



# Second quarter report 2025





## Norse Atlantic Airways



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

# Stronger financial performance driven by record load factor and passenger growth



## Q2 2025 headlines

- 27% increase in passenger revenue, EBIT of USD 4 million
- World-leading load factor of 97% and 36% passenger growth YoY
- PRASK up 8% and own network ASK up 18%
- Net loss of USD 6 million and end of quarter cash balance of USD 24 million
- Successful delivery on ACMI strategy
- P&O charter agreement renewed for next two winter seasons
- Forward booking trending well above same time last year
- Awarded best long-haul airline in the value segment for Northern Europe by Skytrax in 2025

Revenue (USD million)

202.6

164.8

EBITDAR (USD million)

23.1

3.2

EBIT (USD million)

4.4

(22.3)

Flights

1,731

1,531

Passengers

553,086

406,306

Load factor

97%

82%

(comparatives for numbers being Q2 2024)



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

**The positive momentum from the start of the year has continued into the summer with record load factor and strong passenger growth, yielding a 27% increase in passenger revenue and our first-ever second-quarter operating profit.**

The progress reflects successful execution of Norse Atlantic Airway's commercial strategy implemented in 2024 and focus on operational efficiencies.

We consistently deliver a world-leading load factor of 97% in the second quarter, up 15 percentage points from last year, and 96% for the first half. This shows the impact of our data driven commercial model in an industry where a load factor above 90% is a strong result.

While we continue to reduce unit costs year-over-year, there was a slight decline in average passenger revenue in the quarter which is mainly related to airfare bundles adjustments.

Our fleet of 12 modern, efficient Boeing 787-9 Dreamliners form a strong base for further improvements as Norse Atlantic transition to the dual leg model with ACMI charters reducing our market risk and complementing our own scheduled network.

In the second quarter, we operated 11 aircraft in our own network and one on a long-term ACMI with Indigo. In the coming months, five additional aircraft will be transferred to Indigo, India's leading and one of the world's largest airlines, for ACMI operations, subject to regulatory approvals.

From early 2026, the fleet in own scheduled network will comprise six aircraft. This will strengthen our strategic and financial position with predictable ACMI revenue and cash flow in a volatile market while optimizing own network, flying routes with maximum passenger and fare potential.

Going into the 2025 summer season, there has been some softness in the Transatlantic market. At the same time, we see strong demand for our Asia and Africa fall/winter program.

Momentum into the third-quarter high season is good with bookings to date confirming the positive trend in load factor and passenger revenues. We are pleased to have renewed the charter agreement with P&O Cruises for next two winter seasons, flying cruise passenger from the UK to the Caribbean in the November to March period.

To round off, since the start of operations, Norse has carried 3.6 million passengers as of end-June 2025, delivering affordable, value-for money air travel to customers worldwide since our inaugural flight three years ago.



Sincerely,

Bjørn Tore Larsen, CEO and Founder

## Operational performance

In the second quarter of 2025, Norse achieved a record load factor of 97%. The 15-percentage point increase from the same quarter of 2024 reflects the success of data-driven commercial strategy implemented last year.

Revenue per passenger was USD 372, compared to USD 380 last year, the decrease mainly resulting from lower ancillary revenue per passenger due to repackaging of airfare bundles.

The number of passengers carried in the quarter increased 36% year-over-year, driven by the improved load factor and a 17% increase in ASK. Operational performance was strong with 99.9% of the planned flights completed.

From second half of 2025, ACMI/charter will increasingly represent a greater share of the business, complementing operations in the own scheduled network. One aircraft operated on ACMI for Indigo in the second quarter and further five aircraft will commence operations on a staggered basis from September through to early 2026. This follows the signing of ACMI contracts for a total of six aircraft to Indigo during the first half of 2025, in line with the letter of intent announced in November 2024.

(in thousands of USD unless otherwise stated)	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Number of flights	1,731	1,052	1,196	1,813	1,531
- in own network	1,542	585	860	1,764	1,415
- ACMI/charter	189	467	336	49	116
Completion rate	99.9%	100.0%	99.7%	99.3%	99.5%
Average stage length (km)	7,017	6,288	6,426	6,948	6,744
ASK (millions)	4,106	2,236	2,599	4,275	3,501
RPK (millions)	3,968	2,122	2,386	3,668	2,869
Number of passengers	553,086	304,588	338,564	514,913	406,306
Load factor	97%	95%	92%	86%	82%
Airfare per passenger (USD)	299	270	269	322	296
Ancillary per passenger (USD)	73	69	74	84	84
Revenue per passenger (USD)	372	339	343	406	380
PRASK (US cents)	4.78	4.15	4.36	4.92	4.44
TRASK (US cents)	4.93	5.60	4.74	5.19	4.71
CASK cash adjusted (US cents)	3.01	3.75	3.63	3.05	3.20
CASK excl. fuel (US cents)	3.45	4.63	4.46	3.55	3.81
CASK (US cents)	4.83	5.84	5.73	5.08	5.34
Number of aircraft in fleet at period end	12	12	15	15	15
Number of aircraft in own operations at period end	12	12	12	12	12
Number of aircraft subleased out at period end	-	-	3	3	3
Cargo volumes (tonnes)	8,160	3,788	6,389	9,271	7,241
Cargo rate per net of commissions/direct costs (USD/ton)	1,058	947	1,031	795	617

# Financial performance & position

(Comparative numbers in parenthesis refers to the second quarter of 2024 unless otherwise specified)

## Statement of comprehensive income/profit/loss

Total revenue was USD 202.6 million (USD 164.8 million) in the second quarter of 2025, comprising USD 187.0 million of passenger revenue (USD 147.3 million) and USD 15.6 million of other revenue (USD 17.5 million).

Airfare revenue was USD 150.5 million (USD 114.6 million), while ancillary passenger revenue amounted to USD 36.5 million (USD 32.6 million).

Other revenue included charter and ACMI income of USD 6.1 million (USD 5.5 million), reflecting one aircraft to IndiGo from March. Other revenue also included cargo revenue of USD 8.6 million (USD 4.5 million).

Operating expenses excluding depreciation, amortization, and aircraft leases during the period totalled USD 179.5 million (USD 161.6 million). Personnel expenses, airport charges and handling, technical maintenance costs and fuel costs increased in line with the higher activity level, although some of the cost increase was offset by lower fuel prices. Marketing and distribution costs were down significantly due to the implementation of the data-driven commercial strategy.

(in thousands of USD)	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
<strong>Key profit and loss figures</strong>					
Passenger revenue	187.0	62.1	90.6	207.3	147.3
Other revenue <sup>1</sup>	15.6	63.2	32.5	14.7	17.5
<strong>Total Revenue</strong>	<strong>202.6</strong>	<strong>125.3</strong>	<strong>123.1</strong>	<strong>222.0</strong>	<strong>164.8</strong>
Operating costs	(179.5)	(110.3)	(126.4)	(195.3)	(161.6)
<strong>EBITDAR</strong>	<strong>23.1</strong>	<strong>15.0</strong>	<strong>(3.3)</strong>	<strong>26.7</strong>	<strong>3.2</strong>
Depreciation, amortization and variable aircraft rentals	(18.7)	(20.2)	(22.6)	(22.1)	(25.4)
<strong>Operating profit/(loss) (EBIT)</strong>	<strong>4.4</strong>	<strong>(5.2)</strong>	<strong>(25.9)</strong>	<strong>4.6</strong>	<strong>(22.3)</strong>
Net financial expenses	(9.9)	(9.6)	(8.5)	(10.8)	(9.4)
<strong>Profit/(loss) before tax</strong>	<strong>(5.5)</strong>	<strong>(14.9)</strong>	<strong>(34.4)</strong>	<strong>(6.1)</strong>	<strong>(31.7)</strong>
Income tax	(0.4)	-	-	(0.1)	(0.2)
<strong>Profit/(loss for the period)</strong>	<strong>(5.9)</strong>	<strong>(14.9)</strong>	<strong>(34.5)</strong>	<strong>(6.3)</strong>	<strong>(31.9)</strong>
<strong>Key cash flow figures</strong>					
Cash flow from operations	27.5	30.0	19.9	32.0	0.6
Cash flow from investments	(4.9)	(3.6)	(5.5)	(4.0)	(6.0)
Cash flow from financing	(24.3)	(22.9)	(16.1)	(25.6)	(3.8)
Effect of exchange rate fluctuation	0.4	0.4	(0.8)	0.2	0.1
<strong>Change in cash and cash equivalents</strong>	<strong>(1.3)</strong>	<strong>3.9</strong>	<strong>(2.5)</strong>	<strong>2.7</strong>	<strong>(9.2)</strong>
<strong>Cash position at period end</strong>	<strong>23.6</strong>	<strong>25.0</strong>	<strong>22.9</strong>	<strong>25.3</strong>	<strong>23.7</strong>

<sup>1</sup> Q1 2025 includes USD 28.7m in one-time gain from lease modification

Depreciation and amortization of the aircraft right-to-use-assets was down quarter on quarter due to the re-delivery of three leased aircraft during the first quarter.

Net financial costs include USD 9.9 million (USD 9.4 million) in accrued interest on lease liabilities.

The net loss after tax was USD 5.9 million (USD 31.9 million).

Included in the income statement are non-cash lease accounting costs of USD 2.1 million (USD 5.9 million).



### Financial position/Balance sheet

At 30 June 2025, the carrying value of right-of-use assets was USD 730.1 million (USD 857.3 million), whereas the corresponding lease liabilities were at USD 811.3 million (USD 942.9 million).

Current assets were USD 202.9 million at period-end (USD 210.0 million). Current liabilities were USD 415.9 million (USD 367.0 million), including USD 23.8 million of debt to the two major shareholders maturing on 31 March 2026.

The book equity at 30 June 2025 was negative USD 231.2 million (negative by USD 178.2 million).

### Cash flow

Free cash and cash equivalents decreased by USD 1.4 million (decrease of USD 9.2) during the quarter, mainly driven by net cash inflow from operations of USD 27.5 million (USD 0.6 million), cash outflow to investments of USD 4.9 million (USD 6.0 million) and USD 24.3 million cash outflow to financing activities (USD 3.8 million).

Free cash and cash equivalents at the end of the period were USD 12.2 million (USD 9.5 million), while the total cash was USD 23.6 million (23.7 million), including USD 11.4 million in restricted cash (USD 14.2 million). The Company has a USD 20 million bank overdraft facility, which was undrawn as at 30 June 2025.

## Outlook and strategy

Following redelivery of the three Boeing 787-8 aircraft in early 2025, Norse now has a uniform fleet of 12 commercially flexible and cost-efficient Boeing 787-9 Dreamliners.

The Company is set to continue to benefit from attractive lease terms for the remainder of the leases, ranging from 7 to 13 years, with an average duration of 10 years. The lease agreements are highly favorable compared to current market rates for the aircraft type and have no price or inflationary adjustments, providing Norse with a significant long-term cost advantage.

The Company is successfully implementing the revised business plan for the re-sized fleet, aiming to reduce the overall business risk through an increased share of fixed revenue from long-term ACMI and charter contracts. In March, the first aircraft commenced operations for Indigo under a long-term ACMI contract. Four more aircraft are planned to be delivered to Indigo during the second half of 2025, and the final aircraft early 2026. During the quarter, the Company also renewed the charter agreement with P&O Cruises for the 2025 and 2026 winter seasons.

The above agreements reflect a favorable market for long-term ACMI and charter contracts and enable Norse to reduce the market risk exposure going forward. In addition to securing significant future revenue, it facilitates cost reductions as part of building a successful and profitable airline as outlined in the November 2024 strategy update.



As capacity shifts into the ACMI segment, the Company will continue to high-grade its own network, focusing on proven and profitable routes.

The new commercial strategy, introduced late last year based on data-driven demand and pricing models, has been a key driver for the high load factor achieved. This trend extends into the third quarter, with 94% load factor in July combined with a 15% increase in the number of passengers with 11 aircraft operating in own scheduled network and one aircraft on ACMI contract.

The transition to the dual strategy business model will enable the Company to reduce the overall cost of operating a more focused own scheduled network. Norse remains focused on optimizing crew bases and crew resource utilization as part of the continuous work to deliver on the ambition of achieving the lowest cost per unit in the Transatlantic market.

Several cost measures have been implemented, and Norse expects to realize cost reductions and efficiency gains totaling approximately USD 40 million on an annual basis from 2026.

Pre-sales on routes out for sale is continuing to trend well above the pre-sales realized at the same time previous year, supported by the revised commercial strategy.

From the second half of 2025, the handover of aircraft to Indigo is expected to have a positive impact on both profitability and cash flow.

Norse Atlantic is on track to build a successful and profitable airline. Supported by the new commercial strategy, the dual-leg ACMI and own network model, and cost and efficiency initiatives, the Company is aiming to deliver full-year 2025 profitability subject to no major shifts in customer demand and fuel prices.

## Organization

On 30 June 2025, the Company had 1,332 employees (1,239), comprising 1,093 airborne crew and 239 engineers, aircraft maintenance personnel and office-based employees.

The Corporate Headquarters is in Arendal, with the Operational Headquarters in Riga. Other offices are located in Oslo Gardermoen, London Gatwick, Fort Lauderdale, and Paris.





## Risks

The Company is exposed to normal risks that are associated with newly established enterprises, as well as to risks related to the airline industry. Routes, network and markets have a maturity period, and the airline market is very competitive. As such, the Company may be subject to aggressive and targeted pricing strategies from competitors on the routes it operates, thereby making it more difficult to establish itself and a customer base.

Airlines are vulnerable to small changes in demand or sales prices due to a significant share of fixed costs which cannot be scaled against other factors, such as number of tickets sold, number of passengers or flights flown. Airlines are exposed to the risk of significant loss from aviation accidents involving operations, including crashes and other disasters. Further, airlines are often affected by factors beyond their control, including pandemics, technical problems, adverse weather conditions or other natural or man-made events.

The development of the airline industry has historically been correlated to macroeconomic developments, making the industry sensitive to general business conditions, economic growth and private consumption trends. Future demand for air travel is subject to seasonal variations and can also be significantly impacted by macroeconomic factors, such as high inflation, that could have a negative impact on customers' spending behaviour. Airline fares, freight rates and passenger demand have fluctuated

significantly in the past and may fluctuate significantly in the future. A negative development in macroeconomic conditions may have a negative adverse effect on the demand for air travel and air freight services and result in loss of revenue and additional costs for the Company, which may have a material adverse effect on the Company's business, financial conditions, results of operations and future prospects.

The commercial airline industry has historically been subject to seasonal variations where demand is relatively high between May and October and relatively low between November and April. If Norse is not able to predict variations in demand correctly, and plan its operations accordingly, the Company's flights may become subject to over or under capacity, which in turn may negatively affect its business, financial condition, income or operating result. As the Company enters into long-term wet lease/ACMI contracts, the Company's overall exposure to the risk of both seasonality and general demand is reduced. ACMI secures fixed revenue year-round and hence eliminates some of the seasonality exposure. For capacity allocated to ACMI, variable revenue is replaced with fixed revenue establishing a floor downwards but still allowing for upward potential during periods of higher capacity utilization.

Significant risk factors Norse is exposed to include, but are not limited to, exposure to global macroeconomic and geopolitical factors, airport slot constraints, interruption in IT systems, aviation incidents, changes in taxes, changes in credit card settlement terms, environmental factors, degree of commercial success

expressed through achieved load factors and fares, and the future development in jet fuel prices. Operating technically highly advanced aircraft without any unplanned disruptions also implies operations being dependant on timely access to applicable spare parts and the services of a concentrated base of key suppliers and business partners in relation to aircraft maintenance.

Currently, Norse have no fuel hedging arrangements in place and is fully exposed to jet fuel price fluctuations. Increase in jet fuel prices and any significant and prolonged adverse movements in currency exchange rates could impact the Company's earnings. The high tension in the Middle East may lead to scenarios under which there could be adverse negative effects to the fuel prices. The long-term ACMI contracts entered into will reduce the overall exposure to fuel price fluctuations, as the jet fuel cost under ACMI contracts is at the expense of the customer.

As any growth company, Norse is exposed to liquidity risk. Should sales volumes decrease, jet fuel prices increase, or other operational expenses increase, this would impose an increased liquidity risk. Key to the Company's exposure to liquidity risk is also the timing of when Norse receives payment from credit card companies for tickets sold. Hold-back from the credit card companies is structured across a combination of thresholds of hold-back amounts and number of hold-back days varying with season. Any increase in hold-back amounts or extensions of hold-back days will have a negative impact on the Company's liquidity position. Going concern is described in more detail in the notes to the interim consolidated financial statements (refer to [Note 2](#)).

# Condensed interim financial statements



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# Interim consolidated statement of comprehensive income

(in thousands of USD)	Notes	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
<b>Revenue</b>						
<b>Total Revenue</b>	<a href="#">4</a>	202,582	164,760	327,880	243,002	588,106
<b>Operating expenses</b>						
Personnel expenses		(38,608)	(32,221)	(72,448)	(60,073)	(131,701)
Fuel, oil and emission costs		(56,418)	(53,558)	(83,321)	(85,002)	(183,617)
Airport charges and handling		(32,583)	(28,431)	(44,935)	(42,406)	(94,205)
Technical maintenance		(27,295)	(19,661)	(46,376)	(36,844)	(84,629)
Other operating costs		(13,785)	(12,708)	(21,454)	(19,374)	(47,151)
Marketing and distribution costs		(6,861)	(11,248)	(13,144)	(16,412)	(31,724)
Administrative costs		(3,902)	(3,775)	(8,065)	(7,107)	(15,938)
<b>Total Operating exps excl. leases, dep &amp; amort.</b>		<b>(179,452)</b>	<b>(161,601)</b>	<b>(289,743)</b>	<b>(267,219)</b>	<b>(588,965)</b>
<b>Operating profit before leases, dep &amp; amort. (EBITDAR) <sup>1</sup></b>		<b>23,130</b>	<b>3,159</b>	<b>38,137</b>	<b>(24,217)</b>	<b>(858)</b>
Variable aircraft rentals		-	(3,532)	-	(7,770)	(8,239)
Depreciation and amortization	<a href="#">6</a>	(18,719)	(21,916)	(38,952)	(43,724)	(87,920)
<b>Operating profit/(loss)</b>		<b>4,411</b>	<b>(22,290)</b>	<b>(815)</b>	<b>(75,711)</b>	<b>(97,017)</b>
Interest expenses	<a href="#">7</a>	(9,940)	(9,894)	(19,380)	(19,052)	(39,019)
Other financial income/(expenses)	<a href="#">8</a>	48	499	(149)	268	962
<b>Profit/(loss) before tax</b>		<b>(5,482)</b>	<b>(31,684)</b>	<b>(20,343)</b>	<b>(94,495)</b>	<b>(135,075)</b>
Income tax		(440)	(192)	(477)	(192)	(379)
<b>Profit/(loss) for the period</b>		<b>(5,922)</b>	<b>(31,876)</b>	<b>(20,821)</b>	<b>(94,687)</b>	<b>(135,454)</b>

(in thousands of USD)	Notes	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
<b>Total comprehensive income</b>						
Profit/(loss) for the period		(5,922)	(31,876)	(20,821)	(94,687)	(135,454)
Other comprehensive income		-	-	-	-	-
<b>Total comprehensive income</b>		<b>(5,922)</b>	<b>(31,876)</b>	<b>(20,821)</b>	<b>(94,687)</b>	<b>(135,454)</b>
Basic earnings per share (USD) <sup>2</sup>		(0.04)	(0.25)	(0.14)	(0.74)	(1.05)
Diluted earnings per share (USD) <sup>2</sup>		(0.04)	(0.25)	(0.14)	(0.74)	(1.05)

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

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

# Interim consolidated statement of financial position

(in thousands of USD)	Notes	30 Jun 2025	30 Jun 2024	31 Dec 2024
<b>Non-current assets</b>				
Tangible assets	<a href="#">9</a>	736,214	863,929	824,694
Intangible assets		2,351	3,098	2,819
Aircraft lease deposits		14,854	16,274	16,502
Other non-current assets		40,750	24,335	32,338
<b>Total non-current assets</b>		<b>794,170</b>	<b>907,636</b>	<b>876,353</b>
<b>Current assets</b>				
Credit card receivables		141,338	153,454	100,245
Trade and other receivables	<a href="#">10</a>	15,966	8,061	11,668
Inventories		5,027	4,315	4,601
Other current assets		16,971	20,498	15,468
Cash and cash equivalents	<a href="#">11</a>	23,645	23,666	22,855
<b>Total current assets</b>		<b>202,947</b>	<b>209,994</b>	<b>154,837</b>
<b>Total assets</b>		<b>997,117</b>	<b>1,117,630</b>	<b>1,031,190</b>

(in thousands of USD)	Notes	30 Jun 2025	30 Jun 2024	31 Dec 2024
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	<a href="#">12</a>	74,596	65,910	74,596
Share premium		200,418	200,613	200,418
Other paid-in capital		774	684	588
Accumulated losses		(506,990)	(445,402)	(486,170)
<b>Total equity</b>		<b>(231,203)</b>	<b>(178,196)</b>	<b>(210,568)</b>
<b>Non-current liabilities</b>				
Lease liabilities non-current	<a href="#">13</a>	744,790	864,177	826,005
Shareholder loan		-	-	22,056
Provisions		67,647	64,614	73,830
<b>Total non-current liabilities</b>		<b>812,437</b>	<b>928,791</b>	<b>921,891</b>
<b>Current liabilities</b>				
Deferred passenger revenue		162,941	123,918	101,289
Trade and other payables		162,592	143,878	138,864
Shareholder loan		23,844	20,541	-
Lease liabilities current	<a href="#">13</a>	66,505	78,698	79,714
<b>Total current liabilities</b>		<b>415,883</b>	<b>367,035</b>	<b>319,868</b>
<b>Total equity and liabilities</b>		<b>997,117</b>	<b>1,117,630</b>	<b>1,031,190</b>



# Interim consolidated statement of cash flow

(in thousands of USD)	Notes	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
<b>Cash flows from operating activities</b>						
Profit/(loss) before tax		(5,482)	(31,684)	(20,343)	(94,495)	(135,075)
<b>Adjustments for items not affecting operating cash flows:</b>						
Depreciation and amortization	<a href="#">6</a>	18,719	21,916	38,952	43,724	87,920
Interest expenses		9,940	9,894	19,380	19,052	39,019
Interest income		(394)	(615)	(397)	(628)	(1,489)
Share based employee incentives		88	169	186	374	279
Income taxes paid		(440)	(192)	(477)	(192)	(379)
Gain on lease modifications		-	-	(28,726)	-	-
Provisions		2,424	2,527	4,603	3,968	8,848
<b>Net operating cash flows before working capital movements</b>		<b>24,856</b>	<b>2,015</b>	<b>13,177</b>	<b>(28,197)</b>	<b>(877)</b>
Working capital movements		2,619	(1,454)	44,347	31,909	56,517
<b>Net cash flows from operating activities</b>		<b>27,474</b>	<b>561</b>	<b>57,524</b>	<b>3,712</b>	<b>55,640</b>
<b>Cash flows from investing activities</b>						
Aircraft maintenance assets		(4,834)	(5,564)	(8,411)	(14,420)	(22,423)
Other investments		(88)	(434)	(105)	(463)	(1,987)
<b>Net cash flows from investing activities</b>		<b>(4,922)</b>	<b>(5,999)</b>	<b>(8,517)</b>	<b>(14,883)</b>	<b>(24,411)</b>

(in thousands of USD)	Notes	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
<b>Cash flows from financing activities</b>						
Net proceeds from share issue		-	-	-	5,813	14,304
Proceeds from Revolving Credit Facility		-	20,000	-	20,000	20,000
Lease installments		(16,430)	(16,863)	(34,347)	(31,251)	(69,161)
Movements in restricted cash		-	400	1,800	1,300	2,300
Net interest received/(paid)		(7,901)	(7,334)	(14,673)	(14,931)	(28,187)
<b>Net cash flows from financing activities</b>		<b>(24,331)</b>	<b>(3,797)</b>	<b>(47,220)</b>	<b>(19,069)</b>	<b>(60,745)</b>
Effect of foreign currency revaluation on cash		429	54	803	376	(160)
<b>Net change in free cash and cash equivalents</b>		<b>(1,350)</b>	<b>(9,181)</b>	<b>2,590</b>	<b>(29,864)</b>	<b>(29,675)</b>
Free cash and cash equivalents at the beginning of the period		13,595	18,647	9,655	39,330	39,330
<b>Free cash and cash equivalents at the end of the period</b>		<b>12,245</b>	<b>9,466</b>	<b>12,245</b>	<b>9,466</b>	<b>9,655</b>
Restricted cash at the end of the period	<a href="#">11</a>	11,400	14,200	11,400	14,200	13,200
<b>Cash and cash equivalents at the end of the period</b>	<a href="#">11</a>	<b>23,645</b>	<b>23,666</b>	<b>23,645</b>	<b>23,666</b>	<b>22,855</b>

# Interim consolidated statement of changes in equity

(in USD thousands except for number of shares and value per share)	Number of shares	Share capital	Share premium	Other paid-in capital	Accumulated losses	Total equity
Balance as at 1 Jan 2025	147,802,416	74,596	200,418	588	(486,170)	(210,568)
Profit/(loss) for the period	-	-	-	-	(20,821)	(20,821)
Other comprehensive income for the period	-	-	-	-	-	-
<b>Other changes in equity</b>						
Share based employee incentives	-	-	-	186	-	186
<b>Balance at 30 Jun 2025</b>	<b>147,802,416</b>	<b>74,596</b>	<b>200,418</b>	<b>774</b>	<b>(506,990)</b>	<b>(231,203)</b>
Balance as at 1 Jan 2024	122,211,579	62,954	197,756	309	(350,716)	(89,697)
Profit/(loss) for the period	-	-	-	-	(94,687)	(94,687)
Other comprehensive income for the period	-	-	-	-	-	-
<b>Other changes in equity</b>						
2 February 2024, share issue at USD 1.03 (NOK 11.00) per share	6,312,261	2,955	2,858	-	-	5,814
Share-based payments to employees	-	-	-	374	-	374
<b>Balance at 30 Jun 2024</b>	<b>128,523,840</b>	<b>65,909</b>	<b>200,614</b>	<b>684</b>	<b>(445,402)</b>	<b>(178,195)</b>
Balance as at 1 Jan 2024	122,211,579	62,954	197,756	309	(350,716)	(89,697)
Profit/(loss) for the period	-	-	-	-	(135,454)	(135,454)
Other comprehensive income for the period	-	-	-	-	-	-
<b>Other changes in equity</b>						
2 February 2024, share issue at USD 1.03 (NOK 11.00) per share	6,312,261	2,955	2,858	-	-	5,814
6 December 2024, share issue at USD 0.45 (NOK 5.00) per share	19,278,576	8,686	(196)	-	-	8,490
Share-based payments to employees	-	-	-	279	-	279
<b>Balance at 31 Dec 2024</b>	<b>147,802,416</b>	<b>74,596</b>	<b>200,418</b>	<b>588</b>	<b>(486,170)</b>	<b>(210,568)</b>

# Notes to the condensed interim consolidated financial statements

## Note 1 General information

These interim condensed consolidated financial statements of Norse Atlantic ASA (“Norse”, “Norse Atlantic Airways” or the “Company”) were authorized for issue in accordance with a resolution of the Board of Directors passed on 18 August 2025.

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

Norse is a new affordable long-haul airline established in 2021 that serves the transatlantic market with modern, fuel-efficient Boeing 787 Dreamliner's. Norse commenced its commercial operations on 14 June 2022 and currently serves the destinations New York, Miami, Orlando, Los Angeles, Cape Town, Berlin, London, Paris, Rome, Athens, Bangkok, Phuket, Manchester, Stockholm and Oslo.

## Note 2 Basis of preparation

### 2.1 General

These interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting” as adopted by the European Union (the “EU”) and additional requirements in the Norwegian Securities Trading Act. They do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended 31 December 2024 as published and available at the Company's website [www.flynorse.com](http://www.flynorse.com). In these interim consolidated financial statements, the second quarter (Q2) is the period starting on 1 April and ending on 30 June. The period 2024 is defined as the reporting period from 1 January to 31 December. For this interim period the Company presents the second quarter of 2024 as a period of comparable information, and the Company's commentary on the financial development refers to that same quarter. All amounts are presented in USD thousands unless otherwise stated. These interim financial statements are unaudited.

## 2.2 Going concern

Management and the Board of Directors take account of and consider all available information when evaluating the application of the going concern assumption. For this interim report, the going concern assumption has been evaluated for a period of 12 months following the end of the reporting period. The going concern assumption of the Company is subject to uncertainty.

Being an airline in its build-up phase, the Company has incurred losses over the first periods of operation, and as at 30 June 2025 the reported equity is negative USD 231.2 million.

The Company's total cash balance as at 30 June 2025 is USD 23.6 million. In addition to this, the Company since 16 June 2025 holds additional credit lines in the form of an overdraft facility from its bank for an amount up to USD 20 million, which was undrawn as at 30 June 2025.

For Norse's equity situation, the existence of value in the off-balance sheet assets, particularly related to the significant fair value of the aircraft lease contracts, and more, imply that the real equity could be higher than the book equity.

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

Based on the major contracts entered into, as well as the Company's overall plans and ambitions, Norse has prepared financial forecasts that over time show a positive development both in the group's financial results, financial position in terms of equity and in cash position. Forecasts are subject to risks and uncertainties. Some significant risk factors include, but are not limited to, commercial success expressed through achieved load factors and fares, as well as the future development in jet fuel prices. The demand for air travel is subject to seasonal variations and can also be significantly impacted by macroeconomic factors, such as high inflation, that could have a negative impact on customers' spending behaviour. Airline fares, freight rates and passenger demand have fluctuated significantly in the past and may fluctuate significantly in the future.

Specifically, the Company also is in a position of owing an amount of approximately USD 14 million of historic and overdue passenger taxes to the US Internal Revenue Service (IRS), whereas current tax payments are serviced as they fall due. The US IRS has mechanisms of downpayment of such overdue taxes, under which individual agreements must be entered into. The Company already has started paying down overdue taxes and has proactively entered into a dialogue with the US IRS aiming at establishing a formal plan of downpayment.

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

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

## Note 3 Accounting policies

The accounting policies applied by the Company in these condensed interim consolidated financial statements are consistent with those applied in the audited consolidated financial statements for the year ended 31 December 2024. Refer to [Note 2](#) Basis of preparation and significant accounting policies in the 2024 Annual Report for information on the Company's accounting policies.



Note 4 Segment reporting and revenues

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

(in thousands of USD)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Airfare passenger revenue	150,500	114,628	200,063	159,547	395,249
Ancillary passenger revenue	36,511	32,640	49,081	45,970	108,200
Total passenger revenues	187,012	147,268	249,143	205,516	503,449
Cargo	8,633	4,470	12,219	6,718	20,678
Total own flights	195,644	151,738	261,362	212,234	524,127
Lease income	-	5,438	1,431	12,560	18,805
Charter and ACMI	6,110	5,500	34,871	13,253	37,144
Other revenue	827	2,084	30,216	4,954	8,031
Total Operating Revenue	202,582	164,760	327,880	243,002	588,106

Airfare passenger revenue comprises only ticket revenue, while ancillary passenger revenue consists of other passenger related revenue than ticket revenue. Lease income is revenue from subleasing of aircrafts. Charter and ACMI revenue comprises of revenue from operating flights on behalf of third-party customers, both for ad hoc flights and for series of flights over a longer term. Other revenue consists of revenue from maintenance services provided the Company’s technical personnel to third parties.

Note 5 Critical accounting estimates and judgements

Preparation of the Company’s consolidated financial statements requires management and the board to make estimates, judgements and assumptions that affect the reported amount of revenue, expenses, assets and liabilities, as well as the accompanying disclosures. Uncertainty about these estimates, judgements and assumptions could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities in future periods.

The key estimates, judgements and assumptions used by the management in preparation of these interim condensed consolidated financial statements were the same as those applied in preparation of the audited consolidated financial statements for the year ended 31 December 2024.

Note 6 Depreciation and amortization

(in thousands of USD)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Depreciation of right-of-use assets	18,188	21,409	37,868	42,724	85,670
Depreciation of other tangible assets	278	272	562	562	1,314
Amortization of intangible assets	254	236	522	438	936
Total	18,719	21,916	38,952	43,724	87,920

Note 7 Interest expenses

(in thousands of USD)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Lease liabilities interest expense	8,162	9,014	16,538	18,124	36,061
Other interest expense	1,778	879	2,841	928	2,958
Total	9,940	9,894	19,380	19,052	39,019

Note 8 Other financial income/(expenses)

(in thousands of USD)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Other financial income/(expense)	394	615	397	628	1,489
Foreign exchange gains	290	230	723	926	820
Foreign exchange losses	(636)	(346)	(1,269)	(1,286)	(1,347)
Total	48	499	(149)	268	962

Note 9 Aircraft and other tangible assets

(In thousands of USD)	30 Jun 2025	30 Jun 2024	31 Dec 2024
Aircraft Right-of-Use assets	729,480	857,328	817,179
Aircraft rotatable inventory	5,455	5,631	6,035
Other Right-of-Use assets	589	27	671
Other tangible assets	690	944	809
Total	736,214	863,929	824,694

Note 10 Trade and other receivables

(in thousands of USD)	30 Jun 2025	30 Jun 2024	31 Dec 2024
Trade receivables	14,474	6,094	8,976
Other reveivables	1,492	1,967	2,692
Total	15,966	8,061	11,668

Note 11 Cash and cash equivalents

(in thousands of equivalent USD)	30 Jun 2025	30 Jun 2024	31 Dec 2024
USD	13,374	18,875	19,339
NOK	3,545	1,350	1,542
GBP	5,514	1,769	1,462
EUR	1,194	1,641	475
THB	17	31	36
Total cash and cash equivalents	23,645	23,666	22,855
Hereof restricted cash			
USD	11,400	14,200	13,200

Note 12 Shareholder information

Shareholders of the Company as of 30 June 2025.

Name	Number of shares	Ownership	Voting rights
B T Larsen & Co Limited	43,549,801	29.5%	29.5%
Songa Capital AS	12,361,330	8.4%	8.4%
MH Capital AS	4,894,684	3.3%	3.3%
Fender Eiendom AS	4,763,606	3.2%	3.2%
Vicama AS	3,000,000	2.0%	2.0%
Tigerstaden AS	3,000,000	2.0%	2.0%
Alden AS	2,773,381	1.9%	1.9%
UBS Switzerland AG	2,402,949	1.6%	1.6%
Société Générale	2,304,925	1.6%	1.6%
Livermore Invest AS	2,242,386	1.5%	1.5%
Alto Holding AS	2,111,147	1.4%	1.4%
Skandinaviska Enskilda Banken AB	1,825,000	1.2%	1.2%
Metal Monkey AS	1,764,800	1.2%	1.2%
Valløkken AS	1,725,776	1.2%	1.2%
Tigerstaden Invest AS	1,500,000	1.0%	1.0%
Guttis AS	1,357,571	0.9%	0.9%
Tore Gården	1,158,985	0.8%	0.8%
F2 Funds AS	1,100,000	0.7%	0.7%
F1 Funds AS	1,000,000	0.7%	0.7%
Pure AS	997,302	0.7%	0.7%
Top 20 shareholders	95,833,643	64.8%	64.8%
Other shareholders	51,968,773	35.2%	35.2%
Total number of shares	147,802,416	100.0%	100.0%

Note 13 Lease liabilities

(in thousands of USD)	YTD 2025	YTD 2024	FY 2024
Opening balance	905,719	973,827	973,827
Additions during the period	-	81	834
Interest accrued	14,401	15,613	30,903
Installments and interest payments	(48,749)	(46,646)	(99,845)
Lease modifications	(60,076)	-	-
Closing balance	811,296	942,875	905,719
Of which			
Due within 12 months	66,505	78,698	79,714
Due after 12 months	744,790	864,177	826,005

By the end of the Period, Norse has a fleet of 12 leased Boeing 787-9 Dreamliners, all under fully fixed lease payments.

Note 14 Bank overdraft facility and related party transactions

On 28 May 2025, the Company entered into a USD 20 million bank overdraft facility with Nordea Bank Abp with maturity date 30 April 2026. The facility is guaranteed by B T Larsen & Co Limited, a company controlled by Norse Atlantic’s CEO, Founder and largest shareholder Bjørn Tore Larsen. The guarantee replaces the previously provided USD 6.3 million revolving credit facility, which has been cancelled effective same date. The bank overdraft facility was undrawn as at 30 June 2025.

Note 15 Subsequent events

At the Annual General Meeting held on 18 June 2025, it was resolved to reduce the Company’s share capital from NOK 739,012,080 to NOK 73,901,208 by reducing the nominal value of each share from NOK 5.00 to NOK 0.50. The reduction was registered with the Norwegian Register of Business Enterprises and became effective on 15 August 2025.

# Alternative performance measures

An Alternative Performance Measure (“APM”) is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. Norse prepares its financial statements in accordance with IFRS, and in addition uses APMs to enhance the financial statement readers’ understanding of the Company’s performance. Definition of APMs used by the Company in these financial statements

APM	Description
EBITDAR	Earnings before net financial items, income tax expense/(income), depreciation, amortization and impairment, restructuring items, aircraft leasing expenses and share of profit/(loss) from associated companies. EBITDAR enables comparison between the financial performance of different airlines as it is not affected by the method used to finance the aircraft
Airfare per passenger	Total airfare revenue divided by the number of passengers
Ancillary per passenger	Total ancillary revenue, meaning all passenger revenue that is not the airfare, divided by the number of passengers
Revenue per passenger	Total revenue that the Company earnt from passengers, which consists of airfare and ancillary revenue, divided by the number of passengers
PRASK	Passenger revenue per available seat kilometre. Passenger revenue defined as total revenue across airfare and ancillary
TRASK	Total operating revenue per available seat kilometre
CASK	Cost per available seat kilometre. Used to measure the unit cost to operate each seat for every kilometre

APM	Description
CASK (excluding fuel)	Cost per available seat kilometre, excluding the cost of fuel. Used to measure the unit cost to operate each seat for every kilometre, while fuel is excluded due to the nature of its pricing as a commodity due to market conditions being outside the control of the airline
CASK (cash adjusted)	Cost per available seat kilometre, excluding the cost of fuel and the IFRS accounting cost of right-to-use asset. The right-to-use accounting amortization is excluded as it is significantly different from the lease accounting cost. CASK (cash adjusted) gives a more accurate indication of the cash cost of CASK excluding fuel
Own network	Network of Company's own scheduled flights, excluding all ACMI and Charter flights

Operational measures	Description
ASK	Available seat kilometres. Number of available passenger seats multiplied by flight distance
RPK	Revenue passenger kilometres. Number of sold seats multiplied by flight distance
Load factor	RPK divided by ASK. Indicates the utilization of available seats



Revenue per passenger

	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Airfare passenger revenue – USD thousands	150,500	114,628	200,063	159,547	395,249
Number of passengers in own network	502,737	387,687	686,043	567,566	1,342,434
Airfare per passenger – USD	299	296	292	281	294
Ancilliary passenger revenue – USD thousands	36,511	32,640	49,081	45,970	108,200
Number of passengers in own network	502,737	387,687	686,043	567,566	1,342,434
Ancilliary per passenger – USD	73	84	72	81	81
Revenue per passenger – USD	372	380	363	362	375

PRASK

(in thousands of USD)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Total passenger revenue	187,012	147,268	249,143	205,516	503,449
Available seat kilometres in own network (millions)	3,909	3,317	5,407	5,100	11,391
PRASK - US Cents	4.78	4.44	4.61	4.03	4.42

TRASK

(in thousands of USD)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Total operating revenue	202,582	164,760	327,880	243,002	588,106
Available seat kilometres (millions)	4,106	3,501	6,342	5,449	12,323
TRASK - US Cents	4.93	4.71	5.17	4.46	4.77

CASK (cash adjusted)

(in thousands of USD)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Operating profit/(loss)	4,411	(22,290)	(815)	(75,711)	(97,017)
Add-back					
Revenue	(202,582)	(164,760)	(327,880)	(243,002)	(588,106)
Fuel, oil and emissions costs	56,418	53,558	83,321	85,002	183,617
Depreciation of right-of-use assets	18,188	21,409	37,868	42,724	85,670
Cost (adj.) sub-total	123,566	112,083	207,506	190,987	415,837
Available seat kilometres (millions)	4,106	3,501	6,342	5,449	12,323
CASK (cash adjusted) - US Cents	3.01	3.20	3.27	3.51	3.37

CASK (excluding fuel)

(in thousands of USD)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Operating profit/(loss)	4,411	(22,290)	(815)	(75,711)	(97,017)
Add-back:					
Revenue	(202,582)	(164,760)	(327,880)	(243,002)	(588,106)
Fuel, oil and emissions costs	56,418	53,558	83,321	85,002	183,617
Cost (adj.) sub-total	141,753	133,492	245,374	233,711	501,507
Available seat kilometres (millions)	4,106	3,501	6,342	5,449	12,323
CASK (excl. fuel) - US Cents	3.45	3.81	3.87	4.29	4.07

CASK

(in thousands of USD)	Q2 2025	Q2 2024	H1 2025	H1 2024	FY 2024
Operating profit/(loss)	4,411	(22,290)	(815)	(75,711)	(97,017)
Add-back:					
Revenue	(202,582)	(164,760)	(327,880)	(243,002)	(588,106)
Cost sub-total	198,171	187,050	328,695	318,713	685,124
Available seat kilometres (millions)	4,106	3,501	6,342	5,449	12,323
CASK - US Cents	4.83	5.34	5.18	5.85	5.56

# Responsibility Statement

We confirm that, to the best of our knowledge, these interim condensed consolidated financial statements for the period ended 30 June 2025, which have been prepared in accordance with IAS 34 – Interim Financial Reporting, give a true and fair view of the Company’s consolidated assets, liabilities, financial position and results of operations, and that the interim report includes a fair review of the information under the Norwegian Securities Trading.

Arendal, 18 August 2025

The Board of Directors and CEO of Norse Atlantic ASA



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