Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	926 645 986
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	NORSE ATLANTIC ASA
Forretningsadresse:	Fløyveien 14 4838 ARENDAL

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Anders Hall Jomaas
Dato for fastsettelse av årsregnskapet:	11.04.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 21.08.2025

Resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Revenue	3	33 090 000	14 397 000
Sum inntekter		**33 090 000**	**14 397 000**
Kostnader			
Personnel expenses	4, 5	486 000	958 000
Depreciation and amortization	9	23 921 000	12 110 000
Airport charges and handling		0	5 000
Technical maintenance		67 000	404 000
Other operating costs		624 000	1 412 000
Marketing and distribution costs		12 000	
Administrative costs		2 235 000	809 000
Variable aircraft rentals		18 283 000	10 844 000
Impairment losses	12, 15.1	171 308 000	0
Sum kostnader		**216 936 000**	**26 542 000**
Driftsresultat		**-183 846 000**	**-12 145 000**
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		30 555 000	20 301 000
Other financial income/(expenses)	7	1 167 000	-2 651 000
Sum finansinntekter		**31 722 000**	**17 650 000**
Annen rentekostnad		30 362 000	22 450 000
Sum finanskostnader		**30 362 000**	**22 450 000**
Netto finans		**1 360 000**	**-4 800 000**
Ordinært resultat før skattekostnad		**-182 486 000**	**-16 945 000**
Income tax	8	4 808 000	0
Ordinært resultat etter skattekostnad		**-187 294 000**	**-16 945 000**
Årsresultat		**-187 294 000**	**-16 945 000**

Balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Aircraft and other tangible assets	9	151 569 000	175 047 000
Aircraft lease deposits	9, 16	16 048 000	15 596 000
Other non-current assets	16	17 277 000	0
Lease receivables from subsidiaries	15, 16	706 692 000	755 031 000
Intercompany non-current receivables	15, 16	9 714 000	51 800 000
Sum immaterielle eiendeler		**901 300 000**	**997 474 000**
Finansielle anleggsmidler			
Investering i datterselskap	12	8 000	60 377 000
Sum finansielle anleggsmidler		**8 000**	**60 377 000**
Sum anleggsmidler		**901 308 000**	**1 057 851 000**
Omløpsmidler			
Varer			
Fordringer			
Trade and other receivables	16	0	1 000 000
Intercompany receivables	15, 16	26 933 000	47 055 000
Other current assets	16	10 024 000	17 047 000
Sum fordringer		**36 957 000**	**65 102 000**
Investeringer			
Lease receivables from subsidiaries	15, 16	48 339 000	17 106 000
Sum investeringer		**48 339 000**	**17 106 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	2, 11, 16	34 417 000	29 756 000
Sum bankinnskudd, kontanter og lignende		**34 417 000**	**29 756 000**
Sum omløpsmidler		**119 713 000**	**111 964 000**

Balanse

Beløp i: USD	Note	2023	2022
SUM EIENDELER		**1 021 021 000**	**1 169 815 000**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital			
Innskutt egenkapital			
Share capital	13	62 954 000	29 945 000
Share premium		198 065 000	162 560 000
Sum innskutt egenkapital		**261 019 000**	**192 505 000**
Opptjent egenkapital			
Udekket tap	14	204 644 000	17 350 000
Sum opptjent egenkapital		**-204 644 000**	**-17 350 000**
Sum egenkapital		**56 375 000**	**175 155 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Lease liabilities non-current	9	850 417 000	910 576 000
Provisions	10	30 642 000	28 423 000
Sum annen langsiktig gjeld		**881 059 000**	**938 999 000**
Sum langsiktig gjeld		**881 059 000**	**938 999 000**
Kortsiktig gjeld			
Trade and other payables	16	14 746 000	20 375 000
Lease liabilities current	9, 16	68 842 000	35 286 000
Sum kortsiktig gjeld		**83 588 000**	**55 661 000**
Sum gjeld		**964 647 000**	**994 660 000**
SUM EGENKAPITAL OG GJELD		**1 021 022 000**	**1 169 815 000**

Konsernets resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Revenue	4	439 436 000	104 269 000
Sum inntekter		**439 436 000**	**104 269 000**
Kostnader			
Personnel expenses	5, 6	99 759 000	44 462 000
Depreciation and amortization	11, 12	84 103 000	58 517 000
Fuel, oil and emission costs		152 527 000	61 793 000
Airport charges and handling		67 153 000	19 537 000
Technical maintenance		66 493 000	20 482 000
Other operating costs		33 999 000	2 687 000
Marketing and distribution costs		23 343 000	6 211 000
Administrative costs	7	14 143 000	9 419 000
Variable aircraft rentals|		33 139 000	27 263 000
Sum kostnader		**574 659 000**	**250 371 000**
Driftsresultat		**-135 223 000**	**-146 102 000**
Finansinntekter og finanskostnader			
Other financial income/(expenses)	9	1 603 000	
Sum finansinntekter		**1 603 000**	
Annen rentekostnad	8	34 982 000	24 416 000
Other financial income/(expenses)	9		4 455 000
Sum finanskostnader		**34 982 000**	**28 871 000**
Netto finans		**-33 379 000**	**-28 871 000**
Ordinært resultat før skattekostnad		**-168 602 000**	**-174 973 000**
Income tax	10	144 000	0
Ordinært resultat etter skattekostnad		**-168 746 000**	**-174 973 000**
Årsresultat		**-168 746 000**	**-174 973 000**

Konsernets balanse

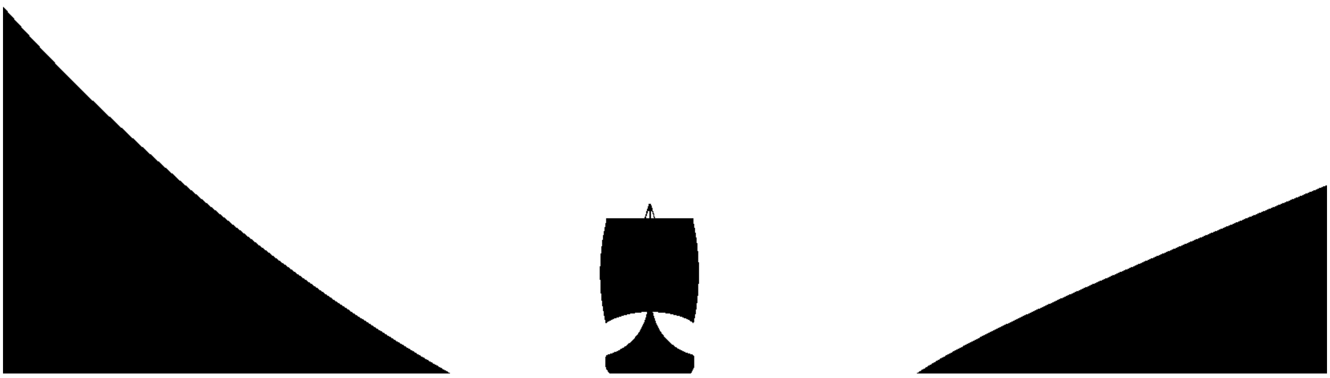
Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Aircraft and other tangible assets	11	898 856 000	939 997 000
Intangible assets	12	3 324 000	2 801 000
Aircraft lease deposits	13	16 048 000	15 596 000
Other non-current assets	13, 14	17 277 000	14 644 000
Sum immaterielle eiendeler		**935 505 000**	**973 038 000**
Sum anleggsmidler		**935 505 000**	**973 038 000**
Omløpsmidler			
Varer			
Inventories	16	3 466 000	2 596 000
Sum varer		**3 466 000**	**2 596 000**
Fordringer			
Credit card receivables	13	60 214 000	31 371 000
Trade and other receivables	13, 15	6 351 000	4 486 000
Other current assets	13, 17	22 770 000	9 040 000
Sum fordringer		**89 335 000**	**44 897 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		54 830 000	69 709 000
Sum bankinnskudd, kontanter og lignende		**54 830 000**	**69 709 000**
Sum omløpsmidler		**147 631 000**	**117 202 000**
SUM EIENDELER		**1 083 136 000**	**1 090 240 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	19	62 954 000	29 945 000

Konsernets balanse

Beløp i: USD	Note	2023	2022
Share premium		198 065 000	162 560 000
Sum innskutt egenkapital		**261 019 000**	**192 505 000**
Opptjent egenkapital			
Udekket tap		350 716 000	181 970 000
Sum opptjent egenkapital		**-350 716 000**	**-181 970 000**
Sum egenkapital		**-89 697 000**	**10 535 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Lease liabilities non-current	11, 13	902 147 000	925 522 000
Provisions	21	57 913 000	45 762 000
Sum annen langsiktig gjeld		**960 060 000**	**971 284 000**
Sum langsiktig gjeld		**960 060 000**	**971 284 000**
Kortsiktig gjeld			
Deferred passenger revenue	13	52 394 000	17 001 000
Trade and other payables	13, 15	88 699 000	55 212 000
Lease liabilities current	11, 13	71 680 000	36 208 000
Sum kortsiktig gjeld		**212 773 000**	**108 421 000**
Sum gjeld		**1 172 833 000**	**1 079 705 000**
SUM EGENKAPITAL OG GJELD		**1 083 136 000**	**1 090 240 000**

NORSE

Annual Report 2023



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Letter from the CEO
Dear Shareholders

2023 was the year Norse Atlantic Airways became fully operational. The first half of the year was marked by limited flying activity as we ramped up operations from a low level. In March 2023 we inaugurated the first flight operated on the Norse UK AOC, and at the height of the summer season Norse was the largest long-haul operator to the US from London Gatwick airport serving seven US destinations.

The ramp-up required significant investments in people, training and infrastructure, etc. and therefore the first half of 2023 was loss-making. In the second half of the year Norse became fully operational with the entire fleet generating revenue. Ten aircraft in own operations and five aircraft sub-leased out. Norse achieved strong CASK numbers in 2023 and in Q3 reported its first quarter of net profit. Throughout this time, we have continued to demonstrate our agility by quickly adapting our network and strategy to ensure that we respond to market fluctuations.

Our core business model remains the same, to be a leading great value, low-cost, long-haul airline, with a particular focus on the transatlantic market. We operate an ultra-modern and uniform fleet of Boeing 787 Dreamliners, the most environmentally friendly and cost-effective aircraft in class.

We fly non-stop, direct flights between major cities, reducing complexity and overheads and therefore costs. We offer flexible, a la carte ticket options where customers don't have to pay for what they don't want or need, as well as bundled fares with many products included. Ancillary revenue per passenger is among the highest in the industry and continues to be a growing area of revenue.

In the past year our Norse Premium cabin has been ranked as one the top five premium cabins among airlines world-wide and has received positive reviews from journalists in all markets noting the generous leg room, recline and exceptional service from our dedicated cabin crew. The Norse Premium cabin has become popular among both leisure and smart business travellers seeking great value for money. In Q4 the Company introduced an improved service program and amenities for customers travelling in the Norse Premium cabin, further boosting the on-board experience.

We continue to learn as we enter new markets and adapt our business model accordingly. We now have a stronger focus on charter and ACMI operations during the traditionally challenging winter period. Our expertise in this area achieved global recognition when Norse became the first operator to land a Boeing 787 Dreamliner in Antarctica, chartered by the Norwegian Polar Institute to carry scientists, supplies and equipment to the blue ice surfaced Troll Airfield.

I am pleased to see that demand for Norse charter operations has continued to increase month on month including longer term agreements with established airlines, tour operators and cruise lines.

At Norse our people are what sets us apart from the competition. We have the finest cabin crew and pilots in the world, and an international and passionate team spread across our offices in Arendal, Oslo, London, Paris and Fort Lauderdale. We continue to value positive and productive relationships with labor unions and our ambition is to provide long term job security in a sustainable and profitable company.

In November, the Company completed a private placement of new equity capital in the USD equivalent gross amount of USD 55 million. The private placement was followed by a repair offering in January of another USD 6.5 million of new equity capital to the company. During the same month Norse announced that the company had been approached by and engaged in discussions

with several industrial players, seeking to explore collaboration opportunities with the Company. It is the Company's clear impression from these discussions that Norse's business, market position and assets are perceived as attractive, and that the company is positioned to engage further. The Board of Directors therefore decided to engage Seabury Securities UK Limited as strategic advisors to explore and guide the airline's future strategic directions. These discussions continue with the potential to create new partnerships, generate new revenue initiatives and provide cost synergies.

Building any business is hard work, and in our drive towards profitability we will continue to adjust and adapt our plans as the market continues to move and change. The Norse brand is gradually becoming more established, and tickets have become available on a greater number of platforms. Forward bookings are strong as core routes have now started to mature combined with the launch of in demand new seasonal destinations. We look forward to a busy and profitable summer ahead.

I would like to thank my Team Norse colleagues, our shareholders, union partners, airports, authorities, travel and tourism organizations, aircraft lessors and other suppliers for their support as we continue to build an airline with a global footprint while benefitting local economies, tourism, and businesses alike. So far, we have created thousands of jobs and millions of experiences, and we have just started.
Most of all, I would like to thank our customers. We are here because of you.

Sincerely,
Bjørn Tore Larsen
CEO and Founder

Board of Directors' Report

About Norse Atlantic Airways

Norse Atlantic Airways ("Norse") is an affordable long-haul airline established in 2021 that serves the transatlantic market with modern, fuel-efficient Boeing 787 Dreamliner's. Norse's headquarters are located in Arendal, 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% owned by Norse Atlantic ASA, a publicly traded company listed on the Euronext Expand Exchange in Oslo, Norway. The Company has wholly owned subsidiaries in Norway, the UK, and the USA. Norse Atlantic ASA and its subsidiaries combined, are commonly referred to as "Norse", "Norse Atlantic Airways", or the "Company".

The Norse fleet consists of 15 aircraft, with 10 aircraft under own operations and five aircraft on sublease to a third party as of 31 December 2023. The Company expects to operate 12 aircraft during peak summer 2024 and 15 by summer 2025. Norse commenced its commercial operations in June 2022, flying approximately four aircraft during its first 12 months of operations, increasing to approximately ten aircraft flying from peak summer 2023, with the planned gradual growth through the period and onwards intended to allow a gradual expansion plan. Norse currently serves destinations including New York, Orlando, Miami, and Los Angeles in the US to Berlin, London, Paris, Rome, Athens and Oslo in Europe, as well as flying from Europe to Caribbean and Thailand. In addition to scheduled flying, Norse provides charter and ACMI flights for third parties, particularly during the lower demand winter season, which provides Norse with a more stable year-round-revenue stream.

Key financials

(USD million or as stated)	2023	2022
Revenue	439.4	104.3
EBITDAR[1]	(18.0)	(60.3)
Operating profit (EBIT)	(135.2)	(146.1)
Net profit	(168.6)	(175.0)
Net cash flow from operations	(20.6)	(68.6)
Book equity	(89.7)	10.5
Cash and cash equivalents	54.8	69.7
Number of flights	4,002	1,451
Number of operating destinations at period end	13	7
Average stage length (km)	6,426	5,534
ASK[1] (millions)	8,672	2,716
RPK[1] (millions)	6,448	1,693
Number of passengers	979,913	295,839
Load factor[1]	74%	62%
Airfare per passenger (USD)[1]	304	215
Ancillary per passenger (USD)[1]	83	47
Revenue per passenger (USD)[1]	387	262
PRASK (US cents)[1]	4.37	2.86
TRASK (US cents)[1]	5.07	3.84
CASK cash adjusted (US cents)[1]	3.91	4.81
CASK excl. fuel (US cents)[1]	4.87	6.94
CASK (US cents)[1]	6.63	9.22
Total number of aircraft in fleet at period end	15	15
Total number of aircraft in operation at period end	10	4
Total number of aircraft subleased out at period end	5	5

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

Business highlights

2023 marked Norse's first full year of operations, in which the Company carried almost one million passengers across 4,000 flights. Norse's Available Seat Kilometres ("ASK") increased by more than 200% in 2023, compared to the previous year. The Company's robust operational excellence was clearly demonstrated as more than 99.5% of all scheduled flights were completed as scheduled despite growth in both the summer and winter schedules compared to the previous year. In Q3 2023, Norse delivered its first quarter of net profit, validating its long-haul low-cost business model.

The Company recorded an average load factor of 74% in 2023 (62% in 2022), with a monthly high during the peak summer month of August at 86% and a monthly low of 50% during February. Norse recorded an average Revenue per passenger of USD 387 in 2023, compared to USD 262 in 2022. Total cost per ASK (ex. fuel) reduced by approximately 30% in 2023 to US cents 4.87 per ASK, compared to US cents 6.94 in 2022. During 2023, Norse achieved an industry leading ancillary revenue of USD 83 per passenger, compared to USD 47 per passenger in 2022.

During March 2023 Norse commenced its operations under the UK AOC and in summer 2023 became the largest transatlantic carrier from London Gatwick. During 2023, Norse added new destinations including Paris, Rome, Montego Bay, Barbados and Bangkok to its network of scheduled flights. By 1 July 2023, Norse had all of its aircraft generating revenue.

During Winter 2023, Norse adapted its production to reflect the seasonally weaker revenue from scheduled operations, including aiming to employ the available aircraft capacity in ACMI (wet lease) and charters. The Group saw strong and increasing demand for ACMI and charters. In November 2023 the Group oversaw the first landing of a 787 Dreamliner in the Antarctic, under a charter with the Norwegian Polar Institute for the transportation of personnel and cargo to the Norwegian polar research base Troll. During 2023 Norse in total operated 78 charter/ACMI flights at a value of USD 5.1 million.

Norse completed a repair offering of shares on 20 April 2023, raising an additional share capital of USD 14.1 million. During November 2023, Norse raised an additional new share capital of USD 57.1 million through a private placement. Total additional share capital raised during 2023 was USD 71.2 million. On 27 April 2023 the Company registered a reverse split of its shares by consolidating four existing shares into one share. On 28 April 2023 the Company's shares started trading on Oslo Stock Exchange regulated market Euronext Expand, moving up from the MTF market Euronext Growth.

During November 2023, following the interest expressed by two airlines seeking to explore industrial opportunities with Norse, the Company appointed Seabury Securities UK Limited ("Seabury") as strategic advisors to explore and guide the airline's future strategic directions.

On 25 January 2024, the Company completed a repair offering of new share capital, in connection with the private placement completed in November 2023. The gross proceeds from the repair offering were approximately USD 6.5 million.

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 service for 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 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, with a focus on providing such services at times when demand for scheduled traffic is lower on routes Norse services on its scheduled network business.

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 Company as at 31 December 2023 has no external financing, apart from the leases with favourable and flexible terms. Refer to report's section of Significant events subsequent to year-end for information on new loan secured after year-end.

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, which was relaunched during the fourth quarter of 2023. 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.

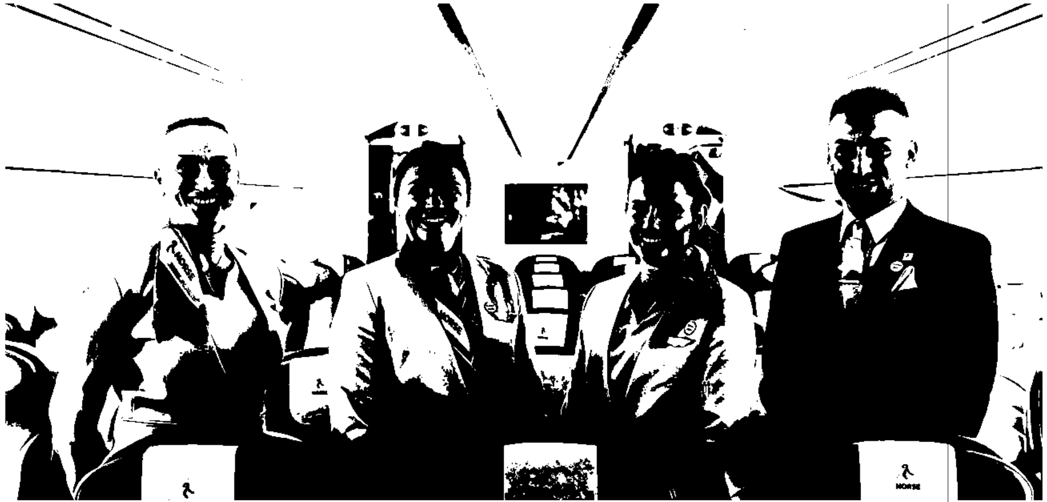
Norse culture

Norse believes that our Company culture – Team Norse – will be a critical success factor. 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 entered into agreements with unions in the US, UK, France and Norway. 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.

Industry and market overview

Market introduction

The long-distance market is estimated to constitute more than 90% of the total airline market, according to statistics represented in Boeing's June 2023 market update. The long-distance market has increased 5.1% per year (compounded) over a 25-year period until 2019, and whereas the market experienced a huge set-back during the COVID-19 pandemic. Norse considered that shock to the global aviation market to be a unique opportunity for the Company, by having secured what the Company considers to be attractive lease terms for its aircraft, capitalizing on the recovery that the Company has started to witness in the aviation market. According to IATA, the aviation market for travel between Europe and North America has by July 2023 recovered to 2019 levels.



Opportunities

Norse has leased out five aircraft to another airline for a period of between 18 and 30 months from 2022, a period during which the Company did not intend to operate the aircraft itself. This allows the Company to phase in the total of 15 aircraft gradually and generate revenue from all aircraft during the ramp-up period. All 15 aircraft have been generating revenue since 1 July 2023, whereof 10 aircraft are operated inhouse (including one operational spare) and five on sublease. Two aircraft return to Norse during Q2 2024 and the remaining three in Q2 2025, at which point they will commence operations for Norse. The Company expects to operate 12 aircraft during summer 2024 and 15 by summer 2025.

A key point in Norse's network is JFK airport in New York, at which the Company has been increasing its presence since its first flight in June 2022; Norse has increased from connecting JFK to three European cities in 2022, to five in 2023 and by peak summer 2024 Norse will be serving seven large European cities from JFK. In 2022 Norse was presented with the unique opportunity to secure five daily slot pairs at London Gatwick for the summer 2023 season at no cost to the airline. Paris is another key network point for the Company, though it has chosen to enter the market cautiously by commencing operating one aircraft from Charles de Gaulle airport in summer 2023, flying to New York. By summer 2024 the Company expects to be operating two aircraft from Paris, serving Los Angeles, Miami and New York. Together with other untested markets, the Company has chosen to enter them rationally and carefully whilst limiting the number of operational bases. In the US there will be an increased network focus on high-density routes to the East Coast in summer season 2024, further reducing average sector length.

Competitive situation

The transatlantic market is dominated by three large airline alliances – SkyTeam, Oneworld, and Star Alliance – who by 2023 have 86% market share, up from 81% pre-Covid (see chart 1, below) In 2019, 7.6% of the market was provided by Low-Cost Carriers ("LCC"), of which over 93% of the LCC traffic was provided by one carrier who has since exited the market. Due to the exit of this carrier, the total market share of low-cost operators in the market has decreased from 7.6% in 2019 to 3.7% in 2023, and Norse is targeting to recapture that LCC market share. The void left behind by the decrease in low-cost operator presence in the transatlantic market demonstrates that there is room for growth for Norse Atlantic.

Figure 1
Passenger market shares

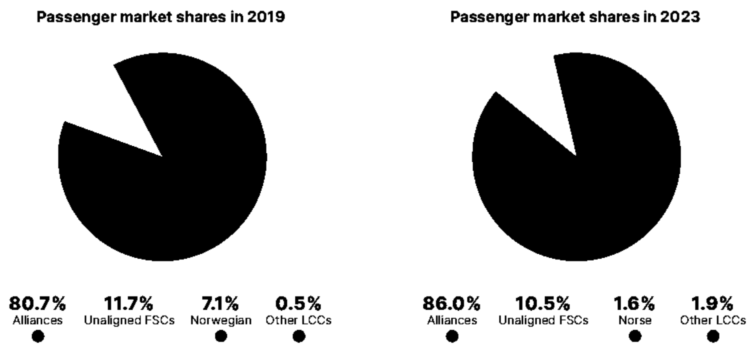
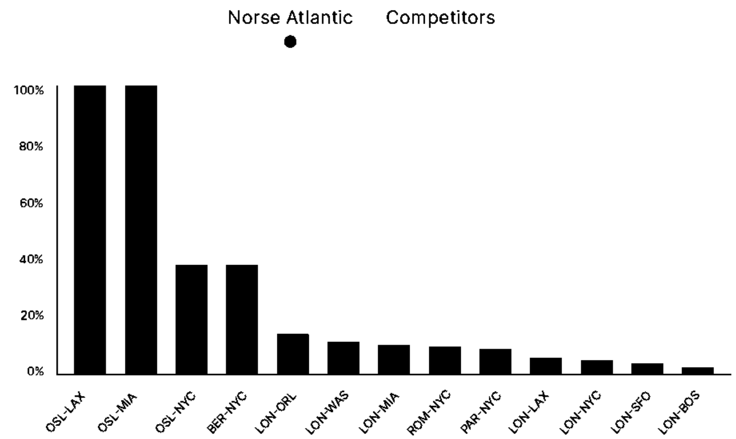


Chart 1: Transatlantic market share measured by flown passenger numbers. Source: Sabre Market Intelligence

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 2023. 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% and 20% 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, which are presented in below chart, 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 compared to other carriers.

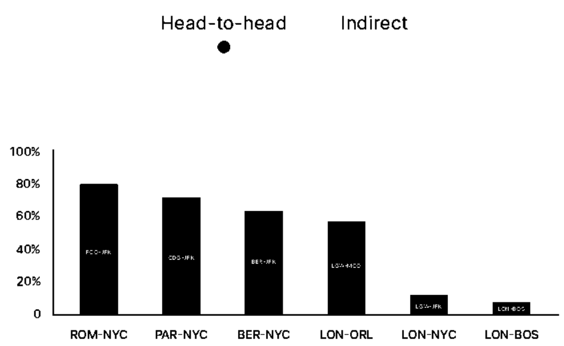
Figure 2
Seat market share in Summer 2023



Source: OAG Schedules Analyser. Important to highlight that some routes only started in the middle (e.g., LON-LAX and LON-SFO) or at the end of the summer season (e.g., LON-BOS). LON-MIA includes Fort Lauderdale (FLL).

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 below chart, 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.

Figure 3
% of head-to-head competition (in seat capacity) per city pair



Source: OAG Schedules Analyser.

Market segment cargo

In addition to the key market for passenger transport, the Company is also present in the market for air cargo. The global air cargo market conditions changed drastically during 2023 and the post Covid recovery in passenger demand led to a market normalisation after the very unusual Covid situation. Many airlines increased gradually the capacities as the passenger demand grew. On the North Atlantic sector, which is Norse's main market, the capacities recovered faster compared to other markets and reached pre Covid capacity levels already during the second half year 2023. The cargo market demand on the North Atlantic sector did not follow this development and we faced the situation with market over capacity leading to huge pressure on the yields resulting in lower rates and less revenues than expected.

When it comes to outlook for 2024, we see that air cargo rates are developing positively during the first months of 2024 from most of the global regions, especially from Asia Pacific and from Middle East & South Asia, strengthened by the ongoing disruptions to container shipping (red sea) and elevated demand for cross-border e-commerce shipments. Overall market demand develops positively during this period from most markets except for North America which is Norse's main market. The North Atlantic sector especially is heavily influenced by high passenger demand and increased seasonal capacities. We anticipate this will lead to increased overcapacity on the airfreight market and further market rate decrease in this sector.

Norse is a niche carrier with a marginal market share, and we need to adapt to the given market conditions to secure our revenue. Due to increased sales focus and close performance follow-up, in 2024 we aim at improving our performance in the cargo area compared to that of 2023, both in terms of tonnage, rates, and overall revenue.

Market segment charter/ACMI

The charter/ACMI market (Aircraft, Crew, Maintenance, and Insurance) is growing due to the increased global demand for air travel, bolstered by population growth, economic upswing and the expansion of the middle-class demographic. Airlines, in their pursuit of competitiveness and operational efficiency, are embracing fleet modernization by replacing older aircraft with fuel-efficient models. This trend benefits ACMI leasing as airlines turn to leasing to meet market demands without significant capital outlays. Airlines or tour operators gain cost savings and enhanced operational efficiency. The global demand for air travel is increasing and is expected to have an annual growth rate of 9% in the period 2024-2030.

The ACMI and charter market has exhibited sustained activity throughout the winter season of 2023/2024 across various regions. Notably, a significant portion of market capacity has been engaged on a long-term basis rather than ad-hoc arrangements. Data sourced from ACC Aviation indicates that approximately 738,500 block hours were operated in 2023, with widebody aircraft contributing to 35-40% of this total.

Several factors have been instrumental in driving the demand for ACMI services on a global scale, such as challenges associated with Pratt & Whitney GTF engines, scarce availability of aircraft for dry lease accompanied by escalated lease rates, scheduled maintenance activities, which intersect with the aforementioned supply chain challenges, elevated rates of pilot attrition, delays in aircraft deliveries and seasonal fluctuations in demand.

Within the European market, our competition comprises of 14 carriers, 13 of which hold certification under IOSA. IOSA certification affords larger carriers greater flexibility in considering ACMI capacity, as it signifies compliance with a standardised safety audit recognised by IATA members and code-share partners. Noteworthy markets for our competitors include the Middle East, South America, and the Asia Pacific region.

Given trends and the overall availability within the market, ACMI customers are increasingly willing to deviate from their typical aircraft types and product specifications, opening up the ACMI market further to Norse. Norse's current share of the relevant market is below one per cent, and the market in which Norse can realise its further potential therefore is significant.

Financial review

Consolidated Statement of Cash flow

The Company's net decrease in cash and cash equivalents during the year ended 31 December 2023 (the "Period") was USD 14.9 million (USD 64.5 million in 2022), driven by net cash outflow to operations of USD 20.5 million (USD 68.6 million in 2022), a net cash outflow to investing activities of USD 7.3 million (USD 25.0 million in 2022) and USD 1.9 million inflow (USD 22.6 million in 2022) from financing activities. Cashflow from financing activities include net proceeds of USD 68.2 million raised in additional share capital during the Period (USD 28.9 million in 2022). The Company's cash and cash equivalents as at 31 December 2023 was USD 54.8 million, including USD 15.5 million of restricted cash (USD 69.7 million as at 31 December 2022, including USD 5.0 million of restricted cash).

Consolidated Statement of Financial Position

As at 31 December 2023, Norse had gross assets of USD 1.1 billion (same as at 31 December 2022), consisting of non-current assets of USD 935.5 million (USD 973.0 million at 31 December 2022) and current assets of USD 147.6 million (USD 117.2 million at 31 December 2022). Current assets consist mainly of USD 66.6 million trade and other receivables (USD 35.9 million at 31 December 2022) and USD 54.8 million of cash and cash equivalents (USD 69.7 million at 31 December 2022). Non-current assets consisted mainly of right-of-use assets related to aircraft leases and associated maintenance assets with a carrying value of USD 908.9 million (USD 947.8 million at 31 December 2022). Corresponding lease liability for the aircraft was USD 973.8 million (USD 961.7 million at 31 December 2022). Other non-current assets, totalling USD 26.7 million, consist of aircraft lease deposits, capitalized software development, and other property plant and equipment (total of USD 25.2 million at 31 December 2022). The Company's total liabilities were USD 1.2 billion at 31 December (USD 1.1 billion at 31 December 2022), of which non-current liabilities were USD 960.1 million (USD 971.3 million at 31 December 2022), consisting of USD 902.1 million (USD 925.5 million at 31 December 2022) in lease liabilities and USD 57.9 million (USD 45.8 million at 31 December 2022) 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 212.8 million (USD 108.4 million at 31 December 2022), of which USD 88.7 million were trade and other payables (USD 55.2 million at 31 December 2022), USD 52.4 million were towards the Company's liability for tickets sold but not flown (USD 17.0 million at 31 December 2022) and USD 71.7 million was for the current portion of lease liabilities (USD 36.2 million at 31 December 2022). At the end of the Period, the Company's current assets were lower than its current liabilities by USD 65.1 million (higher by USD 8.8 million as at 31 December 2022). The Company's book equity was negative USD 89.7 million as at 31 December 2023 (USD 10.5 million positive as at 31 December 2022).

Consolidated Statement of Comprehensive Income

During the Period, the Company recorded a total operating revenue of USD 439.4 million (USD 104.3 million in 2022), consisting of USD 379.2 million in revenues from passengers (USD 77.6 million in 2022), USD 33.1 million from sublease rentals (USD 14.4 million in 2022), USD 14.3 million from cargo (USD 10.3 million in 2022), USD 5.1 million from Charter & ACMI (USD 1.2 million in 2022) and USD 7.7 million (USD 0.8 million in 2022) in revenue from other sources. Airfare revenue averaged USD 304 per passenger (USD 215 in 2022) and ancillary revenue was USD 83 per passenger (USD 47 in 2022), an aggregate of USD 387 per passenger (USD 262 in 2022). Total revenue from ticket sold were USD 297.8 million (USD 63.7 million in 2022) and total ancillary passenger revenue were USD 81.4 million (USD 13.9 million in 2022).

The Company's operating expenses excluding depreciation, amortization and aircraft leases during the Period totalled USD 457.4 million (USD 164.6 million in 2022), consisting of USD 99.8 million in personnel expenses (USD 44.5 million in 2022), USD 320.2 million in aircraft operating costs (USD 104.5 million in 2022) and USD 37.5 million (USD 15.6 million in 2022) in marketing, distribution and administrative costs. Variable aircraft lease expenses were USD 33.1 million (USD 27.3 million in 2022), which is the amount the Company paid in cash for power-by-the-hour aircraft lease costs. Norse recognized USD 84.1 million of depreciation and amortization during the Period (USD 58.5

million in 2022), of which USD 82.7 million related to amortization of the aircraft right-to-use assets (USD 57.9 million in 2022). Net financial expense for the Period was USD 33.4 million (USD 28.9 million in 2022), including USD 34.7 million in lease accounting interest cost (USD 24.4 million in 2022). The Company recorded a net loss for the Period of USD 168.7 million (USD 175.0 million in 2022), of which USD 59.7 million related to non-cash lease accounting costs (USD 81.0 million in 2022). The Board of Directors propose that the net loss is transferred to retained earnings.

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 inflow from operating activities was USD 12.0 million (outflow of USD 47.2 million in 2022), including USD 2.8 million in working capital movement (negative USD 45.0 million negative working capital movements in 2022). Net cash outflow from investing activities were USD 51.7 million (USD 57.7 million in 2022) which consisted of USD 16.0 million equity investment in subsidiaries (USD 25.3 million in 2022) and USD 35.7 million in loans provided to subsidiaries (USD 31.5 million in 2022). During 2023 the Parent raised net proceeds of USD 68.5 million in additional share capital (net proceeds of USD 28.9 million in 2022), which has been used to finance the Parent and its subsidiaries. Net cash inflow from financing activities for the Period were USD 33.5 million (USD 23.9 million in 2022), after lease payments of USD 26.6 million (NIL in 2022) and received interest of USD 2,1 million (NIL in 2022). Cash and cash equivalent at the end of the Period was USD 34.4 million (USD 29.8 million at yearend 2022), including USD 15.5 million (USD 5 million in 2022) held in restricted bank accounts.

Gross assets of the Parent as at 31 December 2023 were USD 1,021.0 million (USD 1169.9 million at 31 December 2022). Non-current assets were USD 901.3 million (USD 1057.9 million at 31 December 2022), consisting of USD 716.4 million in non-current receivables from subsidiaries (USD 806.8 million at 31 December 2022), USD 151.6 million in aircraft and other tangible assets (USD 175.0 million at 31 December 2022), USD 8 thousand in investments in subsidiaries (USD 60.4 million at 31 December 2022) and USD 33.3 million in other non-current assets (USD 15.6 million at 31 December 2022). USD 706.7 million of non-current receivable from subsidiaries are related to the ten aircraft that are subleased to the subsidiaries (USD 755.0 million at 31 December 2022).

The Parent's book equity value was USD 56.4 million as at 31 December 2023 (USD 175.2 million at 31 December 2022), while total liabilities were USD 964.6 million (USD 994.7 million at 31 December 2022). Non-current liabilities were USD 881.1 million (USD 939.0 million at 31 December 2022), consisting of USD 850.4 million in aircraft lease liabilities (USD 910.6 million at 31 December 2022) and a provision of USD 30.6 million (USD 28.4 million at 31 December 2022) that represents the estimate of redelivery costs for the aircraft at the end of the respective leases. The Parent had current liabilities of USD 83.6 million (USD 55.7 million at 31 December 2022), of which USD 14.7 million were trade and other payables (USD 20.4 million at 31 December 2022) and USD 68.8 million being lease liabilities payable within one year from the end of the Period (USD 35.3 million at 31 December 2022).

The Parent's total operating revenue for the Period was USD 33.1 million (USD 14.4 million in 2022), earned from leasing out of five aircraft to a third party. The Parent recorded an operating loss of USD 183.8 million (USD 12.1 million in 2022), after recognizing impairment losses of USD 171.3 million (Nil in 2022). Net loss for the Period was USD 187.3 million (USD 16.9 million in 2022).

Going concern

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

Being an airline in its build-up phase, the Company has incurred losses over the first periods of operation. In 2023 the Company reports a loss after tax USD 168.7 million, and as at 31 December 2023 the book equity is negative in the amount of USD 89.7 million. The Company will report an accounting loss also for Q1 2024, which further will reduce the book equity.

The Company's cash position as at 31 December 2023 is USD 54.8 million. As per normal seasonality in the airline industry, the cash position has reduced during first quarter and is at USD 32.6 million per 31 March 2024, hereof restricted cash USD 14.6 million.

For Norse's equity situation, the existence of off-balance values of assets, particularly related to the significant fair value of the aircraft lease contracts, as well as valuable airport landing slots, among other things, imply that the real equity is materially higher than the book equity, and hence that the company still has a positive underlying equity value.

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

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

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

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

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

Significant events subsequent to year-end

On 11 January 2024, the Company announced that following the completion of a private placement of new shares in the Company in November 2023, and a contemplated subsequent offering, the Company has received approval for a prospectus for the offering and listing of the shares under the subsequent offering, and that the subsequent offering would be launched on 12 January 2024. The approved prospectus also allowed for the tranche of unlisted shares under the November 2023 private placement to become listed and tradeable.

On 23 January 2024, the Company announced that it has formally appointed Seabury Securities as investment banker to support Norse in the execution of some of the strategic options identified under Seabury's assignment as strategic advisor as announced in November 2023.

On 25 January 2024, the Company announced the final results of the subsequent offering of new shares in the Company, resulting in 6,312,261 shares being allocated and issued, raising gross proceeds of approximately NOK 69.4 million. The gross proceeds were equalling approximately USD 6.5 million.

On 2 February 2024, the Company announced that the share capital increase following from the issuance of the shares in the subsequent offering has been registered with the Norwegian Register of Business Enterprises. The new share capital of the Company is NOK 642,619,200 across 128,523,840 shares at a nominal value of NOK 5 per share.

On 12 February 2024, the Company announced that it has agreed to extend the term of three subleased 787-8 Dreamliners up to one year, for them to be redelivered between March and May 2025. Additionally, the sublease of one 787-9 Dreamliner is extended by two months and is to be returned in May 2024.

On 26 February 2024, the Company announced that it had entered into an agreement with Air Peace for an ACMI (Aircraft, Crew, Maintenance, and Insurance) charter service. Commencing in April 2024, initially for a period of two months with the potential for a longer-term agreement, the ACMI charter will operate flights in and out of London Gatwick.

On 28 March 2024, the Company announced that it is introducing a new route connecting London Gatwick to Las Vegas, launching ticket sales immediately, and commencing operations on 12 September 2024.

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

Financial risk

Overview

The Company does not have any interest-bearing debt at 31 December 2023. Norse's principal financial assets are 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.

(in thousands of USD)	31 DEC 2023	31 DEC 2022
Financial assets:		
Aircraft lease deposits	16,048	15,596
Other non-current assets: Maintenance reserve payments	17,277	14,644
Credit card receivables	60,214	31,371
Other receivables	6,351	4,486
Other current assets: Prepayments	20,970	6,617
Other current assets: Deposits	1,799	2,423
Cash and cash equivalents	54,830	69,709
Total financials assets at amortised cost	**177,490**	**144,846**

Financial liabilities

(in thousands of USD)	31 DEC 2023	31 DEC 2022
Lease liabilities non-current	902,147	925,522
Deferred passenger revenue	52,394	17,001
Trade and other payables	88,699	55,212
Lease liabilities current	71,680	36,208
Total financials liabilities at amortised cost	**1,114,920**	**1,033,943**
Total net financials assets at amortised cost	**937,430**	**889,097**

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, aircraft lease deposits, subleases, and outstanding receivables. The Company manages its counterparty risk relating to cash held at bank and other receivables by only holding deposits at highly rated international banks and financial institutions. As at 31 December 2023 all of Norse's cash and cash equivalents were held with Nordea Bank. The Company manages its counterparty risk relating to aircraft lease deposits by entering leases with internationally renowned aircraft lessors. At 31 December 2023 the Company had deposits with AerCap Holdings NV and BOC Aviation Ltd. The Company's fleet currently consists of 15 aircraft, of which five were subleased to a third-party lessee as per 31 December 2023. Two of the subleased aircraft are due to be returned to Norse ahead of the peak summer 2024 season, with scheduled redeliveries between end March through to June 2024. The remaining three aircraft, being 787-8 aircraft, will be returned during the months March to May 2025 ahead of the peak summer 2025 season. Sublease agreements have and will be entered into on standard market terms. To reduce the credit risk, the lessee has paid a deposits equivalent to one month's rent per aircraft.

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 2023, 33% of the Company's cash and cash equivalents are held in foreign currencies, of which 23% is held in Norwegian Kroner ("NOK"). The following table represents the Company's cash balance's exposure to foreign currencies:

(in thousands of equivalent USD)	31 DEC 2023	31 DEC 2022
Cash and cash equivalents held in foreign currencies		
NOK	12,423	13,998
GBP	2,579	6,781
EUR	2,901	1,196
THB	13	-
Total Cash and cash equivalents held in foreign currencies	**17,915**	**21,975**
Cash and cash equivalents held in USD	*36,915*	*47,734*

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

More than 70% of the Company's passenger revenues are denominated in USD, and all cargo revenue and aircraft lease revenues 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 jurisdiction. 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 2023 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%	976	(759)	206
Effect on profit and loss of FX rate -10%	(976)	759	(206)

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 2023 based on the contractual payment terms. The amounts disclosed below are undiscounted cash flows.

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**

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 up until 31 December 2023 has initially been fully financed by equity and with no other external financing other that following from lease agreements. Refer to report's section of Significant events subsequent to year-end for information on new loan secured after year-end.

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 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.

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%	(548)
Effect on profit and loss of interest rate -1%	548

Climate risk
Vulnerability in the wake of global warming and climate change has the potential to affect the Company's operations and business. 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.

The Company is also exposed to risks associated with the limitation of greenhouse gas emissions and environmental regulation and legislation, in addition to measures that may be introduced in the future. The European Union introduced the Emissions Trading Scheme (the "EU ETS") in 2003 to limit greenhouse gas emissions and the trading allowances which applies to the airline industry. Furthermore, the UK Government has established the UK Emissions Trading System ("UK ETS"), which also apples to the aviation sector. The number of offsets required to be purchased under these schemes, and any increase in such number, could have an adverse impact upon demand for air travel and/or reduce the profit margin per ticket for the Company. It is difficult to predict how and when any stricter environmental regulations will be imposed, but further regulations on greenhouse gas emissions may be enacted in one or more of the countries in which the Company operates.

The heightened focus on the environmental impact of air travel has spurred growing concern among consumers and policymakers alike. With increasing awareness of aviation's contribution to greenhouse gas emissions and climate change, travellers are becoming more conscientious about their carbon footprint when choosing transportation options. This shift in consumer behaviour could lead to reduced demand for air services as passengers seek out more eco-friendly alternatives or opt for fewer flights overall. All of these factors may limit the Company's operational flexibility, increase costs or reduce demand for international air travel and therefore could have a material adverse effect on the Company's business, prospects, results of operations and financial condition.

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 the organization

Overview
Norse Atlantic Airways 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. The Company has wholly owned subsidiaries in Norway, the UK and the USA. Norse's headquarters is located in Arendal, Norway, and has offices in Fort Lauderdale, USA, Paris, France, and London Gatwick, UK, as well as an aircraft maintenance competence satellite at Oslo Gardermoen, Norway. At the end of the Period the Company had 1,063 employees, of which 454 were female. As of 31 December 2023 the Company had 20 part-time employees, of which 13 are male and seven are female, respectively. These employees have requested part time employment themselves. Norse's Board of Directors consists of five members, of which two are female. Norse is committed to being known by employees as a 'great place to work' and to maintaining a people culture that is open and fair. The Company aims to provide a workplace with equal opportunities and to prevent discrimination on any basis. Norse believes that being a global and sustainable organization requires people with a global mindset, and a diverse workforce is part of that. 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 has Directors and Officers (D&O) insurance that covers board members and executives of the Company, including in subsidiaries.

Definitions of job levels
Norse has established a comprehensive system for defining and structuring job levels within the organization. This system is based on factors such as education, experience, skills, and responsibilities, and is designed to ensure that all employees are fairly compensated for their contributions.

The job classification system includes a range of job levels, from entry-level positions to senior leadership roles. Each job level is associated with a specific set of requirements and responsibilities and is accompanied by a corresponding salary range and benefits package.

As part of Norse's commitment to diversity and inclusion, the company continuously develops programs and policies designed to ensure that all employees have access to opportunities for advancement and professional development, regardless of their background or identity.

Overall, the job classification system is designed to promote fairness, transparency, and equal opportunity for all employees, and we remain committed to continuously improving and refining this system to meet the evolving needs of our organization and our workforce.

Gender equality
Out of Norse's total number of employees as of 31 December 2023, 58% are male and 42% are female. One of Norse's Executive Management is female. Among other management personnel 67% are male and 33% are female. Among pilots 95% are male and 5% are female, while among cabin crew 40% are male and 60% are female. For other personnel, including admin staff, 67% are male and 33% are female. Women's share of men's wages constitutes 70% for management personnel, 73% for pilots, 100% for cabin crew and 74% for other personnel. It should be noted that wage differences arise from there being several ranks within each 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.

Working environment

In 2023 there was a total of 2074 sickness leave days across the workforce, equalling a 2,9% sick-leave out of available working days during the Period. There were reported 107 Health and Safety cases in 2023. The reports were mainly related to issues with crew accommodation, fatigue, missing equipment onboard the aircraft etc. We have focussed on establishing an appropriate reporting culture in 2023 and are pleased to see that this has given qualitative and quantitative results.

During 2023 the focus on improving the Company's systematic Health and Safety work has also given results. Norse Atlantic Airways AS (Norway) has entered a cooperation with Occupational Health Service Provider Avonova and launched our HSE handbook. A Working Environment Committee ("Arbeidsmiljøutvalg") for the Norwegian entity has been established, and Health and Safety representatives have been elected among the employees.

Corporate social responsibility

Norse is committed to being a model corporate citizen, operating in accordance with responsible, ethical, sustainable and sound business principles. Norse has respect for people, the environment and society. Norse has zero tolerance for unethical practices and has strict policies around anti-bribery and anti-corruption. Norse in this respect has adopted a group anti bribery and corruption policy, to be applied by any internal or external party acting on behalf of the Company. Norse has continued to develop its Corporate Social Responsibility ("CSR") policies and targets through 2023. Please refer to the below CSR section of this Annual Report for more information. That also includes description of the Company's work to support social responsibility in relation to the Transparency Act.

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 statement of policy 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

Norse remains steadfast in its commitment to achieve the lowest CASK in the Transatlantic market. The company will continue to benefit from favourable aircraft lease terms, including the first two years' Power by the Hour (PBH) lease rates, then move into fixed rates for the remainder of the lease terms. Remaining lease tenure is an average of ten and a half years from 31 December 2023, with staggered maturities up to the end of 2038. The aircraft leases have no pricing increases nor inflationary adjustments during the lease term. Such fixed lease terms are highly favourable compared to current market rates for the aircraft type and stand as a notable advantage compared to prevailing market rates for similar aircraft.

Norse Atlantic strategically leases five aircraft to another airline, allowing for a gradual phasing-in of the total fleet of 15 aircraft while generating revenue throughout the ramp-up period. All 15 aircraft have been revenue-generating since July 1, 2023, with 10 operated in-house (including one operational spare) and five on sublease. Norse has staged aircraft returns so that it can have managed growth whereby the Company plans to operate 12 aircraft from peak summer 2024 and expanding to 15 by summer 2025.

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

On January 23, 2024, Norse announced the formal appointment of Seabury Securities as its investment banker, tasked with supporting the company in executing strategic options identified under Seabury's prior role as strategic advisor. Pursuing multiple avenues, including potential investments from strategic partners and commercial partnerships, Norse is exploring various initiatives concurrently, recognising that not all options are mutually exclusive and that multiple paths may lead to successful outcomes.

Arendal, 11 April 2024

Terje Bodin Larsen Chairman	**Aase Mikkelsen** Member of the Board	**Timothy Sanger** Member of the Board
Marianne Økland Member of the Board	**Bjørn Kjos** Member of the Board	**Bjørn Tore Larsen** CEO

Corporate governance

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 3–3b 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 3–3b of the Accounting Act and the NUES Code of Practice.

Business

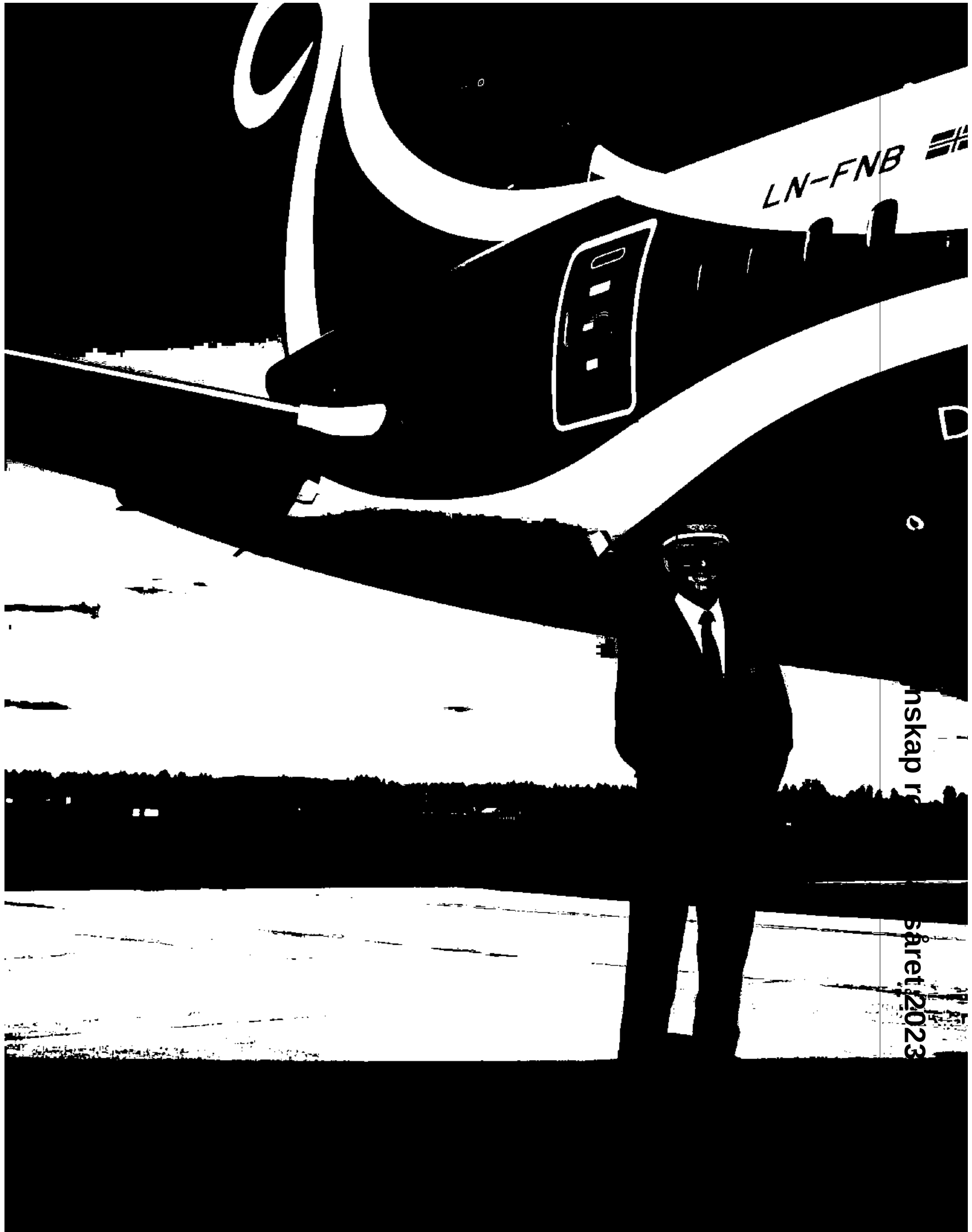
The Company's Articles of Association states the following objective of the business activities: "The business of the company is transportation and related activities, including participation in other companies with similar business, sale and purchase of shares, or in other ways engage in other companies."
Transportation activities takes place in the segments of air passenger and air cargo transport primarily in the transatlantic market, and currently also in the segment of 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 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 2023, 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 in January 2024 after the November 2023 private placement of new shares to the Company. 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 seven members, and it does currently have five members, being a mix of members representing major shareholders and independent members. The Board of Directors has two female members, representing 40% of the Board of Directors' members, as per the requirements under The Public Limited Liability Companies

Act and established by common Norwegian business practice. The Company and the unions have agreed to establish an election committee and are in the process of electing employee representatives to the Board of Directors, elected by and among the employees, expecting such representation to be implemented on or around the next Annual General Meeting, scheduled to take place 14 June 2024. 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 seven. As mentioned above, the General Meeting however, has established instructions for the Nomination Committee providing such guidance.

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. Currently, there is no formal Rules of Procedure set forth for the Board of Directors, but rules of procedures/instructions for the Board of Directors are expected to be implemented soon. The Board of Directors aims to align its work in accordance with good practices of work by the Board of Directors.

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 one male and one female member, and in total two 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. 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 and financial 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 and the parent company financial statements of Norse Atlantic ASA such as these are presented in 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.

Corporate Social Responsibility

Corporate Responsibility

Norse is driven by a profound commitment to people, the company prioritises the well-being of our customers, colleagues, and the broader community. Our corporate citizenship isn't merely a tagline it's a philosophy ingrained in every facet of our operations. We lead by example, adhering to responsible, ethical, and sustainable business practices while fostering a culture of diversity and inclusion. Embracing diversity enriches our organization, making us stronger and more resilient, ensuring that every colleague feels valued and supported. Our vision is clear: to become the Explorer's airline, connecting people, cultures, and economies through affordable, direct flights. By democratising travel, Norse stimulates exploration, fuels tourism, generates employment, and drives economic prosperity. Recognising the growing demand for air travel in an increasingly interconnected world, Norse is committed to minimising its environmental impact. Our modern Boeing Dreamliners, coupled with higher density cabin layouts, enable us to offer the lowest environmental footprint per seat among transatlantic carriers. Furthermore, Norse proudly incorporates the Ten Principles of the UN Global Compact into our corporate framework, aligning our efforts with global sustainability goals. As a new entrant in the industry, we embrace our responsibility to lead the charge toward greener aviation, striving to achieve net-zero CO_2 emissions by 2050, in line with the European Union's ambitious targets. At Norse we collectively strive towards a more sustainable, inclusive, and interconnected future.

Social responsibility

Our affordable transatlantic flights bring people together. The communities where we live, work and visit are an essential part of what connects us. That is why we believe that cooperating and partnering with local organizations and authorities will benefit the communities with which we interact. Our planes are named after the iconic national parks of our destination countries. Collaborating with national parks may be a key corporate responsibility initiative for us in the future. Through the big windows of our head office in Arendal, Norway, we can see the beauty of Raet National Park; our U.S. office in Fort Lauderdale, Florida, is close to Everglades National Park. Our aim is to collaborate closely with these parks, including initiatives such as employee volunteering.

Working environment, equality and non-discrimination

Being an airline, safety is a primary focus for Norse, and the Company has in place health and safety procedures as required by all applicable laws and regulations. Norse encourage everyone working for or on behalf of Norse to ask questions and raise concerns of 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.

All of the Company's employees are directly employed by Norse, and the Company encourage union representation as Norse believe that contributes to a fruitful employee-employer relationship.

Norse operates in an international business and working environment and do believe in fostering a culture of diversity and inclusion. 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. Norse's workforce is in fact well diversified in terms of geographic origin, gender and ethnicity.

Taking care of our people

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. Our unique Norse culture aims to empower all employees to utilize their unique perspectives, skills, and experiences to the benefit of our customers, shareholders and work environment. To guide us in our journey towards becoming the Explorer's Airline, Team Norse has together identified three core values that we live and breathe and that will give us a competitive advantage. Our 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 and breathing our values, working toward similar goals, building relationships, finding meaning and pride in the work that we do, we will deliver great customer experiences at competitive prices, onboard our comfortable and more environmentally friendly Dreamliners.

Compliance with human rights

Norse works with numerous suppliers and business partners worldwide. Norse's key supply chains can be categorized into the categories of aircraft including main components, aircraft maintenance services, jet fuel supplies, ground handling including catering and luggage services, airport and air traffic services, cargo operations, payment services, software and ticketing. Norse's first tier suppliers are located mainly in Europe and in the US. Engaging with such numerous suppliers and business partners do imply certain risks of violation of human rights.

Norse carries out human rights due diligence in accordance with the Transparency Act and OECD Guidelines for Multinational Enterprises, covering all group entities. The purpose is to identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that Norse has either caused or contributed towards, or that are directly linked to Norse's operations, products or services via the supply chain or business partners, and to mitigate and remedy any such adverse impacts and relevant risks.

The Company has established a supplier code of conduct, adopted by the Board of Directors. The code of conduct is advocated towards all material suppliers and business partners. Specific additional requirements are made in contracts with suppliers and business partners such as relevant for the jurisdiction and type of service in question.

Anti-corruption and anti-bribery

Engaging with numerous suppliers and business partners worldwide do imply an inherent risk in relation to corruption and bribery. Norse is committed to comply with relevant laws and regulations in the field and practice a zero-tolerance policy towards corruption and bribery. The Company's has established an anti-bribery and -corruption policy such as adopted by the Board of Directors. Suppliers and business partners are obliged to comply with the Norse anti-bribery and -corruption policy.

Environmental Sustainability

Norse recognises the environmental impact of aviation, which represents approximately 2 percent of global emissions. In alignment with our commitment to sustainability, we are dedicated to reducing our carbon footprint while simultaneously fostering economic growth and job creation. Our approach centres on the utilisation of a modern fleet of Boeing 787 Dreamliners, designed to optimise fuel efficiency and minimize emissions, in addition to carbon offset initiatives aimed at further mitigating our environmental impact. An important measure is for Norse to operate the aircraft with highest possible load factors, as this brings the environmental footprint per passenger to the lowest possible level.

As part of our sustainability strategy, Norse is committed to transpose to sustainable aviation fuels as they become commercially viable. Additionally, we operate direct flights exclusively, utilising our fleet of Boeing 787 Dreamliners renowned for their carbon emission efficiency. Our aircraft accommodate more passengers than competing carriers due to their higher density cabins while maintaining a comfortable and spacious customer experience, resulting in best-in-class carbon emissions per passenger on transatlantic flights.

In line with our commitment to waste reduction, Norse diligently works to eliminate waste generation through source reduction and robust recycling and reuse practices. Additionally, we actively advocate for legislative measures that incentivise climate action, including support for sustainable aviation fuels.

In quantifying our environmental impact, Norse estimates that our Boeing 787-9 aircraft, configured with 338 seats, boasts a fuel consumption per seat of 2.08 litres per 100 kilometres. This efficiency surpasses estimates for comparable aircraft*, underscoring our dedication to reducing fuel costs and emissions while advancing our sustainability goals.

*based on a configuration of 338 seats[1] compared to estimated 2.27 – 3.16 litre per seat per 100 kilometres for comparable aircraft, as in table below.[2]

Aircraft	First flight	Seats	Sector	Fuel per seat
Norse Boeing 787-9	**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: Calculated as the Boeing 787-9 (standard) consumption figure multiplied by 304 divided by 338*

[2] *Source: Various sources, all summarized at https://en.wikipedia.org/wiki/Fuel_economy_in_aircraft*

The company's 'Emissions Monitoring Plans' for three compliance schemes were submitted and approved by the regulators, namely: ICAO 'CORSIA', EU 'ETS' and the UK 'ETS'. Subsequently, the annual emissions reports covering all 2022 flights were prepared, independently verified and submitted. Carbon allowances were purchased for surrender in April 2023. A total of 4,237 EU ETS allowances were purchased amounting to Euro 389,253 and 3,618 UK ETS allowances were purchased amounting to GBP 287,483. The company also received a credit of 226 allowances from the UK ETS for Sustainable Aviation Fuel (SAF) purchased in 2022. As a new entrant, the company is not eligible for free allowances. Later this year when more information is available from ICAO, a calculation will be made to determine any carbon offsetting requirements in relation to 2022 and accumulating 2023 CORSIA emissions.

EU Taxonomy

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. The EU Taxonomy delegated acts define specific activities that potentially could be sustainable (eligible activities). If the activity contributes substantially to one or more environmental objectives, does no significant harm to any of the other objectives, and is carried out in compliance with minimum safeguards, the activity is sustainable (eligible-aligned).

The economic activities passenger air transport, freight air transport (cargo) and leasing of aircraft, and hence 98% of the Company's activity measured in size of revenue, are defined as eligible activities. The only economic activity of the Company being a non-eligible activity, is that of rendering maintenance services to other airlines.

The abovementioned eligible activities of Norse have mostly the same technical screening criteria in deciding substantial contribution to environmental objectives. None of the activities do currently meet the screening criteria and are hence classified as eligible-non-aligned. The Company's current fleet of aircraft may in principle meet the technical screening criteria of all of the above 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.

The EU Taxonomy has defined the three key performance indicators (KPIs) Turnover, CapEx and OpEx to be reported on for the entity's economic activities in accordance with mandatory reporting templates. Following the above, under these KPIs, currently no Turnover, CapEx or OpEx is allocated to sustainable activities such as they are defined under the EU Taxonomy.

Refer to note 23 for further details on the EU Taxonomy and reporting on KPIs.

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 published its first yearly statement in June 2023, and will publish an updated statement no later than 30 June 2024.

Financial Statements

Consolidated Statement of Comprehensive Income

(in thousands of USD)	Notes	2023	2022
Revenue			
Revenue	4	439,436	104,269
Operating expenses			
Personnel expenses	5, 6	(99,759)	(44,462)
Fuel, oil and emission costs		(152,527)	(61,793)
Airport charges and handling		(67,153)	(19,537)
Technical maintenance		(66,493)	(20,482)
Other operating costs		(33,999)	(2,687)
Marketing and distribution costs		(23,343)	(6,211)
Administrative costs	7	(14,143)	(9,419)
Total Operating exps excl. leases, dep & amort.		**(457,417)**	**(164,591)**
Operating profit before leases, dep & amort. (EBITDAR)		**(17,980)**	**(60,323)**
Variable aircraft rentals		(33,139)	(27,263)
Depreciation and amortization	11, 12	(84,103)	(58,517)
Operating profit/(loss)		**(135,223)**	**(146,104)**
Interest expenses	8	(34,982)	(24,416)
Other financial income/(expenses)	9	1,603	(4,455)
Profit/(loss) before tax		**(168,602)**	**(174,974)**
Income tax	10	(144)	-
Profit/(loss) after tax and total comprehensive income		**(168,746)**	**(174,974)**
Basic earnings per share (USD)[1]	20	(2.50)	(8.30)
Diluted earnings per share (USD)[1]	20	(2.50)	(8.30)

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

Consolidated Statement of Financial Position

(in thousands of USD)	Notes	31 DEC 2023	31 DEC 2022
Non-current assets			
Aircraft and other tangible assets	11	898,856	939,997
Intangible assets	12	3,324	2,801
Aircraft lease deposits	13	16,048	15,596
Other non-current assets	13, 14	17,277	14,644
Total non-current assets		935,505	973,038
Current assets			
Credit card receivables	13	60,214	31,371
Trade and other receivables	13, 15	6,351	4,486
Inventories	16	3,466	2,596
Other current assets	13, 17	22,770	9,040
Cash and cash equivalents	13, 18	54,830	69,709
Total current assets		147,631	117,202
Total assets		**1,083,136**	**1,090,240**
Equity and liabilities			
Equity			
Share capital	19	62,954	29,945
Share premium		198,065	162,560
Retained earnings		(350,716)	(181,970)
Total equity		(89,697)	10,535
Non-current liabilities			
Lease liabilities non-current	11, 13	902,147	925,522
Provisions	21	57,913	45,762
Total non-current liabilities		960,060	971,284
Current liabilities			
Deferred passenger revenue	13	52,394	17,001
Trade and other payables	13, 15	88,699	55,212
Lease liabilities current	11, 13	71,680	36,208
Total current liabilities		212,773	108,421
Total equity and liabilities		1,083,136	1,090,240

Consolidated Statement of Cash Flows

(in thousands of USD)	Notes	2023	2022
Cash flows from operating activities			
Profit/(loss) before tax		(168,602)	(174,974)
Adjustments for items not affecting operating cash flows:			
Depreciation and amortization	11, 12	84,103	58,517
Interest expenses	8	34,982	24,416
Interest income		(2,129)	(867)
Share-based payments to employees	5.2	309	-
Income taxes paid	10	(144)	-
Provisions	21	6,870	2,046
Net operating cash flows before working capital movements		**(44,609)**	**(90,862)**
Working capital movements		24,051	22,223
Net cash flows from operating activities		**(20,558)**	**(68,639)**
Cash flows from investing activities			
Aircraft maintenance assets		(3,963)	(14,643)
Aircraft preparation investments		-	(1,603)
Net investments in financial assets		-	(893)
Other investments		(3,370)	(7,816)
Net cash flows from investing activities		**(7,332)**	**(24,956)**
Cash flows from financing activities			
Net proceeds from share issue		68,204	28,925
Lease payments		(28,207)	(778)
Movements in restricted cash		(10,500)	(5,000)
Interest paid		(27,572)	(559)
Net cash flows from financing activities		**1,925**	**22,589**
Effect of foreign currency revaluation on cash		586	1,463
Net increase in free cash and cash equivalents		**(25,379)**	**(69,543)**
Free cash and cash equivalents at the beginning of the period		64,709	134,252
Free cash and cash equivalents at the end of the period		**39,330**	**64,709**
Restricted cash at the end of the period	18	15,500	5,000
Cash and cash equivalents at the end of the period	18	**54,830**	**69,709**

Consolidated Statement of Changes in Equity

1 Jan 2023 to 31 Dec 2023

(in USD thousands except for number of shares and value per share)	Number of shares	Issued share capital	Share premium	Retained earnings	Total equity
Shares issued on the date of incorporation					
Balance as at 01 Jan 2023	206,084,314	29,945	162,560	(181,970)	10,535
Changes in Equity					
25 April 2023, share issue at USD 0.23 (NOK 2.50) per share	60,000,002	7,030	7,030	-	14,060
25 April 2023, transaction costs share issue	-	-	(854)	-	(854)
27 April 2023, reverse share split, four shares into one	(199,563,237)	-	-	-	-
13 November 2023, share issue at USD 0.99 (NOK 11.00) per share	9,978,161	4,492	5,391	-	9,883
29 November 2023, share issue at USD 1.03 (NOK 11.00) per share	45,712,339	21,487	25,784	-	47,271
13 and 29 November, transaction costs share issue	-	-	(2,156)	-	(2,156)
Share-based payments to employees	-	-	309	-	309
Total comprehensive income for the period	-	-	-	(168,746)	(168,746)
Balance at 31 Dec 2023	**122,211,579**	**62,954**	**198,065**	**(350,716)**	**(89,697)**

1 Jan 2022 to 31 Dec 2022

(in USD thousands except for number of shares and value per share)	Number of shares	Issued share capital	Share premium	Retained earnings	Total equity
Balance as at 1 Jan 2022	77,684,314	27,489	136,091	(6,995)	156,585
Changes in Equity					
12 December 2022, share issue at USD 0.13 (NOK 1.25) per share	128,400,000	16,053	16,053	-	32,106
12 December 2022, transaction costs share issue	-	-	(3,180)	-	(3,180)
12 December 2022 reduction of nominal value	-	(13,597)	13,597	-	-
Total comprehensive income for the period	-	-	-	(174,974)	(174,974)
Balance at 31 Dec 2022	**206,084,314**	**29,945**	**162,560**	**(181,970)**	**10,535**

Notes to the Consolidated Financial Statements

1. General information

The consolidated financial statements of Norse Atlantic ASA ("Norse", "Norse Atlantic Airways" or the "Company") for the year ended 31 December 2023 (the "Period") were authorized for issue in accordance with a resolution of the Board of Directors passed on 11 April 2024.

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, 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.

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 USD and all values are rounded to the nearest thousand (USD 000) 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 income statement as Other financials 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 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 rental 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 rental income. Lease income from operating leases is recognised in the statement of comprehensive income on a straight-line basis over the lease term.

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. 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 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.

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 other than goodwill 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.

3. Financial risk

As at 31 December 2023, the Company does not have any interest-bearing debt other than that following from leases. 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 2023 33% of the Company's cash and cash equivalents are held in foreign currencies, of which 23% is held in Norwegian Kroner ("NOK"). The following table represents the Company's cash balance's exposure to foreign currencies:

(in thousands of equivalent USD)	31 DEC 2023	31 DEC 2022
Cash and cash equivalents held in foreign currencies		
NOK	12,423	13,998
GBP	2,579	6,781
EUR	2,901	1,196
THB	13	-
Total Cash and cash equivalents held in foreign currencies	**17,915**	**21,975**
Cash and cash equivalents held in USD	*36,915*	*47,734*

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

More than 70% of the Company's passenger revenues are denominated in USD, and all cargo revenue and aircraft lease revenues 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 jurisdiction. 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 2023 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%	976	(759)	206
Effect on profit and loss of FX rate -10%	(976)	759	(206)

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 31 December 2023 based on the contractual payment terms. The amounts disclosed below are undiscounted cash flows.

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**

2022: *(in thousands of USD)*	**Within 6 months**	**6-12 months**	**1-2 years**	**3-5 years**	**More than 5 years**	**Total**
Aircraft lease payments	21,780	30,705	81,174	174,600	702,272	1,010,531
Other lease payments	1,372	1,187	2,393	4,440	16,925	26,316
Total of lease liabilities	23,151	31,892	83,567	179,040	719,197	1,036,847
Deferred passenger revenue	17,001	-	-	-	-	17,001
Trade and other payables	55,212	-	-	-	-	55,212
Total as at 31-Dec-2022	**95,364**	**31,892**	**83,567**	**179,040**	**719,197**	**1,109,060**

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 recognizable international banks and financial institutions. As at December 31 2023 all of Norse's cash and cash equivalents were held with Nordea Bank. 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 2023 the Company had deposits with AerCap Holdings NV and BOC Aviation Ltd. The Company's fleet currently consists of 15 delivered aircraft, five of which are currently sub-leased to a third-party lessee. Two of the subleased aircraft are due to be returned to Norse ahead of the peak summer 2024 season, with scheduled redeliveries between end March through to June 2024. The remaining three aircraft, being 787-8 aircraft, will be returned during the months March to May 2025 ahead of the peak summer 2025 season. Sublease agreements have and will be entered into on standard market terms. To reduce the credit risk, the lessee has paid a deposits equivalent to one month's rent per aircraft.

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 has initially been fully financed by equity and has no other external financing other that following from lease agreements. Refer to note 25 Events after the reporting period for information on new loan secured after year-end.

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 2023.

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%	(548)
Effect on profit and loss of interest rate -1%	548

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 and of the lease terms.

In relation to CSRD, Norse has an ongoing work on completing its double materiality analysis, also adding further detail to the Company's considerations on climate risk in periods going forward.

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.

Being an airline in its build-up phase, the Company has incurred losses over the first periods of operation. In 2023 the Company reports a loss after tax USD 168.7 million, and as at 31 December 2023 the book equity is negative in the amount of USD 89.7 million. The Company will report an accounting loss also for Q1 2024, which further will reduce the book equity.

The Company's cash position as at 31 December 2023 is USD 54.8 million. As per normal seasonality in the airline industry, the cash position has reduced during first quarter and is at USD 32.6 million per 31 March 2024, hereof restricted cash USD 14.6 million.

For Norse's equity situation, the existence of off-balance values of assets, particularly related to the significant fair value of the aircraft lease contracts, as well as valuable airport landing slots, among other things, imply that the real equity is materially higher than the book equity, and hence that the company still has a positive underlying equity value.

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

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

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

season materialises into the Company's cash position.

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

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

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)	**2023**	**2022**
Airfare passenger revenue	297,738	63,680
Ancillary passenger revenue	81,448	13,880
Total passenger revenues	**379,186**	**77,560**
Cargo	14,277	10,308
Total own flights	**393,463**	**87,868**
Lease rentals	33,090	14,397
Charter	5,140	1,209
Other revenue	7,744	795
Total Operating Revenue	**439,436**	**104,269**

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 2023 consists of revenue from maintenance services provided by the Company's technical personnel to third parties.

The remaining performance obligations under contracts with customers are from contracts that originally had an expected duration of less than a year, and the Company therefore do not disclose further detail on duration of such remaining performance obligations.

4.2 Operating segments

	Revenue by country		Non-current assets by country	
(in thousands of USD)	**2023**	**2022**	**2023**	**2022**
Norway	28,096	23,104	473,082	895,043
UK	54,926	11,175	429,084	47,699
Rest of Europe	96,674	29,164	-	-
USA	231,000	37,508	15	55
Other	28,739	3,318	-	-
Total	**439,437**	**104,269**	**902,180**	**942,798**

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. In 2023 there is one single external customer representing USD 33.1 million in the lease rentals operating segment.

5. Personnel remuneration

5.1 Personnel expenses

(in thousands of USD)	**2023**	**2022**
Salaries	61,061	29,807
Social security costs	7,926	3,935
Costs related to pension scheme benefits	7,497	1,597
Hired-in employees	3,125	660
Other employee costs	20,151	8,464
Total	**99,759**	**44,462**

Number of man-years during the fiscal year	**2023**	**2022**
Cabin Crew	386	256
Pilots	161	90
Non-Crew	144	134
Total	**691**	**479**

The average number of Norse employees during the Period was 690 (412 in 2022) and at the end of the Period the Company had 1,063 employees (700 at the end of 2022).

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.

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)	2023 No of share options	2023 Weighted average exercise price	2022 No of share options	2022 Weighted average exercise price
Outstanding at the beginning of the period	-	-	-	-
Granted during the period	4,156,250	12.64	-	-
Forfeited during the period	(1,062,500)	12.75	-	-
Outstanding at the end of the period	**3,093,750**	**12.60**	-	-
Exercisable at the end of the period	-	-	-	-

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

(NOK or such as otherwise stated)	2023	2022
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.)	3.340 %	-
Dividend (% p.a.)	0.0 %	-
FV per instrument	7.42	-

1) Weighted average parameters at grant of share options

(NOK or such as otherwise stated)	31 DEC 2023	31 DEC 2022
Range of exercise prices of outstanding options (NOK)	12.38 - 12.75	-
Weighted average remaining contractual life (years)	6.57	-
Liabilities from share-based payment transactions (thousands of USD)	-	-

(in thousands of USD)	31 DEC 2023	31 DEC 2022
Total expense arising from share-based payment transactions	309	-
Portion of expense arising from equity settled share-based payment transactions	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.

6. Remuneration of the board of directors and executive management

6.1 Remuneration to Key Management personnel

2023:

(in thousands of USD)		Employment Country	Salaries[1]	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 Operational Officer	Norway	166	11	178	14
Kristin Berthelsen	Chief Culture Officer[7]	Norway	273	-	273	-
Total in 2023			**1,292**	**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 employment tax, 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. As from 1 January 2024 Charles Duncan is serving the Company part time in a role as Executive Advisor
7) Kristin Berthelsen receives no salary or employment benefits directly from the Company as she is contracted through an engagement with Active people, a company Kristin jointly controls. The amount presented represents the amount invoiced under the contract for the period and is (net of employment tax, 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.

2022:

(in thousands of USD)		Employment Country	Salaries[1]	Other benefits[2]	Total	Defined pension contributions[3]
Bjørn Tore Larsen	Chief Executive Officer	Norway	180	2	182	12
James Lightbourn	Chief Strategy and Invest Officer[4]	USA	13	1	14	-
Ben Boiling	Chief Financial Officer[5]	Norway	163	3	166	12
Thom Arne Norheim	Chief Operational Officer	Norway	167	3	170	12
Kristin Berthelsen	Chief Culture Officer[6]	Norway	283	-	283	-
Michael Scheurich	Chief Legal Officer	Norway	160	3	163	12
Ted Hutchins	Chief Information Officer	USA	300	-	300	-
Andrew Hodges	Chief Commercial Officer[7]	UK	319	-	319	10
Total in 2022			**1,586**	**12**	**1,598**	**58**

1) Includes holiday pay
2) Other benefits include insurance, telephone, internet, etc
3) Defined pension contributions show pension premium paid
4) James Lightbourn held the position of Chief Financial Officer until end of January 2022
5) Ben Boiling was appointed Chief Financial Officer in February 2022
6) Kristin Berthelsen receives no salary or employment benefits directly from the Company as she is contracted through an engagement with Active People, a company Kristin jointly controls. The amount presented represents the amount invoiced under the contract for the period
7) Andrew Hodges left the management group in January 2023

As at 31 December 2022 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)		2023	2022
Director	Date of appointment	Board remuneration paid	
Terje Bodin Larsen[1]	1-Feb-2021	34	31
Bjørn Kjos	12-Apr-2021	19	21
Aase Kristine Mikkelsen[2]	12-Apr-2021	22	21
Timothy Sanger	27-Nov-2023	-	-
Marianne Økland	27-Nov-2023	-	-
Total		**75**	**73**

1) Including Audit Committee and Nomination Committee remuneration
2) Including Audit Committee remuneration

7. Auditor's remuneration

(in thousands of USD)	2023	2022
Audit fee	290	87
Other attestation services	9	8
Other services	35	6
Tax services	-	5
Total	**334**	**106**

The company elected RSM as its auditor for the 2023 financial year.

8. Interest expenses

(in thousands of USD)	2023	2022
Lease liabilities interest expense	(34,673)	(24,402)
Other interest expense	(310)	(15)
Total	**(34,982)**	**(24,416)**

9. Other financial income/(expense)

(in thousands of USD)	2023	2022
Other financial income/(expense)	2,129	866
Foreign exchange gains	1,110	8,765
Foreign exchange losses	(1,635)	(13,193)
Gains (loss) on financial assets	-	(893)
Total	**1,603**	**(4,455)**

10. Income tax

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

(in thousands of USD)	2023	2022
Current tax:		
Tax payable	144	-
Deferred tax		
Changes in deferred tax	(34,011)	(34,190)
Deferred tax asset not recognized	34,011	34,190
Income tax expense	**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)	2023	2022
Pre-tax profit for the Period	(168,602)	(174,974)
Income taxes calculated at 22%	(37,092)	(38,494)
Deductible expenses related to equity issues	(662)	(763)
Non-deductible expenses	57	7
Taxes paid abroad	163	-
Other effects due to timing and exchange rates	3,686	5,060
Deferred tax asset not recognized	33,993	34,190
Income tax expense	**144**	-

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

(in thousands of USD)	2023	2022
Right of use lease asset	101,757	205,340
Other fixed assets	443	64
Lease liabilities	(111,738)	(211,272)
Provisions	(13,774)	(9,707)
Tax losses carried forward	(47,939)	(21,665)
Net deferred tax liabilities (assets)	**(71,252)**	**(37,240)**
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 it is not certain about the timing and amount of tax losses that may be utilized in the future.

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 2023, one aircraft is still on full PBH flexible payment terms, whereas three aircraft are partially on PBH terms. The remaining 11 aircraft are under fully fixed lease payments, of which five aircraft are sub-leased with a locked-in margin. Two of the subleased aircraft are due to be returned to Norse ahead of the peak summer 2024 season, with scheduled redeliveries between end March through to June 2024. The remaining three aircraft, being 787-8 aircraft, will be returned during the months March to May 2025 ahead of the peak summer 2025 season.

11.2 Aircraft and other tangible assets

2023:

(in thousands of USD)	ROU Aircraft	ROU Aircraft parts	ROU Other	Aircraft parts	Other tangibles	Total
Acquisitions:						
Opening balance 01-Jan-2023	975,187	15,873	424	6,475	434	998,393
Additions	-	39,574	-	2,117	584	42,276
Acquisition cost 31-Dec-2023	975,187	55,447	424	8,592	1,018	1,040,668
Depreciation:						
Opening balance 01-Jan-2023	(57,445)	(469)	(188)	(205)	(89)	(58,396)
Depreciation	(80,134)	(2,292)	(191)	(672)	(128)	(83,416)
Depreciation per 31-Dec-2023	(137,579)	(2,761)	(379)	(877)	(217)	(141,812)
Closing balance at 31-Dec-2023	837,608	52,687	45	7,714	802	898,856
Useful life (years)	6 - 16	10 - 12	2 - 3	10	3 - 5	

2022:

(in thousands of USD)	ROU Aircraft	ROU Aircraft parts	ROU Other	Aircraft parts	Other tangibles	Total
Acquisitions:						
Opening balance 01-Jan-2022	95,598	-	363	-	159	96,120
Additions	879,589	15,873	61	6,475	275	902,273
Acquisition cost 31-Dec-2022	975,187	15,873	424	6,475	434	998,393
Depreciation:						
Opening balance 01-Jan-2022	-	-	-	-	-	-
Depreciation	(57,445)	(469)	(188)	(205)	(89)	(58,396)
Depreciation per 31-Dec-2022	(57,445)	(469)	(188)	(205)	(89)	(58,396)
Closing balance at 31-Dec-2022	917,742	15,404	236	6,269	345	939,997
Useful life (years)	6 - 16	10 - 12	2 - 3	10	3 - 5	

11.3. Lease liabilities

(in thousands of USD)	31 DEC 2023	31 DEC 2022
Opening balance	961,730	93,673
Additions during the period	40,304	847,658
Interest accrued	29,844	21,327
Fixed lease payments during the period	(58,050)	(928)
Closing balance	**973,827**	**961,730**
Of which:		
Due within 12 months	71,680	36,208
Due after 12 months	902,147	925,522

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

2023:

(in thousands of USD)	2025	2026	2027	2028	2029	2030-	Total
Aircraft	77,654	79,570	81,542	83,519	75,860	452,272	**850,417**
Engines, wheels and brakes	3,131	3,438	3,776	4,135	4,553	32,523	**51,557**
Offices	173	-	-	-	-	-	**173**
Total	80,958	83,008	85,318	87,655	80,413	484,796	**902,147**

2022:

(in thousands of USD)	2024	2025	2026	2027	2028	2029-	Total
Aircraft	68,842	77,653	79,569	81,541	83,519	519,453	**910,576**
Engines, wheels and brakes	850	938	1,030	1,132	1,241	9,600	**14,790**
Offices	155	-	-	-	-	-	**155**
Total	69,847	78,591	80,599	82,673	84,759	529,052	**925,522**

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

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 2023 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.

12. Intangible Assets

2023:

(in thousands of USD)	Software	Total
Acquisitions:		
Opening balance 01-Jan-2023	3,151	3,151
Additions	1,210	1,210
Acquisition cost 31-Dec-2023	4,361	4,361
Amortisation:		
Opening balance 01-Jan-2023	(350)	(350)
Amortisation	(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**	

2022:

(in thousands of USD)	Software	Total
Acquisitions:		
Opening balance 01-Jan-2022	796	796
Additions	2,356	2,356
Acquisition cost 31-Dec-2022	3,151	3,151
Amortisation:		
Opening balance 01-Jan-2022	-	-
Amortisation	(350)	(350)
Amortisation per 31-Dec-2022	(350)	(350)
Closing balance at 31-Dec-2022	2,801	2,801
Useful life (years)	**3 - 5**	

13. Financial assets and liabilities at amortised cost

Financial assets measured at amortized cost are as follows:

(in thousands of USD)	31 DEC 2023	31 DEC 2022
Financial assets:		
Aircraft lease deposits	16,048	15,596
Other non-current assets: Maintenance reserve payments	17,277	14,644
Credit card receivables	60,214	31,371
Other receivables	6,351	4,486
Other current assets: Prepayments	20,970	6,617
Other current assets: Deposits	1,799	2,423
Cash and cash equivalents	54,830	69,709
Total financial assets at amortised cost	**177,490**	**144,846**

(in thousands of USD)	31 DEC 2023	31 DEC 2022
Financial liabilities:		
Lease liabilities non-current	902,147	925,522
Deferred passenger revenue	52,394	17,001
Trade and other payables	88,699	55,212
Lease liabilities current	71,680	36,208
Total financials liabilities at amortised cost	**1,114,920**	**1,033,943**
Total net financial liabilities at amortised cost	**937,430**	**889,097**

The fair value of aircraft lease deposits is estimated to be approximately USD 16 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.

14. Other non-current assets

(in thousands of USD)	31 DEC 2023	31 DEC 2022
Maintenance Reserve Contributions	17,277	14,644
Total	**17,277**	**14,644**

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.

15. Trade and other receivables

(in thousands of USD)	31 DEC 2023	31 DEC 2022
Trade receivables	4,093	3,377
Other reveivables	2,258	1,109
Total	**6,351**	**4,486**

16. Inventories

(in thousands of USD)	31 DEC 2023	31 DEC 2022
Engine oil	6	-
Consumables	3,460	2,596
Total	**3,466**	**2,596**

17. Other current assets

(in thousands of USD)	31 DEC 2023	31 DEC 2022
Deposits	20,970	6,617
Prepayments	1,799	2,423
Total	**22,770**	**9,040**

18. Cash and cash equivalents

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

(in thousands of USD)	2023	2022
USD	36,915	47,734
NOK	12,423	13,998
GBP	2,579	6,781
EUR	2,901	1,196
THB	13	-
Total cash and cash equivalents	**54,830**	**69,709**
Hereof restricted cash:		
USD	15,500	5,000

Restricted cash refers to security deposits held to support guarantees made in favour of some key suppliers such as airports etc. The Parent's bank furthermore has issued guarantees in favour of key suppliers of the Company in the total amounts of USD 1,495 thousand and EUR 364 thousand. In addition to the restricted cash specified, there is a cash amount of USD 1 million of withholding taxes.

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.

At 31 December 2023 the Company's authorized and issued number of shares are 122,211,579 shares, all with par value NOK 5 per share.

19.1 Largest shareholders

The Company's largest 20 shareholders as at 31 December 2023, were as follows:

Name	Number of shares	Ownership	Voting rights
Scorpio Holdings Limited	27,272,419	22.3%	22.3%
B T Larsen & Co Limited	24,271,225	19.9%	19.9%
UBS Switzerland AG	6,192,133	5.1%	5.1%
UBS AG	4,129,653	3.4%	3.4%
Songa Capital AS	4,061,330	3.3%	3.3%
The Bank of New York Mellon	3,115,842	2.5%	2.5%
J.P. Morgan Securities	2,851,290	2.3%	2.3%
The Bank of New York Mellon SA/NV	2,766,467	2.3%	2.3%
Skagen Vekst Verdipapirfond	2,606,883	2.1%	2.1%
Vicama Capital AS	1,898,202	1.6%	1.6%
MH Capital AS	1,683,144	1.4%	1.4%
Alto Holding AS	1,414,224	1.2%	1.2%
J.P. Morgan SE	1,316,891	1.1%	1.1%
Vicama AS	1,101,215	0.9%	0.9%
Pure AS	997,302	0.8%	0.8%
Goldman Sachs International	923,424	0.8%	0.8%
Pegasi AS	917,679	0.8%	0.8%
Gården	899,577	0.7%	0.7%
Verdipapirfondet Delphi Nordic	802,846	0.7%	0.7%
Swedbank AS	802,242	0.7%	0.7%
Top 20 shareholders	90,023,988	73.7%	73.7%
Other shareholders	32,187,591	26.3%	26.3%
Total number of shares	**122,211,579**	**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 2023, were as follows:

		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	-
Aase Kristine Mikkelsen	Member of the Board	-	-
Timothy Sanger	Member of the Board	-	-
Marianne Økland	Member of the Board	-	-
Bjørn Tore Larsen[3]	Chief Executive Officer	24,271,225	-
Anders Hall Jomaas	Chief Financial Officer	20,000	500,000
Ben Boiling[4]	Managing Director UK	26,750	250,000
Charles Duncan	President	-	-
Thom Arne Norheim	Chief Operational Officer	-	250,000
Kristin Berthelsen[5]	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 Bjøm 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 20,000 shares in the Company
4) Shares held through Bosel AS, a company controlled by Ben Boiling
5) 90,000 Shares held through Altid Alt AS, a company controlled by Kristin Berthelsen

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 2023. 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. Refer to note 23 for information on subsequent share offering in 2023.

(in USD thousands or such as stated)	2023	2022
Profit/(loss) for the period	(168,602)	(174,974)
Weighted average number of shares outstanding	67,472,961	21,092,037
Basic and diluted EPS (in USD per share)	**(2.50)**	**(8.30)**

21. Provisions

(in USD thousands or such as stated)	2023	2022
Balance as at 01-Jan	45,762	2,201
New provisions under ROU initial recognition	-	38,029
New maintenance provisions through profit/loss	7,223	1,393
New other provisions through profit/loss	435	653
Interest charge on discounted provisions	5,281	3,485
Amounts of provisions used during the period	(788)	-
Balance as at 31-Dec	**57,913**	**45,762**
Of which:		
Due within 12 months	-	-
Due after 12 months	57,913	45,762

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.

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-23
Norse Atlantic Airways AS	Norway	100%
Norse Atlantic US Holding AS	Norway	100%
Norse Atlantic Management AS[1]	Norway	100%
Norse Atlantic USA LLC	USA	100%
Norse Atlantic Airways US LLC	USA	100%
Norse Atlantic UK Ltd	UK	100%
Norse Atlantic Management UK Ltd.[1]	UK	100%

1) Company being under liquidation as per 31 December and ceasing to exist in February 2024

22.2 Transactions with related parties

During the period from 1 January 2023 to 31 December 2023 Norse Atlantic had a total cost of technical aircraft service work of USD 6,289 and pilot training services of USD 26,792 with companies of the OSM Aviation group, where the Company's CEO, Bjørn Tore Larsen, is the controlling shareholder. Second, effective 1 July 2023, the Company entered into an agreement with Shiphold Management AS for the provision of the services of Chief Financial Officer, Anders Hall Jomaas. The services are rendered at a rate of USD 27,300 per month and at a total cost of USD 163,800 for the period from 1 July 2023 to 31 December 2023. The Company's CEO, Bjørn Tore Larsen, is the controlling shareholder of Shiphold Management AS.

All these related party transactions are considered a part of the Company's ordinary business and are carried out on an arm's length basis.

23. Taxonomy

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 in its reporting has 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 analysed 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 that the following "Taxonomy-eligible" activities are in scope of the EU Taxonomy:

-Passenger air transport (associated with NACE code H51.1)
-Freight air transport (associated with NACE code H51.2.1)
-Leasing of aircraft (associated with NACE code N77.3.5)

The only economic activity of the Company being a "Taxonomy-non-eligible" activity, is that of rendering maintenance services to other airlines.

Passenger air transport and freight air transport are subject to the exact same technical screening criteria, whereas leasing of aircraft in turn are subject to some of those same criteria. None of the above "Taxonomy-eligible" activities do 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". As the technical screening criteria are not met, the Company is not required to further analyse and disclose on the substantial contribution criteria, the DNHS criteria etc. 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.

23.1 Taxonomy: 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 air transport: Total passenger revenue across airfare, ancillary and charter

-Freight air transport: Cargo revenue

-Leasing of aircraft: Lease rentals

Activities being "Taxonomy-non-eligible":

-Other revenue

The following constitutes the Company's reporting on the KPI Turnover in accordance with the EU Taxonomy mandatory reporting template:

Taxonomy: Turnover				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic activities (1)	Codes (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover year N (18)	Taxonomy-aligned proportion of turnover year N-1 (19)	Category (enabling activity) (20)	Category '(transitional activity)' (21)
		1,000 USD	%	%	%	%	%	%	%	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 %	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.0 %	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Passenger air transport	H51.1	384,326	87.5 %																	
Freight air transport	H51.2.1	14,277	3.2 %																	
Leasing of aircraft	N77.3.5	33,090	7.5 %																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities (A.2)		431,693	98.2 %																	
Total (A.1 + A.2)		**431,693**	**98.2 %**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		7,744	1.8 %																	
Total (A + B)		**439,436**	**100.0 %**																	

23.2 Taxonomy: 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” activities passenger air transport and freight air transport. Additions have been allocated to these activities in accordance with the relative size of revenue of the two activities.

-Additions of aircraft parts under IAS 16: These additions are relevant for the “Taxonomy-non-aligned” activities passenger air transport and freight air transport. Additions have been allocated to these activities in accordance with the relative size of revenue of the two activities.

-Additions of other tangibles under IAS 16: These additions consist of cabin equipment and vehicles, relevant for the “Taxonomy-non-aligned” activities passenger air transport and freight air transport. Additions have been allocated to these activities in accordance with the relative size of revenue of the two activities.

-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 respectively passenger air transport, freight air transport, Leasing of aircraft and Other.

The following constitutes the Company’s reporting on the KPI CapEx in accordance with the EU Taxonomy mandatory reporting template:

Taxonomy: CapEx

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic activities (1)	Codes (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx year N (18)	Taxonomy-aligned proportion of CapEx year N-1 (19)	Category (enabling activity) (20)	Category '(transitional activity)' (21)
		1,000 USD	%	%	%	%	%	%	%	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 %	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.0 %	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Passenger air transport	H51.1	41,819	96.2 %																	
Freight air transport	H51.2.1	1,553	3.6 %																	
Leasing of aircraft	N77.3.5	91	0.2 %																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities (A.2)		43,464	100.0 %																	
Total (A.1 + A.2)		**43,464**	**100.0 %**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		21	0.0 %																	
Total (A + B)		**43,485**	**100.0 %**																	

23.3 Taxonomy: 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 "Taxonomy-non-aligned" activities passenger air transport and freight air transport. Expenses have been allocated to these activities in accordance with the relative size of revenue of the two activities.

The following constitutes the Company's reporting on the KPI OpEx in accordance with the EU Taxonomy mandatory reporting template:

Taxonomy: OpEx

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic activities (1)	Codes (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of OpEx year N (18)	Taxonomy-aligned proportion of OpEx year N-1 (19)	Category (enabling activity) (20)	Category '(transitional activity)' (21)
		1,000 USD	%	%	%	%	%	%	%	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 %	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.0 %	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Passenger air transport	H51.1	64,111	96.4 %																	
Freight air transport	H51.2.1	2,382	3.6 %																	
Leasing of aircraft	N77.3.5	-	0.0 %																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities (A.2)		66,493	100.0 %																	
Total (A.1 + A.2)		**66,493**	**100.0 %**																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		-	0.0 %																	
Total (A + B)		**66,493**	**100.0 %**																	

24. 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
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

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

24.1. Revenue per passenger

(in thousands of USD)	2023	2022
Airfare passenger revenue - USD thousands	297,738	63,680
Number of passengers	979,913	295,839
Airfare per passenger - USD	**304**	**215**
Ancilliary passenger revenue - USD thousands	81,448	13,880
Number of passengers	979,913	295,839
Ancilliary per passenger - USD	**83**	**47**
Revenue per passenger - USD	**387**	**262**

24.2. PRASK

(in thousands of USD)	2023	2022
Total passenger revenue	379,186	77,560
Available seat kilometres (millions)	8,672	2,716
PRASK - US Cents	**4.37**	**2.86**

24.3. TRASK

(in thousands of USD)	2023	2022
Total operating revenue	439,436	104,269
Available seat kilometres (millions)	8,672	2,716
TRASK - US Cents	**5.07**	**3.84**

24.4. CASK (cash adjusted)

(in thousands of USD)	2023	2022
Operating profit/(loss)	(135,223)	(146,104)
Add-back:		
Revenue	(439,436)	(104,269)
Fuel, oil and emissions costs	152,527	61,793
Depreciation of right-of-use assets	82,667	57,873
Cost (adj.) sub-total	339,465	130,706
Available seat kilometres (millions)	8,672	2,716
CASK (cash adjusted) - US cents	**3.91**	**4.81**

24.5. CASK (excluding fuel)

(in thousands of USD)	2023	2022
Operating profit/(loss)	(135,223)	(146,104)
Add-back:		
Revenue	(439,436)	(104,269)
Fuel, oil and emissions costs	152,527	61,793
Cost (adj.) sub-total	422,132	188,579
Available seat kilometres (millions)	8,672	2,716
CASK (excl. fuel) - US cents	**4.87**	**6.94**

24.6. CASK

(in thousands of USD)	2023	2022
Operating profit/(loss)	(135,223)	(146,104)
Add-back:		
Revenue	(439,436)	(104,269)
Cost sub-total	574,659	250,372
Available seat kilometres (millions)	8,672	2,716
CASK - US cents	**6.63**	**9.22**

25. Events after the reporting period

On 11 January 2024, the Company announced that following the completion of a private placement of new shares in the Company in November 2023, and a contemplated subsequent offering, the Company has received approval for a prospectus for the offering and listing of the shares under the subsequent offering, and that the subsequent offering would be launched on 12 January 2024. The approved prospectus also allowed for the tranche of unlisted shares under the November 2023 private placement to become listed and tradeable.

On 23 January 2024, the Company announced that it has formally appointed Seabury Securities as investment banker to support Norse in the execution of some of the strategic options identified under Seabury's assignment as strategic advisor as announced in November 2023.

On 25 January 2024, the Company announced the final results of the subsequent offering of new shares in the Company, resulting in 6,312,261 shares being allocated and issued, raising gross proceeds of approximately NOK 69.4 million. The gross proceeds were equalling approximately USD 6.5 million.

On 2 February 2024, the Company announced that the share capital increase following from the issuance of the shares in the subsequent offering has been registered with the Norwegian Register of Business Enterprises. The new share capital of the Company is NOK 642,619,200 across 128,523,840 shares at a nominal value of NOK 5 per share.

On 12 February 2024, the Company announced that it has agreed to extend the term of three subleased 787-8 Dreamliners up to one year, for them to be redelivered between March and May 2025. Additionally, the sublease of one 787-9 Dreamliner is extended by two months and is to be returned in May 2024.

On 26 February 2024, the Company announced that it had entered into an agreement with Air Peace for an ACMI (Aircraft, Crew, Maintenance, and Insurance) charter service. Commencing in April 2024, initially for a period of two months with the potential for a longer-term agreement, the ACMI charter will operate flights in and out of London Gatwick.

On 28 March 2024, the Company announced that it is introducing a new route connecting London Gatwick to Las Vegas, launching ticket sales immediately, and commencing operations on 12 September 2024.

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

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

Statement of Comprehensive Income

(Unconsolidated Parent company)

(in thousands of USD)	Notes	2023	2022
Revenue			
Revenue	3	33,090	14,397
Operating expenses			
Personnel expenses	4, 5	(486)	(958)
Airport charges and handling		-	(5)
Technical maintenance		(67)	(404)
Other operating costs		(624)	(1,412)
Marketing and distribution costs		(12)	-
Administrative costs	6	(2,235)	(809)
Total Operating exps excl. leases, dep & amort.		**(3,424)**	**(3,587)**
Operating profit before leases, dep & amort. (EBITDAR)		**29,666**	**10,810**
Variable aircraft rentals		(18,283)	(10,844)
Depreciation and amortization	9	(23,921)	(12,110)
Impairment losses	12, 15.1	(171,308)	-
Operating profit/(loss)		**(183,847)**	**(12,143)**
Interest expenses		(30,362)	(22,450)
Intra-group interest income/(expense)		30,555	20,301
Other financial income/(expenses)	7	1,167	(2,651)
Profit/(loss) before tax		**(182,487)**	**(16,943)**
Income tax	8	(4,808)	-
Profit/(loss) after tax and total comprehensive income		**(187,294)**	**(16,943)**

Statement of Financial Position

(Unconsolidated Parent company)

(in thousands of USD)	Notes	31 DEC 2023	31 DEC 2022
Non-current assets			
Aircraft and other tangible assets	9	151,569	175,047
Aircraft lease deposits	9, 16	16,048	15,596
Other non-current assets	16	17,277	-
Investment in subsidiaries	12	8	60,377
Lease receivables from subsidiaries	15, 16	706,692	755,031
Intercompany non-current receivables	15, 16	9,714	51,800
Total non-current assets		**901,308**	**1,057,851**
Current assets			
Lease receivables from subsidiaries	15, 16	48,339	17,106
Trade and other receivables	16	-	1,000
Intercompany receivables	15, 16	26,933	47,055
Other current assets	16	10,024	17,047
Cash and cash equivalents	2, 11, 16	34,417	29,756
Total current assets		**119,714**	**111,964**
Total assets		**1,021,022**	**1,169,815**
Equity and liabilities			
Equity			
Share capital	13	62,954	29,945
Share premium		198,065	162,560
Retained earnings	14	(204,644)	(17,350)
Total equity		**56,374**	**175,155**
Non-current liabilities			
Lease liabilities non-current	9	850,417	910,576
Provisions	10	30,642	28,423
Total non-current liabilities		**881,059**	**938,999**
Current liabilities			
Trade and other payables	16	14,746	20,375
Lease liabilities current	9, 16	68,842	35,286
Total current liabilities		**83,589**	**55,661**
Total equity and liabilities		**1,021,022**	**1,169,815**

Statement of Cash Flows

(Unconsolidated Parent company)

(in thousands of USD)	Notes	2023	2022
Cash flows from operating activities			
Profit/(loss) before tax		(182,487)	(16,943)
Adjustments for items not affecting operating cash flows:			
Depreciation and amortization	9	23,921	12,110
Impairment losses		171,308	-
Interest expenses		30,362	22,450
Interest income		(30,555)	(20,723)
Net investment in financial assets		-	893
Provisions		2,219	-
Net operating cash flows before working capital movements		**14,769**	**(2,214)**
Working capital movements		(1,809)	(45,011)
Net cash flows from operating activities		**12,960**	**(47,225)**
Cash flows from investing activities			
Net investments in financial assets		-	(893)
Investment in subsidiaries		(16,028)	(25,280)
Loan to subsidiaries		(35,719)	(31,499)
Net cash flows from investing activities		**(51,748)**	**(57,672)**
Cash flows from financing activities			
Net proceeds from share issue		68,514	28,925
Lease payments	9	(26,602)	-
Movements in restricted cash	11	(10,500)	(5,000)
Interest received		2,133	-
Net cash flows from financing activities		**33,545**	**23,925**
Effect of foreign currency revaluation on cash		374	(62)
Net increase in free cash and cash equivalents		**(5,839)**	**(81,033)**
Free cash and cash equivalents at the beginning of the period		24,756	105,789
Free cash and cash equivalents at the end of the period		**18,917**	**24,756**
Restricted cash at the end of the period	2, 11, 16	15,500	5,000
Cash and cash equivalents at the end of the period	**2, 11, 16**	**34,417**	**29,756**

Statement of Changes in Equity

(Unconsolidated Parent company)

1 Jan 2023 to 31 Dec 2023

(in USD thousands except for number of shares and value per share)	Number of shares	Issued share capital	Share premium	Retained earnings	Total equity
Balance as at 01 Jan 2023	206,084,314	29,945	162,561	(17,350)	175,155
Changes in Equity					
25 April 2023, share issue at USD 0.23 (NOK 2.50) per share	60,000,002	7,030	7,030	-	14,060
25 April 2023, transaction costs share issue	-	-	(854)	-	(854)
27 April 2023, reverse share split, four shares into one	(199,563,237)	-	-	-	-
13 November 2023, share issue at USD 0.99 (NOK 11.00) per share	9,978,161	4,492	5,391	-	9,883
29 November 2023, share issue at USD 1.03 (NOK 11.00) per share	45,712,339	21,487	25,784	-	47,271
13 and 29 November, transaction costs share issue	-	-	(2,156)	-	(2,156)
Share based employee incentives	-	-	309	-	309
Total comprehensive income for the period	-	-	-	(187,294)	(187,294)
Balance at 31 Dec 2023	**122,211,579**	**62,954**	**198,065**	**(204,645)**	**56,374**

1 Jan 2022 to 31 Dec 2022

(in USD thousands except for number of shares and value per share)	Number of shares	Issued share capital	Share premium	Retained earnings	Total equity
Balance as at 01-Jan-2022	77,684,314	27,489	136,091	(407)	163 173
Changes in Equity					
12 December 2022, share issue at USD 0.13 (NOK 1.25) per share	128 400 000	16 053	16 053	-	32 106
12 December 2022, transaction costs share issue	-	-	(3 180)	-	(3 180)
12 December 2022 reduction of nominal value	-	(13 597)	13 597	-	-
Total comprehensive income for the period	-	-	-	(16 943)	(16 943)
Balance at 31 Dec 2022	206 084 314	29 945	162 561	(17 350)	175 155
Balance at 31 Dec 2022	**206,084,314**	**29,945**	**162,560**	**(17,350)**	**175,155**

Notes to the Financial Statements

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 ("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 para 61-66.

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 01 January to 31 December 2023 (the "Period"). Note disclosures for the Parent that are similar to the information available in the consolidated financial statements are not repeated in these financial statements.

Shares in the subsidiaries and receivables from and loans provided to the subsidiaries are carried at amortized cost after impairment for expected credit losses.

2. Financial risk

As of 31 December 2023, the Parent does not have any interest-bearing debt other than that following from lease liabilities. 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

The Parent's exposure to the risk of changes in foreign exchange rates primarily relates to its cash and cash equivalents held in foreign currencies.

(in thousands of equivalent USD)	31 DEC 2023	31 DEC 2022
Cash and cash equivalents held in foreign currencies		
NOK	8,852	111
GBP	17	48
EUR	12	201
THB	0	-
Total Cash and cash equivalents held in foreign currencies	**8,881**	**361**
Cash and cash equivalents held in USD	*25,537*	*29,395*

As of 31 December 2023, 26% of the Parent's cash and cash equivalents are held in foreign currencies of which 26% is held in Norwegian Kroner (NOK).

2.2 Liquidity risk

The following table shows the maturity profile of the Parent's financial liabilities as at 31 December 2023 based on the contractual payment terms. The amounts disclosed below are undiscounted cash flows.

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**

2022: *(In thousands of USD)*	Within 6 months	6-12 months	1-2 years	3-5 years	More than 5 years	Total
Aircraft lease payments	21,780	30,705	81,174	174,600	702,272	1,010,531
Trade and other payables	20,375	-	-	-	-	20,375
Total as at 31-Dec-2022	**42,155**	**30,705**	**81,174**	**174,600**	**702,272**	**1,030,906**

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 2023 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 2023 the Parent had deposits with AerCap Holdings NV and BOC Aviation Ltd.

3. Operating segments revenue

(in thousands of USD)	Revenue by country 2023	 2022
Europe outside of Norway and UK	33,090	14,397
Total	**33,090**	**14,397**

Revenue from leased out aircraft above refers to revenue from one single external customer for both 2023 and 2022.

4. Personnel expenses

(in thousands of USD)	2023	2022
Board remuneration	67	73
Social security costs	9	10
Other personnel costs	409	874
Total	**486**	**958**

The Parent has no employees and no pension obligations.

5. Board remuneration

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

(in thousands of USD)		2023	2022
Director	Date of appointment	Board remuneration paid	
Terje Bodin Larsen[1]	1-Feb-2021	34	31
Bjørn Kjos	12-Apr-2021	19	21
Aase Kristine Mikkelsen[2]	12-Apr-2021	22	21
Timothy Sanger	27-Nov-2023	-	-
Marianne Økland	27-Nov-2023	-	-
Total		**75**	**73**

1) Including Audit Committee and Nomination Committee remuneration
2) Including Audit Committee remuneration

6. Auditors remuneration

(in thousands of USD)	2023	2022
Audit fee	79	44
Other attestation services	9	8
Other services	32	1
Tax services	-	2
Total	**120**	**55**

7. Other Financial income/(expense)

(in thousands of USD)	2023	2022
Interest income	1,037	422
Foreign exchange gains	(953)	2,443
Foreign exchange losses	1,083	(4,623)
Gains (loss) on financial assets	-	(893)
Total	**1,167**	**(2,651)**

8. Income tax

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

(in thousands of USD)	2023	2022
Current tax:		
Tax payable	4,808	-
Deferred tax		
Changes in deferred tax	(4,349)	(4,140)
Deferred tax asset not recognized	4,349	4,140
Income tax expense	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)	2023	2022
Pre-tax profit for the Period	(182,487)	(16,943)
Income taxes calculated at 22%	(40,147)	(3,728)
Deductible expenses related to equity issues	(662)	(763)
Non-deductible expenses	-	-
Other permenant differences	16,808	-
Corrections previous years	4,434	-
Effect group contribution	-	(1,677)
Other effects due to timing and exchange rates	(853)	2,027
Deferred tax asset not recognized	25,229	4,140
Income tax expense	4,808	-

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

(in thousands of USD)	2023	2022
Right of use lease asset	33,345	38,510
Lease receivable	166,107	169,870
Intercompany non-current receivables	(20,880)	-
Lease liabilities	(203,194)	(208,090)
Provisions	(6,741)	(6,425)
Tax losses carried forward	-	-
Net deferred tax liabilities (assets)	(31,364)	(6,135)
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, it is not certain about the timing and amount of tax losses that may be utilized in the future.

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 Right-of-Use assets

2023:

(in thousands of USD)	ROU Aircraft	Total
Acquisitions:		
Opening balance 01-Jan-2023	187,156	187,156
Additions	443	443
Acquisition cost 31-Dec-2023	187,599	187,599
Depreciation:		
Opening balance 01-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**	

2022:

(in thousands of USD)	ROU Aircraft	Total
Acquisitions:		
Opening balance 01-Jan-2023	-	-
Additions	187,156	187,156
Acquisition cost 31-Dec-2023	187,156	187,156
Depreciation:		
Opening balance 01-Jan-2023	-	-
Depreciation	(12,110)	(12,110)
Depreciation per 31-Dec-2023	(12,110)	(12,110)
Closing balance at 31-Dec-2023	**175,047**	**175,047**
Useful life (years)	**6 - 11**	

These right-of-use assets represent five aircraft together with their associated maintenance assets, which have been acquired in 2022 and subsequently have been sub-leased to an external lessor. Two of the subleased aircraft are due to be returned to Norse ahead of the peak summer 2024 season, with scheduled redeliveries between end March through to June 2024. The remaining three aircraft, being 787-8 aircraft, will be returned during the months March to May 2025 ahead of the peak summer 2025 season.

9.3 Lease liabilities

(In thousands of USD)	2023	2022
Opening balance	945,862	93,298
Additions during the period	-	831,980
Interest accrued	27,205	20,787
Fixed lease payments during the period	(53,807)	(203)
Closing balance	**919,260**	**945,862**
Of which:		
Due within 12 months	68,842	35,286
Due after 12 months	850,417	910,576

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 23 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 2023 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. As at 31 December 2023 the Parent has recognized a provision of USD 6.0 million in its statement of financial position towards such aircraft restoration and return costs.

10. Provisions

(In thousands of USD)	2023	2022
Balance as at 01-Jan	28,423	3,014
New provisions under ROU initial recognition	-	21,765
New maintenance provisions through profit/loss	-	1,393
Provisions transferred to subsidiaries	(1,393)	-
Interest charge on discounted provisions	**3,612**	**2,251**
Balance as at 31-Dec	**30,642**	**28,423**
Of which:		
Due within 12 months	-	-
Due after 12 months	30,642	28,423

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.

(In thousands of equivalent USD)	2023	2022
USD	25,537	29,395
NOK	8,852	111
GBP	17	48
EUR	12	201
THB	-	-
Total cash and cash equivalents	**34,417**	**29,756**
Hereof restricted cash:		
USD	15,500	5,000

12. Investment in subsidiaries

The Parent's direct investment in subsidiaries as of 31 December 2023 is as follows:

(In thousands of USD)			Equity investment	
Name of the subsidiary	Country of incorporation	Equity interest as at 31-Dec-22[2]	2023	2022
Norse Atlantic Airways AS	Norway	100 %	-	29,690
Norse Atlantic US Holding AS	Norway	100 %	4	5
Norse Atlantic UK Ltd	UK	100 %	-	30,679
Norse Atlantic Management AS[1]	Norway	100 %	4	4
Total equity investment at cost			**8**	**60,377**

1) Company being under liquidation as per 31 December and ceasing to exist in February 2024
2) Voting rights are equivalent to shareholding for all companies

In 2023, the Parent recognised an impairment loss on investments in subsidiaries of USD 76.4 million (nil in 2022), hereof USD 45.6 million associated with the investment in Norse Atlantic Airways AS, and USD 30.8 million associated with the investment in Norse Atlantic UK Ltd. Accumulated impairment losses for the investments are equal to the losses recognised in 2023. The impairment loss is 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 2023.

As of 31 December 2023, 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-23
Norse Atlantic Management AS1	01/01/2022	Norway	3,000	100%
Norse Atlantic Management UK Ltd.[1]	15/03/2022	UK	100	100%
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%

1) Company being under liquidation as per 31 December and ceasing to exist in February 2024

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 2023 the Company's authorized and issued number of shares are 122,211,579 shares, with par value NOK 5 per share.

13.1. Shareholder information

The Company's largest 20 shareholders as at 31 December 2023, were as follows:

Name	Number of shares	Ownership	Voting rights
Scorpio Holdings Limited	27,272,419	22.3%	22.3%
B T Larsen & Co Limited	24,271,225	19.9%	19.9%
UBS Switzerland AG	6,192,133	5.1%	5.1%
UBS AG	4,129,653	3.4%	3.4%
Songa Capital AS	4,061,330	3.3%	3.3%
The Bank of New York Mellon	3,115,842	2.5%	2.5%
J.P. Morgan Securities	2,851,290	2.3%	2.3%
The Bank of New York Mellon SA/NV	2,766,467	2.3%	2.3%
Skagen Vekst Verdipapirfond	2,606,883	2.1%	2.1%
Vicama Capital AS	1,898,202	1.6%	1.6%
MH Capital AS	1,683,144	1.4%	1.4%
Alto Holding AS	1,414,224	1.2%	1.2%
J.P. Morgan SE	1,316,891	1.1%	1.1%
Vicama AS	1,101,215	0.9%	0.9%
Pure AS	997,302	0.8%	0.8%
Goldman Sachs International	923,424	0.8%	0.8%
Pegasi AS	917,679	0.8%	0.8%
Gården	899,577	0.7%	0.7%
Verdipapirfondet Delphi Nordic	802,846	0.7%	0.7%
Swedbank AS	802,242	0.7%	0.7%
Top 20 shareholders	90,023,988	73.7%	73.7%
Other shareholders	32,187,591	26.3%	26.3%
Total number of shares	**122,211,579**	**100.0 %**	**100.0 %**

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

Shares directly or indirectly held by members of the Boards of Directors and Executive Management as at 31 December 2023, were as follows:

		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	-
Aase Kristine Mikkelsen	Member of the Board	-	-
Timothy Sanger	Member of the Board	-	-
Marianne Økland	Member of the Board	-	-
Bjørn Tore Larsen[3]	Chief Executive Officer	24,271,225	-
Anders Hall Jomaas	Chief Financial Officer	20,000	500,000
Ben Boiling[4]	Managing Director UK	26,750	250,000
Charles Duncan	President	-	-
Thom Arne Norheim	Chief Operational Officer	-	250,000
Kristin Berthelsen[5]	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 20,000 shares in the Company
4) Shares held through Bosel AS, a company controlled by Ben Boiling
5) 90,000 Shares held through Alltid Alt AS, a company controlled by Kristin Berthelsen

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 2023. 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 except for number of shares)	2023	2022
Profit/(loss) for the period	(187,294)	(16,943)
Weighted average number of shares outstanding	67,472,961	21,092,037
Basic and diluted EPS (in USD per share)	**(2.78)**	**(0.80)**

15. Related parties

15.1 Transactions and balances with subsidiaries

During the period ended 31 December 2023 and the period ended 31 December 2022, the Parent had the following balances and transactions with its subsidiaries:

2023:	Norse Atlantic Airways AS	Norse Atlantic US Holding AS	Norse Atlantic UK Ltd	Norse Atlantic Management AS	Total
Lease receivables from subsidiaries	19,600	-	28,739	-	48,339
Other curent 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 2023, the Parent recognised an impairment loss on non-current receivables towards subsidiaries of USD 94.9 million (nil in 2022), hereof USD 78.6 million in relation to Norse Atlantic Airways AS, and USD 16.3 million in relation to Norse Atlantic UK Ltd. Accumulated impairment losses for the non-current receivables are equal to the losses recognised in 2023. The impairment loss is 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.

2022:	Norse Atlantic Airways AS	Norse Atlantic US Holding AS	Norse Atlantic UK Ltd	Norse Atlantic Management AS	Total
Lease receivables from subsidiaries	16,008	-	1,097	-	17,105
Other curent receivable	46,568	3	484	1	47,055
Total current receivable	62,576	3	1,581	1	64,160
Lease receivables from subsidiaries	706,603	-	48,428	-	755,031
Other non-current receivable	32,086	3,383	16,331	-	51,800
Total non-current receivable	738,689	3,383	64,759	-	806,831
Total receivable from subsidiaries	801,265	3,386	66,340	1	870,992

(in USD thousands except for number of shares)	2023	2022
Intra-group interest income	30,555	20,301

15.2 Transactions with related parties

During 2023, the Parent has had no transactions with other related parties than those mentioned in the previous paragraph.

16. Financial assets and liabilities

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

(in thousands of USD)	31 DEC 2023	31 DEC 2022
Financial assets:		
Aircraft lease deposits	16,048	15,596
Other non-current assets: Maintenance reserve contributions	17,277	-
Lease receivables from subsidiaries	706,692	755,031
Intercompany non-current receivables	9,714	51,800
Lease receivables from subsidiaries - current portion	48,339	17,106
Trade and other receivables	-	1,000
Intercompany receivables	26,933	47,055
Other current assets	10,024	17,047
Cash and cash equivalents	34,417	29,756
Total financials assets at amortised cost	**869,445**	**934,391**

(in thousands of USD)	31 DEC 2023	31 DEC 2022
Financial liabilities:		
Lease liabilities non-current	850,417	910,576
Trade and other payables	14,746	20,375
Lease liabilities current	68,842	35,286
Total financials liabilities at amortised cost	**934,006**	**966,237**
Total net financial assets (liabilities) at amortised cost	**(64,560)**	**(31,846)**

17. Other non-current assets

(In thousands of USD)	31 DEC 2023	31 DEC 2022
Maintenance Reserve Contributions	17,277	-
Total	**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.

18. Events after the reporting period

On 11 January 2024, the Company announced that following the completion of a private placement of new shares in the Company in November 2023, and a contemplated subsequent offering, the Company had received approval for a prospectus for the offering and listing of the shares under the subsequent offering, and that the subsequent offering would be launched on 12 January 2024. The approved prospectus also allowed for the tranche of unlisted shares under the November 2023 private placement to become listed and tradeable.

On 25 January 2024, the Company announced the final results of the subsequent offering of new shares in the Company, resulting in 6,312,261 shares being allocated and issued, raising gross proceeds of approximately NOK 69.4 million. The gross proceeds were equalling approximately USD 6.5 million.

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

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

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 2023.

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 as well as additional information requirements as per the Norwegian Accounting Act.

We confirm to the best of our knowledge that:

- The 2023 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 2023 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

Arendal, 11 April 2024

Terje Bodin Larsen Chairman	**Aase Mikkelsen** Member of the Board	**Timothy Sanger** Member of the Board
Marianne Økland Member of the Board	**Bjørn Kjos** Member of the Board	**Bjørn Tore Larsen** CEO

RSM Norge AS

Frolandsveien 6 4847 Arendal
Org.nr 982 316 588 MVA

T +47 38 07 07 00
F +47 23 11 42 01

www.rsmnorge.no

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 2023, the income statement, 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 2023, 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 2023, 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 2023, 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 the Company for 3 years from the election by the general meeting of the shareholders on 1 February 2021 for the accounting year 2021.

THE POWER OF BEING UNDERSTOOD
AUDIT TAX CONSULTING

Material Uncertainty Related to Going Concern

We draw attention to Note 3.8 in the financial statements, which indicates that the Group incurred a net loss of MUSD 168.7 during the year ended December 31, 2023 and, as of that date, the Groups equity was negative with MUSD 89.7. 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 of Right of use aircraft and related spare parts amounts to TUSD 890 295 (Group) and TUSD 151 569 (Company) per the reporting date 2023. The carrying value of lease receivables from subsidiaries amounts to TUSD 755 031 (Company) per the reporting date 2023.

Management reviews the Group's and the Company's assets for impairment whenever there are 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 comparable 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 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 at 31 December 2023 for investment in subsidiaries was TUSD 8 after impairment of TUSD 76 398. Carrying value at 31 December 2023 for intercompany non-current and current receivables was TUSD 36 647 after impairment charges of TUSD 94 911.

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

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receivables relied on Management's evaluation of value-adjusted equity of the Company's investment in subsidiaries.

Due to estimation uncertainty for these estimates, 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 model, including key assumptions.

Our audit procedures have included a comparison of the value of shares in subsidiaries and intercompany receivables to the estimated value-adjusted equity in the Company's subsidiaries. In order to challenge the value-adjusted equity of 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.

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 and the other information accompanying the financial statements. 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 nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. 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 the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

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

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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.

RSM

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 2549008P77XR4V5Z8N86-2023-12-31-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, 11 April 2024
RSM Norge AS
Eirik Halvorsen
Eirik Halvorsen
State Authorised Public Accountant

NORSE

Norse Atlantic ASA
Fløyveien 14,
4838 Arendal, Norway
flynorse.com

The Norwegian Tax Administration

Our date	Your date	Case officer
21.07.2021	29.06.2021	Vibeke Horne
800 80 000	Your reference	Telephone
skatteetaten.no	AR436592797	+4790518192
Org. nr:	Our reference	Postal address
974761076	2021/6078309	Postboks 9200 Grønland 0134 OSLO

Confidential

Callers from abroad, please call +47 22 07 70 00

NORSE ATLANTIC ASA
Sandvigveien 19
4816 KOLBJØRNSVIK

Att. Ben Boiling

Permission to prepare the annual accounts and directors' report in English language

With reference to your letter of 29 June 2021 with respect to the above matter regarding

Norse Atlantic ASA	**org. no 926 645 986**
Norse Atlantic Airways AS	**org. no 926 493 647**

Based on a total evaluation, the view of the tax office is that the mentioned companies may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the companies to document by this letter that the permit is granted.

Background
Norse Atlantic Airways AS is a 100 % owned subsidiary of Norse Atlantic ASA, and they are part of an international group. The companies operates in the airline business. Norse Atlantic Airways AS is the administrative company in the Norse Group, and Norse Atlantic ASA is listed on the Euronext Growth stock exchange in Oslo. The communication internally, communication with the owner and communication in the group is in English.

Condition for the permission
According to the Norwegian Accounting Act § 3-4, third paragraph shall "the directors' report and annual accounts (…) be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language".

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

> "The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors, which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The

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> information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."

One of the main goals of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information, which has to be taken into consideration when considering the application for permission. In this assessment, the tax office has emphasized that the companies are part of an international group. Furthermore, all key players and partners in this industry understand and use English.

Please state "our reference" (see above) in all written communication with the Norwegian Tax Authorities.

Yours sincerely,

Vibeke Horne
Adviser
Customer Interaction Division, Customer Service
The Norwegian Tax Administration

This document has been electronically approved and therefore has no handwritten signatures.

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To the General Meeting of Norse Atlantic ASA

RSM Norge AS

Frolandsveien 6, 4847 Arendal
Org.nr: 982 316 588 MVA

T +47 38 07 07 00
F +47 23 11 42 01

www.rsmnorge.no

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 2023, the income statement, 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 2023, 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 2023, 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 2023, 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 the Company for 3 years from the election by the general meeting of the shareholders on 1 February 2021 for the accounting year 2021.

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Material Uncertainty Related to Going Concern

We draw attention to Note 3.8 in the financial statements, which indicates that the Group incurred a net loss of MUSD 168.7 during the year ended December 31, 2023 and, as of that date, the Groups equity was negative with MUSD 89.7. 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 of Right of use aircraft and related spare parts amounts to TUSD 890 295 (Group) and TUSD 151 569 (Company) per the reporting date 2023. The carrying value of lease receivables from subsidiaries amounts to TUSD 755 031 (Company) per the reporting date 2023.

Management reviews the Group's and the Company's assets for impairment whenever there are 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 comparable 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 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 at 31 December 2023 for investment in subsidiaries was TUSD 8 after impairment of TUSD 76 398. Carrying value at 31 December 2023 for intercompany non-current and current receivables was TUSD 36 647 after impairment charges of TUSD 94 911.

Due to significant accumulated losses in the Company's subsidiaries, Management has identified impairment indicators for the Company's investment in subsidiaries and 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 evaluation of value-adjusted equity of the Company's investment in subsidiaries.

Due to estimation uncertainty for these estimates, 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 model, including key assumptions.

Our audit procedures have included a comparison of the value of shares in subsidiaries and intercompany receivables to the estimated value-adjusted equity in the Company's subsidiaries. In order to challenge the value-adjusted equity of 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.

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 and the other information accompanying the financial statements. 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 nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. 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 the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

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

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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.

RSM

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 2549008P77XR4V5Z8N86-2023-12-31-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, 11 April 2024
RSM Norge AS
Eirik Halvorsen

Eirik Halvorsen
State Authorised Public Accountant