assessment process

1.5.1 Identifying sustainability matters

The Company has not yet formalized sustainability matters as an integral part of the Company's decision-making process, or as an integral part of overall risk management processes. Being a first-time adopter of CSRD in 2024, Norse has for the first time been undergoing a double materiality assessment (DMA) along the lines of ESRS. Based on a mapping of its value chain and associated stakeholders, the Company has considered all topics of ESRS 1, paragraph 16 and to which extent there might be impacts, risks and/or opportunities (IROs) associated with the Company's own operations or its value chain. Most of the underlying topics requested by ESRS 1 to be highlighted by such DMA are to some extent already identified and managed by the Company, for example due to running business requirements, legal requirements or applicable risk assessments, such as in relation to reporting under the Norwegian Transparency Act. The identification of sustainability matters involved reviewing existing company documentation and external sources, as well as engaging in discussions with internal stakeholders across all functional areas. The involvement of external stakeholders has been somewhat limited in the DMA process so far. We view our DMA and understanding of our IRO's as evolving and as something we aim to continuously improve in the years to come. We will increase our emphasis on capturing further input from additional external stakeholders like suppliers and customers during later revisions of the DMA. Through the process conducted, the Company compiled a comprehensive list of potential IROs.

1.5.2 Defining the material sustainability matters

The gross list of potential IROs has been assessed and scored in accordance with the double materiality methodology of ESRS 1 for the purpose of identifying the material sustainability matters of the Company. Assessments have been made in collaboration with stakeholders holding insights into the topics of the IROs.

For the purpose of impact materiality, assessments have been made of scale, scope and irremediability combined into severity, being held up against likelihood of impact, depending on impact being actual or potential. For cases of negative human rights impact, the severity of the impact takes precedence over likelihood.

For financial materiality, assessments have been made of the magnitude of risks and opportunities, as well as likelihood and nature of potential financial effects.

The scoring has been carried out in repeated rounds, also allowing potential IROs to be evaluated up against each other, ensuring that the relative importance of one IRO compared to another IRO is reflected in their final ranking.

Based on the above process of assessment, the gross list of potential IROs has been taken down to a net list of IROs representing material sustainability matters of Norse. The final assessments have been concluded through discussions and deliberations within Norse executive management.

1.6 Material impacts, risks and opportunities

1.6.1 Overview

The Company identified 10 material sustainability matters (IROs) for Norse, which are linked to five different topical standards of ESRS. These five topical standards are ESRS E1 Climate change, ESRS E2 Pollution, ESRS S1 Own workforce, ESS S2 Workers in the value chain and ESRS G1 Governance.

The Company has not identified any significant current financial impacts from its material risks and opportunities on its financial position, financial performance or cash flows. While the Company can currently indicate the nature and direction of any anticipated effects, it is unable to provide reliable estimates of their financial amounts at this time.

1.6.2 Materiality matrix

The following table sums up the material sustainability matters (IROs) of the Company, represented by the topical standards of the IROs, and together with a specification of the sustainability matters' materiality along the axis of impact materiality and financial materiality:

Impact material	Double material
E2 Pollution S2 Workers in the value chain G1 Governance	E1 Climate change S1 Own workforce
Not material	**Financially material**
E3 Water and marine resources E4 Biodiversity and ecosystems E5 Resource use and circular economy S3 Affected communities S4 Consumers and end-users	

As follows from the previous page, the Company has identified five topical standards as material, and across these standards, the Company has identified the following 10 IROs, here presented in some more detail:

1.6.3 E1 Climate change

Description	IRO category	Value chain location	Time horizon
GHG emissions from jet fuel burn The operations of Norse are a major contributor to GHG emissions, in particular those of CO_2 stemming from the aircraft engines' burn of jet fuel. This in spite of Norse holding the most fuel-efficient aircraft available, but with total emissions nevertheless being substantial	Actual negative impact	Own operations	Short-, mid- and long-term
Increased cost of fuel due to SAF The industry and the authorities have pointed out ambitious targets for the portion of sustainable aviation fuel (SAF) to be blended into airlines' fuel consumption. Limited production capacity and scarce supply of input factors to the production, in combination with minimum requirements on SAF portion of total fuel consumption, may lead to higher fuel prices	Risk	Own operations	Mid- and long-term

1.6.4 E2 Pollution

Description	IRO category	Value chain location	Time horizon
NO_x emissions from jet fuel burn The process of jet fuel burn leads to emissions of NO_x. NO_x poses health risks and also indirectly contributes to the greenhouse effect. The level of NO_x emissions per unit of jet fuel depends on operating conditions such as pressure, temperature and air-to-fuel ratio	Actual negative impact	Own operations	Short-, mid- and long-term

1.6.5 S1 Own workforce

Description	IRO category	Value chain location	Time horizon
Working time of own workforce Working time exceeding normal working hours during operational disturbances etc, leading to employee fatigue and reduced well-being	Potential negative impact	Own operations	Short-term
Work-life balance of own workforce Employees negatively affected by burden of inconvenient working hours and over-night stays away from home	Potential negative impact	Own operations	Short-term
Diversity Increasing area of possibilities through global perspective on recruitment in a tight labor market and opening for broader business perspectives	Opportunity	Own operations	Short-term

1.6.6 S2 Workers in the value chain

Description	IRO category	Value chain location	Time horizon
Secure employment Risk of employees of suppliers working as temps, without contracts or with low protection of employment (ground handling, cleaners, catering, hotels, textiles)	Potential negative impact	Upstream	Short-term
Working time Risk of employees in services such as ground handling, catering, hotel services and cleaning working too long hours	Potential negative impact	Upstream	Short-term
Adequate wages Risk of wages not meeting minimum local standards for the profession, or hindering minimum quality of life	Potential negative impact	Upstream	Short-term

1.6.7 G1 Governance

Description	IRO category	Value chain location	Time horizon
Corporate culture Growing fast and being present in various locations across varying business cultures may impose risk of not building a sufficiently uniform and strong culture supporting realization of business strategy as well as ensuring ethical sound ways of doing business	Potential negative impact	Own operations	Short-term

1.6.8 Further detail to the scoping of Norse value chain

All current aircraft of the Norse fleet are leased from third party lessors, and are hence not the legal property of Norse, whereas the aircraft were already built and brought to market when acquired by Norse as a lessee. The aircraft of the current Norse fleet were all built during the period of 2014 through 2018. Norse is currently not engaged in the sourcing of any additional aircraft to extend or renew the fleet. All aircraft production activities related to the Norse fleet are hence past events outside of Norse control. Until Norse re-engages in sourcing additional aircraft, activities linked to the production of new aircraft are therefore considered as out of scope of the Norse value chain.

The aircraft leases held by Norse have an average remaining lease term of approximately 10 years. When the aircraft are returned to the lessors, the age of the aircraft averages at less than 20 years, whereas the full-service life according to the producer Boeing could be as long as 40 to 50 years. The aircraft are therefore expected to have a long lifespan even after their service at Norse. For the aircraft to become obsolete, therefore is expected to be remote in time and to happen outside of the Company's control and ownership. The disposal of obsolete aircraft is therefore also considered as outside scope of the Norse value chain.

1.6.9 Limitations of the analysis

As will be described further in the Sustainability statement's chapter 2, the Company has not conducted any climate risk analysis in line with recognized standards or frameworks. Conducting a climate risk analysis based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) would likely provide a more granular understanding of both the physical climate risks and the transition risks that the Company is exposed to. This could potentially result in additional impact and financial risks being highlighted beyond the scope of the current analysis.

Further to this, Norse is a young Company still building its business and its business processes. The integration of sustainability topics into overall risk management processes is equally still evolving. 2024 is the first period of sustainability reporting under CSRD, and the Company aims to gradually improve its methodologies and processes throughout 2025 and onwards, aiming also for sustainability to gradually become a more integral part of the operations and thinking of the business. The quality of the reporting is expected to improve accordingly.

1.7 Statement on Due diligence

Core elements of due diligence		Chapter of the Sustainability Statement
a)	Embedding due diligence in governance, strategy and business model	1.2 Governance (ESRS 2, GOV-1, GOV-2) 3.4 Workers in the value chain (S2) 4.3.1 Business conduct policies and corporate culture (G1)
b)	Engaging with affected stakeholders in all key steps of the due diligence	1.2 The role of the administrative, management and supervisory bodies (GOV-1) 1.4 Interests and views of stakeholders (SBM-2) 1.5 Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1) Information provided in the individual chapters, sections 3.3.3 and 3.4.3
c)	dentifying and assessing adverse impacts	1.5 Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1) Covered in the relevant chapters (SBM-3)
d)	Taking actions to address those adverse impacts	Information provided in the individual chapters, sections 2.3.4, 2.4.3, 3.3.4 and 3.4,4
e)	Tracking the effectiveness of these efforts and communicating	Information provided in the individual chapters, sections 2.3.5, 2.4.4, 3.3.5, 3.4.5 and 4.4

1.8 Disclosure requirements in ESRSs covered by the sustainability statement

The following represents a list of disclosure requirements met by the Company and where they are to be found in the sustainability statements (in order of appearance).

ESRS	DR	DR description	Chapter
ESRS2	BP-1	General basis for preparation of the sustainability statement	1.1
ESRS2	GOV-1	The role of the administrative, management and supervisory bodies	1.2
ESRS2	GOV-2	Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	1.2
ESRS2	GOV-3	Integration of sustainability-related performance in incentive schemes	1.2.5
ESRS2	SBM-1	Strategy, business model and value chain	1.3
ESRS2	SBM-2	Interests and views of stakeholders	1.4
ESRS2	GOV-5	Risk management and internal controls over sustainability reporting	1.2.5
ESRS2	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.5
ESRS2	IRO-2	Disclosure Requirements in ESRS covered by the undertaking’s sustainability statement	1.8, 1.9
ESRS2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.6
ESRS2	GOV-4	Statement on due diligence	1.7
ESRS E1	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2.2
ESRS E1	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2.3.1
ESRS E1	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	2.3.1
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	2.3.1
ESRS E1	E1-1	Transition plan for climate change mitigation	2.3.2
ESRS E1	E1-2	Policies related to climate change mitigation and adaptation	2.3.3
ESRS E1	E1-3	Actions and resources in relation to climate change policies	2.3.4
ESRS E1	E1-4	Targets related to climate change mitigation and adaptation	2.3.5
ESRS E1	E1-5	Energy consumption and mix	2.3.6
ESRS E1	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	2.3.6
ESRS 2	BP-2	Disclosures in relation to specific circumstances	2.3.7
ESRS E2	E2-1	Policies related to pollution	2.4.2
ESRS E2	E2-2	Actions and resources related to pollution	2.4.3
ESRS E2	E2-6	Anticipated financial effects from material pollution-related risks and opportunities	2.4.3

ESRS	DR	DR description	Chapter
ESRS E2	E2-3	Targets related to pollution	2.4.4
ESRS E2	E2-4	Pollution of air, water and soil	2.4.5
ESRS 2	BP-2	Disclosures in relation to specific circumstances	2.4.6
ESRS E2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.2
ESRS S1	S1-1	Policies related to own workforce	3.3.2
ESRS S1	S1-2	Processes for engaging with own workforce and workers' representatives about impacts	3.3.3
ESRS S1	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	3.3.4
ESRS S1	S1-4	Taking action on material impacts on own workforce	3.3.4
ESRS S1	S1-12	Persons with disabilities	3.3.4
ESRS S1	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.3.5
ESRS S1	S1-6	Characteristics of the undertaking's employees	3.3.6
ESRS S1	S1-7	Characteristics of non-employees in the undertaking's own workforce	3.3.6
ESRS S1	S1-8	Collective bargaining coverage and social dialogue	3.3.6
ESRS S1	S1-9	Diversity metrics	3.3.6
ESRS S1	S1-15	Work-life balance metrics	3.3.6

ESRS	DR	DR description	Chapter
ESRS 2	BP-2	Disclosures in relation to specific circumstances	3.3.7
ESRS S2	S2-1	Policies related to value chain workers	3.4.2
ESRS S2	S2-2	Processes for engaging with value chain workers about impacts	3.4.3
ESRS S2	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.4.3
ESRS S2	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	3.4.4
ESRS S2	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.4.5
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	4.2
ESRS G1	G1-1	Business conduct policies and corporate culture	4.3.1
ESRS G1	G1-2	Management of relationships with suppliers	4.3.2
ESRS G1	G1-3	Prevention and detection of corruption and bribery	4.3.3
ESRS G1	G1-4	Incidents of corruption or bribery	4.4.1
ESRS G1	G1-5	Political influence and lobbying activities	4.4.2

1.9 List of datapoints that derive from other EU legislation

The following represents a table of all the datapoints that derive from other EU legislation as listed in Appendix B of ESRS 2, indicating where such datapoints can be found in the sustainability statement.

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation and EU Climate Law reference	Material / Not material	Chapter
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II	Material	1.2.1
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II	Material	1.2.1
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1			Material	1.7
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II	Not material	-
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	Not material	-
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	Not material	-
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	Not material	-
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14			Regulation (EU) 2021/1119, Article 2(1)	Material	2.3.2
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2	Not material	-

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation and EU Climate Law reference	Material / Not material	Chapter
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	Material	2.3.5
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1			Not material	-
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1			Material	2.3.6
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1			Not material	-
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	Material	2.3.6
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	Material	2.3.6
ESRS E1-7 GHG removals and carbon credits paragraph 56			Regulation (EU) 2021/1119, Article 2(1)	Not material	-
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	Not material	-
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) **ESRS E1-9** Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.		Not material	-

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation and EU Climate Law reference	Material / Not material	Chapter
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral		Not material	-
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II	Not material	-
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			Material	2.4.5
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1			Not material	-
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1			Not material	-
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1			Not material	-
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1			Not material	-
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1			Not material	-
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1			Not material	-
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1			Not material	-
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1			Not material	-

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation and EU Climate Law reference	Material / Not material	Chapter
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1			Not material	-
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1			Not material	-
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1			Not material	-
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1			Not material	-
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1			Not material	-
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I			Not material	-
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I			Not material	-
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I			Not material	-
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II	Not material	-
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I			Not material	-

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation and EU Climate Law reference	Material / Not material	Chapter
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I			Not material	-
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I			Material	4.3.1
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	Not material	-
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I			Not material	-
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	Not material	-
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I			Not material	-
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I			Not material	-
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	Not material	-
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I			Not material	-
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1			Not material	-
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1			Material	3.4.2

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation and EU Climate Law reference	Material / Not material	Chapter
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Not material	-
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II	Not material	-
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1			Not material	-
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1			Not material	-
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Not material	-
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1			Not material	-
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1			Not material	-
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Not material	-
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1			Not material	-
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1			Not material	-

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation and EU Climate Law reference	Material / Not material	Chapter
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1			Material	4.3.1
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1			Material	4.4.1
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1			Material	4.4.1

Chapter 2

Environmental information

2.1 Norse's commitment

It must be acknowledged that aviation is a major contributor to both GHG and NO_x emissions and that this will remain unchanged until new fuels or technologies become technically and economically viable. Norse only operates direct, point-to-point long-haul flights, under a vision to make long-haul travel affordable for all.

The Company is equipped with the most modern and fuel-efficient widebody aircraft currently available, with a fleet configurated to take more passengers than most peers using the same aircraft type. This allows for a potentially best-in-class environmental footprint per seat. We refer to chapter 2.3.4 for more details and data on the fuel consumption of Norse aircraft compared to those of peers.

2.2 Impacts, risks and opportunities

As presented in chapter 1, Norse has identified two material IROs within ESRS E1 Climate change, and one material IRO within ESRS E2 Pollution. The significance of all three IROs is primarily driven by jet fuel consumption. Consequently, the sections detailing policies, actions, resources, metrics, and targets will largely overlap and be cross-referenced across the IROs.

2.2.1 IROs associated with ESRS E1 Climate change

Description	IRO category	Value chain location	Time horizon
GHG emissions from jet fuel burn The operations of Norse are a major contributor to GHG emissions, in particular those of CO_2 stemming from the aircraft engines' burn of jet fuel	Actual negative impact	Own operations	Short-, mid- and long-term
Increased cost of fuel due to SAF The industry and the authorities have pointed out ambitious targets for the portion of sustainable aviation fuel (SAF) to be blended into airlines' fuel consumption. Limited production capacity and scarce supply of input factors to the production, in combination with minimum requirements on SAF portion of total fuel consumption, may lead to higher fuel prices	Risk	Own operations	Mid- and long-term

2.2.2 IROs associated with ESRS E2 Pollution

Description	IRO category	Value chain location	Time horizon
NO_x emissions from jet fuel burn The process of jet fuel burn leads to emissions of NO_x. NO_x poses health risks and also indirectly contributes to the greenhouse effect. The level of NO_x emissions per unit of jet fuel depends on operating conditions such as pressure, temperature and air-to-fuel ratio	Actual negative impact	Own operations	Short-, mid- and long-term

2.3 ESRS E1 Climate change

2.3.1 Climate-related risks and resilience

The predominant climate-related impact of the Company is the significant emissions of GHG generated in our own operations, through the process of burning large volumes of jet fuel.

The Company has not conducted any scenario-based climate risk analysis as per the standards of ESRS E1 Climate change. In the absence of such a climate risk analysis, the Company has not been able to prepare any resilience analysis regarding the related risk factors, nor prepare calculation of financial effects from such risks.

Some high-level assessments have been made as an initial survey of the Company's possible exposure to climate-related risks. These high-level assessments indicate that the climate risks affecting aviation to a large degree is connected to the activities taking place on the ground, and primarily in and around airports – hence in the upstream value chain, but in turn affecting the Company's own operations. In the shorter-term (indicatively within next year of operations and onwards) effects are likely to be associated with disruptive events in the form of extreme weather events like storms, extreme heat and floods. These events will typically be disturbing airport operations, leading to delays, cancellations and infrastructure damage. Airlines may also see impact directly on their own operations as jet engine performance and maintenance requirements potentially could be affected by exposure to heavy storms.

Airlines are in general exposed to transition risk factors, as an emission-intensive industry which is also covered by a number of emission trading systems (ETS). Both new regulations, increased pricing of GHG emissions, cost of technology transition, stranded assets and changing customer behavior could become material risks for all actors within our sector.

In the short term, Norse considers itself to have relatively high resilience on technology transition risks of the aircraft fleet. The current fleet represents the most fuel-efficient technology available on the market today, and there is hence no immediate need for fleet renewal. The aircraft manufacturers are continuously putting effort into developing more and more fuel-efficient aircraft, but the large paradigm shifts into viable solutions of zero emissions technologies is more of a long-term scenario. In this context, Norse is thus in a favorable position, equipped with a fleet of modern and fuel-efficient technologies. The fleet is on leases holding an average remaining lease term of approximately 10 years. That leaves the Company with a predictability to maintain an efficient fleet in quite a long term, but in the other end leaving room for entrance into new technologies over time and also excluding the financial and commercial risk of being left with obsolete aircraft holding outdated technology in the very long term.

Awaiting solutions of zero emissions technologies, the aviation industry is meeting the challenge of reducing GHG-emissions through the phase-in of sustainable aviation fuel (SAF). The phase-in requirements and the surrounding uncertainties are further described under Actions and resources. The SAF phase-in process represents a transition risk as it comes with an uncertain supply side and the potential of a largely increased fuel cost. It is possible to point out the direction of the financial effects as being negative to the profit or loss, but the large degree of uncertainty makes it difficult to make meaningful anticipations on size of the financial effects of such transition risk. As the size of the financial effects will correlate with fuel consumption, the Company might be considered less exposed to this risk due to holding a more fuel-efficient fleet compared to its competitors.

The considerations on potential financial effects of climate-related risks in this chapter are consistent with those applied in the financial statements of the Company. As considerations made are not the results of a systematic and in-depth analysis, there might be blind spots in our assessment with the potential result that material financial effects of climate-related risks are not yet revealed and presented as part of this report.

2.3.2 Transition plan

Norse is a young company focused on building its operations to become a viable player in the low-cost long-haul market during its first few years of business. Environmental sustainability comes as an integrated dimension to such business activities, yet with the Company being in an early phase of developing its strategies. As of now, Norse has therefore not committed to a transition plan formalizing the company's efforts in climate change mitigation.

Moving forward, the Company will seek knowledge and insights on industry developments, technologies, and concepts to develop ideas and potential plans for sustainable actions that are environmentally and financially viable.

Norse has not decided if a transition plan should be established in the future, or by when a decision of that should be made. The outcome of the process might be that no transition plan will be adopted.

2.3.3 Climate change policies

The Company has not yet established formal policies specifically addressing climate change adaptation or mitigation. This absence of policies is related to the fact that the Company has not adopted a transition plan and perceives limited opportunities for action due to its modern fleet and the current lack of alternative technologies. For further details, please refer to section 2.3.4 "Current state and room for action" below.

The Company does not apply any internal carbon pricing schemes.

2.3.4 Actions and resources in relation to climate change policies

Current state and room for action

Under the technologies currently feasible, Norse is equipped with the most modern and fuel-efficient widebody aircraft available, being configurated to take more passengers than most peers using the same aircraft type, in turn allowing for a potentially best-in-class environmental footprint per seat.

The table below shows a benchmark analysis of Norse's jet fuel consumption per available seat of Norse Boeing 787-9 aircraft. The analysis shows that Norse's configuration of the aircraft comes with a lower fuel consumption than that of the standard Boeing configuration carrying fewer seats, and a lower relative fuel consumption than any of the competing aircraft models in the wide-body segment.[1]

Aircraft	First flight	Seats	Sector	Fuel per seat
Norse Boeing 787-9[2]	**2019**	**338**	**9,208 km**	**2.08 L/100km**
Boeing 787-10	2017	337	10,240 km	2.27 L/100km
Boeing 787-9 (standard)	2013	304	9,208 km	2.31 L/100km
Airbus A350-900	2013	315	9,208 km	2.39 L/100km
Boeing 777-9X	2020	395	13,300 km	2.42 L/100km
Airbus A330-900	2017	300	8,610 km	2.48 L/100km
Airbus A350-1000	2016	367	10,243 km	2.58 L/100km
Airbus A330-800	2017	248	8,610 km	2.75 L/100km
Boeing 787-8	2011	243	8,610 km	2.77 L/100km
Boeing 747-8	2011	467	11,000 km	2.82 L/100km
Boeing 777-300ER	2003	382	10,199 km	2.90 L/100km
Boeing 777-200ER	1996	301	11,000 km	3.08 L/100km
Airbus A330-300	1992	274	10,275 km	3.11 L/100km
Boeing 747-400	1988	487	10,147 km	3.16 L/100km
Airbus A380	2005	544	11,000 km	3.16 L/100km

[1] Source: Various sources, all summarized at https://en.wikipedia.org/wiki/Fuel_economy_in_aircraft
[2] Source: Calculated as the Boeing 787-9 (standard) consumption figure multiplied by 304 divided by 338

With a very modern and fuel-efficient fleet, the next significant leap towards zero emissions is likely to come from technological advancements that have yet to fully emerge. Until such new technologies become available and viable, and given that Norse is already utilizing the best technology available, the room for further actions is somewhat limited for the company. Still, there are some actions to be pursued, and these are described in the following sections. These actions are, however, not defined and specified according to the requirements of DR E1-3, such as quantifying the expected GHG emissions reductions and the necessary monetary resources required for implementation. This should be seen int the context that the actions presented are the result of ad-hoc analysis rather than long-term strategic sustainability planning. If the Company later adopts a climate transition plan, more comprehensive and well-developed actions should be expected to arise from that.

Lowering the footprint per unit

The Company already operates the industry's most fuel-efficient aircraft measured per available seat, and the ability to reduce the negative impact predominantly lies in reducing the emissions footprint per unit. If Norse succeeds in delivering its capacity at low cost combined with low emissions, it could contribute over time to the retraction of less modern aircraft from the market, as competitors with higher cost/higher emissions capacities are outperformed. It should be noted that Norse does not count any reduction in emissions from such competitor capacity retraction as part of its own value chain or climate accounting. From Norse's perspective the focus is on emissions per sold kilometer, i.e. per Revenue Passenger Kilometer (RPK), rather than per Available Seat Kilometer (ASK). Norse strives to maximize its load factor (RPK in percentage of ASK), which increases the Revenue Passenger Kilometer (RPK), in turn lowering the emissions footprint per unit of RPK. This strategy also aligns with the financial feasibility of the business.

Optimizing flying patterns

For any given network being operated, fuel consumption can be optimized by adjusting how the aircraft are operated. This optimization could involve route selections, flying patterns and procedures during take-off and landing, as well as choosing altitudes that provide favorable jet streams. Such optimization has its constraints in availability of overflying rights, allowed corridors and minimum altitudes in and out of airports, as well as possible instructions and permissions received from air traffic control (ATC) and air traffic flow management (ATFM) during the course of a flight. Norse has introduced specialized software that can assist pilots in optimizing their procedures for the purpose of saving fuel.

Developing and implementing such new procedures is still an ongoing process and there is yet further potential for fuel savings to be exploited.

Implementing Sustainable Aviation Fuel

The aviation industry and its regulators have initiatives in place to gradually phase in Sustainable Aviation fuel (SAF) as a blend-in and partial substitute for traditional jet fuels. SAF is produced from sustainable resources such as forestry and agricultural waste, sugar, fats, oils and more. SAF does generate GHG emissions, but at a substantially lower level than that of jet fuel derived entirely from fossil sources. Both the UK and the EU, including Norway, have imposed regulations for SAF to be phased in over the coming years, whereas no such regulation exists in the US. The regulations apply to fuel deliveries within the respective jurisdictions, with fuel suppliers responsible for meeting the requirements. For airlines the geographic location of fueling defines the minimum SAF obligations. Norse will be fueling regularly at a range of stations across its network and will hence be subject to a combination of these regulations.

Within the EU, SAF is implemented with a volume-based requirement from 2025 at a minimum of 2 per cent blend-in, increasing to 6 per cent in 2030. From 2030 there is an additional requirement of a percentage of synthetic fuel blend-in, which is set to gradually increase towards 2050. Total minimum blend-in in of SAF continues along the thresholds 20 per cent in 2035, 34 per cent in 2040, 42 per cent in 2045 and 70 per cent in 2050.

SAF requirements are equally established at 2 per cent of total UK jet fuel demand in 2025, increasing linearly to 10 per cent in 2030 and then to 22 per cent in 2040. From 2040, the obligation will remain at 22 per cent of total UK jet fuel demand until there is greater certainty regarding SAF supply.

Currently, SAF production capacity is highly constrained, and there is also scarce availability of raw materials required for production. Such input factors are also in demand for competing purposes, creating uncertainty as to whether the supply can meet with the expected growth in demand and at what cost.

Norse is committed to phasing in SAF, both within the minimum requirements and above, provided it becomes available in the market and at a cost that makes it feasible from both financial perspective and a sustainability perspective.

2.3.5 Metrics and targets

The Company has not yet set gross emission reduction targets and therefore does not have climate change mitigation and adaptation targets that meet the requirements set forth by DR E1-4.

As previously described, the Company will pursue a target of lowering emissions per unit of Revenue Passenger Kilometer (RPK) through improving load factors, optimizing flying patterns and following SAF phase-in plans. These measures are focused on own scheduled network flights, as for ACMI flights the fuel use and routes flown are decided by the customer.

2.3.6 E1 Environmental data

The following tables present key environmental data for ESRS E1 Climate change. Details on methodology and assumptions are provided under E1 accounting policies.

Energy consumption and mix

Energy consumption and mix	Unit	2024
Fuel consumption from crude oil and petroleum products	MWh	2,745,411
Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources	MWh	557
Total fossil energy consumption (MWh)	MWh	2,745,968
Share of fossil sources in total energy consumption (%)	%	100%
Consumption from nuclear sources (MWh)	MWh	77
Share of consumption from nuclear sources in total energy consumption (%)	%	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	MWh	740
Total renewable energy consumption (MWh)	MWh	740
Share of renewable sources in total energy consumption (%)	%	-
Total energy consumption (MWh)	MWh	2,746,785

Energy intensity per net revenue

Energy intensity per net revenue	2024
Total energy consumption from activities in high climate impact sectors pr net revenue from activities in high climate sectors (MWh/tUSD)	4.671

The net revenue from activities in high climate impact sectors used in this calculation is USD 588,106 thousand, which is the total revenue of the Company for the period as presented in the consolidated statement of comprehensive income, and as further specified in note 4.1 in the disclosures of the consolidated financial statements.

Total GHG emissions disaggregated by scope 1 and 2 and significant scope 3

	Retrospective				Milestones and target years			
	Base Year (tCO_2e) 2024	Comparative (tCO_2e) N/A	N (tCO_2e) 2024	% N/N-1 (%) N/A	Target (tCO_2e) 2025	Target (tCO_2e) 2030	Target (tCO_2e) (2050)	Annual % Target / Base year (%)
Scope 1 GHG emissions								
Gross location-based Scope 1 GHG emissions ('000 tCO_2eq)	672.81	NA	672.81	NA	NA	NA	NA	NA
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	NA	-	NA	NA	NA	NA	NA
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions ('000 tCO_2eq)	0.05	NA	0.05	NA	NA	NA	NA	NA
Gross market based scope 2 GHG emissions ('000 tCO_2eq)	0.40	NA	0.40	NA	NA	NA	NA	NA
Significant scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions ('000 tCO_2eq)	187.01	NA	187.01	NA	NA	NA	NA	NA
1 Purchased goods and services	0.82	NA	0.82	NA	NA	NA	NA	NA
3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	140.58	NA	140.58	NA	NA	NA	NA	NA
5 Waste generated in operations	0.04	NA	0.04	NA	NA	NA	NA	NA
6 Business traveling	2.49	NA	2.49	NA	NA	NA	NA	NA
13 Downstream leased assets	43.09	NA	43.09	NA	NA	NA	NA	NA
Total GHG emissions								
Total GHG emissions (location-based) ('000 tCO_2eq)	859.87	NA	859.87	NA	NA	NA	NA	NA
Total GHG emissions (market-based) ('000 tCO_2eq)	860.22	NA	860.22	NA	NA	NA	NA	NA
Gross scopes 1, 2, 3 and total GHG emissions								

GHG intensity per net revenue

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue ($tCO_2eq/tUSD$)	1.46
Total GHG emissions (market-based) per net revenue ($tCO_2eq/tUSD$)	1.46

The net revenue used for the calculation is at USD 588,106 thousand, which is the total revenue of the Company for the period as presented in the Consolidated Statement of Comprehensive Income, and as further specified in note 4.1 in the disclosures of the Consolidated Financial Statements.

2.3.7 E1 Accounting principles

The following tables present the methodology and assumptions used for reporting ESRS E1 environmental data.

Area	Description
Energy consumption and mix, Energy consumption from non-renewable sources	Energy consumption from non-renewable sources includes fuel consumption from crude oil, which is mainly from the consumption of jet fuel, but also some use of company vehicles. In addition, non-renewable energy consumption includes electricity and heat to office buildings are purchased from non-renewable sources. For jet fuel is assumed to have a heating value of 46.42 TJ/Gg.
Energy consumption and mix, Energy consumption from renewable sources	Energy consumption from renewable sources is from electricity and heating to office buildings.
Direct GHG emissions (scope 1)	Scope 1 consists of the total GHG emissions from jet fuel consumed in operations under Norse's operational control (own scheduled network and charter flights) and fossil fuel emissions from own OSL maintenance department vehicles. The amount of jet fuel consumed is registered and tracked by the flight operations IT systems (PDC Aviation Systems) and the data are considered highly reliable as they are subject to third party verification under the EU ETS Monitoring and Reporting Regulation (EU), the UK ETS Monitoring and Reporting Regulation (UK) and the CORSIA Monitoring, Reporting and Verification (ICAO). Emissions from ACMI flights (leased out Aircraft including Crew, Maintenance and Insurance) are defined as outside Norse's operational control and are therefore covered in Scope 3. The emission factor for jet fuel is 3.16 tonnes CO_2 per tonne of jet fuel. The use of this factor is required under the above-mentioned monitoring and reporting frameworks and is therefore applied for consistency across reporting.

Area	Description
Indirect GHG emissions (scope 2)	Scope 2 consists of GHG emissions from purchased energy and heating at locations where Norse has operational control. This includes all the buildings/offices that Norse rent, in addition to Hangar at OSL. All subsidiaries of the Company are included in the emission calculations with the exception of the subsidiary in Latvia that was established towards the end of the reporting period, and which had started no operational activities by the end of the reporting period. The Company has examined possible additional entities for material levels of operational control. No such operational control was identified. In compliance with the ESRS, Scope 2 emissions are calculated using both location-based and market-based emission factors. For the Norwegian locations, both the market-based (0.5990 CO_2e/MWh) and location-based emission factors (0.015 CO_2e/MWh) are retrieved from the The Norwegian Energy Regulatory Authority (NVE). For the other locations (US, UK, and France), the emission factors for both market-based and location-based emissions are retrieved from "Climatiq": • US (year 2021/2022): Location-based (0.3692 CO_2e/MWh), market-based (0.4614 CO_2e/MWh) • France (year 2023): Location-based (0.0500 CO_2e/MWh), market-based (0.0407 CO_2e/MWh) • UK (year 2024/2023): Location-based (0.0459 CO_2e/MWh), market-based (0.3884 CO_2e/Mwh) For district heating at OSL the emissions factor is 0.0337 CO_2e/MWh, retrieved from Norwegian District Heating Association (Norsk Fjernvarme).
Indirect GHG emissions (scope 3)	For scope 3 assessments have been made to determine which sub-categories are applicable and not immaterial, in addition to how the emissions can be estimated. The Company has conducted an analysis of its activities, the associated cost spending and relative level of emissions. The categories presented in the table are for applicable categories not being immaterial and with access to data that can provide fair estimations of emissions. The following represents the categories of scope 3 emissions included in the report and how the emissions have been estimated: Category 1: Purchased Goods and Services This category includes emission calculations for major goods and services provided to the company, such as maintenance, ground handling, and leased engines. Emissions have been calculated using a combination of supplier-specific data and averages derived from supplier information. Norse has engaged with its largest suppliers to obtain accurate supplier-specific data.

Area	Description
	Category 3: Fuel and Energy-Related Activities (not included in Scope 1 or Scope 2) The total jet fuel burn from Scope 1 emissions is multiplied by a 'Well-to-Tank' emission factor of 0.6603 CO_2e/kg (Climatiq, 2024). This 'Well-to-Tank' emission factor accounts for the environmental impact from fuel extraction through to its refinement and delivery into the aircraft. Additionally, the total kWh usage from Scope 2 emissions is multiplied by a 'Transmission and Distribution (T&D) Loss' emission factor, which represents the electricity lost due to inefficient transmission and distribution infrastructure. The emission factors retrieved from Climatiq are as follows: • UK: 0.0177 CO_2e/kWh • Norway: 0.0002 CO_2e/kWh • US: 0.045 CO_2e/kWh • France: 0.0007 CO_2e/kWh Category 5: Waste Generated in Operations This category includes food waste, which is calculated using supplier data (measured in kg) and multiplied by an emission factor of 6.41061 CO_2e/kg (DEFRA, 2024). Category 6: Business Travel The most significant contributions to business travel emissions arise from crew repositioning with airlines other than Norse and hotel overnight stays for crew members on duty. Data is collected based on actual activity from internal sources, and emission factors for both hotels and flights are sourced from DEFRA in 2024 for the relevant countries. Category 13: Downstream Leased Assets Norse leases its aircraft through ACMI agreements, where Norse (the lessor) retains ownership of the aircraft but does not exercise operational control. The fuel emissions for ACMI flights are calculated based on actual fuel burn, applying the same principles used in Scope 1.

Area	Description
	As follows from the above, the Company has not reported any emissions for the categories 2, 4, 7, 8, 9, 10, 11, 12, 14 or 15. Such categories have been left out as they are not applicable to the Company or emissions are deemed as not being significant. Category 2 Capital goods is deemed as not applicable for the Company as the Company leases all of its major assets including aircraft, and the Company added no new aircraft or other major assets to its asset fleet during the reporting period. For category 7 Employee commuting, the Company has not estimated emissions due to uncertainty of assumptions across various modes of transportation. Crew traveling on duty is included under Category 6: Business Travel. Calculations of emissions generally are subject to uncertainty due to assumptions and judgements made. Emission factors are key to calculations and do by nature involve uncertainty, whereas the Company for this purpose has relied on third party external sources deemed to provide a high level of reliability of their assumptions. The Company in its calculations also rely on judgements, and in particular within category 1 of scope 3 there are judgements involved in estimation, both as set by suppliers of Norse, as well as by Norse itself. The Company may include further categories in the report in future reporting periods.
High climate impact sectors used to determine energy intensity	Transportation is a high climate impact sector. Most of Norse's energy consumption comes from activities related to the operations of the aircraft, hence activities related to transportation (Section H - Transportation and Storage" listed as high impact sectors in "Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council). All revenue categories of the Company presented in the Consolidated Statement of Comprehensive income, as specified in note 4.1 are related to transportation, except Other revenue.
Biogenic emissions (scope 1)	No biogenic emissions have been calculated within scope 1. Sustainable Aviation Fuel (SAF) as blend-in to jet fuel potentially could have been one source of such emissions as the combustion of SAF causes biogenic emissions. There is no sufficient verification of the actual blend-in of SAF during the reporting period and the assumption therefore is made that there was no such SAF blend-in. Requirements for minimum blend-in of SAF to jet fuel are in place from 2025 and onwards and we are therefore expecting to present increasing volumes of SAF over the coming years and thus also of biogenic emissions within scope 1.
Biogenic emissions (scope 2)	Includes biogenic emissions from wood chips used as fuel for district heating at OSL. The emission factor is set at 0.0132 kg CO_2e/kWh (source: DEFRA, 2024).

2.4 ESRS E2 Pollution

2.4.1 General

As described under Impacts, risks and opportunities, the Company has identified the negative impact on the environment of NO_x emissions to air from jet fuel combustion as a material IRO. The level of NO_x emissions per unit of jet fuel depends on operating conditions such as pressure, temperature and air-to-fuel ratio, while the main driver of NO_x emissions is the amount of jet fuel consumed. Hence the drivers behind the business' negative impact in relation to NO_x emissions are the same as for the negative impact on climate change.

2.4.2 Policies related to pollution

The Company has not yet established formal policies specifically addressing pollution. This absence of policies is related to the fact that the Company has not adopted a transition plan and perceives limited opportunities for action due to its modern fleet and the current lack of alternative technologies. For further details, please refer to section 2.3.4 "Current state and room for action" above.

2.4.3 Actions and resources related to pollution

Under E1 Climate change, the Company has described its targets and actions on lowering the GHG emission footprint of its operations. There are three such paths of targets and actions:

- Lowering the footprint per unit
- Optimizing flying patterns
- Implementing sustainable aviation fuel

These measures also support the agenda for reducing pollution in the form of NO_x emissions to air and should also be read in the context of reducing the Company's environmental footprint from NO_x emissions.

The Company has not defined actions in accordance with the criteria of action such as those defined by ESRS E2-2, nor do the above-mentioned actions meet with such criteria, and they therefore do not meet the information requirements of actions such as defined by ESRS 2 MDR-A.

Currently, the Company has made no estimation of anticipated financial effects from the operations' emissions of NO_x.

2.4.4 Metrics and targets

The Company has not yet set any specific targets on the level of reduction of gross NO_x emissions and has hence not defined targets related to climate change mitigation and adaptation that meet the requirements of such targets as set forth by DR E1-4.

As already described, the Company will pursue a general target of lowering emissions per unit of Revenue Passenger Kilometer (RPK) following the described actions of improving load factors, optimizing flying patterns and following expected phase-in plans of SAF.

2.4.5 E2 Environmental data

The following tables present key environmental data in relation to ESRS E2 Pollution. Details on methodology and assumptions are provided under E2 accounting policies.

Air pollution per pollutant

The following table presents the Company's emissions of pollutants to air listed in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council.

Air pollution	Unit	2024
NO_x emissions	Tonnes	3,151
SO_x emissions	Tonnes	179
CO emissions	Tonnes	692

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2.4.6 E2 Accounting principles

The tables presented in the following represent the policies on methodology and assumptions used for reporting ESRS E2 environmental data.

Area	Description
NO_x emissions (tonnes)	Reported nitrogen oxides (NO_x) emissions include emissions generated through jet fuel burn in own operations. NO_x emissions are calculated on the fuel consumption (fuel burn in kg) and are based on the same data as scope 1 emissions, multiplied by emissions factor (0.0148) from the Eurocontrol recommended values for jet fuel (kerosene). Several factors that can impact NO_x emissions, including engine design, flight conditions, and operational practices. As of now, the Company does not possess the technology to accurately calculate No_x emissions for each individual flight. Consequently, our emissions assessments are based on fuel consumption, which is considered to provide a reasonable approximation of air pollution levels at this stage.
SO_x emissions (tonnes)	Reported emissions include emissions generated through jet fuel burn in own operations. Emissions are calculated on the fuel consumption (fuel burn in kg) and are based on the same data as scope 1 emissions, multiplied by emissions factor (0.00084) from the Eurocontrol recommended values for jet fuel (kerosene).
CO emissions (tonnes)	Reported emissions include emissions generated through jet fuel burn in own operations. Emissions are calculated on the fuel consumption (fuel burn in kg) and are based on the same data as scope 1 emissions, multiplied by emissions factor (0.00325) from the Eurocontrol recommended values for jet fuel (kerosene).

2.5 Taxonomy-aligned KPIs

2.5.1 Accounting principles

Norse has implemented the EU Taxonomy disclosure such as set forth by the EU Regulation 2020/852 and the Delegated Acts. The regulation establishes the criteria to determine whether an economic activity qualifies as environmentally sustainable, and it also specifies quantitative economic performance indicators to disclose the degree of sustainability.

The activities defined to be eligible under the EU Taxonomy regulations are listed within the delegated acts and the list of such eligible activities continues to evolve over time. Norse has in its reporting included all activities listed within the delegated acts up until the release of the report.

Activities of the entity should be identified as either "Taxonomy-eligible" activities or "Taxonomy-non-eligible" activities. "Taxonomy-eligible" activities should furthermore be analyzed as to whether they are "aligned" or not. An activity is considered as "Taxonomy-eligible" if it is described in the regulation, irrespective of whether it complies with the technical screening criteria. An activity is "Taxonomy-aligned" if it contributes substantially to one or more environmental objectives, does no significant harm to any of the other objectives ("DNSH criteria"), and is carried out in compliance with minimum safeguards.

The EU Taxonomy has defined three key performance indicators ("KPIs") to be reported for the entity's economic activities. These KPIs are Turnover, CapEx and OpEx, which are to be specified on each identified economic activity within each of the categories "Taxonomy-aligned", "Taxonomy-eligible-non-aligned" and "Taxonomy-non-eligible".

Based on an evaluation of the Company's economic activities, Norse has identified the following "Taxonomy-eligible" activities are in scope of the EU Taxonomy:

- Passenger and freight air transport (associated with NACE codes H51.1 and H51.2.1)
- Leasing of aircraft (associated with NACE code N77.3.5)
- Manufacturing of aircraft (associated with NACE code C33.1.6)

None of the above "Taxonomy-eligible" activities currently meet the technical screening criteria set forth by the EU Taxonomy, resulting in all of the "Taxonomy-eligible" activities being reported as "Taxonomy-eligible-non-aligned". The Company's current fleet of aircraft could in principle meet the technical screening criteria of all of the above "Taxonomy-eligible" activities in the future, provided that the aircraft are operated with a minimum share of sustainable aviation fuels (SAF) such as prescribed by the EU Taxonomy at the time.

Compared to the 2023 numbers of turnover, CapEx and OpEx reported a part of the 2023 reporting on Taxonomy-aligned KPIs, the 2023 comparable numbers presented in this report are re-calculated for them to be presented on a comparable basis of the 2024 numbers, considering that "Taxonomy-eligible" economic activities have changed from 2023 to 2024. The KPI CapEx also is updated to reflect the fact that the 2023 comparable numbers of capital expenditure as presented in the 2024 Financial Statements are slightly re-stated.

2.5.2 Taxonomy-aligned turnover

The scope of each of the Company's "Taxonomy-eligible" economic activities are naturally aligned with how the Company itself manages its business activities, cf. note number 4.1 on specification of the Company's revenues. The Company has defined revenue for the KPI Turnover in accordance with IAS 1.82 letter (a) such as prescribed by the EU Taxonomy delegated acts. With reference to note number 4.1, the Company has allocated revenue to economic activities such as in the following:

Activities being "Taxonomy-eligible-non-aligned":
- Passenger and freight air transport: Total passenger revenue across airfare and ancillary, cargo revenue and charter revenue
- Leasing of aircraft: Lease income
- Manufacturing of aircraft: Other revenue

The above activities are all activities generating revenue streams for the Company, and together the activities cover all revenue of the Company in the reporting period. The total turnover reported will therefore reconcile with the total revenue of the Consolidated financial statements as reported in note 4.1 of those statements.

Activities being "Taxonomy-non-eligible":
- None

2.5.3 Taxonomy-aligned CapEx

The Company has defined capital expenditure for the KPI CapEx in accordance with the guidance prescribed by the EU Taxonomy delegated acts. Specifically, relevant CapEx has been extracted as additions made during the Period to assets in scope of IAS 16, IAS 38 and IFRS 16. The Company has allocated additions under these standards to economic activities under the following principles:
- Additions of ROU aircraft parts under IFRS 16: These additions are relevant for the "Taxonomy-non-aligned" activity passenger and freight air transport. Additions have been allocated directly to this activity
- Additions of aircraft parts under IAS 16: These additions are relevant for the "Taxonomy-non-aligned" activities passenger and freight air transport. Additions have been allocated directly to this activity
- Additions of other tangibles under IAS 16: These additions consist of cabin equipment and vehicles, relevant for the "Taxonomy-non-aligned" activity passenger and freight air transport. Additions have been allocated directly to this activity
- Additions of software intangible assets under IAS 38: These additions are equally relevant for all activities of the Company. Additions have been allocated to all economic activities in accordance with the relative size of revenue of passenger and freight air transport, Leasing of aircraft and Manufacturing of aircraft

The total CapEx reported will reconcile with the totals of 2024 additions such as reported in the notes 11.2 and 12 of the disclosures of the Company's Consolidated Financial Statements.

2.5.4 Taxonomy-aligned OpEx

The Company has defined operational expenses for the KPI OpEx in accordance with the guidance prescribed by the EU Taxonomy delegated acts. The scope of relevant expenses is rather narrow, and the Company has found that the line item "Technical maintenance" of the Consolidated Statement of Comprehensive Income is the only item of expenses relevant to the KPI. These expenses are relevant for the two "Taxonomy-non-aligned" activities passenger and freight air transport and leasing of aircraft. Expenses have been allocated to these activities based on a direct allocation in accordance with consumption of resources.

The total OpEx reported will reconcile with the 2024 totals of the line item "Technical maintenance" of the Company's Consolidated Statement of Comprehensive Income.

Financial year 2024

Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover 2024 (4)	Substantial Contribution Criteria: Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	DNSH criteria: Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Turnover		TUSD	%	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
None		-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-
Of which enabling		-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-
Of which transitional		-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Passenger and freight air transport	CCM 6.19	561,270	95.4%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	90.7%	-	-
Leasing of aircraft	CCM 6.18	18,805	3.2%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	7.5%	-	-
Manufacturing of aircraft	CCM 3.21	8,031	1.4%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	1.8%	-	-
Turnover of Taxonomy-eligible but not aligned activities (A.2)		588,106	100.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0%	-	-
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		588,106	100.0%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		-	0.0%																
Total		588,106	100.0%																

Abbreviations
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

Financial year 2024

				Substantial Contribution Criteria						DNSH criteria									
Economic Activities (1)	Code (2)	**CapEx (3)**	Proportion of CapEx 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
CapEx		TUSD	%	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
None		-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-
Of which enabling		-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-
Of which transitional		-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Passenger and freight air transport	CCM 6.19	13,196	99,6%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	99.7%	-	-
Leasing of aircraft	CCM 6.18	40	0,3%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0.2%	-	-
Manufacturing of aircraft	CCM 3.21	17	0,1%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0.1%	-	-
CapEx of Taxonomy-eligible but not aligned activities (A.2)		13,254	100.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0%	-	-
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		13,254	100.0%																

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
CapEx of Taxonomy-non-eligible activities	-	0.0%
Total	13,254	100.0%

Abbreviations
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

Financial year 2024

Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx 2024 (4)	Substantial Contribution Criteria: Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	DNSH criteria: Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
OpEx		TUSD	%	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
None		-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-
Of which enabling		-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-
Of which transitional		-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Passenger and freight air transport	CCM 6.19	83,504	98.7%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	100%	-	-
Leasing of aircraft	CCM 6.18	1,124	1.3%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0.0%	-	-
Manufacturing of aircraft	CCM 3.21	-	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0.0%	-	-
OpEx of Taxonomy-eligible but not aligned activities (A.2)		84,629	100.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0%	-	-
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		84,629	100.0%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		-	0.0%																
Total		84,629	100.0%																

Abbreviations
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

2.5.5 Nuclear and fossil gas related activities

The table below describes the Company's engagement in nuclear and fossil gas related activities.

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	No

	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Chapter 3

Social Information

3.1 Norse's commitment

Norse aims to be a model corporate citizen, operating in accordance with responsible, ethical, sustainable and sound business principles. Norse is driven by a commitment to people, seeing to the well-being of our customers, colleagues, the people of our suppliers and the broader community. We adhere to responsible, ethical, and sustainable business practices while fostering a culture of diversity and inclusion.

3.2 Impacts, risks and opportunities

The Company has assessed actual and potential impacts on its own workforce, as well as risks and opportunities in relation to its own workforce. By the end of the Reporting Period, Norse had 1,121 employees as well as 48 contractors, consisting of cabin crew, pilots, engineers, aircraft maintenance personnel, and office-based employees. Further, the Company has assessed how interests, views and rights of its value chain workers could be materially impacted by the undertaking. Workers in the value chain consisting of a wide range of employee categories, some material groups being those working in ground operations, maintenance activities, catering and hotels. As presented in chapter 1, Norse has identified three material IROs within ESRS S1 Own workforce, and three IROs within ESRS S2 Workers in the value chain.

3.2.1 IROs associated with ESRS S1 Own workforce

Description	IRO category	Value chain location	Time horizon
Working time of own workforce Working time exceeding normal working hours during operational disturbances etc, leading to employee fatigue and reduced well-being	Potential negative impact	Own operations	Short-term
Work-life balance of own workforce Employees negatively affected by burden of inconvenient working hours and overnight stays away from home	Potential negative impact	Own operations	Short-term
Diversity Increasing area of possibilities through global perspective on recruitment in a tight labor market and opening for broader business perspectives	Opportunity	Own operations	Short-term

3.2.2 IROs associated with ESRS S2 Workers in the value chain

Description	IRO category	Value chain location	Time horizon
Secure employment Risk of employees of suppliers working as temps, without contracts or with low protection of employment (ground handling, cleaners, catering, hotels, textiles)	Potential negative impact	Upstream	Short-term
Working time Risk of employees in services such as ground handling, catering, hotel services and cleaning working too long hours	Potential negative impact	Upstream	Short-term
Adequate wages Risk of wages not meeting minimum local standards for the profession, or hindering minimum quality of life	Potential negative impact	Upstream	Short-term

3.3 ESRS S1 Own workforce

3.3.1 Culture

At Norse, we believe that if we take care of our people, our people will take care of the business. Passionate and empowered colleagues make great ambassadors, which has a positive impact on our customers, our communities and our business. We encourage union representation as we believe this contributes to a fruitful employee employer relationship.

Team Norse has collectively pinpointed three fundamental values that we embody and believe will provide us with a competitive edge. These values are Inclusive, Ownership and Kindness. By being inclusive, we contribute towards the goal that everyone shall recognize the feeling of belonging, supported by involvement and transparent communication. This way our colleagues will feel recognized and empowered, while boosting their self-esteem. By taking ownership and personal responsibility for the success and delivery of our targets, we ensure that we exceed our goals and drive profitability through maximizing revenue and cost-control. By showing kindness, we create an atmosphere where people are respected, valued, and free to be themselves so they can represent Norse with a genuine smile. By living our values, working toward similar goals, building relationships, finding meaning and pride in the work that we do, we aim to deliver great customer experiences.

3.3.2 Policies

At Norse, prioritizing the wellbeing of our employees is paramount. To this end, we have implemented a set of policies that cover various aspects of our business. Certain key elements of employee care are directly derived from laws and regulations, while others stem from the Company's core philosophies, though not necessarily formalized into policies. For instance, since the Company's creation, it has been our principle to directly employ all our staff. As a result, Norse's workforce primarily comprises employees, with non-employees engaged only for specific roles within the maintenance organization and certain administrative positions due to local labor market constraints or the Company's temporary needs.

Furthermore, Norse has always supported union representation, believing it contributes to a constructive employee-employer dynamic. From the beginning, management has taken a proactive approach towards unions, aiming for collaboration and the early establishment of collective bargaining agreements.

Being an airline, safety is a primary focus for Norse, and the Company has in place health and safety (HSE) procedures as required by all applicable laws and regulations. Norse encourages everyone working for or on behalf of Norse to ask questions and raise concerns about any misconduct related to our business operations that should be prevented or corrected. This includes concerns relating to a violation of law or other reprehensible conduct, conduct contrary to the Code of Conduct or other internal policies or procedures, and/or conduct contrary to ethical norms that are widely accepted in society, for example dangers to life and health, unsafe working environment, or personal data breach. As part of Norse's safety regulations, the reporting system also includes health, safety and sub-optimal working conditions. HSE is at the very core of operating an airline, whereas it also is at the center of attention of regulators and the whole industry itself. Due to the extensive regulations and industry-wide practices in this area, the Company has decided not to elevate it as a separate material IRO in the sustainability statement, despite its fundamental importance.

Norse operates in an international business and working environment and does believe in fostering a culture of diversity and inclusion. Norse adheres to all relevant laws and regulations regarding equality and non-discrimination. Our Anti-harassment policy, referenced below, includes a dedicated chapter on non-discrimination. We believe in setting a positive example through our actions, and we aim for equality and non-discrimination to be inherent in our culture and business practices.

The following explicit policies are established with effect for the people area:
- Personnel handbook at Norse Employee Center
- Code of conduct
- Anti-harassment policy
- Anti-bullying policy
- Workplace violence policy
- Whistleblowing policy
- Global travel to work guidelines
- Positioning travel policy
- Operations manual Norway AOC
- Operations manual UK AOC

The IROs Working hours of own workforce and Work-life balance of own workforce are most closely associated with the policies Global travel to work policy, Positioning travel policy and Operations manuals. The IRO Diversity is closely associated with the Anti-harassment policy.

The operations manuals is an extensive document established as part of the requirements for holders of an Air Operator's Certificate (AOC), and every flight shall be conducted in accordance with the manual. The Norway AOC Operations manual is issued in accordance with all applicable regulations of European Union Aviation Safety Agency (EASA), whereas the UK AOC Operations manual is issued in accordance with all applicable regulations of UK Civil Aviation Authority (UK CAA). Both manuals also comply with national regulations as well as terms and conditions of the respective AOCs.

The Operations manuals provide a wide set of policies for personnel, assets and systems, and are to be complied with to ensure the safety of the employees and the flying public. The Operations manuals have implications for the larger majority of the Company's employees, and people-related areas where the manuals provide policies include, but are not limited to, topics such as training of personnel, flight crew number and composition, roles and responsibilities, health precautions, fatigue risk management, flight time limitations, rest periods and cabin safety. The Operations Manual functions as the Company's accident prevention policy, while the Centrik system and procedures provide a supportive management system.

Furthermore, Norse has entered into, or is in the process of entering into, Collective Bargaining Agreements (CBAs) with all of its airborne personnel, who represent the vast majority of its employees. The CBAs secure a wide set of additional parameters regulating the working life of airborne personnel similar to that of policies. This includes but is not limited to factors such as rights to employment, promotions, base salaries, variable pay, welfare leaves, pensions and more.

In summary, our aim is for our policies and business practices regarding our employees to align with internationally recognized standards, such as the UN Guiding Principles on Business and Human Rights. We ensure that all Norse employees receive adequate wages in accordance with applicable benchmarks.

Moreover, the Company has established remuneration policies for executive personnel and board members. These guidelines are detailed further in the Corporate Governance section of the annual report.

3.3.3 Engagement with own workforce

In Norway, Norse has established a Working Environment Committee (WEC) with representatives from the employer and from the employees, seeking jointly to implement a proper working environment. A similar organ of employer-employee cooperation on working environment is established in France. All airborne personnel of the Group are subject to, or in the process of having, collective bargaining agreements (CBA), and there is widespread dialogue and cooperation with the workers' representatives from the unions, seeking to ensure decent working

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conditions for the Group's employees. There are monthly meetings between union representatives and Company representatives of HR and Operations.

The Company is not subject to the requirements for engaging with a European Works Council; therefore, no agreement has been established with its employees for representation by such a council.

The Company has established forums for dialogue and cooperation with employees, adhering to best practices and legal requirements within various jurisdictions. Additionally, the Company regularly conducts surveys among employees to gain insight into their perspectives, enabling management to make informed decisions.

On a monthly basis there are general meetings / town hall meetings open for the participation of all employees of the company, either on site or electronically, allowing for management to share status on the status and further plans of the business, as well as for employees to engage in direct dialogue with management during Q&A sessions.

At the Board of Directors of the parent company Norse Atlantic ASA, three out of eight board members are elected by and among the employees of the Group, hence strengthening employee perspectives and influence on key decision making of the Company.

The most senior role within the Company with operational responsibility ensuring engagement with own workforce is the Chief of Staff and Culture Officer, a role that sits within Executive Management of the Company.

3.3.4 Actions and resources

Norse uses the management system Centrik in a wide context of managing its aviation operations. The system is designed by aviation experts specifically for aviation organizations. The system facilitates procedures for reporting incidents from employees. Norse has widened the scope of incident reporting within Centrik, not only covering the incident reporting requirements on the AOC-related topics but also covering incident reporting in a wider business context. Procedures and support are in place for categorization, rating and management's handling of reported incidents.

In addition to global policies and procedures, there are certain local measures in place in accordance with national requirements that involve remedy of potential negative impacts, such as for Occupational Health services in Norway.

Also, the various policies of Norse aim at avoiding and mitigating the negative impact on employees, encourage reporting of negative incidents and describe channels and procedures of such reporting.

As the Centrik reporting system is fundamental to managing aviation operations and ensuring compliance with the Company's essential procedures, Norse employees are well-informed about the systems and procedures in place. Consequently, their trust in these structures and processes is considered high.

Norse conducts safety surveys among all its employees to ensure that safety policies, safety training, and safety issue reporting are well addressed throughout the organization. Appropriate mitigating actions are implemented as necessary.

The Norse compliance team performs internal audits in accordance with yearly audit plans, looking after compliance in all operational areas of the Company, including performing audits in areas like safety, working hours and general working conditions.

Working hours of own workforce

There is a risk of a negative impact from long working hours for the employees. For airborne personnel, constituting the vast majority of the Company's personnel, measures are in place through the AOC's Operations manual. The Operations manual sets forth flight time and duty time limitations as well as rest requirements. Time limitations are defined both for the individual shift, for consecutive days of service, as well as for maximum hours of duty and flights time per year. During unforeseen circumstances disrupting the operations, the commander at his/her discretion can decide to override duty time limits and rest time requirements within certain limits and criteria. In such situations, a report shall be submitted in Centrik. Reports are reviewed at appropriate management levels and statistical data is reviewed and acted upon such as deemed necessary.

For non-airborne personnel not in scope of the Operations manual, working hours are regulated by local regulations, such as by the Working Environment Act in Norway. It also follows as a management responsibility to see to the wellbeing of the employees as managers live the values of Norse. As part of procedures of fatigue management, Norse on a regular basis conduct surveys among airborne personnel and shift-exposed personnel to measure and mitigate any systematic fatigue issues. Further to this, the Norse compliance team performs yearly audits reviewing the compliance with flight time limitations and fatigue risk management with results being reported to management via the airline accountable manager.

Work-life balance of own workforce

While aiming to take care of our people, the nature of the business comes with a burden of inconvenient working hours and rest time that includes overnight stays away from home for the airborne personnel. Norse aims to provide a good work-life balance for its employees, both improving the quality of life while away from home, as well as securing sufficient time at home, while facilitating operations to be organized in a way allowing for the Company to maintain the necessary cost competitiveness.

The Operations manual defines time limits of duty, leaving a corresponding space for time off duty. The manual defines that duty plans for each calendar month shall be published by the date of the fifteenth of the month prior to the duty period, allowing for a certain level of predictability.

Additionally, Collective Bargaining Agreements (CBAs) either established or in process of being established for all airborne personnel, although somewhat varying in structure between jurisdictions, typically defines minimum requirements for minimum number of days off per month as well as minimum number of vacation days.

Norse has established positioning travel policies allowing for some flexibility in travel routes for personnel residing outside of their home base, in turn saving time and cost for such airborne staff.

Representatives of the airborne personnel are members of a hotel committee selecting appropriate hotels to accommodate personnel while having rest time that includes overnight stays away from home, allowing hotels not only to meet requirements regarding criteria such as cost and security, but also for them to be at a certain convenience of the staff.

Diversity

At Norse we believe in fostering a culture of diversity and inclusion, whereas embracing diversity enriches our organization, making us stronger and more resilient. Operating in an industry that comes with strict requirements regarding physical abilities for a wide range of roles, it is to a large extent challenging to allow for the inclusion of people with disabilities. On other aspects we believe Norse has delivered well on its efforts on diversity, now seeing that Norse global perspective on recruitment has resulted in a Norse workforce representing around 40 different nationalities.

We believe that the diversity of Norse represents a positive impact on the working environment of Norse, and also that it represents an opportunity well explored – both as a wider set of perspectives have been brought into the business, generating additional business value, but also that a global perspective on geographic sources of recruitment has resulted in the possibility of bringing great talent to locations where the labor market has been scarce on certain specialist capacities.

3.3.5 Metrics and targets

Although committed to continuously being focused on making improvements to the working conditions of our own workforce, Norse has not yet set any specific targets related to managing material sustainability topics for its own workforce.

3.3.6 S1 Social data

Number of employees split by gender

Gender	2024
Male	660
Female	461
Total number of employees	1,121

Number of employees split by country

Country	2024
Norway	392
UK	361
US	231
France	136
Latvia	1
Total number of employees	1,121

Number of employees by contract types and gender

Reporting period 2024	Female	Male	Total
Number of permanent employees (head count)	431	621	1,052
Number of temporary employees (head count)	27	22	49
Number of non-guaranteed hours employees (head count)	3	17	20
Total number of employees (head count)	**461**	**660**	**1,121**
Number of full-time employees (head count)	448	634	1,082
Number of part-time employees (head count)	13	26	39
Total number of employees (head count)	**461**	**660**	**1,121**

Number of employees by contract type and region

Reporting period 2024	Norway	UK	US	France	Latvia	Total
Number of permanent employees (head count)	340	360	226	125	1	1,052
Number of temporary employees (head count)	37	1	-	11	-	49
Number of non-guaranteed hours employees (head count)	15	-	5		-	20
Total number of employees (head count)	**392**	**361**	**231**	**136**	**1**	**1,121**
Number of full-time employees (head count)	363	356	226	136	1	1,082
Number of part-time employees (head count)	29	5	5	-	-	39
Total number of employees (head count)	**392**	**361**	**231**	**136**	**1**	**1,121**

Employee turnover

	Unit	2024
Employees who have left the undertaking	Number	231
Employee turnover	%	17%

Including in the number of employees who have left the Company, 73 employees of the flight crew being on temporary contracts during the peak summer season and hence deemed per contract to both join and leave the Company within the same calendar year. If such temporary contracted employees were left out of the calculation, employee turnover rate would have been 12 per cent.

Non-employees in own workforce

	2024
Number of non-employees in own workforce - self-employed people	5
Number of non-employees in own workforce - people provided by undertakings primarily engaged in employment activities	43
Total number of non-employees in own workforce	48

Employees per country covered by collective bargaining agreements and workers' representatives

	Unit	2024
Percentage of total employees covered by collective bargaining agreements		
Collective bargaining agreements: Total	%	76%
Collective bargaining agreements: Norway	%	81%
Collective bargaining agreements: UK	%	88%
Collective bargaining agreements: US	%	93%
Collective bargaining agreements: France	%	0%
Employees covered by workers' representatives		
Employees covered by workers' representatives: Total	%	76%
Employees covered by workers' representatives: Norway	%	81%
Employees covered by workers' representatives: UK	%	88%
Employees covered by workers' representatives: US	%	93%
Employees covered by workers' representatives: France	%	100%

Process is ongoing for a collective bargaining agreement (CBA) to be established also for most employees in France, but whereas such process is yet to be concluded.

There are separate collective bargaining agreements per country and separately per category of employees, such as cabin crew, pilots, engineers and technical staff.

As the Company is not allowed to keep records of individual union memberships, employee representation is reported based on union affiliations. This approach is deemed a reasonable estimate, as employees within groups covered by unions that engage with the Company have the opportunity for representation with the union. Additionally, three out of the eight board members of the parent company serve as employee representatives, elected by the employees from within the organization.

Employees inside and outside of EEA covered by collective bargaining agreements and social dialogue

	Collective bargaining coverage	
Coverage Rate	Employees-EEA	Employees-non EEA
0-19%	213	60
20-39%	-	-
40-59%	-	-
60-79%	-	-
80-100%	316	532

Gender distribution top management

	Unit	2024
Male	Number	5
Female	Number	1
Male	%	83%
Female	%	17%

Age distribution of employees

All employees per age group, head count	Unit	2024
Under 30 years	Number	235
30 – 50 years	Number	644
50 years and above	Number	242
Under 30 years	%	21%
30 – 50 years	%	57%
50 years and above	%	22%

Social protection and family-related leave

	2024
Percentage of employees entitled to take family-related leave	100%
Percentage of entitled employees that took family-related leave	3.8%
Percentage of entitled employees that took family-related leave, Male	1.5%
Percentage of entitled employees that took family-related leave, Female	2.3%

All employees of Norse are entitled to family-related leave. All employees are entitled to social protection, although there will be regional differences in the level of economic support under such social protection.

3.3.7 S1 Accounting principles

The tables presented in the following represent the policies on methodology and assumptions used for reporting ESRS S1 Social data.

Area	Description
Number of employees	All employee numbers are reported as head count, end of year numbers.
Employee turnover	Calculated as the number of employees that left their positions throughout the year divided by the number of employees as per the start of the Reporting period, plus those being recruited during the Reporting period.
Percentage of employees covered by worker's representatives	Calculated as the number of employees by the end of the year that are being represented by a union representative.
Uncertainty in relation to assumptions and judgements	Calculations may be subject to uncertainty due to assumptions and judgements made. Most quantitative datapoints reported however are data extracted from the Company's internal IT systems carrying a high level of reliability. There are no assumptions or judgements made that should be highlighted in particular with regards to uncertainty.

3.4 ESRS S2 Workers in the value chain

3.4.1 General

Norse collaborates with numerous suppliers and business partners globally. Norse's key supply chains can be categorized into several areas: aircraft leasing including main components, aircraft maintenance services, jet fuel supplies, ground handling, catering, and airport and air traffic services. Norse's first-tier suppliers are primarily located in Europe and the United States. Generally, we believe that certain risks of negative impact on workers in the value chain, such as job security and adequate wages, are more prevalent in the US compared to Europe.

3.4.2 Policies

Norse is committed to respecting fundamental human rights and decent working conditions. This includes internationally recognized human rights that are enshrined, among other places, in the International Covenant on Economic, Social and Cultural Rights of 1966, the International Covenant on Civil and Political Rights of 1966 and the ILO's core conventions on fundamental principles and rights at work, as well work that safeguards health, safety and environment in the workplace, and that provides a living wage.

Norse abides by the OECD Guidelines for Multinational Enterprises and United Nations Guiding Principles on Human Rights and expects our Suppliers and Business Partners to do the same.

On the policy side Norse has established a Supplier Code of Conduct establishing a set of requirements for our suppliers and business partners, anchored to the internationally recognized instruments as mentioned above. The policy sets the standards expected by Norse to be complied with within a range of areas, including human rights and decent working conditions, which includes, but is not limited to:

- Safe, healthy and secure workplace
- Reasonable working hours and living wages
- Non-discrimination
- Prohibition of forced labour
- Prohibition of child labour
- Freedom of assembly and association

Norse seeks to integrate the Supplier Code of Conduct into all major new supplier contracts unless the suppliers adhere to codes of similar standards, as well as communicating the policy to all major existing suppliers. The Supplier Code of Conduct is made publicly available at the corporate section of the Company's website www.flynorse.com.

Norse's Global Procurement & Supply Chain department facilitates due diligence procedures during the selection of key suppliers, with a primary focus on safety aspects that arise from industry requirements. Selection of key suppliers may involve site visits, also allowing Norse to consider the safety and general working conditions at the supplier's premises.

For ongoing service deliveries from key suppliers within all operational areas such as maintenance, ground handling, engineering and flight operations, the Norse compliance team, in accordance with a yearly audit plan, performs audits looking after there being adequate compliance with regulation and procedures in several areas, and also including areas such as safety training, working hours and general working conditions. Such audits represent an important opportunity to address and mitigate any adverse human rights impact.

3.4.3 Engagement with value chain workers

Norse has not established or planned to establish a specific process of engaging directly with the value chain workers of the Company. Norse manages its relations with key suppliers through the support and procedures of its Global Procurement & Supply Chain department in collaboration with the functional managers. Such procedures and supplier selection processes will include assessments of the suppliers' ability to meet with the requirements of the Supplier Code of Conduct policy. The process normally will not include direct engagement with the value chain workers or their representatives. Audits performed by the Norse compliance team, which may also imply site visits, will imply a certain direct engagement with value chain workers.

Currently, Norse has not established separate channels or procedures for value chain workers to directly raise concerns about negative impacts with the Company. The Norse Supplier Code of Conduct mandates that suppliers enable their employees to report any behavior that contravenes the policy and requires suppliers to report these matters to Norse. The Supplier Code of Conduct explicitly states that employees who report concerns must be protected from retaliation. Consequently, Norse depends on the channels and procedures established by its suppliers to address these matters.

The aviation industry in general is engaged in fostering a Just culture, which is a concept related to systems thinking which emphasizes that mistakes are generally a product of faulty organizational cultures, rather than solely brought about by the person or persons directly involved. A just culture helps create an environment where individuals feel free to report errors and help the organization to learn from mistakes. Norse puts emphasis on fostering a strong Just culture across its operations and key supply chains, encouraging reporting of incidents and concerns.

3.4.4 Actions and resources

As per now, the Company has not yet established specific action plans in relation to each IRO identified for workers in the value chain.

Norse's Global Procurement & Supply Chain department facilitates due diligence procedures during the selection of key suppliers, with a primary focus on safety aspects that arise from industry requirements. Selection of key suppliers may involve site visits, allowing Norse to consider the general working conditions at the supplier's premises.

For ongoing service deliveries, the Norse compliance team conducts audits with key suppliers across all operational areas, including maintenance, ground handling, engineering, and flight operations, in accordance with an annual audit plan. These audits ensure compliance with regulations and procedures in various areas, including safety, training, working hours, and general working conditions. The audit process may include site visits, document reviews, interviews with management, and consultations with employees.

During the reporting period of 2024, Norse had no reported cases of severe human rights issues or incidents in relation to workers in the value chain.

3.4.5 Metrics and targets

Norse has not yet set any specific targets related to managing material sustainability topics for workers in the value chain and has not yet set a specific plan on process or timeline for any such specific target-setting.

Chapter 4

Governance Information

4.1 Norse's commitment

Norse is committed to being a good corporate citizen. Norse aims to lead by example and operate in accordance with responsible, ethical, sustainable and sound business principles, with respect for people, the environment and society.

4.2 Impacts, risks and opportunities

Running a long-haul airline operation such as Norse's in its nature implies the business to be carried across several geographical locations and jurisdictions, engaging in relationships with a wide set of stakeholders. Norse was founded in 2021 and commenced commercial operations in 2022. By the end of the reporting period the Company has offices in the US (Fort Lauderdale), Norway (Arendal and Oslo), UK (London Gatwick), Latvia (Riga, under establishment) and France (Paris), and employs airborne crew, with crew bases in the US (Miami and New York), Norway (Oslo), UK (London Gatwick) and France (Paris).

At the same time, the Company was operating across 14 destinations in its own scheduled network and held 1,121 employees.

Considering the Company's rapid growth from its inception to a substantial organization with operations across various locations and countries, we acknowledge the inherent risk that the evolution of our corporate culture may not keep pace with the growing complexity of our business. This risk is relevant to both our internal processes and our interactions with the upstream value chain and is especially pronounced in the short to medium term.

4.2.1 IROs associated with ESRS G1 Governance

Description	IRO category	Value chain location	Time horizon
Corporate culture Growing fast and being present in various locations across varying business cultures may impose risk of not building a sufficiently uniform and strong culture supporting realization of business strategy as well as ensuring ethical sound ways of doing business	Potential negative impact	Own operations	Short-term

4.3 Impacts, risks and opportunities management

4.3.1 Business conduct policies and corporate culture

Corporate culture

Norse is committed to abide by high standards of integrity and ethics in its business conduct. Norse believes in leading by example, and that the tone at the top therefore is essential in building a strong and sound corporate culture across its organization and business relationships.

As a cornerstone of its culture, the Company lives its values across the three key words Inclusive, Ownership and Kindness, elaborated through the following:

Inclusive: "Everyone shall recognize the feeling of belonging. With involvement, recognition and transparent communication, our team will enjoy positive self-esteem and a feeling of empowerment."

Ownership: "Everyone is personally responsible for the success and delivery of our targets to ensure Norse exceeds its goals and drives profitability through ensuring cost leadership."

Kindness: "To create an atmosphere where people feel respected, valued, can be themselves, and where they can deliver our service with a genuine smile."

Policies

On 28 June 2023 the Company established the two policies Code of conduct (CoC) and Supplier code of conduct (SCoC). Both policies are adopted by the Board of Directors.

The Code of Conduct applies to all employees, leaders, hired personnel, board members, and individual contractors. It outlines expectations and responsibilities while also encouraging the reporting of concerns and the asking of questions. The Code of Conduct provides guidelines to ensure Norse maintains a safe, healthy, and secure workplace and conducts operations with integrity.

The Supplier code of conduct is addressed towards all suppliers, business partners and service providers with which Norse has business relationships, providing products or services to Norse. The Supplier code of conduct addresses topics such as compliance with laws and regulations, adherence to human rights and decent working conditions, commitment to environmental responsibility, compliance with anti-bribery and -corruption regulations and policies, and more.

Training and awareness

Training in the Code of conduct is integrated with the on-boarding process of new employees to Norse, and the policy is made available to all employees through the Norse Intranet.

Norse aims to include the Supplier code of conduct as an annex to all new material contracts entered into, and also to share with counterparties of already existing contracts, communicating Norse's expectations for the suppliers and business partners to adhere to the policy.

Both the Code of conduct and the Supplier code of conduct are made available to the public through the Company's corporate website.

Reporting and whistleblowing

At Norse we encourage everyone working for, or on behalf of, the Company to ask questions and raise concerns about any misconduct related to our business operations that should be prevented or corrected. The Company's core business is operated under the licenses of Air Operator Certificates (AOCs) such as issued by the Civil Aviation Authorities (CAA) of Norway and the UK. Under such licenses and as part of our safety regulations it is required to have in place applicable reporting systems, amongst others, to capture incidents in areas such as health, safety and sub-optimal working conditions. The industry and the Company therefore are subject to a widespread reporting culture, allowing for and expecting non-compliance issues to be reported on matters in a broad business context, and not only those concerning health and safety. System support and applicable processes are established to ensure the capturing and the processing of concerns being reported, allowing for concerns to be raised on an anonymous basis, and for issues to be resolved on an appropriate management level. The Company has established a specific whistleblowing policy applicable to all Norse employees.

The system and procedures described are primarily managed by the Company itself. If required by the nature of the issue reported, the Company would consider taking help from resources external to the Company, such as legal experts. Which incidents that would require external support would be subject to judgement, but involvement of executive management personnel in incidents, or incidents being of high severity, such as claims of corruption or bribery could be examples of such incidents. The Company has not established any external whistleblowing channels. Outside of fostering a reporting culture such as described above, the Company has not yet established, nor plans to establish specific policies on the protection of whistleblowers.

4.3.2 Management of relationships with suppliers

Managing good relationships with its suppliers and business partners is key for Norse. The main suppliers and business partners of Norse typically deliver services specialized in commercial airline operations, and whereas the suppliers' delivery of their goods and service on time and quality is crucial for Norse in turn being able to deliver its product on time and quality to the passengers. Norse's business relationships with their suppliers and business partners are therefore characterized by continuous service deliveries and repeat purchases over longer-term periods of cooperation. Some key suppliers of Norse will be those delivering payment services, leasing services, maintenance services, airport services, catering services, fuel services and ground handling services. The key suppliers and business partners of Norse typically are large, international corporations holding significant size and bargaining power up against that of Norse. Agreements entered into by Norse typically are on normal terms for the industry and for the category of services in question, and Norse seeks to be a good corporate citizen in its relationships with its vendors, paying both large suppliers and SMB suppliers in accordance with the agreed terms.

Norse strives to include relevant ESG criteria in the process of selecting such vendors. Key suppliers and business partners are often large international corporations, in turn implying they are somewhat mature in the areas of managing social and environmental matters in a responsible way, also being receptive of such requirements being advocated by Norse. Some key supplier service categories, such as ground handling and maintenance, are subject to strict industry regulations supervised by civil aviation authorities, in turn implying that areas such as health, safety and environment, including training and working hours for their employees are looked after.

4.3.3 Prevention and detection of corruption and bribery

The Company has established an Anti-bribery and -corruption policy (ABC policy) directed towards employees, suppliers and business partners, describing in more detail the expectations set forth by the Company in the Code of conduct and in the Supplier code of conduct. The ABC policy describes rules and policies on donations, gifts, hospitality and facilitation payments, as well as procedures for carrying out due diligence on third parties. The ABC policy is made available to employees through the Norse Intranet, and it is made available to suppliers and business partners with reference to the Supplier code of conduct. Awareness of the ABC policy is also established as it is referenced in the CoC and the SCoC. There is no specific training programs established in relation to the ABC policy. Whereas it would be natural to report any actual incidents to the governing bodies of the Company, there are currently no specific procedures in place for the reporting of such incidents, nor any plans on establishing such specific procedures.

4.4 Metrics and targets

4.4.1 Incidents of corruption or bribery

During the reporting period, the Company has not been subject to any convictions or any fines for violation of anti-corruption and anti-bribery laws. There have been no confirmed incidents of corruption or bribery during the reporting period, either within our own operations, nor relating to contracts with our business partners. No public legal cases regarding corruption or bribery have been brought against the Company itself, or against actors in the value chain with Norse employees being directly involved.

4.4.2 Political influence and lobbying activities

Generally, the Company is to a very limited degree involved in any political influence or lobbying activities. In the context of sustainability, there are political matters of potential interest to airlines such as regulations on GHG quotas and emissions, environmental taxes, regulation on sustainable aviation fuel (SAF). More generally speaking, any laws, regulations and tax regimes affecting the commercial airline industry in general, as well as laws and regulations in relation to the working life of its employees, are matters of interest. Specifically, there could also be matters of interest on receiving permits to fly into certain jurisdictions, receiving overflying rights and more.

During the reporting period, Norse has engaged in neither political or lobbying activities nor made any financial or in-kind political contributions.

Signatures from the Board and the CEO

Arendal, 29 April 2025

Terje Bodin Larsen
Chair of the Board

(Signed electronically)

Aase Kristine Mikkelsen
Member of the Board

(Signed electronically)

Timothy Sanger
Member of the Board

(Signed electronically)

Marianne Økland
Member of the Board

(Signed electronically)

Bjørn Kjos
Member of the Board

(Signed electronically)

Bjørn Tore Larsen
Chief Executive Officer

(Signed electronically)

Jan Mathias Lindborg
Member of the Board,
employee representative

(Signed electronically)

Synne-Linnea Einarsen
Member of the Board,
employee representative

(Signed electronically)

Leif Andre Moland
Member of the Board,
employee representative

(Signed electronically)

Corporate governance statement

Implementation and reporting on corporate governance

Norse has established its Corporate Governance policies and practices based on the recommendations provided by Norwegian Code of Practice for Corporate Governance, as issued by The Norwegian Corporate Governance Board ('NCGB', or 'NUES' (no)). The Company is required to report on corporate governance under section 2–9 of the Norwegian Accounting Act (published on www.lovdata.no). Furthermore, as a company listed on Euronext Expand, the Company is subject to the Euronext non-harmonized rules of Oslo Stock Exchange Rule Book II, Membership and Trading rules, stating that such recommendations of NUES are to be applied. The recommendations of NUES are publicly available in its full text English version at https://nues.no/english/.

Norse's Board of Directors actively adheres to good corporate governance standards and will ensure that Norse complies with the requirements of section 2–9 of the Accounting Act and the NUES Code of Practice.

Business

The Company's Articles of Association states the following objective of the business activities:

"The business of the Company is transportation and related activities, including participation in other companies with similar business, sale and purchase of shares, or in other ways engage in other companies."

Transportation activities take place in the segments of air passenger and air cargo transport primarily in the transatlantic market, and currently also in the segment of charter and wet leasing of aircraft. Further goals and strategic ambitions for the business are defined by the Board of Directors.

The Company's Articles of Association are publicly available under the Investor Relations section of the Company's website www.flynorse.com.

Equity and dividends

The Board of Directors will ensure that Norse has a capital structure that is suited for the Company to realize its strategies and reach its goals under an appropriate risk profile. Being a company still in its build-up phase, the Company's capital is focused on being deployed into the establishment and the growth of the Company's business activities, and as for now, with no stated ambition or policy on dividends. It is Norse's ambition to deliver a satisfactory return on the capital invested in the Company, and in the longer term, such return should also include cash dividends.

The Company's Articles of Association do not provide authorization to the Board of Directors to issue new shares of the Company, or for the Company to re-purchase its own shares. As per 31 December 2024, the Board of Directors had a specific authorization from the General Meeting to issue new shares in a repair share offering planned to take place first quarter of 2025 after the December 2024 private placement of new shares to the Company. Further to this, the Board of Directors had a general authorization from the General Meeting to increase the Company's share capital in an amount equivalent to up to 20 per cent of the Company's share capital. The authorization is valid until the annual General Meeting in 2025 and will in all cases expire on 30 June 2025. Generally, the General Meeting may provide the Board of Directors with a general authorization, limited in time and number of shares, to issue new shares to the Company, when the General Meeting finds this to be in the best interest of the Company.

Equal treatment of shareholders

Norse has one class of share, and each share entitles the holder to one vote. Each share has a nominal value of NOK 5.00.

Shares and negotiability

All Norse shares carry equal rights and are freely tradeable. No special limitations on transactions have been laid down in Norse's Articles of Association. However, Article 5 of the Articles of Association however provides special rules to apply if the Company's traffic rights and/or operating licenses that are dependent on a majority of shareholders being EEA nationals is jeopardized. If such a special situation should occur, the Articles of Association provide certain rules on compulsory sale and purchase of the Company's shares held by shareholders not being EEA nationals.

General meetings

The General Meeting is the highest rank governing body of the Company. Norse aims to facilitate for as many shareholders as possible to be able to exercise their rights by participating in General Meetings, and for the General Meeting to be an effective meeting place for shareholders and the Board of Directors. The General Meeting is conducted digitally. Shareholders who are unable to attend the General Meeting may vote by proxy.

The Public Limited Liability Companies Act's fifth chapter provides rules on the governing of the companies' General Meeting. The Company in its Articles of Association has no provisions that, in whole or in part, expand the rules, or deviate from the rules, as set forth by the beforementioned law's fifth chapter.

Nomination committee

The Company has a Nomination Committee, elected by the General Meeting. As per the Articles of Association the Nomination Committee shall have two to four members elected by the General Meeting. The Nomination Committee currently has three members, and the General Meeting has found it appropriate for the Nomination Committee to currently be headed by the Chair of the Board of Directors. The General Meeting has provided the Nomination Committee with instructions on their mandate, guidelines for their work and rules of procedure etc. It is for the Nomination Committee to make proposals to the General Meeting on election of members to the Board of Directors, and also on the remuneration of the Board of Directors and any sub-committees to the Board of Directors. The instructions to the Nomination Committee are publicly available under the Investor Relations section of Company's website www.flynorse.com.

Board of directors: composition and independence

The General Meeting appoints members to the Board of Directors. As per the Articles of Association the Board of Directors shall have three to eight members, and it does currently have eight members, being a mix of members representing major shareholders and independent members, as well as having three members being elected by and among the Company's employees.

The Board of Directors has three female members, representing 37.5 per cent of the Board of Directors' members, as per the requirements under The Public Limited Liability Companies Act and established by common Norwegian business practice. Members of the Board of Directors are normally elected for a period of two years.

The Articles of Association do not provide guidance on the election of members of the Board of Directors except stating that the number of members should be three to eight. As mentioned above, the General Meeting however, has established instructions for the Nomination Committee providing such guidance. It follows from the instructions to the Nomination Committee that the majority of the shareholder-elected members of the Board should be independent of the Company's executive management and material business contacts, and that at least two of the shareholder-elected members of the Board should be independent of the main shareholders.

The Company has not established separate guidelines on equality and diversity as selection criteria when appointing members to the Board of Directors, the Audit Committee or the Nomination Committee. The Company nevertheless do focus on representation across genders, age and backgrounds when appointing members to the various organs and may formalize such practice into specific guidelines.

The work of the board of directors

The Board of Directors are overseeing the governance of the Company and making critical business decisions on behalf of the Company, as set forth by The Public Limited Liability Companies Act and established business practices. The Board of Directors appoints the Chief Executive Officer of the Company. The Board of Directors have adopted instructions for the board of directors. These written instructions provide specific rules on the work of the board and its administrative procedures which determine what matters must be considered by the board and rules of procedure for how they will conduct their work. The Board of Directors has aligned such instructions in accordance with good practices of work by the Board of Directors. The instructions include rules and procedures on handling of transactions with related parties, and in the event of non-immaterial such transactions, the Board of Directors will assess on a case-by-case basis whether a fairness opinion from an independent third party should be obtained.

The Company has established an Audit Committee with members being elected by and among the members of the Board of Directors, normally for a period of two years. The Audit Committee operates under a delegated authority of the Board of Directors, whereas the Board of Directors has issued instructions for the work to be performed by the Audit Committee. The instructions say that the Audit Committee shall have at least two members. The Audit Committee currently has two male and one female member, and in total three members.

Risk management and internal control

The Board of Directors see to the governance of the Company as set forth by The Public Limited Liability Companies Act and established business practices. The Company does not currently have an internal audit function. Risk management and internal controls are established as appropriate, taking into account the size and the risk of the business activities, and the implementation of an internal audit function is being evaluated as part of this.

Through its Board of Directors, the Company has adopted an anti-bribery and -corruption policy. Furthermore, the Company through its Board of Directors has adopted a code of conduct for employees and a supplier code of conduct.

The Audit Committee on behalf of the Board of Directors has been provided with the task of overseeing the internal control and risk management over processes of financial reporting and sustainability reporting. The specific duties and the rules of procedure of the Audit Committee's work is set forth in the instructions provided by the Board of Directors to the Audit Committee. The Audit Committee meets as a minimum every quarter for the review of the Company's quarterly financial reports, in relation to the review of the Company's annual report, and in between such meetings whenever deemed required. The Audit Committee should meet with the management of the Company and with the Company's elected auditor at least yearly, whereas the common practice is for representatives of the management and the auditor to attend every meeting of the Audit Committee. During the meeting cycle of the Audit Committee, topics from internal control, process risk management, financial reporting and sustainability reporting are incorporated as appropriate.

Remuneration of the board of directors

It is for the Nomination Committee to make proposals to the General Meeting on election of members to the Board of Directors, and also on the remuneration of the Board of Directors and any sub-committees to the Board of Directors. Members of the Board of Directors are currently not entitled to any options under the Company's long-tern share option program. Disclosure on remuneration of the Board of Directors is provided in note 6.2 to the Consolidated Financial Statements. Shareholdings of the Board of Directors is provided in note 19.2 to the Consolidated Financial Statements.

Remuneration of executive personnel

The Board of Directors have prepared Guidelines on remuneration for executive personnel. The guidelines are approved by the General Meeting. The guidelines provide guidance on the process of determining the remuneration and the components of the remuneration. For the components, remuneration is described in terms of fixed base salary, variable remuneration, bonus scheme, long-term share option program, other benefits and pensions. Guidelines are provided for the relative composition of the various remuneration elements. Currently there is no bonus scheme established for members of executive management. The Company did establish a long-term share option program in May 2023. Detail on the long-term share option program is provided in note 5.2 to the Consolidated Financial Statements. Detail on the remuneration of executive personnel is provided in note 6.1 to the Consolidated Financial Statements. Detail on shares and options held by executive personnel is provided in note 19.2 to the Consolidated Financial Statements. The Guidelines on remuneration for executive personnel are publicly available under the Investor Relations section of Company's website www.flynorse.com.

Information and communications

All shareholders and other financial market stakeholders should be treated equally when it comes to access to financial information. The Company's Chief Financial Officer serves in the function of investor relations. The investor relations function maintains regular contact with company shareholders, potential investors, analysts and the financial markets in general, and the Board of Directors is updated on these activities on a regular basis. The Company seeks to gradually develop and improve its communication with the financial market such as through live or webcasted presentations of quarterly financial reports. The financial calendar for 2024 is made available under the Investor Relations section of Company's website www.flynorse.com.

Take-overs

Norse does currently not have any specific written guidelines on procedures to be followed in the event of a takeover bid. The Board of Directors will however not seek to hinder or obstruct any takeover bid for the Company. If an event of a take-over bid should occur, the Board of Directors will comply with relevant legislation and regulations and consult the recommendations in the NUES Code of Practice. The Board of Directors may seek advice from external advisors, e.g. for questions on legal matters and valuations. Based on the evaluations made, the Board of Directors will either recommend that shareholders accept the bid or advise them against doing so.

Auditor

Norse has elected RSM Norge AS in the role as its independent registered public accounting firm, i.e., its external auditor. The elected external auditor is independent in relation to Norse and has been elected by the General Meeting of Norse. The external auditor has been engaged to audit and to issue a report in accordance with law, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). This includes opinions on the Consolidated financial statements, the parent company financial statements of Norse Atlantic ASA such as these are presented in this Annual Report, and also the Company's sustainability report such as included in the Board of Directors' Report of this Annual Report. It also includes the Company's reporting of the Consolidated financial statements under the regulations of the European Single Electronic Format (ESEF). The external auditor's opinion on the Consolidated financial statements is presented as part of this Annual Report. The external auditor is also engaged by the Company in reviewing, but not expressing any formal opinion on, the interim financial reports of the Company. The external auditor is engaged in communication with management, the Board of Directors and with the Audit Committee such as advised by applicable recommendations, laws and auditing standards.

The remuneration of the external auditor is approved by the Annual General Meeting. Detail of the remuneration to the external auditor is presented in note 7 to the Consolidated Financial Statements.

Financial statements

Consolidated financial statements

Consolidated statement of comprehensive income

(in thousands of USD)	Notes	2024	2023
Revenue			
Revenue	4	588,106	439,436
Operating expenses			
Personnel expenses	5, 6	(131,701)	(99,759)
Fuel, oil and emission costs		(183,617)	(152,527)
Airport charges and handling		(94,205)	(67,153)
Technical maintenance		(84,629)	(66,493)
Other operating costs		(47,151)	(33,999)
Marketing and distribution costs		(31,724)	(23,343)
Administrative costs	7	(15,938)	(14,143)
Total Operating exps excl. leases, dep & amort.		**(588,965)**	**(457,417)**
Operating profit before leases, dep & amort. (EBITDAR)		**(858)**	**(17,980)**
Variable aircraft rentals		(8,239)	(33,139)
Depreciation and amortization	11, 12	(87,920)	(84,103)
Operating profit/(loss)		**(97,017)**	**(135,223)**
Interest expenses	8	(39,019)	(34,982)
Other financial income/(expenses)	9	962	1,603
Profit/(loss) before tax		**(135,075)**	**(168,602)**
Income tax	10	(379)	(144)
Profit/(loss) for the period		**(135,454)**	**(168,746)**

(in thousands of USD)	Notes	2024	2023
Total comprehensive income			
Profit/(loss) for the period		(135,454)	(168,746)
Other comprehensive income		-	-
Total comprehensive income		**(135,454)**	**(168,746)**
Total comprehensive income attributable to			
Owners of the parent company		(135,454)	(168,746)
Basic earnings per share (USD) [1]	20	(1.05)	(2.50)
Diluted earnings per share (USD) [1]	20	(1.05)	(2.50)

[1] Based on average number of outstanding shares in the period

Consolidated statement of financial position

(in thousands of USD)	Notes	31 DEC 2024	31 DEC 2023
Non-current assets			
Aircraft and other tangible assets	11	824,694	898,856
Intangible assets	12	2,819	3,324
Aircraft lease deposits	11, 13	16,502	16,048
Other non-current assets	13, 14	32,338	17,277
Total non-current assets		**876,353**	**935,505**
Current assets			
Credit card receivables	13	100,245	60,214
Trade and other receivables	13, 15	11,668	6,351
Inventories	16	4,601	3,466
Other current assets	13, 17	15,468	22,770
Cash and cash equivalents	13, 18	22,855	54,830
Total current assets		**154,837**	**147,631**
Total assets		**1,031,190**	**1,083,136**

(in thousands of USD)	Notes	31 DEC 2024	31 DEC 2023
Equity and liabilities			
Equity			
Share capital	19	74,596	62,954
Share premium		200,418	197,756
Other paid-in capital		588	309
Accumulated losses		(486,170)	(350,716)
Total equity		**(210,568)**	**(89,697)**
Non-current liabilities			
Lease liabilities	11, 13	826,005	902,147
Shareholder loan	13, 22.2	22,056	-
Provisions	21	73,830	57,913
Total non-current liabilities		**921,891**	**960,060**
Current liabilities			
Deferred passenger revenue	13	101,289	52,394
Trade and other payables	13	138,864	88,699
Lease liabilities	11, 13	79,714	71,680
Total current liabilities		**319,868**	**212,773**
Total equity and liabilities		**1,031,190**	**1,083,136**

Consolidated statement of cash flow

(in thousands of USD)	Notes	2024	2023
Cash flows from operating activities			
Profit/(loss) before tax		(135,075)	(168,602)
Adjustments for items not affecting operating cash flows:			
Depreciation and amortization	11, 12	87,920	84,103
Interest expenses	8	39,019	34,982
Interest income	9	(1,489)	(2,129)
Share-based payments to employees	5.2	279	309
Income taxes paid	10	(379)	(144)
Provisions	21	8,848	6,870
Net operating cash flows before working capital movements		**(877)**	**(44,609)**
Working capital movements		56,517	24,051
Net cash flows from operating activities		**55,640**	**(20,558)**
Cash flows from investing activities			
Aircraft maintenance assets		(22,423)	(3,963)
Other investments		(1,987)	(3,370)
Net cash flows from investing activities		**(24,411)**	**(7,332)**

(in thousands of USD)	Notes	2024	2023
Cash flows from financing activities			
Net proceeds from share issue		14,304	68,204
Proceeds from shareholder loan		20,000	-
Lease installments		(69,161)	(28,207)
Movements in restricted cash		2,300	(10,500)
Net interest received/(paid)		(28,187)	(27,572)
Net cash flows from financing activities		**(60,745)**	**1,925**
Effect of foreign currency revaluation on cash		(160)	586
Net increase in free cash and cash equivalents		**(29,675)**	**(25,379)**
Free cash and cash equivalents at the beginning of the period		39,330	64,709
Free cash and cash equivalents at the end of the period		**9,655**	**39,330**
Restricted cash at the end of the period	18	13,200	15,500
Cash and cash equivalents at the end of the period	18	**22,855**	**54,830**

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	Accumulated losses	Total equity
Balance as at 1 Jan 2024	122,211,579	62,954	197,756	309	(350,716)	(89,697)
Profit/(loss) for the period	-	-	-	-	(135,454)	(135,454)
Other comprehensive income	-	-	-	-	-	-
Other changes in equity						
2 February 2024, share issue at USD 1.03 (NOK 11.00) per share	6,312,261	2,955	2,858	-	-	5,814
6 Dec 2024, share issue at USD 0.45 (NOK 5.00) per share	19,278,576	8,686	(196)	-	-	8,490
Share-based payments to employees	-	-	-	279	-	279
Balance at 31 Dec 2024	**147,802,416**	**74,596**	**200,418**	**588**	**(486,170)**	**(210,568)**
Balance as at 1 Jan 2023	206,084,314	29,945	162,561	-	(181,970)	10,535
Profit/(loss) for the period	-	-	-	-	(168,746)	(168,746)
Other comprehensive income	-	-	-	-	-	-
Other changes in equity						
25 April 2023, share issue at USD 0.23 (NOK 2.50) per share	60,000,002	7,030	6,177	-	-	13,207
27 April 2023, reverse share split, four shares into one	(199,563,237)	-	-	-	-	-
13 November 2023, share issue at USD 0.99 (NOK 11.00) per share	9,978,161	4,492	5,018	-	-	9,510
29 November 2023, share issue at USD 1.03 (NOK 11.00) per share	45,712,339	21,487	24,000	-	-	45,487
Share-based payments to employees	-	-	-	309	-	309
Balance at 31 Dec 2023	**122,211,579**	**62,954**	**197,756**	**309**	**(350,716)**	**(89,697)**

Notes to the consolidated financial statements

Note 1 General information

The consolidated financial statements of Norse Atlantic ASA (“Norse”, “Norse Atlantic Airways” or the “Company”) for the year ended 31 December 2024 (the “Period”) were authorized for issue in accordance with a resolution of the Board of Directors passed on 29 April 2025.

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

Norse is a new affordable long-haul airline established in 2021 and will serve the transatlantic market with a fleet of modern and fuel-efficient Boeing 787 Dreamliners. The Company's first flight took off from Oslo to New York on June 14, 2022.

Note 2 Basis of preparation and material accounting policies

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards and IFRIC interpretations as adopted by the European Union and in accordance with Norwegian Accounting Act §3-9. These consolidated financial statements have been prepared on a historical cost basis with some exceptions, as detailed in the accounting policies below. The consolidated financial statements are presented in thousands of USD except where otherwise indicated.

These financial statements have been prepared based on the assumption of going concern.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. They have all been applied consistently throughout the Period.

2.1 Consolidation

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

2.2 Foreign currency translation

The functional and presentational currency of the Company is United States dollars (USD).

Income and expenses denominated in foreign currencies are translated into USD at the exchange rates prevailing at the dates of the transactions. Exchange gains and losses resulting from settlement of such transactions as well as from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income as Other financial income/(expense).

2.3 Revenue recognition

Revenue comprises the amounts that reflect the consideration to which the Company expects to be entitled in exchange for goods and services promised to be transferred to customers in the general course of the Company’s activities. Revenue is shown net of value-added tax and discounts. The Company recognizes revenue when the performance obligations in the contract with the customer are satisfied.

Revenue from the airline business is generally associated with the performance obligation of the air transport taking place. Tickets are usually sold in advance of the air transport taking place. The Company receives payment at or shortly after the time of sale, but such payments might be partly delayed until time of transport with any hold-back imposed by credit card acquirers for security reasons. Between the time of sale and time of air transport, the amounts collected from the customers are accounted for as deferred revenue and is included in 'Deferred passenger revenue' (being a contract liability) in the Company's statement of financial position. The value of the resulting air traffic settlement liabilities, less any taxes collected on behalf of authorities, represents the aggregate transaction price of performance obligations not yet satisfied.

Tickets are often sold few months prior to the air transport taking place. The contracts with customers hence have a duration of less than one year and the corresponding liabilities will always fall due within one year. A financial year's reported revenue will therefore include the entire closing balance of the prior year's air traffic settlement liabilities. As the time between ticket sale and time of the air transport taking place is less than one year and based on materiality considerations the Company does not recognize any financing element in relation to ticket sales.

Tickets sold through the Company's website are paid by debit card or credit card, whereas the various credit card acquirers settle the payments with the Company under various credit terms and rules of holdback. Receivables related to tickets sold, not yet settled with the Company, are recognized under the line item 'Credit card receivables' (being a contract asset) in the statement of financial position. Trade receivables under the line item 'Trade and other receivables' on the other hand will include receivables (contract assets) in relation to services invoiced directly from the Company to the customer, such as for services related to charter/ACMI and maintenance services.

Airfare passenger revenue

Airfare passenger revenue is recognized and reported when the air transport has been carried out and the performance obligations are therefore satisfied. The value of tickets sold, and which are still valid but not used by the reporting date (amounts sold in excess of revenue recognized) is reported as current liability under 'Deferred passenger revenue' in the Company's statement of financial position. This liability is reduced when the Company completes the transportation or if/when the amount is refunded to the customer.

Amounts paid by 'no-show' customers are recognized as revenue when the booked service is provided, and performance obligations are satisfied. 'No-show' customers with low fare tickets are not entitled to change flights or seek refunds for other than taxes once a flight has departed.

Ancillary passenger revenue

Ancillary passenger revenue comprises of sales of products and services to passengers, such as revenue from baggage sales, seating and premium upgrades and food and beverages onboard the aircraft. Most of the products and services do not have separate performance obligations but are associated with the performance obligation of the air transport and are hence recognized as revenue at the time of the transport. Between the time of sale and time of transport such ancillary revenue items are accounted for as deferred revenue and is included in 'Deferred passenger revenue' in the Company's statement of financial position.

Lease income

The Company has subleased some of its aircraft to other airlines. Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset to the lessee are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as lease income. Lease income from operating leases is recognised in the statement of comprehensive income on a straight-line basis over the lease term.

Charter revenue

The Company offers services of operating flights on behalf of others, both for ad hoc flights and for series of flights over a longer term. Customers for longer term assignments typically would be other airlines adding capacity to their own scheduled network or cruise lines feeding customers into their cruise harbours. All charters are operated under Norse Air Operator's Certificates (AOCs. Charters can be in the form of ACMI (Aircraft, Crew, Maintenance, Insurance delivered by the lessor) whereas the lessee is responsible for paying jet fuel, handling and airport charges outside of the lease rate. Charters could also imply the lessor being responsible for the jet fuel cost.

Charters are typically remunerated either at a fixed cost per pre-defined segment or per block hour (hours the aircraft is being operated). Charter revenue is recognised in the statement of comprehensive income as the service is delivered to the customer.

Other revenues

Other revenues are recognized when the performance obligations have been satisfied through the rendering of services.

2.4 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The aircraft leases have been discounted using the rate implicit in the lease on each aircraft lease agreement separately. The calculation of the discount rate implicit in the lease is based on information within the lease agreement, public lessor information and fair values of aircraft published and provided by third parties. No parts of the calculation are based on assumptions made by the Company. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is presented as a separate line in the consolidated statement of financial position. All variable lease payments, that are payable based on actual utilization of the underlying asset, are excluded from the calculation of lease liability. All variable lease payments are expensed to the statement of comprehensive income during the period to which such variable payments relate to.

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to return the underlying assets to the lessee at specific condition required by the terms of the lease, a provision is recognised and measured under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. To the extent such costs relate to a ROU asset, the costs are included in the related ROU asset, unless those costs are incurred to produce inventories.

ROU assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Company applies IAS 36 Impairment of Assets to determine whether a ROU is impaired and accounts for any identified impairment loss in its consolidated statement of comprehensive income.

2.5 Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

2.6 Property, plant and equipment

Property, plant and equipment (PPE) is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

2.7 Financial assets and liabilities

Financial assets and liabilities are recognized when the Company becomes party to the contractual obligations of the instrument and are initially recognized at fair value, except trade receivables that are measured at transaction price if the trade receivables do not contain a significant financing component. Subsequent to initial measurement, financial assets and liabilities are classified as per below.

Financial assets and liabilities measured at fair value through profit or loss

This includes the financial assets and liabilities measured at fair value upon initial recognition with change in fair value recognized through the consolidated income statement. Subsequent to initial recognition, financial assets and liabilities in this category are measured at fair value at the end of each reporting period with unrealized gains and losses being recognized through profit or loss.

Financial assets and liabilities measured at amortized cost

This category is the most relevant for the Company and includes lease liabilities, trade payables and other financial assets and liabilities with fixed or determinable payments that are not quoted in an active market. Financial assets and liabilities in this category are initially recognized at fair value, net of directly attributable transaction costs. After initial measurement financial assets and liabilities in this category are subsequently carried at amortized cost using the effective interest rate (EIR) method, less any allowance for impairment. The EIR amortization is included in finance income for receivables and finance cost for borrowings. Losses arising from impairment of accounts receivable are recognized in operating expenses.

2.8 Inventory

Inventory of spare parts are carried at the lower of cost and net realisable value. Cost is calculated using the weighted average cost. Inventory includes aircraft parts which are consumables and non-renewable.

2.9 Provisions

Provisions are recognized when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognized as a finance cost. Refer to note 11.6 for description of aircraft maintenance provisions.

2.10 Segment reporting

The Chief Operating Decision Makers ('CODM') currently reviews the Company's activities on a consolidated basis as one operating segment. Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to operating segments and assessing their performance. The segment reporting is based on the accounting policies such as they are described in these notes.

2.11 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For diluted earnings per share, diluted potential ordinary shares are determined independently for each period presented. When the number of ordinary shares outstanding changes (e.g. share split) the weighted average number of ordinary shares outstanding during all periods presented is adjusted retrospectively.

2.12 Consolidated statement of cash flows

The Company's consolidated statement of cash flows is prepared using the indirect method. Cash flows from operating activities are incorporated as a part of the cash flow statement and the cash flows are divided into operating activities, investing activities and financing activities. In the cash flow statement, the net profit is adjusted for non-cash items, such as depreciation and non-cash movements in accounts payable and receivables. Any cash flows that have been recorded as part of the net profit, but which are investing or financing in nature, are removed from operating cash flows and presented as part of investing or financing cash flows.

2.13 Income tax

The income tax expenses or benefit for the period consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities, with the exception of:

- temporary differences linked to items that are not tax deductible
- temporary differences related to investments in subsidiaries, associates or joint ventures when the Company controls when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

Deferred tax assets are recognised when it is probable that the Company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. The Company recognises previously unrecognised deferred tax assets to the extent it has become probable that the Company can utilise the deferred tax asset. Similarly, the Company will reduce a deferred tax asset to the extent that the Company no longer regards it as probable that it can utilise the deferred tax asset. The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the legal entities within the Norse group where temporary differences have arisen.

Deferred tax and deferred tax assets are recognised at their nominal value and classified as non-current asset investments (long-term liabilities) in the consolidated statement of financial position.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

2.14 Critical accounting estimates and judgments

Preparation of the Company's consolidated financial statements requires management and the board to make estimates, judgments and assumptions that affect the reported amount of revenue, expenses, assets and liabilities, as well as the accompanying disclosures. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. Uncertainty about these estimates, judgments and assumptions could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities in future periods.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of assets

The consolidated entity assesses impairment of non-financial assets and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. The recoverable amount is based on third party valuations, or management calculations. Management calculation of fair value less costs of disposal or value-in-use incorporates several key estimates and assumptions.

Aircraft lease provisions

As per the terms of aircraft lease agreements, the Company is obliged to redeliver the aircraft to the lessors at the expiry of the lease term in certain redelivery condition as prescribed in the lease agreements. For the purpose of the initial measurement of the ROU asset, the Company has made an estimate of such maintenance, restoration and return costs. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time.

Maintenance, restoration and return provisions arising on the commencement of a lease are recognised as a provision with a corresponding amount recognised as part of the ROU asset. Any change in estimation relating to such costs are reflected in the ROU asset. Maintenance and return provisions that occur through usage or through the passage of time are recognised with a corresponding amount recorded over time in the income statement.

Lease discount rate

The aircraft lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. The aircraft leases have been discounted using the rate implicit in the lease on each aircraft lease agreement separately. The calculation of the discount rate implicit in the lease is based on information within the lease agreement, public lessor information and fair values of aircraft published and provided by third parties. No parts of the calculation are based on assumptions made by the Company. Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Financial forecasts

As basis for evaluation of the going concern assumption, the Company prepares financial forecasts simulating future financial performance of the Company under a wide set of assumptions. Forecasts involve risks and uncertainty. Some significant risk factors include, but are not limited to, factors such as degree of commercial success expressed through achieved load factors and fares, and the future development in jet fuel prices. In assessing the going concern assumption, the Company has performed sensitivity analyses of its financial forecasts by variation of key assumptions on fares, load factors and jet fuel prices. Sensitivity analyses have been made for reasonable alternative outcomes of such key assumptions.

Note 3 Financial risk

As of 31 December 2024, the Company carries interest-bearing liabilities in the form lease liabilities and shareholder loan. As at the yearend, the Company's principal financial assets are its cash deposits held with the banks. The Company's key financial risks are described below.

3.1 Foreign currency risk

The Company has exposure to the risk of changes in foreign exchange rates related to its cash and cash equivalents held in foreign currencies. As at 31 December 2024 15% of the Company's cash and cash equivalents are held in foreign currencies. The following table represents the Company's cash balance's exposure to foreign currencies:

(in thousands of equivalent USD)	31 DEC 2024	31 DEC 2023
Cash and cash equivalents held in foreign currencies		
NOK	1,542	12,423
GBP	1,462	2,579
EUR	475	2,901
THB	36	13
Total cash and cash equivalents held in foreign currencies	**3,515**	**17,915**
Cash and cash equivalents held in USD	19,339	36,915

There is also foreign exchange rate risk present in the current line items 'Credit card receivables', 'Deferred passenger revenue' and 'Trade and other payables'.

Around 70% of the Company's passenger revenues are denominated in USD, and all cargo revenue and aircraft lease revenues including charter/ACMI are in USD, hence the majority of revenues are in USD. The major operating costs, including fuel cost and aircraft lease cost, are denominated in USD, while airport and personnel costs are denominated in a mixture of USD, GBP, EUR and NOK, depending on the location of the operation. The Company has a somewhat similar revenue-to-cost ratio in the four main currencies of USD, GBP, EUR and NOK. Currently, the Company has not entered into any currency risk hedging arrangements outside of the natural hedges being inherent in the assets, liabilities and cash flows of the business activities.

The following table shows the impact on the Company's profit or loss as at 31 December 2024 from a +/- 10% change in foreign exchange rates of the currencies representing the largest exposure to foreign exchange rate risk:

(In thousands of USD)	NOK	GBP	EUR
Effect on profit and loss of FX rate +10%	1,068	(1,222)	(197)
Effect on profit and loss of FX rate -10%	(1,068)	1,222	197

3.2 Liquidity risk

The objective of the Company's liquidity risk management is to ensure that the Company maintains sufficient cash balance to prepare the Company ready for its operations and take it well into its operational phase. The Company's senior management closely monitors the movement in the Company's liquidity position on a weekly basis and forecasts for liquidity reserves based on expected cash flows.

The following table shows the maturity profile of the Company's financial liabilities as at year end based on the contractual payment terms. The amounts disclosed below are undiscounted cash flows.

2024

(in thousands of USD)	Within 6 months	6–12 months	1–2 years	3–5 years	More than 5 years	Total
Aircraft lease payments	50,220	50,220	100,440	200,880	611,255	1,013,015
Other lease payments	4,017	4,017	7,996	16,017	49,925	81,973
Total of lease liabilities	54,237	54,237	108,436	216,897	661,180	1,094,988
Shareholder loan	-	-	26,316	-	-	26,316
Deferred passenger revenue	26,335	74,954	-	-	-	101,289
Trade and other payables	138,864	-	-	-	-	138,864
Total as at 31-Dec-2024	**219,437**	**129,191**	**134,752**	**216,897**	**661,180**	**1,361,457**

2023

(in thousands of USD)	Within 6 months	6–12 months	1–2 years	3–5 years	More than 5 years	Total
Aircraft lease payments	42,644	49,220	100,440	200,880	711,685	1,104,869
Other lease payments	4,008	4,059	7,907	15,723	57,485	89,182
Total of lease liabilities	46,652	53,279	108,347	216,603	769,170	1,194,051
Deferred passenger revenue	52,394	-	-	-	-	52,394
Trade and other payables	88,699	-	-	-	-	88,699
Total as at 31-Dec-2023	**187,745**	**53,279**	**108,347**	**216,603**	**769,170**	**1,335,144**

3.3 Credit risk

Credit risk is the risk that a counterparty defaults on its contractual obligations, resulting in financial loss to the Company. The Company is exposed to credit risk primarily from cash held at bank and aircraft lease deposits, as well as credit exposure to commercial customers/credit card institutions. The Company manages its counterparty risk relating to cash held at bank by only holding deposits at reputable international banks and financial institutions. The risk arising from receivables on credit card companies are monitored closely. The Company manages its counterparty risk relating to aircraft lease deposits by entering leases with internationally renowned aircraft lessors. At 31 December 2024 the Company had deposits with AerCap Holdings NV and BOC Aviation Ltd. The Company's fleet by the end of the Period consists of 15 aircraft, of which three were 787-8 aircraft sub-leased to a third-party lessee. Sublease agreements have and will be entered into on standard market terms. To reduce the credit risk, the lessee has paid a deposit equivalent to one month's rent per aircraft. The three subleased aircraft by the end of the Period were agreed to be early redelivered to the head lessor to streamline the fleet of the Company into 787-9 aircraft only. The three aircraft were redelivered to head lessor during the first quarter of 2025.

3.4 Capital management

The objective of the Company is to manage capital to ensure a going concern in order to meet operational demands, minimise cost of capital and maximise the return on capital employed. The Company mainly has been financed by equity and lease liabilities following from lease agreements, whereas it in 2024 also has established shareholder loans in the nominal amount of USD 26.3 million with its two largest shareholders.

3.5 Fuel risk

The Company is exposed to fuel price risks as it represents a substantial part of operating expenses. The Company does not currently hedge its fuel price risk. Fuel risk therefore is an operational risk and does not constitute a financial risk as at 31 December 2024.

3.6 Interest rate risk

The Company has limited exposure to changes in interest rate as it does not have any external interest-bearing debt other than that following from leases carrying fixed interest rates. The Company is exposed to interest rate risk on cash held at bank. The Company does not currently hedge its interest risk. The following table presents the estimated effect on profit or loss from one percentage point change in interest rates:

(In thousands of USD)	
Effect on profit and loss of interest rate +1%	8
Effect on profit and loss of interest rate -1%	(8)

3.7 Climate risk

The business activities and assets of the Company are subject to certain aspects of climate risk. The Company is in the aviation industry, representing two per cent of global carbon emissions. The cost of carbon emissions should be expected to increase. In times of increased emission costs, Norse's relative position will be strong as the fleet of Boeing 787 Dreamliners renowned for their carbon emission efficiency. When sustainable aviation fuels become more available and commercially viable, Norse is also committed to transpose to such fuels, in turn potentially reducing direct emission costs.

As temperatures rise and extreme weather events become more frequent, operational disruptions - including increased turbulence, runway restrictions, and heightened risks of storm-related delays - may become more frequent. Coastal airports may be impacted by rising sea levels and flooding impacting operations at short notice. Changing weather patterns can challenge traditional routings and scheduling directly impacting fuel efficiency. All the above potentially comes with higher costs of running the Company's operations.

For assets of the Company being subject to climate risk, the material risk sits with the aircraft right-of-use assets. Such assets in the future potentially can become more expensive to operate during times of increased emission costs, and they can become less competitive as alternative carbon emission-free technology may develop. Such risks may have the consequence of assets decreasing in value, or in the very long run becoming completely obsolete. However, as for now, the fleet of Boeing 787 Dreamliners constitutes the best technology available in terms of carbon emission efficiency, which constitutes a competitive advantage relative to other airlines, and also implying that the Company's assets hold a relatively high resistance towards obsolescence. If the assets in a very long term potentially should become fully impaired and obsolete, the ultimate risk of this does not sit with the Company, as the assets are leased and will be returned to the lessor by the end of the lease terms.

3.8 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 annual 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 could be 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, whereas the Company has secured 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 entered into, as well as the 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 per cent of the outstanding share capital. The issuance was done at NOK 5.00 per share, bringing in the NOK amount 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 has a final maturity 31 December 2025. The shareholder loan was fully undrawn as per 31 December 2024 and is still undrawn as per 29 April 2025. Further to this, it was agreed that 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.

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, 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.

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 4 Revenue and segment reporting

The chief operating decision maker currently reviews the Company's activities on a consolidated basis as one operating segment. The chief operating decision maker has been identified as the company's Executive Management.

4.1 Revenue

(in thousands of USD)	2024	2023
Airfare passenger revenue	395,249	297,738
Ancillary passenger revenue	108,200	81,448
Total passenger revenues	**503,449**	**379,186**
Cargo	20,678	14,277
Total own flights	**524,127**	**393,463**
Lease income	18,805	33,090
Charter	37,144	5,140
Other revenue	8,031	7,744
Total Operating Revenue	**588,106**	**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 aircraft. Other revenue earned in 2024 consists of revenue from maintenance services provided by the Company's maintenance organization to third parties.

The Company has remaining performance obligations under contracts with customers in relation to passenger revenue. The line item "Deferred passenger revenue" of the consolidated statement of financial position represents prepayments from customers exclusive of taxes for services to be delivered in the future. All such liabilities are for services to be rendered within a period of a year.

Furthermore, the Company has remaining performance obligations under contracts with customers for lease revenue, but whereas payment is received and income recognised per month elapsed. The lease contracts expire during the first quarter of 2025 as the aircraft are early redelivered to the head lessor.

Finally, the Company has remaining performance obligations under contracts with customers for charter services, but whereas such services are paid upon delivery, and all remaining performance obligations are for contracts with remaining duration of less than a year.

4.2 Operating segments

	Revenue by country		Non-current assets by country	
(in thousands of USD)	2024	2023	2024	2023
Norway	40,717	28,096	530,453	473,082
UK	106,819	54,926	297,014	429,084
Rest of Europe	101,810	96,674	-	-
USA	296,408	231,000	46	15
Other	42,353	28,739	-	-
Total	**588,106**	**439,437**	**827,513**	**902,180**

The geographical table above shows revenue based on the country or region where the sales originated. Non-current assets by country are exclusive of financial instruments.

Note 5 Personnel remuneration

5.1 Personnel expenses

(in thousands of USD)	2024	2023
Salaries	83,122	64,282
Social security costs	10,413	7,926
Pension costs	6,136	4,275
Hired-in employees	6,040	3,125
Other employee costs	25,989	20,151
Total	**131,701**	**99,759**

Average number of FTEs during the fiscal year	2024	2023
Cabin Crew	648	584
Pilots	253	194
Other	279	194
Total	**1,180**	**972**

The average number of Norse employees during the Period was 1,092 (690 in 2023) and at the end of the Period the Company had 1,121 employees (1,063 at the end of 2023).

5.2 Share-based payments to employees

In May 2023, the Company introduced a long-term incentive program (LTIP) whereas senior employees are awarded with options to buy shares of the Company. The scheme has a vesting period of 5 years, with 20% of awarded options vesting annually. Vested options are exercisable up until the seventh anniversary of the grant date. If a participant ceases to be employed by the Company, any options not yet fully vested will be forfeited.

The LTIP is an equity-settled, share-based incentive program under which the Company receives services from the employees as consideration for equity-instruments (share options) of the Company. The fair value of the employee services received in exchange for the grants of the options is recognised as an expense over the vesting period, whereas the fair value is determined with reference to the fair value of the options granted.

The fair value of the options is estimated by an external party at the grant date, based on the Black-Scholes-Merton option pricing model, and with reference to relevant market data such as applicable. Employee retention rates are taken into consideration when estimating the number of options granted.

Provisions are made for social security contributions expected to fall due on exercise of share options. The provision is calculated on a nominal basis, according to the current intrinsic value of the options, considering the degree of vesting and expected employee turnover rates.

To estimate the fair value of the options, the following parameters have been applied:
- Current price of the share: The last available closing price of the Norse Atlantic ASA share at the grant date
- Strike price: Such as agreed, being a volume weighted average of traded share price over the past five days of trading prior to the grant date
- Volatility: Due to Norse Atlantic's limited length of share price history, the expected volatility is estimated using the historical or implied volatility of five benchmark listed airline entities
- Dividends: As future dividend distributions will not result in the amendment of the exercise price, no dividend parameter is considered
- Risk free interest rate: The exercise price is expressed in Norwegian Krone (NOK), and to find a zero-coupon government bond denominated in NOK, and with term similar to that expected of the options, reference is made to Norges Bank 'Statskasseveksler' and 'Obligasjoner' (bonds)

The following represents the status of share-based payments to employees:

(in NOK and number of options)	2024 No of share options	2024 Weighted average exercise price	2023 No of share options	2023 Weighted average exercise price
Outstanding at the beginning of the period	3,093,750	12.60	-	-
Granted during the period	-	-	4,156,250	12.64
Forfeited during the period	(950,000)	12.46	(1,062,500)	12.75
Outstanding at the end of the period	**2,143,750**	**12.66**	**3,093,750**	**12.60**
Exercisable at the end of the period	**468,750**	**12.67**	**-**	**-**

Measurement of fair value of granted share options[1]:

(NOK or such as otherwise stated)	2024	2023
Number of options	-	4,156,250
Contractual life (years)	-	7.00
Strike price	-	12.64
Share price	-	13.32
Expected lifetime (years)	-	4.00
Volatility (%)	-	71.51%
Interest rate (% p.a.)	-	3.34%
Dividend (% p.a.)	-	0.0%
FV per instrument	-	7.42

[1] Weighted average parameters at grant of share options

	31 DEC 2024	31 DEC 2023
Range of exercise prices of outstanding options (NOK)	12.38 – 12.75	12.38 – 12.75
Weighted average remaining contractual life (years)	5.48	6.57
Liabilities from share-based payment transactions (thousands of USD)	-	-

	2024	2023
Total expense arising from share-based payment transactions	279	309
Portion of expense arising from equity settled share-based payment transactions	279	309

5.3 Pensions

During the period, the Company operated defined pension contribution plans in Norway, UK, France, and the US, which comply with local pension legislation. The defined pension contribution plans require the Company to pay premiums to occupational pension schemes. In addition, for employees in Norway, Norse participated in a multi-employer defined benefit plan, a private sector tariff-based pension scheme (AFP). For all the pension plans, the Company has no further obligations once contractual premiums have been paid and are thereby recognized in the income statement as defined contribution plans. The premiums are accounted for as personnel expenses as soon as they are incurred.

Note 6 Remuneration of the board of directors and executive management

6.1 Remuneration to Key Management personnel

2024

(in thousands of USD)		Employment Country	Salaries[1]	Fees	Other benefits[2]	Total	Defined pension contributions[3]
Bjørn Tore Larsen	Chief Executive Officer	Norway	155	-	4	159	14
Anders Hall Jomaas	Chief Financial Officer[4]	Norway	-	335	-	335	-
Bård Nordhagen	Chief Commercial Officer[5]	Norway	103	-	3	105	14
Thom Arne Norheim	Chief Operating Officer	Norway	168	-	4	172	14
Kristin Berthelsen	Chief of Staff and Culture Officer[6]	Norway	122	116	1	240	9
Total in 2024			**549**	**451**	**12**	**1,012**	**52**

[1] Includes holiday pay
[2] Other benefits include insurance, telephone, internet, etc
[3] Defined pension contributions show pension premium paid
[4] Anders Hall Jomaas provides his services to the Company under a contract between Shiphold Management AS and the Company. He receives no salary or employment benefits directly from the Company. The amount stated as fees is the total amount invoiced under the contract for the period. Net of social security taxes, pension, insurance and other costs, this is equivalent to a salary of approximately USD 200,000. The Company's CEO, Bjørn Tore Larsen, is the controlling shareholder of Shiphold Management AS
[5] Bård Nordhagen assumed the role as Chief Commercial Officer on 6 June 2024
[6] Kristin Berthelsen was formally employed by the Company as from 1 June 2024. Prior to that she provided her services to the Company under a contract between ActivePeople AS and the Company. During that period she received no salary or employment benefits directly from the Company. The amount stated as fees is the total amount invoiced under the contract for the period. Net of social security taxes, pension, insurance and other costs, this is equivalent to a salary of approximately USD 70,000, which brings total fees and salary up to an amount equivalent of a salary of approximately USD 192,000. Kristin Berthelsen is a shareholder of ActivePeople AS.

As at 31 December 2024 none of the key management personnel were contractually entitled to any bonus.

2023

(in thousands of USD)		Employment Country	Salaries[1]	Fees	Other benefits[2]	Total	Defined pension contributions[3]
Bjørn Tore Larsen	Chief Executive Officer	Norway	165	-	3	169	14
Anders Hall Jomaas	Chief Financial Officer[4]	Norway	-	177	-	177	-
Ben Boiling	Managing Director Norse UK[5]	Norway	195	-	5	200	14
Charles Duncan	President[6]	USA	-	315	-	315	-
Thom Arne Norheim	Chief Operating Officer	Norway	166	-	11	178	14
Kristin Berthelsen	Chief of Staff and Culture Officer[7]	Norway	-	273	-	273	-
Total in 2023			**527**	**765**	**20**	**1,312**	**43**

[1] Includes holiday pay
[2] Other benefits include insurance, telephone, internet, etc
[3] Defined pension contributions show pension premium paid
[4] Anders Hall Jomaas was appointed Chief Financial Officer effective from 1 July 2023. Anders Hall Jomaas holds his employment with Shiphold Management AS, in turn providing his services under a contract with the Company. The amount presented represents the amount invoiced under the contract for the period, and is (net of social security taxes, pension cost and insurance) equivalent to a salary of USD 120,000. The Company's CEO, Bjørn Tore Larsen, is the controlling shareholder of Shiphold Management AS
[5] Ben Boiling held the position as Chief Financial Officer up until 30 June 2023. Effective from 1 July 2023 he was appointed Managing Director Norse Atlantic UK
[6] Charles Duncan assumed the role as President in January 2023. Charles Duncan has rendered his services to the Company as a contractor, and the amount presented represents the amount invoiced under the contract for the period
[7] Kristin Berthelsen received no salary or employment benefits directly from the Company as she is contracted through an engagement with Activepeople AS, a company Kristin jointly controls. The amount presented represents the amount invoiced under the contract for the period and is (net of social security taxes pension cost and insurance) equivalent to a salary of USD 185,000

As at 31 December 2023 none of the key management personnel were contractually entitled to any bonus.

The Board of Directors have prepared Guidelines on remuneration for executive personnel. The Guidelines on remuneration for executive personnel are publicly available under the Investor Relations section of Company's website www.flynorse.com.

6.2 Board remuneration

The total remuneration paid by the Company to its Board of Directors during the Period was as follows:

(in thousands of USD)			2024	2023
Director		Date of appointment	Board remuneration paid	
Terje Bodin Larsen [1]	Chair of the Board	1 Feb 2021	43	34
Bjørn Kjos	Member of the Board	12 Apr 2021	27	19
Aase Kristine Mikkelsen [2]	Member of the Board	12 Apr 2021	28	22
Timothy Sanger [2]	Member of the Board	27 Nov 2023	30	-
Marianne Økland [2]	Member of the Board	27 Nov 2023	30	-
Jan Mathias Lindborg	Member of the Board, employee representative	26 Jun 2024	4	-
Synne-Linnea Einarsen	Member of the Board, employee representative	26 Jun 2024	4	-
Leif Andre Moland	Member of the Board, employee representative	26 Jun 2024	4	-
Total			**170**	**75**

[1] Including Audit Committee and Nomination Committee remuneration
[2] Including Audit Committee remuneration

Note 7 Auditor's remuneration

(in thousands of USD)	2024	2023
Audit fee	491	290
Other attestation services	82	9
Other services	22	35
Total	**595**	**334**

The Company has elected RSM Norge AS as its auditor for the 2024 financial year. The engagement is for the financial audit as well as the sustainability audit.

Note 8 Interest expenses

(in thousands of USD)	2024	2023
Lease liabilities interest expense	(36,061)	(34,673)
Other interest expense	(2,958)	(310)
Total	**(39,019)**	**(34,982)**

Note 9 Other financial income/(expense)

(in thousands of USD)	2024	2023
Other financial income/(expense)	1.489	2.129
Foreign exchange gains	1.282	1.110
Foreign exchange losses	(1.810)	(1.635)
Total	**962**	**1,603**

Note 10 Income tax

The Company's income tax expense for the period was as per below:

(in thousands of USD)	2024	2023
Current tax		
Tax payable	379	144
Deferred tax		
Changes in deferred tax	(24,900)	(34,011)
Deferred tax asset not recognized	24,900	34,011
Income tax expense	**379**	**144**

No tax expense is included in other comprehensive income or directly in equity.

Below is a reconciliation of the effective rate of tax and the tax rate in Norway:

(in thousands of USD)	2024	2023
Pre-tax profit for the Period	(135,075)	(168,602)
Income taxes calculated at 22%	(29,716)	(37,092)
Deductible expenses related to equity issues	(195)	(662)
Non-deductible expenses	5	57
Other permanent differences	687	-
Taxes paid abroad	379	163
Other effects due to timing and exchange rates	4,320	3,686
Deferred tax asset not recognized	24,900	33,993
Income tax expense	**379**	**144**

The following table details net deferred tax liabilities/(assets) as at 31 December:

(in thousands of USD)	2024	2023
Right of use lease asset	113,364	101,757
Other fixed assets	638	443
Lease liabilities	(122,880)	(111,738)
Provisions	(12,565)	(13,774)
Interest deductions carried forward	(5,833)	-
Tax losses carried forward	(68,877)	(47,939)
Net deferred tax liabilities (assets)	**(96,153)**	**(71,252)**
Of which recognized in the consolidated statement of financial position at the yearend	**-**	**-**

The Company has not recognized any deferred tax assets during the Period. At this start-up phase there is certainty present on the timing and amounts of tax losses that may be utilized in the future.

Note 11 Leases and tangible assets

11.1 Aircraft leases

Norse leases 15 aircraft from two different lessors.

On 29 March 2021 the Company entered into an agreement for the lease of nine Boeing Dreamliner aircraft from AerCap Holdings NV, consisting of six Boeing 787-9s and three Boeing 787-8 aircraft (the "AerCap Leases"). The lease terms are approximately 8 years for the 787-8 aircraft and approximately 12 years for the 787-9 aircraft, measured from the inception date. Under the terms of the AerCap Leases the Company has paid a total lease deposit of USD 8.4 million.

On 2 August 2021 the Company entered into an agreement for the lease of six Boeing Dreamliner aircraft from BOC Aviation Ltd (the "BOCA Leases"). The lease terms are approximately 16 years per aircraft, measured from the aircraft delivery date. Under the terms of the BOCA Leases the Company has paid a total lease deposit of USD 12 million.

The first aircraft was delivered in December 2021, and the delivery of the final aircraft took place one year later in December 2022.

The leases are at historically low pricing and favourable lease terms including power by the hour payments for a minimum period of the first 12 months after respective aircraft deliveries. As of 31 December 2024, all aircraft are on fixed lease payments only.

The Company's fleet by the end of the Period still consists of 15 aircraft, of which three were 787-8 aircraft sub-leased to a third-party lessee. The three subleased aircraft by the end of the Period were agreed to be early redelivered to the head lessor to streamline the fleet of the Company into 787-9 aircraft only. The three aircraft were redelivered to head lessor during the first quarter of 2025.

11.2 Aircraft and other tangible assets

2024

(in thousands of USD)	ROU Aircraft	ROU Aircraft parts	ROU Other	Aircraft parts	Other tangibles	Total
Acquisitions						
Opening balance 1 Jan 2024	947,116	55,447	424	7,262	1,018	1,011,267
Additions	11,067	-	834	628	292	12,822
Acquisition cost 31 Dec 2024	958,182	55,447	1,258	7,891	1,310	1,024,089
Depreciation						
Opening balance 1 Jan 2024	(108,229)	(2,761)	(379)	(826)	(217)	(112,411)
Depreciation	(80,819)	(4,641)	(209)	(1,029)	(285)	(86,984)
Depreciation per 31 Dec 2024	(189,048)	(7,402)	(588)	(1,856)	(501)	(199,395)
Closing balance at 31 Dec 2024	769,134	48,045	671	6,035	809	824,694
Useful life (years)	6 – 16	10 – 12	2 – 3	10	3 – 5	

2023

(in thousands of USD)	ROU Aircraft	ROU Aircraft parts	ROU Other	Aircraft parts	Other tangibles	Total
Acquisitions						
Opening balance 1 Jan 2023	947,116	15,873	424	6,475	434	970,321
Additions	-	39,574	-	787	584	40,945
Acquisition cost 31 Dec 2023	947,116	55,447	424	7,262	1,018	1,011,267
Depreciation						
Opening balance 1 Jan 2023	(28,043)	(469)	(188)	(205)	(89)	(28,994)
Depreciation	(80,186)	(2,292)	(191)	(621)	(128)	(83,416)
Depreciation per 31 Dec 2023	(108,228.7)	(2,761)	(379)	(826)	(217)	(112,411)
Closing balance at 31 Dec 2023	838,887	52,687	45	6,435	802	898,856
Useful life (years)	6 - 16	10 - 12	2 - 3	10	3 - 5	

11.3 Lease liabilities

Reconciliation of movements in lease liabilities:

(in thousands of USD)	2024	2023
Opening balance 1 Jan	973,827	961,730
Additions during the period	834	40,304
Interest accrued	30,903	29,844
Fixed lease payments during the period	(99,845)	(58,050)
Closing balance 31 Dec	**905,719**	**973,827**
Of which:		
Due within 12 months	79,714	71,680
Due after 12 months	826,005	902,147

Lease liabilities are for fixed lease payments only. By the end of the reporting period there are no remaining periods of variable lease payments for any leased aircraft.

The table below shows the maturity profile of the discounted lease liabilities at the reporting date:

2024

(in thousands of USD)	2026	2027	2028	2029	2030	2031-	Total
Aircraft	78,379	80,345	82,316	75,575	72,025	388,151	776,791
Engines, wheels and brakes	3,438	3,776	4,135	4,553	5,000	27,523	48,426
Offices	86	90	130	153	124	205	788
Total	**81,903**	**84,211**	**86,582**	**80,281**	**77,149**	**415,879**	**826,005**

2023

(in thousands of USD)	2025	2026	2027	2028	2029	2030-	Total
Aircraft	76,469	78,379	80,345	82,316	75,575	457,333	850,417
Engines, wheels and brakes	3,131	3,438	3,776	4,135	4,553	32,523	51,557
Offices	173	-	-	-	-	-	173
Total	**79,773**	**81,817**	**84,121**	**86,452**	**80,128**	**489,856**	**902,147**

Refer to note 3.2 on liquidity risk for maturity profile of nominal amounts of liabilities.

The Company during the Period has recognized USD 6 thousand of lease payments associated with low-value leases as an expense directly in the Consolidated Statement of Comprehensive income. No such expenses have been recognized associated with short-term leases.

11.4 Aircraft lease deposits

The Company has paid security deposits for each aircraft that are refundable after redelivery of the respective aircraft once the individual lease expires or in the event of the lessor failing to deliver the aircraft to the Company. The nominal value of total deposits paid as at 31 December 2024 was USD 20.4 million. Up until the date of delivery of each aircraft by the lessors to Norse, the security deposits were refundable in full. After delivery, the security deposit becomes refundable at the expiration of the respective lease. The Company has initially recorded the deposits at their nominal value. Upon delivery of each aircraft, the Company remeasures the relevant deposit to its fair value on the date of delivery and the difference between the fair value and the nominal value of the deposit is added to the right-of-use asset as prepaid lease. Subsequent to such measurement at fair value, the deposits are carried at amortized cost.

11.5 Aircraft preparation investments

The cost of preparing aircraft for delivery, including aircraft surveys and livery expenditure, are capitalized as initial direct costs and then allocated to the ROU asset as the Company takes delivery of each aircraft.

11.6 Aircraft maintenance provisions

The requirements of the leases are such that Norse is obliged to maintain the airworthiness of the aircraft. Airworthiness requirements for the airline industry are the same whether the entity owns or leases the aircraft. The lease requires Norse to redeliver the aircraft to the lessors at the expiry of the lease term in certain redelivery condition as prescribed in the lease agreements. A provision is recognised for overhaul and maintenance costs of the future maintenance obligation at the time when such obligation becomes certain. This is when the respective aircraft component no longer meets the lease re-delivery conditions. Such provision is then recognised as an aircraft maintenance asset (Right of use asset) and depreciated over the period until the next maintenance event, the end of the asset operational life or the end of the lease. These assets are recognised at the commencement of each individual lease. Additionally, where the timing of the maintenance event is determined by usage, Norse makes provisions based on Flight hours or Cycles as applicable, which are expensed directly through the Statement of Comprehensive Income.

Refer to note 21 for further information on Provisions.

Note 12 Intangible Assets

2024

(in thousands of USD)	Software	Total
Acquisitions		
Opening balance 1 Jan 2024	4,361	4,361
Additions	432	432
Acquisition cost 31 Dec 2024	4,793	4,793
Amortisation		
Opening balance 1 Jan 2024	(1,037)	(1,037)
Depreciation	(936)	(936)
Amortisation per 31 Dec 2024	(1,974)	(1,974)
Closing balance at 31 Dec 2024	2,819	2,819
Useful life (years)	3 – 5	

2023

(in thousands of USD)	Software	Total
Acquisitions		
Opening balance 1 Jan 2023	3 151	3 151
Additions	1 210	1 210
Acquisition cost 31 Dec 2023	4 361	4 361
Amortisation		
Opening balance 1 Jan 2023	(350)	(350)
Depreciation	(687)	(687)
Amortisation per 31 Dec 2023	(1 037)	(1 037)
Closing balance at 31 Dec 2023	3 324	3 324
Useful life (years)	3 - 5	

Note 13 Financial assets and liabilities at amortised cost

Financial assets and liabilities measured at amortized cost are as follows:

(in thousands of USD)	31 DEC 2024	31 DEC 2023
Financial assets		
Aircraft lease deposits	16,502	16,048
Other non-current assets: Maintenance reserve payments	32,338	17,277
Credit card receivables	100,245	60,214
Other receivables	11,668	6,351
Other current assets: Deposits	3,607	1,799
Other current assets: Prepayments	11,861	20,970
Cash and cash equivalents	22,855	54,830
Total financial assets at amortised cost	**199,076**	**177,490**

(in thousands of USD)	31 DEC 2024	31 DEC 2023
Financial liabilities		
Shareholder loan	22,056	-
Lease liabilities non-current	826,005	902,147
Deferred passenger revenue	101,289	52,394
Trade and other payables	138,864	88,699
Lease liabilities current	79,714	71,680
Total financial liabilities at amortised cost	**1,167,929**	**1,114,920**
Total net financial liabilities at amortised cost	**968,852**	**937,430**

The nominal value of aircraft lease deposits is USD 20.4 million, whereas the fair value is estimated at approximately USD 16.5 million. The fair value of cash and cash equivalents and trade receivables and payables approximate their carrying amounts due to the short-term maturities of these instruments.

Note 14 Other non-current assets

(in thousands of USD)	31 DEC 2024	31 DEC 2023
Maintenance Reserve Contributions	32,338	17,277
Total	**32,338**	**17,277**

Both AerCap and BOCA lease agreements contain provisions for maintenance reserve payments for the aircraft to cover the cost of future maintenance events. These payments are payable at fixed amounts per month, at rates that are reviewed and updated at 6 months' intervals for BOCA leases and annually for AerCap leases. Such monthly maintenance reserves are effectively 'deposits' from which Norse will get reimbursed for actual periodic maintenance costs when maintenance activities are carried out.

The maintenance reserve amounts paid monthly to the lessors are financial assets classified into 'current' and 'non-current' based on the timing of expected maintenance activity and subsequent reimbursement.

Note 15 Trade and other receivables

(in thousands of USD)	31 DEC 2024	31 DEC 2023
Trade receivables	9,699	4,093
Other reveivables	1,970	2,258
Total	**11,668**	**6,351**

Trade and other receivables are normally recognized at nominal amount, whereas the principle is to measure at amortized cost the effective interest method. Normally the interest element is immaterial and therefore not specified. Allowances are made for expected credit loss based on the information available by the end of the Period. As at 31 December 2024 the allowance for expected credit loss was nil (and nil as at 31 December 2023).

Note 16 Inventories

(in thousands of USD)	31 DEC 2024	31 DEC 2023
Engine oil	-	6
Consumables	4,601	3,460
Total	**4,601**	**3,466**

Note 17 Other current assets

(in thousands of USD)	31 DEC 2024	31 DEC 2023
Deposits	3,607	20,970
Prepayments	11,861	1,799
Total	**15,468**	**22,770**

Note 18 Cash and cash equivalents

Cash and cash equivalents consist of cash deposits held at call with banks.

(in thousands of USD)	31 DEC 2024	31 DEC 2023
USD	19,339	36,915
NOK	1,542	12,423
GBP	1,462	2,579
EUR	475	2,901
THB	36	13
Total cash and cash equivalents	**22,855**	**54,830**
Hereof restricted cash:		
USD	13,200	15,500

Restricted cash refers to security deposits held to support guarantees made in favour of some key suppliers such as airports etc. The Group’s main bank furthermore has issued guarantees in favour of key suppliers of the Company in total amounts of USD 2.5 million, NOK 2,5 million and EUR 0.3 million. In addition to the restricted cash specified, there is a cash amount of USD 1.2 million of withholding taxes.

In addition to the above cash and cash equivalents, the Company holds additional credit lines in the form of a revolving credit facility in the nominal amount of USD 6.3 million being fully undrawn as at 31 December 2024, and with a final maturity date of 31 December 2025.

Note 19 Share capital

The Company has one class of ordinary shares and accounts for these shares as equity. Incremental costs directly attributable to the issue of new shares are recorded in equity as a reduction from the gross proceeds from the issue of shares.

As of 31 December 2024, the Company's authorized and issued number of shares are 147,802,416 shares, all with par value NOK 5 per share.

19.1 Largest shareholders

The Company's largest 20 shareholders as at 31 December 2024, were as follows:

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%
Total number of shares	**147,802,416**	**100.0%**	**100.0%**

19.2 Shares and options held by Key Management and Board of Directors

Shares directly or indirectly held by members of the Board of Directors and Executive Management as at 31 December 2024, were as follows:

Name		Number of shares	Number of share options
Terje Bodin Larsen [1]	Chair of the Board	75,000	-
Bjørn Kjos [2]	Member of the Board	910,000	-
Leif Andre Moland	Member of the Board, employee repr.	2,500	31,250
Bjørn Tore Larsen [3]	Chief Executive Officer	43,549,801	-
Anders Hall Jomaas	Chief Financial Officer	20,000	500,000
Bård Nordhagen	Chief Commercial Officer	-	62,500
Thom Arne Norheim	Chief Operating Officer	-	250,000
Kristin Berthelsen [4]	Chief of Staff and Culture Officer	90 150	250 000

[1] Shares held through Vineta Ltd, a company controlled by Terje Bodin Larsen
[2] Shares held through Observatoriet Invest AS and Observatoriet Holding AS, both companies controlled by Bjørn Kjos
[3] Shares held through B T Larsen & Co. Ltd, a company controlled by Bjørn Tore Larsen. In addition, Ellen Hagen, a close associate of Bjørn Tore Larsen, owns 5,000 shares in the Company
[4] Hereof 90,000 shares held through Alltid Alt AS, a company controlled by Kristin Berthelsen

Note 20 Earnings per share

Basic earnings per share is calculated based on the net profit attributable to ordinary shareholders for the period divided by the weighted average number of shares in issue during the same period. The Company in relation to share based payment transactions to its employees has potentially dilutive equity instruments in issue as of 31 December 2024. Such potentially dilutive equity instruments are currently not calculated into the weighted average number of outstanding shares as the Company has been loss-making. Refer to note 5.2 for information on share-based payment transactions with employees.

(in USD thousands or such as stated)	2024	2023
Profit/(loss) for the period	(135,454)	(168,746)
Weighted average number of shares outstanding	129,273,593	67,472,961
Basic and diluted EPS (in USD per share)	**(1.05)**	**(2.50)**

Note 21 Provisions

(in thousands of USD)	2024	2023
Opening balance 1 Jan	57,913	45,762
New maintenance provisions through profit/loss	8,442	7,223
New other provisions through profit/loss	406	435
Interest charge on discounted provisions	7,938	5,281
Amounts of provisions used during the period	(870)	(788)
Closing balance 31 Dec	**73,830**	**57,913**
Of which:		
Due within 12 months	-	-
Due after 12 months	73,830	57,913

New provisions under ROU initial recognition, refer to provisions being recognised as part of the cost under initial recognition of aircraft lease right-of-use assets. Such provisions are for redelivery cost of the aircraft, and for maintenance checks to be carried out under the lease term and in accordance with the terms of the lease contract.

Note 22 Related parties

22.1 Subsidiaries

This set of consolidated financial statements includes the financial statements of Norse Atlantic ASA and its subsidiaries, as follows:

Name of the subsidiary	Country of incorporation	Equity interest as at 31 Dec 24
Norse Atlantic Airways AS	Norway	100%
Norse Atlantic US Holding AS	Norway	100%
Norse Atlantic USA LLC	USA	100%
Norse Atlantic Airways US LLC	USA	100%
Norse Atlantic UK Ltd	UK	100%
Norse Atlantic Airways Latvia SIA	Latvia	100%

22.2 Transactions with related parties

During the period from 1 January 2024 to 31 December 2024 Norse Atlantic had a cost of pilot training services of USD 800,585 with OSM Aviation Academy AS being part of the OSM Aviation group, where the Company's CEO, Bjørn Tore Larsen, is the controlling shareholder.

Further, the Company holds an agreement with Shiphold Management AS for the provision of the services of the Chief Financial Officer, Anders Hall Jomaas. The services are rendered at a rate of NOK 300,000 per month and at a total cost of USD 327,600 for the period from 1 January 2024 to 31 December 2024. The Company's CEO, Bjørn Tore Larsen, is the controlling shareholder of Shiphold Management AS.

On 12 April 2024, the Company secured a USD 20 million revolving credit facility from its two largest shareholders Scorpio Holdings Limited and BT Larsen & Co Ltd. The Facility carries an interest rate of 15% per annum, is on market terms, is unsecured, will not be amortizing and any drawn amounts are to be repaid on or before 31 March 2026. BT Larsen & Co Ltd is a company closely associated with Bjørn Tore Larsen, the CEO of the Company.

On 29 November 2024, the Company secured a USD 6.3 million revolving credit facility from BT Larsen & Co Ltd. Amounts drawn under the facility will carry interest at a rate of 15% per annum. A commitment fee of 4.5% per annum will apply on any undrawn part of the facility. BT Larsen & Co Ltd is a company closely associated with Bjørn Tore Larsen, the CEO of the Company.

These related party transactions are carried out on an arm's length basis.

Note 23 Events after the reporting period

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.

On 26 February 2025, the Company announced that it had signed a firm wet lease agreement for additional three aircraft with IndiGo with reference to the stock exchange announcement published by the Company on 6 February regarding the entering into of a wet lease agreement for one aircraft with the Indian airline IndiGo. The additional three aircraft are expected to start operations from second half of 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. The commercial terms of the wet lease agreements are in line with what was communicated by the Company in the announcement of the LOI on 29 November 2024.

On 10 March 2025, the Company announced that it had completed the previously announced redelivery of three Boeing 787-8 aircraft. The aircraft were initially delivered to Norse Atlantic in 2022 and since then have been on continuous sublease on a dry lease basis to another airline. Prior to redelivery, the three 787-8 aircraft had approximately four years lease length remaining. Following the transaction Norse Atlantic has a uniform, flexible and cost-efficient fleet of 12 Boeing 787-9 aircraft only, with remaining lease lengths of 7 to 14 years and an average lease length of ten and a half years. The transaction will result in a significant accounting gain that will be recognized in Q1 2025.

On 21 March 2025, the Company announced that the Board of Directors had decided to cancel the subsequent share offering that potentially were to follow the direct private placement of new shares that was announced 29 November 2024. Since the private placement, the shares of the Company have traded below the NOK 5.00 subscription price most of the time, and significant volumes of shares have been traded, allowing for investors to buy shares in the market below subscription price and by that reduce dilutive effects.

All of the above-mentioned events after the reporting period are non-adjusting events.

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 earnt 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
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

	2024	2023
Airfare passenger revenue - USD thousands	395,249	297,738
Number of passengers in own network	1,342,434	964,094
Airfare per passenger - USD	294	309
Ancilliary passenger revenue - USD thousands	108,200	81,448
Number of passengers in own network	1,342,434	964,094
Ancilliary per passenger - USD	81	84
Revenue per passenger - USD	375	393

PRASK

(in thousands of USD)	2024	2023
Total passenger revenue	503,449	379,186
Available seat kilometres in own network (millions)	11,391	8,533
PRASK - US Cents	4.42	4.44

TRASK

(in thousands of USD)	2024	2023
Total operating revenue	588,106	439,436
Available seat kilometres (millions)	12,323	8,672
TRASK - US Cents	4.77	5.07

CASK (cash adjusted)

(in thousands of USD)	2024	2023
Operating profit/(loss)	(97.017)	(135.223)
Add-back:		
Revenue	(588,106)	(439,436)
Fuel, oil and emissions costs	183,617	152,527
Depreciation of right-of-use assets	85,670	82,667
Cost (adj.) sub-total	415,837	339,465
Available seat kilometres (millions)	12,323	8,672
CASK (cash adjusted) - US cents	3.37	3.91

CASK (excluding fuel)

(in thousands of USD)	2024	2023
Operating profit/(loss)	(97.017)	(135.223)
Add-back:		
Revenue	(588,106)	(439,436)
Fuel, oil and emissions costs	183,617	152,527
Cost (adj.) sub-total	501,507	422,132
Available seat kilometres (millions)	12,323	8,672
CASK (excl. fuel) - US cents	4.07	4.87

CASK

(in thousands of USD)	2024	2023
Operating profit/(loss)	(97,017)	(135,223)
Add-back:		
Revenue	(588 106)	(439 436)
Cost sub-total	685 124	574 659
Available seat kilometres (millions)	12 323	8 672
CASK - US cents	5.56	6.63

Parent company financial statements

Statement of comprehensive income

(Unconsolidated Parent company)

(in thousands of USD)	Notes	2024	2023
Revenue			
Lease income	3	18,805	33,090
Other revenue	3	12,746	-
Total revenue	3	**31,551**	**33,090**
Operating expenses			
Personnel expenses	4, 5	(185)	(486)
Technical maintenance		(4,399)	(67)
Other operating costs		(1,601)	(624)
Marketing and distribution costs		-	(12)
Administrative costs	6	(1,899)	(2,235)
Total Operating exps excl. leases, dep & amort.		**(8,083)**	**(3,424)**
Operating profit before leases, dep & amort. (EBITDAR)		**23,467**	**29,666**
Variable aircraft rentals		(5,312)	(18,283)
Depreciation and amortization	9	(16,731)	(23,921)
Impairment losses	12, 15.1	(66,253)	(171,308)
Operating profit/(loss)		**(64,829)**	**(183,847)**
Interest expenses		(31,029)	(30,362)
Intra-group interest income/(expense)		31,112	30,555
Other financial income/(expenses)	7	491	1,167
Profit/(loss) before tax		**(64,256)**	**(182,487)**

(in thousands of USD)	Notes	2024	2023
Income tax	8	(3,570)	(4,808)
Profit/(loss) for the period		**(67,825)**	**(187,294)**
Total comprehensive income			
Profit/(loss) for the period		(67,825)	(187,294)
Other comprehensive income		-	-
Total comprehensive income		**(67,825)**	**(187,294)**
Basic earnings per share (USD) [1]	14	(0.52)	(2.78)
Diluted earnings per share (USD) [1]	14	(0.52)	(2.78)

[1] Based on average number of outstanding shares in the period

Statement of financial position

(Unconsolidated Parent company)

(in thousands of USD)	Notes	31 DEC 2024	31 DEC 2023
Non-current assets			
Aircraft and other tangible assets	9	53,645	151,569
Aircraft lease deposits	9, 16	16,502	16,048
Other non-current assets	10, 16	32,338	17,277
Investment in subsidiaries	12	14	8
Lease receivables from subsidiaries	15, 16	728,973	706,692
Intercompany receivables	15, 16	3,383	9,714
Total non-current assets		**834,856**	**901,308**
Current assets			
Lease receivables from subsidiaries	15, 16	62,601	48,339
Trade and other receivables	16	224	-
Intercompany receivables	15, 16	4,301	26,933
Other current assets	16	8,505	10,024
Cash and cash equivalents	2, 11, 16	13,572	34,417
Total current assets		**89,202**	**119,714**
Total assets		**924,058**	**1,021,022**

(in thousands of USD)	Notes	31 DEC 2024	31 DEC 2023
Equity and liabilities			
Equity			
Share capital	13	74,596	62,954
Share premium		200,418	197,755
Other paid-in capital		588	309
Accumulated losses	14	(272,470)	(204,644)
Total equity		**3,132**	**56,374**
Non-current liabilities			
Shareholder loan	15.2, 16	22,056	-
Lease liabilities non-current	9, 16	776,791	850,417
Provisions	17	29,882	30,642
Total non-current liabilities		**828,730**	**881,059**
Current liabilities			
Trade and other payables	16	15,727	14,746
Lease liabilities current	9, 16	76,469	68,842
Total current liabilities		**92,196**	**83,589**
Total equity and liabilities		**924,058**	**1,021,022**

Statement of cash flows

(Unconsolidated Parent company)

(in thousands of USD)	Notes	2024	2023
Cash flows from operating activities			
Profit/(loss) before tax		(64,256)	(182,487)
Adjustments for items not affecting operating cash flows:			
Depreciation and amortization	9	16,731	23,921
Impairment losses		66,253	171,308
Interest expenses		31,029	30,362
Interest income		(31,112)	(30,555)
Provisions		(760)	2,219
Net operating cash flows before working capital movements		**17,886**	**14,769**
Working capital movements		(29,407)	14,499
Net cash flows from operating activities		**(11,521)**	**29,267**
Cash flows from investing activities			
Aircraft maintenance assets		(15,062)	(17,277)
Investment in subsidiaries		(3,128)	(16,028)
Loans to subsidiaries		44,650	(35,719)
Net cash flows from investing activities		**26,460**	**(69,025)**

(in thousands of USD)	Notes	2024	2023
Cash flows from financing activities			
Net proceeds from share issue		14,304	68,514
Proceeds from shareholder loan		20,000	-
Lease installments	9	(66,218)	(26,602)
Movements in restricted cash	11	2,300	(10,500)
Net interest received/(paid)		(4,041)	2,133
Net cash flows from financing activities		**(33,655)**	**33,545**
Effect of foreign currency revaluation on cash		172	374
Net increase in free cash and cash equivalents		**(18,545)**	**(5,839)**
Free cash and cash equivalents at the beginning of the period		18,917	24,756
Free cash and cash equivalents at the end of the period		**372**	**18,917**
Restricted cash at the end of the period	2, 11, 16	13,200	15,500
Cash and cash equivalents at the end of the period	2, 11, 16	**13,572**	**34,417**

Statement of changes in equity

(Unconsolidated Parent company)

(in USD thousands except for number of shares and value per share)	Number of shares	Issued share capital	Share premium	Other paid-in capital	Accumulated losses	Total equity
Balance as at 1 Jan 2024	122,211,579	62,954	197,756	309	(204,644)	56,375
Profit/(loss) for the period	-	-	-	-	(67,825)	(67,825)
Other comprehensive income	-	-	-	-	-	-
Other changes in equity						
2 February 2024, share issue at USD 1.03 (NOK 11.00) per share	6,312,261	2,955	2,858	-	-	5,814
6 December 2024, share issue at USD 0.45 (NOK 5.00) per share	19,278,576	8,686	(196)	-	-	8,490
Share-based payments to employees	-	-	-	279	-	279
Balance at 31 Dec 2024	**147,802,416**	**74,596**	**200,418**	**588**	**(272,470)**	**3,132**
Balance as at 1 Jan 2023	206,084,314	29,945	162,561	-	(17,350)	175,155
Profit/(loss) for the period	-	-	-	-	(187,294)	(187,294)
Other comprehensive income	-	-	-	-	-	-
Other changes in equity						
25 April 2023, share issue at USD 0.23 (NOK 2.50) per share	60,000,002	7,030	6,177	-	-	13,207
27 April 2023, reverse share split, four shares into one	(199,563,237)	-	-	-	-	-
13 November 2023, share issue at USD 0.99 (NOK 11.00) per share	9,978,161	4,492	5,018	-	-	9,510
29 November 2023, share issue at USD 1.03 (NOK 11.00) per share	45,712,339	21,487	24,000	-	-	45,487
Share based employee incentives	-	-	-	309	-	309
Balance at 31 Dec 2023	**122,211,579**	**62,954**	**197,756**	**309**	**(204,644)**	**56,375**

Notes to the parent company financial statements

Note 1 General information and significant accounting policies

Norse Atlantic ASA (the "Parent") is a holding company and the parent company of the Norse Atlantic Airways group of companies ("the Company", "Norse") comprising Norse Atlantic ASA and its underlying subsidiaries. In addition to owning the subsidiaries, the Parent enters aircraft leases with external lessors and subleases the aircraft to its subsidiaries. The sub-lease is classified as a Finance lease in the intra-group lessee's books, in accordance with IFRS 16 Leases para 61-66.

These statements have been prepared in accordance with IFRS® Accounting Standards and IFRIC interpretations as adopted by the European Union and in accordance with Norwegian Accounting Act §3-9. The consolidated financial statements are presented in thousands of USD except where otherwise indicated.

These financial statements have been prepared based on the assumption of going concern. For further information on the Board of Directors' considerations on the going concern assumption, please refer to note 3.8 of the disclosures of the Consolidated financial statements.

The Parent's accounting principles are consistent with the accounting principles of Norse, as described in Note 2 of the Company's consolidated financial statements for the period from 1 January to 31 December 2024 (the "Period"). Further to this, shares in subsidiaries are carried at cost less any impairment loss. Receivables from and loans provided to subsidiaries are carried at cost less expected credit losses.

Note 2 Financial risk

As of 31 December 2024, the Parent carries interest-bearing liabilities in the form lease liabilities and shareholder loan. As at the year end, the Parent's principal financial assets are its cash deposits held with the banks. The Parent's key financial risks are described below.

2.1 Foreign currency risk

(In thousands of equivalent USD)	2024	2023
Cash and cash equivalents held in foreign currencies		
NOK	(48)	8,852
GBP	20	17
EUR	32	12
THB	-	-
Total Cash and cash equivalents held in foreign currencies	**3**	**8,881**
Cash and cash equivalents held in USD	13,568	25,537

As of 31 December 2024, nil % of the Parent's cash and cash equivalents are held in foreign currencies.

2.2 Liquidity risk

The following table shows the maturity profile of the Parent's financial liabilities as at year end based on the contractual payment terms. The amounts disclosed below are undiscounted cash flows.

2024

(In thousands of USD)	Within 6 months	6 - 12 months	1 - 2 years	3 - 5 years	More than 5 years	Total
Aircraft lease payments	50,220	50,220	100,440	200,880	611,255	1,013,015
Shareholder loan	-	-	26,316	-	-	26,316
Trade and other payables	15,727	-	-	-	-	15,727
Total as at 31 Dec 2024	**65,947**	**50,220**	**126,756**	**200,880**	**611,255**	**1,055,058**

2023

(In thousands of USD)	Within 6 months	6 - 12 months	1 - 2 years	3 - 5 years	More than 5 years	Total
Aircraft lease payments	42,644	49,220	100,440	200,880	711,685	1,104,869
Trade and other payables	14,746	-	-	-	-	14,746
Total as at 31 Dec 2023	**57,390**	**49,220**	**100,440**	**200,880**	**711,685**	**1,119,615**

2.3 Credit risk

Credit risk is the risk that a counterparty defaults on its contractual obligations, resulting in financial loss to the Parent. The Parent is exposed to credit risk primarily from cash held at bank and aircraft lease deposits. The Parent manages its counterparty risk relating to cash held at bank by only holding deposits at recognizable international banks. As at 31 December 2024 all of the Parent's cash and cash equivalents were held with Nordea Bank. The Parent manages its counterparty risk relating to aircraft lease deposits by entering leases with internationally renowned aircraft lessors. At 31 December 2024 the Parent had deposits with AerCap Holdings NV and BOC Aviation Ltd.

Note 3 Operating segments revenue

	Revenue by country	
(In thousands of USD)	2024	2023
Norway	12,746	-
Europe outside of Norway and UK	18,805	33,090
Total	**31,551**	**33,090**

Revenue in Norway refers to gains from early termination of group internal aircraft leases. Revenue in Europe outside of Norway and UK refers to revenue from external sub-lease of aircraft to one single customer.

Note 4 Personnel expenses

(In thousands of USD)	2024	2023
Board remuneration	158	67
Social security costs	22	9
Other personnel costs	4	409
Total	**185**	**486**

The Parent has no employees and no pension obligations.

Note 5 Board remuneration

The total remuneration paid by the Parent to its Board of Directors during the Period is equal to that reported by the Group. Refer to disclosures of the Group's consolidated financial statements, note 6.2.

Note 6 Auditors remuneration

The total remuneration paid by the Parent to its auditors during the Period was as follows:

(In thousands of USD)	2024	2023
Audit fee	193	79
Other attestation services	82	9
Other services	22	32
Total	**297**	**120**

Note 7 Other Financial income/(expense)

(In thousands of USD)	2024	2023
Interest income	884	1,037
Foreign exchange gains	216	(953)
Foreign exchange losses	(609)	1,083
Total	**491**	**1,167**

Note 8 Income tax

The Parent's income tax expense for the period was as per below:

(In thousands of USD)	2024	2023
Current tax		
Tax payable	3,570	4,808
Deferred tax		
Changes in deferred tax	(12,611)	(4,349)
Deferred tax asset not recognized	12,611	4,349
Income tax expense	**3,570**	**4,808**

No tax expense is included in other comprehensive income or directly in equity. Tax payable is expected to be offset by group contributions provided from the Parent to subsidiary companies, so that the taxes effectively do not become payable. Such group contribution is to be adopted and hence recognised after the end of the reporting period.

Below is a reconciliation of the effective rate of tax and the tax rate in Norway:

(In thousands of USD)	2024	2023
Pre-tax profit for the Period	(64,256)	(182,487)
Income taxes calculated at 22%	(14,136)	(40,147)
Deductible expenses related to equity issues	(195)	(662)
Non-deductible expenses		-
Other permanent differences	687	16,808
Corrections previous years	451	4,434
Effect group contribution	-	-
Other effects due to timing and exchange rates	4,153	(853)
Deferred tax asset not recognized	12,611	25,229
Income tax expense	**3,570**	**4,808**

The following table details net deferred tax liabilities/(assets) as at 31 December:

(In thousands of USD)	2024	2023
Right of use lease asset	11,802	33,345
Lease receivable	174,146	166,107
Intercompany non-current receivables	(34,774)	(20,880)
Lease liabilities	(188,575)	(203,194)
Provisions	(6,574)	(6,741)
Tax losses carried forward	-	-
Net deferred tax liabilities (assets)	(43,975)	(31,364)
Of which recognized in the consolidated statement of financial position at the yearend	**-**	**-**

The Parent has not recognized any deferred tax assets during the Period. At this start-up phase there is certainty present on the timing and amounts of tax losses that may be utilized in the future.

Note 9 Aircraft leases and subleases

9.1 Aircraft leases

Norse leases 15 aircraft from two different lessors.

On 29 March 2021 the Company entered into an agreement for the lease of nine Boeing Dreamliner aircraft from AerCap Holdings NV, consisting of six Boeing 787-9s and three Boeing 787-8 aircraft (the "AerCap Leases"). The lease terms are approximately 8 years for the 787-8 aircraft and approximately 12 years for the 787-9 aircraft, measured from the inception date. Under the terms of the AerCap Leases the Company has paid a total lease deposit of USD 8.4 million.

On 2 August 2021 the Company entered into an agreement for the lease of six Boeing Dreamliner aircraft from BOC Aviation Ltd (the "BOCA Leases"). The lease terms are approximately 16 years per aircraft, measured from the aircraft delivery date. Under the terms of the BOCA Leases the Company has paid a total lease deposit of USD 12 million.

Up until the date of delivery of each aircraft by the lessors to Norse, the security deposits were refundable in full. After delivery, the security deposit becomes refundable at the expiration of the respective lease. The Company has initially recorded the deposits at their nominal value. Upon delivery of each aircraft, the Company remeasures the relevant deposit to its fair value on the date of delivery and the difference between the fair value and the nominal value of the deposit is added to the right-of-use asset as prepaid lease. Subsequent to such measurement at fair value, the deposits are carried at amortized cost.

The first aircraft was delivered in December 2021, and the delivery of the final aircraft took place one year later in December 2022.

9.2 Aircraft and other tangible assets

2024

(In thousands of USD)	ROU Aircraft	Total
Acquisitions		
Opening balance 1 Jan 2024	187,599	187,599
Disposals	(101,902)	(101,902)
Acquisition cost 31 Dec 2024	85,697	85,697
Depreciation		
Opening balance 1 Jan 2024	(36,031)	(36,031)
Depreciation	(16,731)	(16,731)
Disposals	20,710	20,710
Depreciation per 31 Dec 2024	(32,052)	(32,052)
Closing balance at 31 Dec 2024	53,645	53,645
Useful life (years)	5 – 6	

2023

(In thousands of USD)	ROU Aircraft	Total
Acquisitions:		
Opening balance 1 Jan 2023	187,156	187,156
Additions	443	443
Acquisition cost 31 Dec 2023	187,599	187,599
Depreciation:		
Opening balance 1 Jan 2023	(12,110)	(12,110)
Depreciation	(23,921)	(23,921)
Depreciation per 31 Dec 2023	(36,031)	(36,031)
Closing balance at 31 Dec 2023	151,569	151,569
Useful life (years)	6 – 11	

The right-of-use assets by the end of 2023 represent five aircraft together with their associated maintenance assets, being acquired in 2022 and subsequently sub-leased to an external lessor. Two of the subleased aircraft were returned to Norse ahead of the peak summer 2024 season. The remaining three aircraft, being 787-8 aircraft, were still sub-leased by the end of the Period. The three subleased aircraft by the end of the Period were agreed to be early redelivered to the head lessor to streamline the fleet of the Company into 787-9 aircraft only. The three aircraft were redelivered to head lessor during the first quarter of 2025.

9.3 Lease liabilities

(In thousands of USD)	2024	2023
Opening balance 1 Jan	919,260	945,862
Additions during the period	-	-
Interest accrued	25,865	27,205
Fixed lease payments during the period	(91,865)	(53,807)
Closing balance 31 Dec	**853,260**	**919,260**
Of which:		
Due within 12 months	76,469	68,842
Due after 12 months	776,791	850,417

Refer to note 2.2 on liquidity risk for maturity profile of nominal amounts of lease liabilities.

The Parent has paid security deposits for each aircraft that are refundable after redelivery of the respective aircraft once the individual lease expires or in the event of the external lessor failing to deliver the aircraft to the Parent. The nominal value of total deposits paid as at 31 December 24 was USD 20.4 million. Up until the date of delivery of each aircraft by the external lessors to the Parent, the security deposits were refundable in full. Once each aircraft is delivered, the security deposit becomes refundable at the expiration of the respective lease. The Parent has initially recorded the deposits at their nominal value. Upon delivery of each aircraft, the Parent remeasures the relevant deposit to its fair value on the date of delivery and the difference between the fair value and the nominal value of the deposit is included in the Parent's net investment in the lease. Subsequent to such measurement at fair value, the deposits are carried at amortized cost.

9.4 Aircraft preparation investments

The cost of preparing aircraft for delivery, including aircraft surveys and livery expenditure are capitalized as initial direct costs and included in the net investment in the lease as the Parent takes delivery of each aircraft. As at 31 December 2024 the Parent has capitalized USD 1,8 million for initial direct costs that is allocated to the aircraft delivered in 2022.

9.5 Provision for redelivery costs

As per the terms of external aircraft lease agreements, the Parent is obliged to redeliver the aircraft to the lessors at the expiry of the lease term in certain redelivery condition as prescribed in the lease agreements. The Parent has recognized provisions in its statement of financial position towards such aircraft restoration and return costs.

Refer to note 17 for further information on Provisions.

Note 10 Other non-current assets

(In thousands of USD)	31 DEC 2024	31 DEC 2023
Maintenance Reserve Contributions	32,338	17,277
Total	**32,338**	**17,277**

Both AerCap and BOCA lease agreements contain provisions for maintenance reserve payments for the aircraft to cover the cost of future maintenance events. These payments are payable at fixed amounts per month, at rates that are reviewed and updated at 6 months' intervals for BOCA leases and annually for AerCap leases. Such monthly maintenance reserves are effectively 'deposits' from which Norse will get reimbursed for actual periodic maintenance costs when maintenance activities are carried out.

The maintenance reserve amounts paid monthly to the lessors are financial assets classified into 'current' and 'non-current' based on the timing of expected maintenance activity and subsequent reimbursement.

Note 11 Cash and cash equivalents

Cash and cash equivalents consist of cash deposits held at call with banks. Restricted cash refers to security deposits held to support guarantees made in favour of some key suppliers such as airports etc. The Parent's main bank furthermore has issued guarantees in favour of key suppliers of the Company in total amounts of USD 1.5 million and in favour of its subsidiary Norse Atlantic Airways AS of USD 44.0 million.

(In thousands of USD)	31 DEC 2024	31 DEC 2023
USD	13,568	25,537
NOK	(48)	8,852
GBP	20	17
EUR	32	12
Total cash and cash equivalents	**13,572**	**34,417**
Hereof restricted cash:		
USD	13,200	15,500

In addition to the above cash and cash equivalents, the Company holds additional credit lines in the form of a revolving credit facility in the nominal amount of USD 6.3 million being fully undrawn as at 31 December 2024, and with a final maturity date of 31 December 2025.

Note 12 Investment in subsidiaries

The Parent's direct investment in subsidiaries is as follows:

(In thousands of USD)			Equity investment	
Name of the subsidiary	Country of incorporation	Equity interest as at 31 DEC 24 [2]	31 DEC 2024	31 DEC 2023
Norse Atlantic Airways AS	Norway	100%	-	-
Norse Atlantic US Holding AS	Norway	100%	11	4
Norse Atlantic UK Ltd	UK	100%	-	-
Norse Atlantic Management AS [1]	Norway	100%	-	4
Norse Atlantic Airways Latvia SIA	Latvia	100%	3	-
Total carrying value			**14**	**8**

[1] Company being liquidated and ceasing to exist in February 2024
[2] Voting rights are equivalent to shareholding for all companies

In 2024 the Parent recognised an impairment loss on investments in subsidiaries of USD 3.1 million (76.4 in 2023), hereof USD 3.1 million associated with the investment in Norse Atlantic Airways AS (USD 45.6 million in 2023), and USD nil million associated with the investment in Norse Atlantic UK Ltd (USD 30.8 million in 2023). Accumulated impairment losses are USD 48.7 million for the investment in Norse Atlantic Airways AS and USD 30.8 million for the investment in Norse Atlantic UK Ltd. The impairment losses are presented as a separate line item in the statement of comprehensive income, together with impairment losses recognized on non-current receivables towards subsidiaries, cf. note 15.1 on Transactions and balances with subsidiaries. After the recognition of such impairment loss, each of these investments in subsidiaries are carried at a value of nil.

The impairment loss is recognised due to the fact that that these two companies have experienced operating losses, and they currently both have a negative book value. When estimating the fair value of these subsidiaries, and the size of any impairment loss, management has made judgements on real underlying value of the businesses. Both companies holding Air Operator's Certificates (AOC) and being at the core of Norse's business activities and key to realisation of future business plans, in Norse's view there are underlying off-balance values in the companies such as related to aircraft lease contracts. The recoverable amounts are however estimated to be nil for each of the two investments as at 31 December 2024.

As of 31 December 2024, the Parent directly and indirectly has the following subsidiaries:

Name of the subsidiary	Date of establishment	Country of incorporation	Number of shares	Equity interest as at 31 Dec 24
Norse Atlantic Airways AS	01/01/2021	Norway	3,000	100%
Norse Atlantic Airways US LLC	08/02/2022	USA	100	100%
Norse Atlantic UK Ltd.	10/05/2021	UK	4,000,100	100%
Norse Atlantic US Holding AS	01/06/2021	Norway	3,000	100%
Norse Atlantic USA LLC	30/08/2021	USA	100	100%
Norse Atlantic Airways Latvia SIA	18/10/2024	Latvia	2,800	100%

Note 13 Share capital

The Parent has one class of ordinary shares and accounts for these shares as equity. Incremental costs directly attributable to the issue of new shares are recorded in equity as a reduction from the gross proceeds from the issue of shares.

At 31 December 2024 the Company's authorized and issued number of shares are 147,802,416 shares, whth par value NOK 5 per share.

13.1 Shareholder information

For information on the largest shareholders of the Company's as at 31 December 2024, refer to the consolidated financial statements, 19.1.

13.2 Shares and options held by Key Management and Board of Directors

For information on shares directly or indirectly held by members of the Boards of Directors and Executive Management as at 31 December 2024, refer to the disclosures of the consolidated financial statements note 19.2.

Note 14 Earnings per share

Basic earnings per share is calculated based on the net profit attributable to ordinary shareholders for the period divided by the weighted average number of shares in issue during the same period. The Parent in relation to its subsidiaries' share based payment transactions to its employees has potentially dilutive equity instruments in issue as of 31 December 2024. Such potentially dilutive equity instruments are currently not calculated into the weighted average number of outstanding shares as the Company has been loss-making.

(in USD thousands or such as stated)	2024	2023
Profit/(loss) for the period	(67,825)	(187,294)
Weighted average number of shares outstanding	129,273,593	67,472,961
Basic and diluted EPS (in USD per share)	**(0.52)**	**(2.78)**

Note 15 Related parties

15.1 Transactions and balances with subsidiaries

During the period ended 31 December 2024 and the period ended 31 December 2023, the Parent had the following balances and transactions with its subsidiaries:

2024

(in thousands of USD)	Norse Atlantic Airways AS	Norse Atlantic US Holding AS	Norse Atlantic UK Ltd	Other	Total
Lease receivables from subsidiaries	36,742	-	25,859	-	62,601
Other curent receivable	-	3,888	-	412	4,301
Total current receivable	36,742	3,888	25,859	412	66,902
Lease receivables from subsidiaries	403,806	-	325,168	-	728,973
Other non-current receivable	-	3,383	-	-	3,383
Total non-current receivable	403,806	3,383	325,168	-	732,356
Total receivable from subsidiaries	440,548	7,272	351,027	412	799,258

2023

(in thousands of USD)	Norse Atlantic Airways AS	Norse Atlantic US Holding AS	Norse Atlantic UK Ltd	Other	Total
Lease receivables from subsidiaries	19,600	-	28,739	-	48,339
Other current receivable	2,620	3,177	20,212	925	26,933
Total current receivable	22,220	3,177	48,951	925	75,273
Lease receivables from subsidiaries	265,155	-	441,537	-	706,692
Other non-current receivable	6,331	3,383	-	-	9,714
Total non-current receivable	271,486	3,383	441,537	-	716,406
Total receivable from subsidiaries	293,706	6,561	490,487	925	791,679

In 2024, the Parent recognised an impairment loss on non-current receivables towards subsidiaries of USD 63.1 million (USD 94.9 million in 2023), hereof USD 63.1 million in relation to Norse Atlantic Airways AS (USD 78.6 million in 2023), and USD nil million in relation to Norse Atlantic UK Ltd (USD 16.3 million in 2023). Accumulated impairment losses are USD 141.7 million for the receivables against Norse Atlantic Airways AS and USD 16.3 million for the receivables against Norse Atlantic UK Ltd. The impairment losses are presented as a separate line item in the statement of comprehensive income, together with impairment losses recognized on equity investments in subsidiaries, cf. note 12 on Investments in subsidiaries. The impairment loss is recognised related to the fact that that these two companies have experienced operating losses, and they currently both have a negative book value. When estimating the fair value of these subsidiaries, and the size of any impairment loss, management has made judgements on real underlying value of the business taking into account off-balance values such as favourable lease contracts, airport landing slots and more.

(in thousands of USD)	2024	2023
Intra-group interest income	31,112	30,555

15.2 Transactions with related parties

On 12 April 2024, the Company secured a USD 20 million revolving credit facility from its two largest shareholders Scorpio Holdings Limited and BT Larsen & Co Ltd. The Facility carries an interest rate of 15% per annum, is on market terms, is unsecured, will not be amortizing and any drawn amounts are to be repaid on or before 31 March 2026. BT Larsen & Co Ltd is a company closely associated with Bjørn Tore Larsen, the CEO of the Company.

On 29 November 2024, the Company secured a USD 6.3 million revolving credit facility from BT Larsen & Co Ltd. Amounts drawn under the facility will carry interest at a rate of 15% per annum. A commitment fee of 4.5% per annum will apply on any undrawn part of the facility. BT Larsen & Co Ltd is a company closely associated with Bjørn Tore Larsen, the CEO of the Company.

These related party transactions are carried out on an arm's length basis.

Note 16 Financial assets and liabilities at amortised cost

The Parent's financial assets and liabilities measured at amortized cost were as follows:

(in thousands of USD)	31 DEC 2024	31 DEC 2023
Financial assets		
Aircraft lease deposits	16,502	16,048
Other non-current assets: Maintenance reserve contributions	32,338	17,277
Lease receivables from subsidiaries	728,973	706,692
Intercompany non-current receivables	3,383	9,714
Lease receivables from subsidiaries - current portion	62,601	48,339
Trade and other receivables	224	-
Intercompany receivables	4,301	26,933
Other current assets	8,505	10,024
Cash and cash equivalents	13,572	34,417
Total financial assets at amortised cost	**870,399**	**869,445**
Financial liabilities		
Shareholder loan	22,056	-
Lease liabilities non-current	776,791	850,417
Trade and other payables	15,727	14,746
Lease liabilities current	76,469	68,842
Total financials liabilities at amortised cost	**891,044**	**934,006**
Total net financial assets (liabilities) at amortised cost	**(20,645)**	**(64,561)**

Note 17 Provision

(In thousands of USD)	2024	2023
Opening balance 1 Jan	30,642	28,423
Provisions transferred to subsidiaries	(4,194)	(1,393)
Interest charge on discounted provisions	3,434	3,612
Closing balance 31 Dec	**29,882**	**30,642**
Of which:		
Due within 12 months	-	-
Due after 12 months	29,882	30,642

Note 18 Events after the reporting period

For events after the Reporting period, refer to note 23 of the disclosures of the Consolidated Financial Statements.

Responsibility Statement

Today, the Chief Executive Officer and the Board of Directors reviewed and approved the Board of Directors' Report and the consolidated and separate annual financial statements for Norse Atlantic ASA as of 31 December 2024.

The consolidated financial statements and separate annual financial statements have been prepared in accordance with IFRS® Accounting Standards and IFRIC as adopted by EU, European Single Electronic Format (ESEF) regulations, European Sustainability Reporting Standards (ESRS), EU taxonomy (Article 8 of EU Regulation 2020/852), as well as additional information requirements as per the Norwegian Accounting Act.

We confirm to the best of our knowledge that:

- The 2024 financial statements for the Company have been prepared in accordance with applicable accounting standards and additional Norwegian disclosure requirements in the Norwegian Accounting act
- The 2024 consolidated financial statements have been prepared in accordance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act
- The information in the financial statements gives a true and fair view of the Company's assets, liabilities, financial position and result as of 31 December 2023
- The 2024 sustainability statement has been prepared in accordance with requirements of the Norwegian Accounting Act, European Sustainability Reporting Standards (ESRS) and the EU taxonomy

Arendal, 29 April 2025

Terje Bodin Larsen
Chair of the Board

(Signed electronically)

Aase Kristine Mikkelsen
Member of the Board

(Signed electronically)

Timothy Sanger
Member of the Board

(Signed electronically)

Marianne Økland
Member of the Board

(Signed electronically)

Bjørn Kjos
Member of the Board

(Signed electronically)

Bjørn Tore Larsen
Chief Executive Officer

(Signed electronically)

Jan Mathias Lindborg
Member of the Board,
employee representative

(Signed electronically)

Synne-Linnea Einarsen
Member of the Board,
employee representative

(Signed electronically)

Leif Andre Moland
Member of the Board,
employee representative

(Signed electronically)

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To the General Meeting of Norse Atlantic ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Norse Atlantic ASA, which comprise:

- the financial statements of the parent company Norse Atlantic ASA (the Company), which comprise the balance sheet as at 31 December 2024, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Norse Atlantic ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code),

and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Norse Atlantic ASA for 4 years from the election by the general meeting of the shareholders on 1 February 2021 for the accounting year 2021.

Material Uncertainty Related to Going Concern

We draw attention to Note 3.8 in the consolidated financial statements, which indicates that the Group incurred a net loss of USD 135.5 million during the year ended December 31, 2024 and, as of that date, the Group`s equity was negative with USD 210.6 million. As stated in Note 3.8, these events or conditions, along with other matters as set forth in Note 3.8, indicate that a material uncertainty exists that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of Right of use aircraft and lease receivables from subsidiaries (Group and Company)

The carrying value as at 31 December 2024 of Right of use aircraft and related spare parts amounts to USD 817.2 million (Group) and USD 53.6 million (Company). The carrying value as at 31 December 2024 of lease receivables from subsidiaries amounts to USD 791.6 million (Company).

Management reviews the Group's and the Company's assets for impairment whenever there is impairment indicators identified. Management has reviewed the underlying lease contracts which constitute the basis for the carrying value of the Right of use aircraft and lease receivables from subsidiaries, compared to observable marked values of similar lease contracts. Management has obtained external valuation reports indicating significant excess value for the Group's lease contracts. Management review of the carrying value of Right of use aircraft and lease receivables from subsidiaries has thus not identified any impairment indicators.

We have determined this issue to be a key audit matter as the carrying value of Right of use aircraft and lease receivables from subsidiaries are the principal assets held by the Group and the Company, and on the account of the level of management judgment involved in this assessment.

As part of our audit procedures, we have obtained an understanding of management's process for evaluating the potential indicators for impairment. We have further obtained, evaluated and challenged Management's assessment and assumptions.

In order to challenge Managements assessments, we have conducted inquiries with Management, challenged assumptions, and we have evaluated the audit evidence obtained.

Our audit procedures included obtaining audit evidence of marked rates for comparable lease contracts and external valuations of the Groups lease contracts which form the basis for the carrying value of the Right of use aircraft and lease receivables from subsidiaries.

We have further assessed the adequacy of the disclosures included in the relevant financial statements.

Impairment of investment in subsidiaries and intercompany non-current and current receivables (Company)

Investment in subsidiaries and intercompany non-current and current receivables are carried at amortised cost. Carrying value as at 31 December 2024 for investment in subsidiaries was USD 14 thousands after impairment loss recognized in 2024 of USD 3.1 million. Carrying value as at 31 December 2024 for intercompany non-current and current receivables was USD 7.7 million after impairment loss recognized in 2024 of USD 63.1 million.

Due to significant accumulated losses in the Company's subsidiaries, Management has identified impairment indicators for the Company's investment in subsidiaries and significant expected credit losses on intercompany non-current and current receivables. The determination of the value of the investments in subsidiaries and intercompany non-current and current receivables relied on Management's estimated recoverable amount of the Company's investment in subsidiaries.

Due to estimation uncertainty for these financial assets, and the complexity and scope related to Management's judgement involved, impairment of investment in subsidiaries and intercompany non-current and current receivables has been considered to be a key audit matter.

As part of our audit procedures, we have obtained an understanding of management's process for impairment testing. We have further obtained, evaluated and challenged the impairment models, including key assumptions.

Our audit procedures have included a comparison of the value of shares in subsidiaries and intercompany receivables to the estimated recoverable amount for the Company's subsidiaries. In order to challenge the estimated recoverable amount for the subsidiaries we have conducted discussions with management and we have evaluated evidence for the performed adjustments. We have found the assumptions applied by management to be reasonable based on our knowledge and understanding of the business.

We have further assessed the adequacy of the disclosures included in the relevant financial statements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Norse Atlantic ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 2549008P77XR4V5Z8N86-2024-12-31-0-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.
In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Arendal, 29 April 2025
RSM Norge AS

Eirik Halvorsen
State Authorised Public Accountant

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To the General Meeting of Norse Atlantic ASA

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Norse Atlantic ASA (the «Company»), included in Sustainability statement of the Board of Directors' report (the «Sustainability Statement»), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in 1.5 Materiality assessment process; and
- compliance of the disclosures in 2.5 Taxonomy-aligned KPIs of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the «Taxonomy Regulation»).

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information («ISAE 3000 (Revised)»), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability Auditor's Responsibilities* section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in 1.5 Materiality assessment process of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in 2.5 Taxonomy-aligned KPIs of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in 1.5 Materiality assessment process.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in 1.5 Materiality assessment process.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
  - Obtaining an understanding of the Group's control environment, processes, control activities and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
  - Obtaining an understanding of the Group's risk assessment process;

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- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel, analytical procedures and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Arendal, 29 April 2025
RSM Norge AS

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