

Norse Atlantic Airways

# Q1 2024 Presentation

14 May 2024



# Disclaimer

This presentation and its appendices (the "**Presentation**") has been produced by Norse Atlantic ASA (the "**Company**", and together with its direct and indirect subsidiaries, the "**Group**").

This Presentation has been prepared for information purposes only, and does not constitute or form part of, and is not prepared or made in connection with, an offer or invitation to sell or a solicitation of an offer to subscribe for or purchase, or a recommendation regarding, any securities of the Company and nothing contained herein shall form the basis of any contract or commitment whatsoever.

No representation, warranty or undertaking, express or implied, is made by the Company or its affiliates or representatives as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. Neither the Company nor any of its affiliates or representatives shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss whatsoever and howsoever arising from any use of this Presentation or its contents or otherwise arising in connection with this Presentation.

This Presentation includes and is based, inter alia, on forward-looking information and contains statements regarding the future in connection with the Group's profit figures, outlook, strategies and objectives. All forward-looking information and statements in this presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the major markets for the Group and its lines of business. These expectations, estimates and projections are generally identifiable by statements containing words such as "believe", "aim", "expect", "anticipate", "intend", "estimate", "will", "may", "continue", "should" and similar expressions. Forward-looking statements are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies, and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies, and other important factors could cause actual events to differ materially from the expectations expressed or implied in this Presentation by such forward-looking statements.

This Presentation is current as of the date hereof. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

The distribution of this Presentation by the Company in certain jurisdictions is restricted by law. Accordingly, this Presentation may not be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. This Presentation does not constitute an offer of, or an invitation to purchase, any securities.

By accepting these materials, each recipient represents and warrants that it is able to receive them without contravention of an unfulfilled registration requirements or other legal or regulatory restrictions in the jurisdiction in which such recipients resides or conducts business.

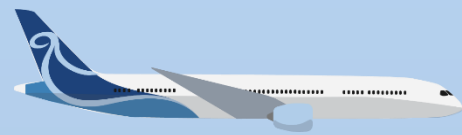


# Norse Atlantic Airways – The Explorers' Airline

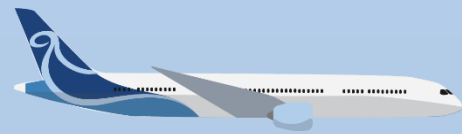


- Norse Atlantic Airways is a long haul airline offering great value and comfort at affordable fares.
- The company was founded by CEO and major shareholder Bjørn Tore Larsen in January 2021.
- Norse has a fleet of 15 modern, fuel-efficient and more environmentally friendly Boeing 787 Dreamliners.
-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

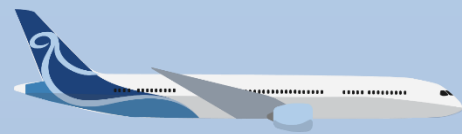
# Highlights from first quarter



201,000 passengers across 862 flights



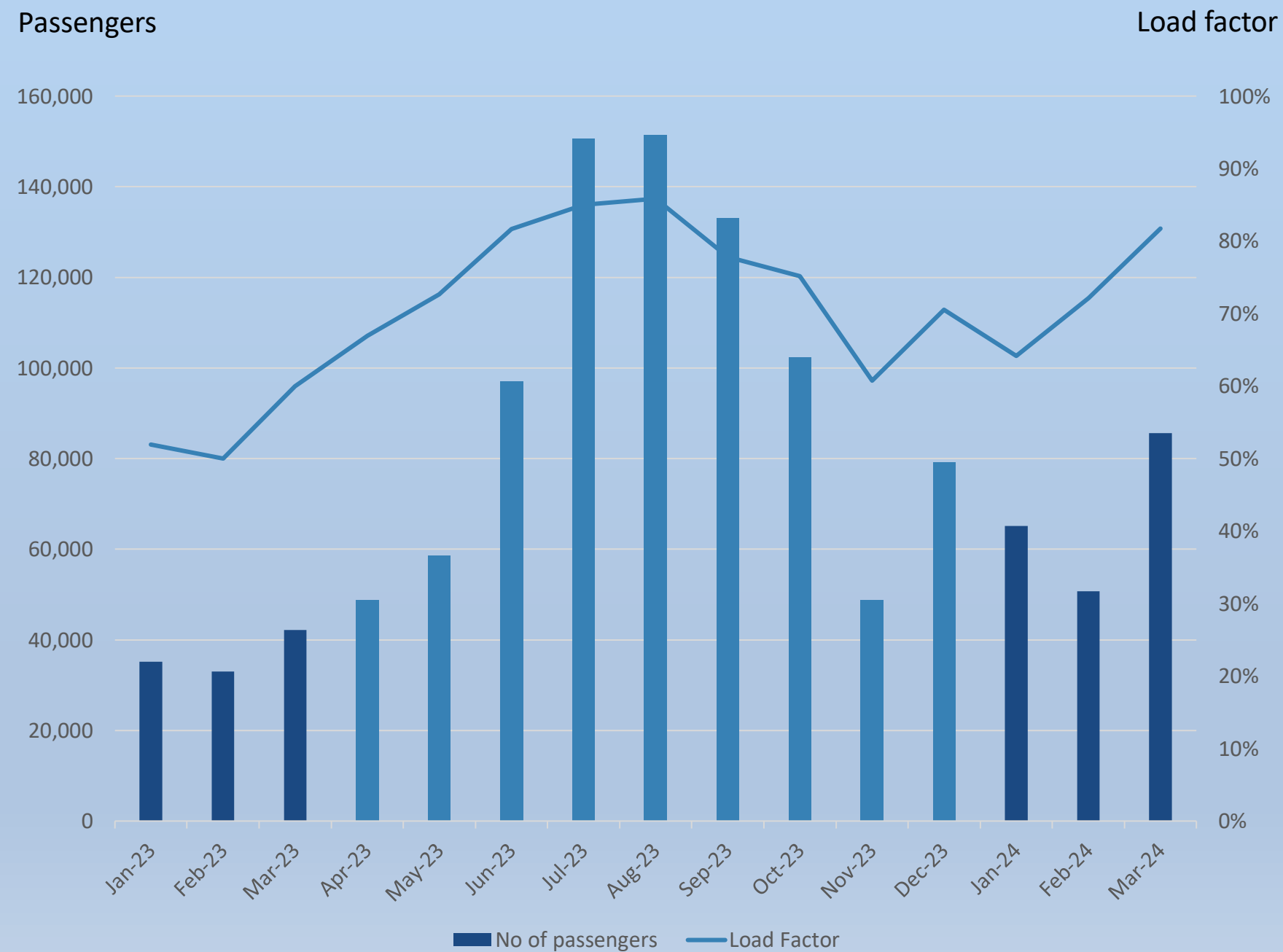
Revenue increased 97% YoY, revenue per passenger up 30% YoY



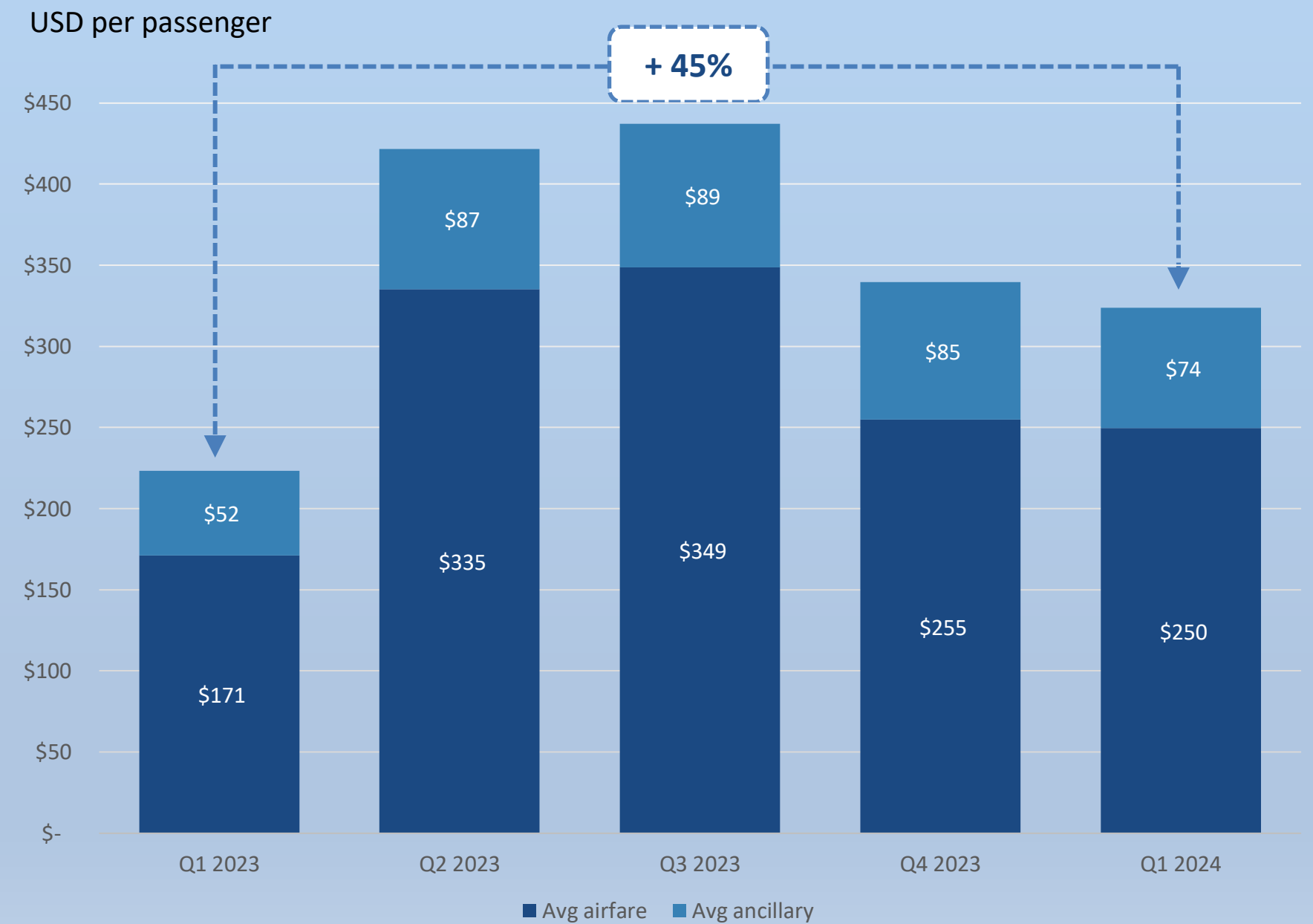
Load factor of 73% - up from 54% Q1 2023

# Filling more seats at higher prices

## Increase in passenger numbers and Load Factor

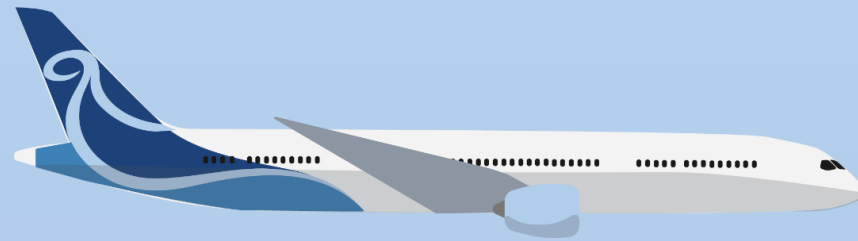


## Airfare and ancillary sales growing



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

# Ancillary level increasing



Norse's fare model offers value and choice

## Ancillary revenue per passenger USD

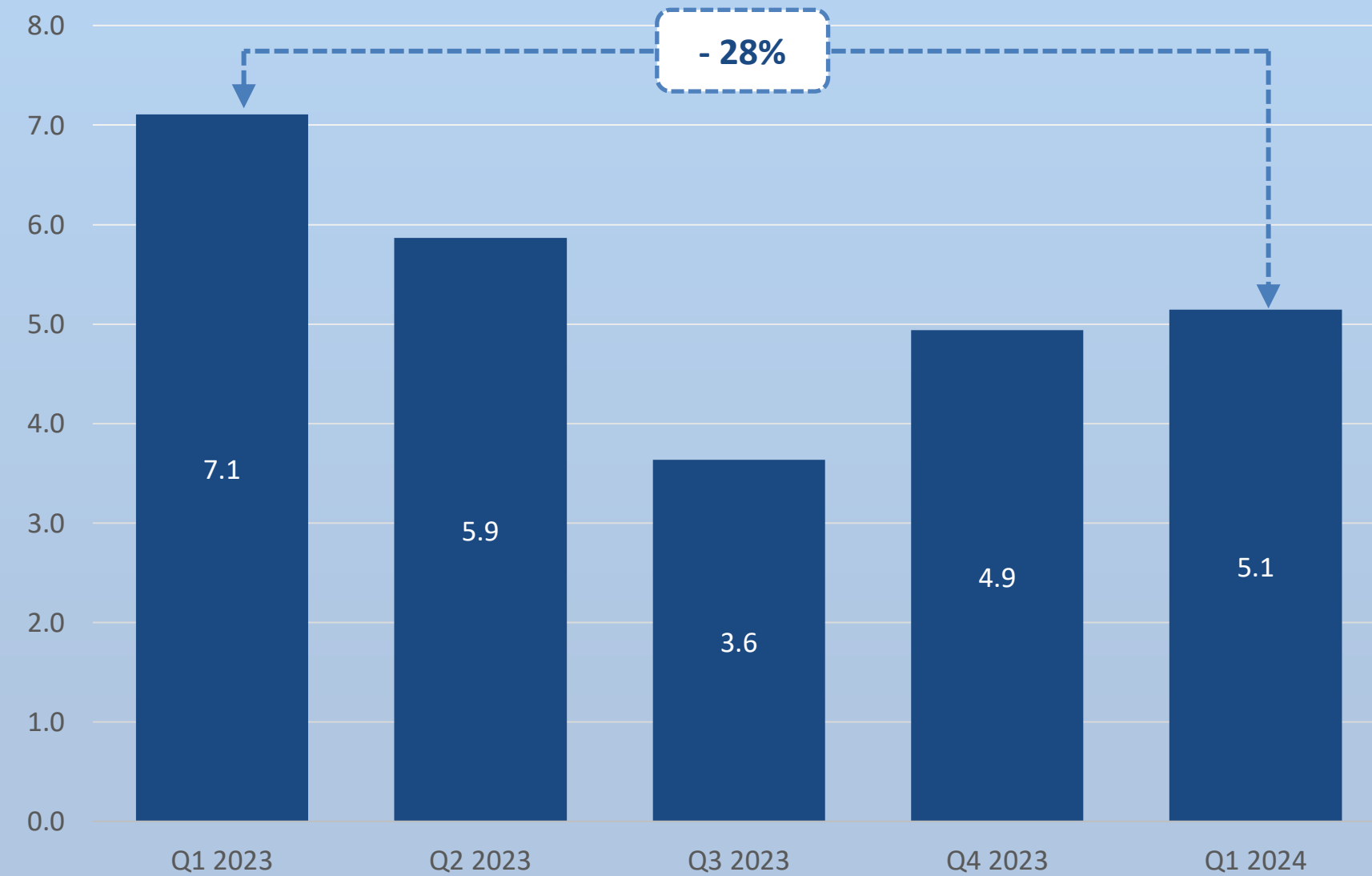


- Bundles are ancillary items included in the original ticket price of Classic and Flextra fares and are showed as ticket revenue in our financials

# Lowering cost and growing revenue

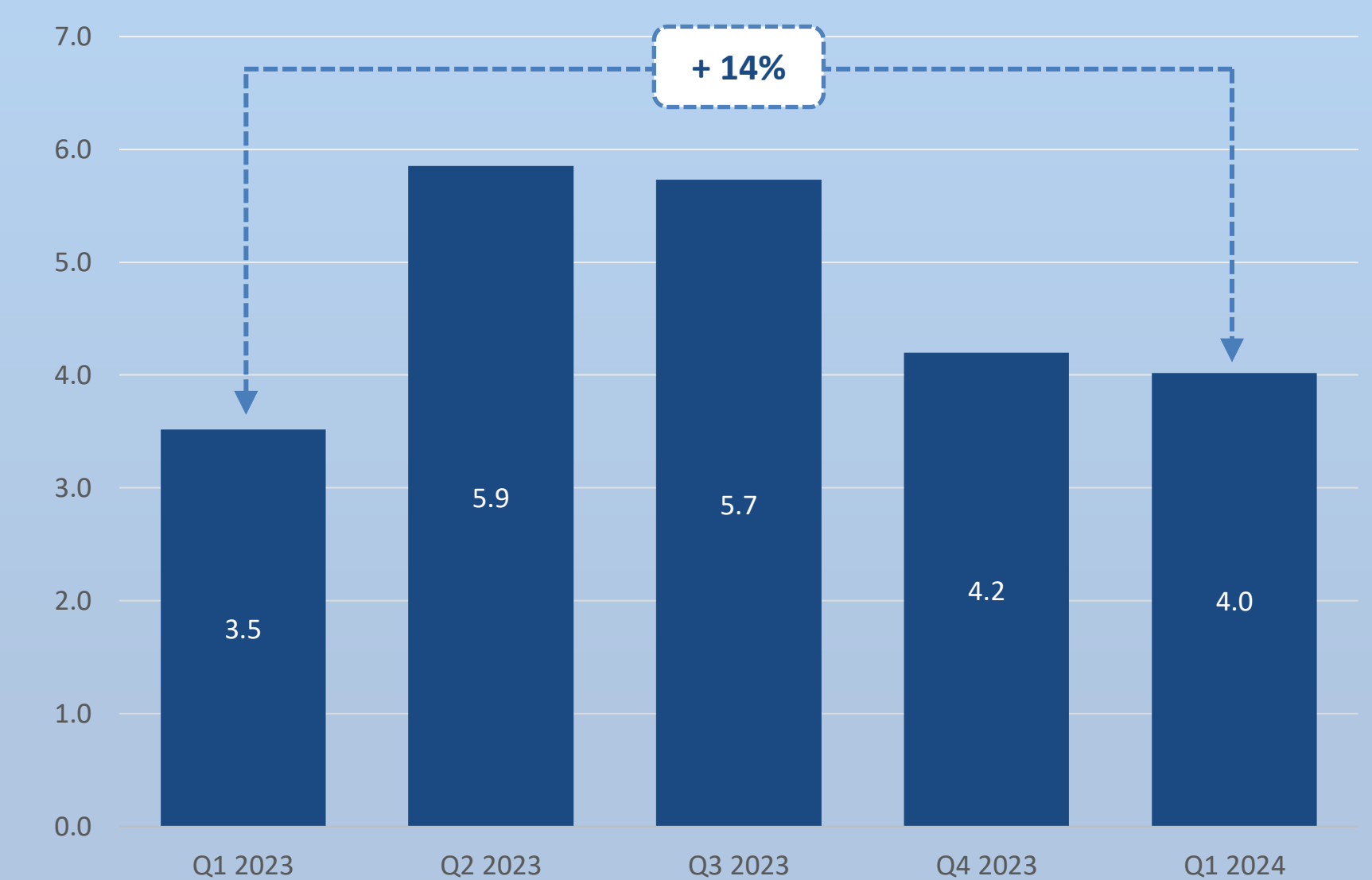
## CASK improving

USD cent per ASK



## RASK growing

USD cent per ASK



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

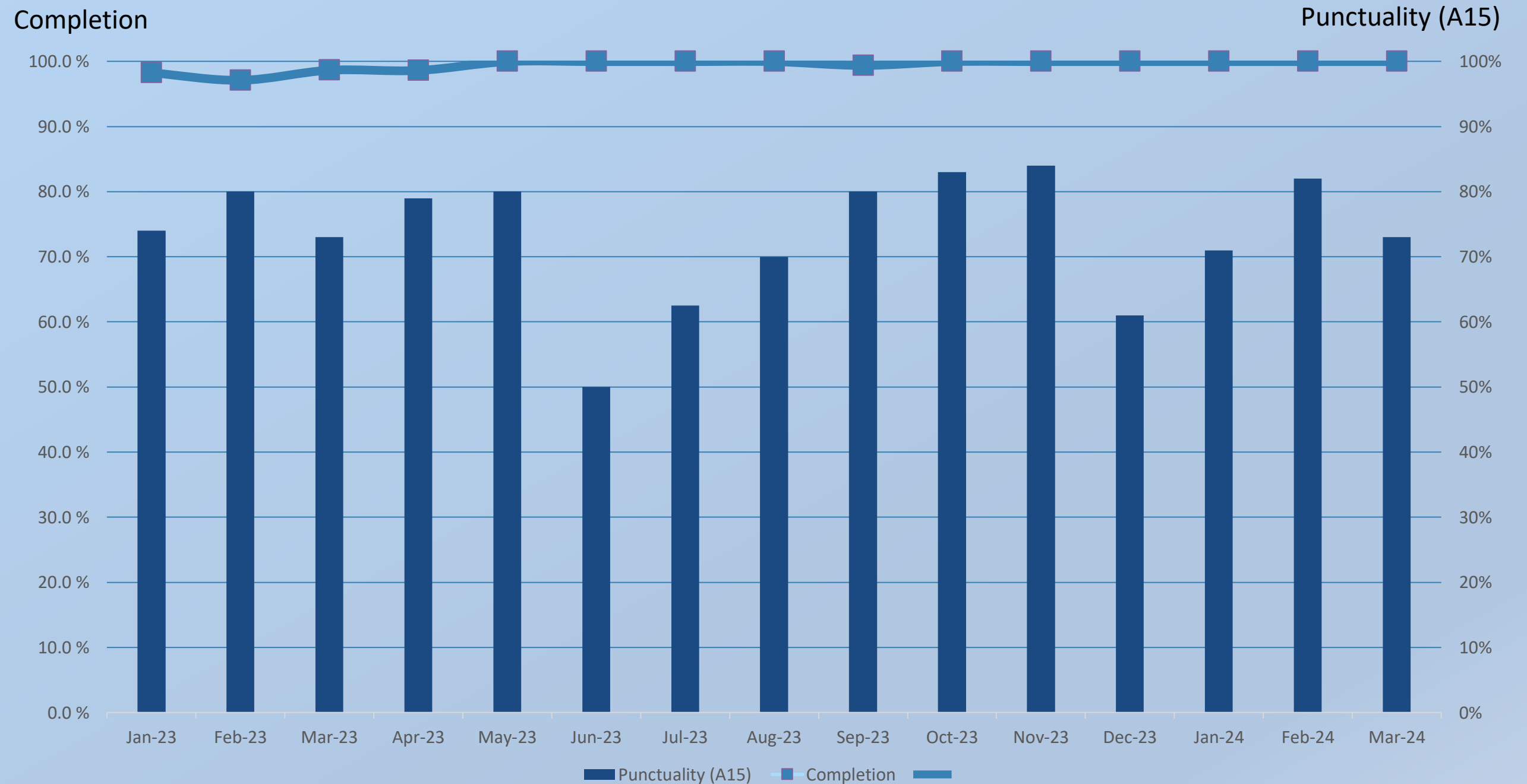
YoY: Year on Year, Q1 2024 compared to Q1 2023

# Strong operational performance

## % of flights completed and arriving on time

100% completion rate through Q1

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



A15: Arrival within 15 minutes of scheduled time



# Income Statement

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

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

# Cash Flow Statement

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

1) WC: Working Capital

- Net cash outflow during first quarter's seasonal low
- Net proceeds of USD 5.8 million from January repair share offering
- USD 33 million total cash held at end of Q1 2023
- Revolving credit facility of USD 20 million secured post quarter end

# Balance Sheet

## Statement of financial position

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

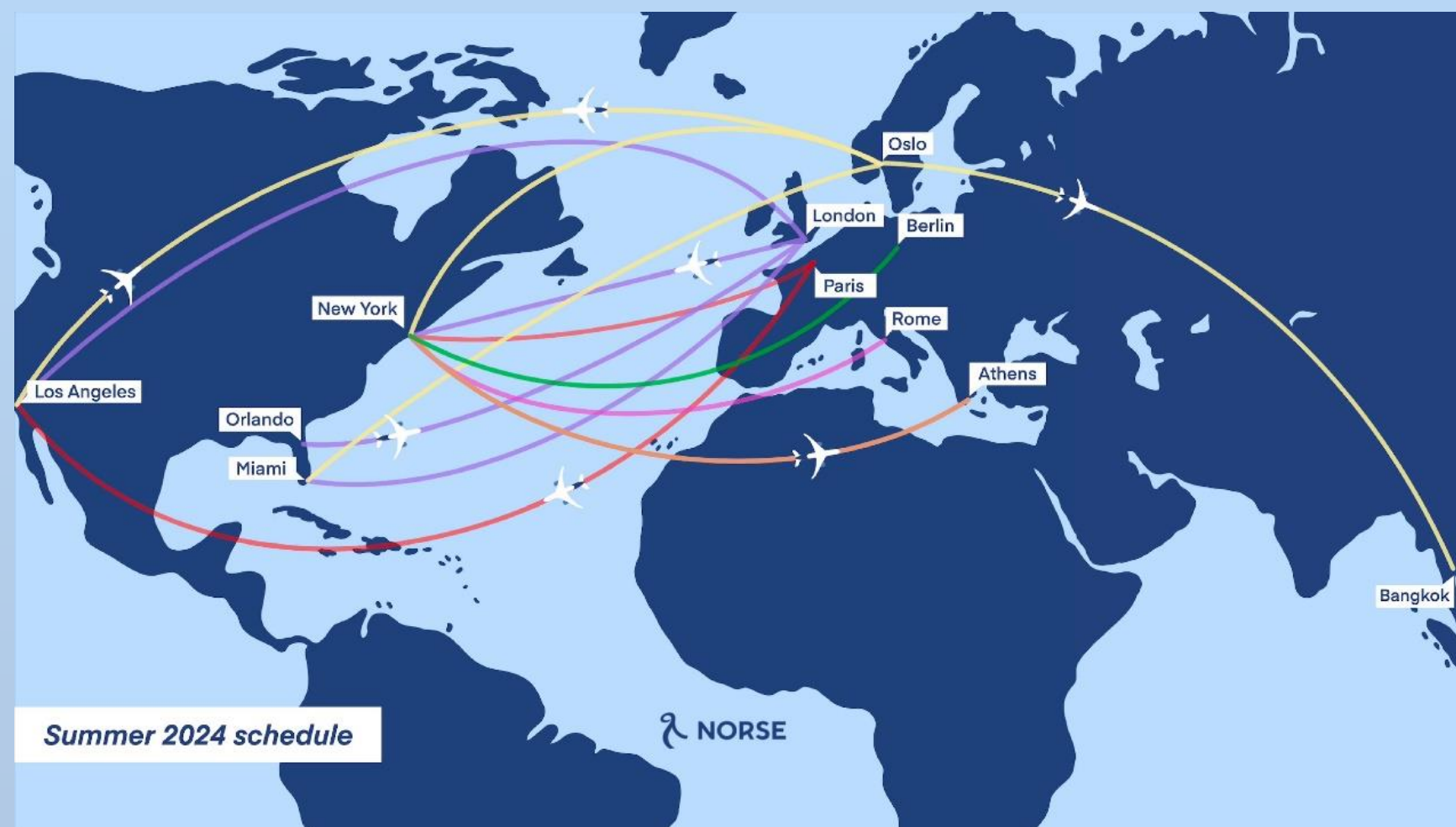
- USD112 million receivables from credit card companies for booked tickets
- USD 105 million liabilities to passengers for fares booked, not yet flown
- Book equity reflects USD 149 million accumulated non-cash aircraft lease accounting cost since inception
- Value adjusted equity positive including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





NORSE

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



SUMMER

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



WINTER

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

# Outlook

*Building a profitable long-haul low-cost airline*



Activity

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

Extensive charter operations

Strategic partnerships under negotiations



Revenues

Number of ticket sold YTD '24 +45%<sup>1</sup> versus YTD '23

Strong demand for summer season.

Building the order book for next winter's charter

Weak cargo market



Cost Control

Continued cost control across the business

Scale reduces unit cost

Lowest CAPEX among peers

Fuel efficiency of Boeing 787 fleet



Profitability

Aiming to achieve full year profitability in 2024.

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





# Appendix



# Key Operational Numbers

Monthly break-down over last five quarters

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

# Thank You For Flying With Us

 [Flynorse.com](https://flynorse.com)

Explore

Contact:

Investors: [investor.relations@flynorse.com](mailto:investor.relations@flynorse.com)

Media: [media@flynorse.com](mailto:media@flynorse.com)

