First quarter report 2026

Norse Atlantic Airways

Norse Atlantic Airways is an airline committed to offering affordable fares on direct, long-haul flights to popular destinations, along with specialized charter and ACMI services for tailored travel needs and extensive cargo operations. Norse Atlantic operates a modern fleet of 12 fuel-efficient Boeing 787 Dreamliners, serving a network of destinations across North America, Europe, Africa and Asia.

Go back

Dual model delivers 66% revenue growth and positive EBITDAR in seasonally weakest quarter

Q1 2026 headlines

- Strong commercial momentum with 66% revenue increase YoY and continued improvement in underlying profitability
- 5% lower unit costs (CASK ex. fuel), supported by ACMI and underlying efficiency measures
- Increased demand for direct long-haul routes following the disruptions affecting Middle East hubs
- Substantial cost impact from sharply rising fuel costs end-February onwards
- Adjusting capacity, reducing cost base and strengthening balance sheet to support continued operations until market normalizes
- J.P. Morgan Securities plc appointed as financial advisor to launch a strategic review to explore structural opportunities

Revenue (USD million)
160.3
96.6

EBITDAR (USD million)
5.8
(13.7)

EBIT (USD million)
(13.1)
(33.9)

Flights
1,330
1,052

Passengers
405,118
304,588

Load factor
99%
95%

(Comparative figures are from Q1 2025, adjusted for USD 28.7 million one-time gain from lease modification)

CEO, Eivind Roald

The first quarter showcased the earnings potential of Norse Atlantic's dual ACMI and own network model. Delivering a positive EBITDAR in Q1, the seasonally weakest quarter in the airline industry, is a genuine milestone and direct validation of the strategic transformation we have executed over the past year.

In the first three months, Norse delivered strong commercial momentum, record unit revenue and 99% load factor reflecting an attractive product, a service-minded crew and increased demand for long-haul point-to-point travel between Europe and Asia and South Africa.

Norse's own network was on path to profitability in the first quarter with underlying unit cost down 5% and unit revenue up 34% year-over-year driven by route high-grading. Our ACMI and charter segment, now covering half the fleet under long term contracts, delivered USD 16 million of EBITDAR in the quarter providing earnings stability and substantially reducing our fuel price exposure. In total, our EBITDAR came in at positive USD 5.8 million in the period.

However, from end-February, the unexpected escalation of the Middle East conflict created an unprecedented spike in fuel prices, materially impacting industry economics. Global travel patterns have also been disrupted, perhaps permanently. As an Airline on Demand, Norse responded quickly by adding capacity on London Gatwick–Bangkok. Longer term, we believe passengers and partners will increasingly prioritize direct routes over hub-based connections.

At the end of January, we completed the transition to a more resilient and balanced business model with half of the fleet on ACMI and charter operations, significantly reducing our fuel price exposure and increasing the earnings stability. Moreover, our modern Boeing 787 Dreamliners have a structural advantage, with approximately 25% lower fuel consumption compared to other long-haul aircraft types. Measures taken to increase regularity are also starting to impact with a recent strong improvement in punctuality.

We are acting decisively on all fronts. Subsequent to quarter end we moved swiftly to strengthen Norse's financial flexibility and robustness through a proposed USD 110 million fully underwritten and subscribed rights issue, accelerate the Falcon cost reduction programme, make capacity adjustments and propose a debt to equity conversion. On completion, Norse will be positioned to weather the current period of elevated fuel prices, and to deliver profitable operations once markets normalize.

Our accelerated implementation of the Project Falcon program is set to improve efficiency, simplify operations and reduce annual costs by up to USD 50 million. This will align the organization with a more flexible and demand-driven operating model.

In addition, we are responding to incoming interest from potential strategic partners by engaging J.P. Morgan Securities plc to initiate a strategic review of alternatives, which may include a sale, merger or partnership.

Going forward, Norse will adapt quickly to changes in market trends and demand. We will be flexible and offer charters and ACMI for compelling and profitable business opportunities and adjust routes rapidly to maximize profitability. These are key elements of our strategy to build a profitable long-haul business, always agile, responsive and continuously improving – true to our position as The Explorer's Airline.

Go back

Operational performance

In the first quarter of 2026, Norse delivered strong improvements in operational and commercial performance driven by capacity expansion and robust demand across the Own Network and ACMI & Charter segments. Total activity increased materially year-on-year (YoY), as more flights and longer stage lengths drove strong growth in available seat kilometers (ASK). This was well absorbed in the market, reflected in substantially higher passenger volumes and improved utilization.

Own Network segment performance was particularly strong, reflecting the measures taken in 2025 to focus on high-performing routes from Europe to Thailand and South-Africa for the winter season. The number of passengers increased 23% compared to the same period last year, and the load factor was a record high 98% in the quarter. Total revenue per passenger increased 41% YoY, resulting in an all-time-high revenue per passenger of USD 479 in the quarter.

Norse completed the transition to a balanced dual ACMI and own network model end-January. ACMI & Charter segment flights increased 38% and flown block hours nearly tripled YoY. The ACMI & Charter segment is a strategic value driver for Norse, supporting maximum capacity utilization and earnings stability.

Own network

(in thousands of USD unless otherwise stated)	Q1 2026	Q1 2025	FY2025
Number of flights	685	585	4,666
Completion rate	98.7%	100.0%	99.5%
Average stage length (km)	8,281	7,577	7,618
ASK (millions)	1,917	1,498	12,014
RPK (millions)	1,871	1,385	11,351
Number of passengers	225,723	183,306	1,492,824
Load factor	98%	92%	94%
Airfare per passenger (USD)	414	270	308
Ancillary per passenger (USD)	65	69	70
Revenue per passenger (USD)	479	339	378
PRASK (US cents)	5.64	4.15	4.69
TRASK (US cents)	5.86	4.39	4.93
CASK cash adjusted (US cents)	4.25	4.13	2.75
CASK excl. fuel (US cents)	4.71	4.97	3.39
CASK (US cents)	6.88	6.57	4.97
Cargo volumes (tonnes)	4,450	3,788	27,312
Cargo rate net of commissions (USD/ton)	979	947	1,053

ACMI & Charter

(in thousands of USD unless otherwise stated)	Q1 2026	Q1 2025	FY2025
Number of flights	645	467	1,437
ASK (millions)	1,684	738	2,773
RPK (millions)	1,684	738	2,773
Number of passengers	179,395	121,282	346,225
ACMI Block hours flown	5,902	2,202	9,879

Go back

Financial performance & position

(Comparative numbers in parenthesis refer to the first quarter of 2025 unless otherwise specified)

Statement of comprehensive income/profit/loss

Total revenue increased 28% YoY to USD 160.3 million (USD 125.3 million), with strong growth in both passenger revenue and ACMI & Charter revenue. Adjusted for USD 28.7 million of non-recurring lease gains recognized as other revenue in the first quarter of 2025, the underlying revenue growth was 66%.

Airfare revenue increased 88% to USD 93.4 million (USD 49.6 million), while ancillary passenger revenue grew by 17% to USD 14.7 million (USD 12.6 million).

Charter & ACMI revenue was up 65% to USD 47.4 million (USD 28.8 million), following the delivery of sixth and final aircraft to IndiGo under long-term ACMI contracts end-January. ACMI revenue in the quarter was adversely affected by lower aircraft utilization under the IndiGo contract during March, following disruptions related to the geopolitical situation in the Middle East.

Other revenue in the quarter included cargo revenue of USD 4.4 million (USD 3.6 million) and revenue from other services of USD 0.5 million (USD 0.7 million, excluding USD 28.7 million gain from lease modifications).

(in thousands of USD)	Q1 2026	Q1 2025	Full Year 2025
Key profit and loss figures			
Passenger revenue	108.1	62.1	563.7
ACMI & Charter revenue	47.4	28.8	84.6
Other revenue [1]	4.8	34.4	85.7
Total revenue	**160.3**	**125.3**	**734.0**
Operating costs	(154.5)	(110.3)	(677.6)
EBITDAR	**5.8**	**15.0**	**56.5**
Depreciation, amortisation and variable aircraft rentals	(18.9)	(20.2)	(76.6)
Operating profit/(loss)(EBIT)	**(13.1)**	**(5.2)**	**(20.1)**
Net financial expenses	(10.8)	(9.6)	(41.2)
Profit/(loss) before tax	**(23.9)**	**(14.9)**	**(61.3)**
Income tax	(0.1)	-	(0.6)
Profit/(loss) for the period	**(24.0)**	**(14.9)**	**(61.9)**
Cash flow from operations	16.7	30.0	69.3
Cash flow from investments	(3.9)	(3.6)	(20.9)
Cash flow from financing	(25.3)	(22.9)	(41.1)
Effect of foreign currency revaluation on cash	(0.1)	0.4	0.6
Net change in free cash and cash equivalents	**(12.6)**	**3.9**	**7.9**
Cash and cash equivalents at period end	**4.9**	**25.0**	**17.6**

1 Q1 2025 & FY2025 includes USD 28.7 million in one-time gain from lease modifications

Operating expenses excluding depreciation, amortization and aircraft leases during the period amounted to USD 154.5 million (USD 110.3 million), an increase of 40% YoY.

Fuel costs were the main driver for the increase, partly reflecting higher activity levels and partly materially higher fuel prices late in period due to the escalations in the Middle East.

Go back

The increase in personnel expenses was mainly due to higher wages and allowances for airborne personnel. Airport charges, handling and other flight-related costs rose in line with higher activity levels. Marketing and distribution costs decreased 33% and administrative costs were stable.

Depreciation and amortization of aircraft right-to-use-assets decreased YoY following the redelivery of three leased aircraft in the first quarter of 2025.

Net financial expenses were USD 10.8 million (USD 9.6 million). The increase was mainly due to interest costs on convertible bonds and a bank overdraft facility.

The net loss after tax was USD 24.0 million (USD 14.9 million).

Included in the income statement are non-cash lease accounting costs of USD 2.1 million (USD 3.5 million).

Financial position/Balance sheet

At 31 March 2026, the carrying value of right-of-use assets was USD 678.2 million (USD 747.0 million), whereas the corresponding lease liabilities were at USD 762.4 million (USD 827.7 million). Non-current interest-bearing debt of USD 35.9 million included convertible bonds of USD 28.3 million (nil) and shareholder loan of USD 7.6 million (USD 23.0 million, classified as current). Aircraft maintenance provisions were USD 80.2 million (USD 63.3 million).

Current assets were USD 130.3 million (USD 192.6 million). Current liabilities were USD 361.1 million (USD 400.0 million), including interest-bearing debt of USD 20.4 million (USD 23.0 million).

The book equity at 31 March 2026 was negative USD 283.8 million (negative USD 225.4 million).

Cash flow

Free cash and cash equivalents decreased by USD 12.6 million (increase of USD 3.9 million) during the quarter. Cash inflow from operations was USD 16.7 million (USD 30.1 million), cash outflow to investments was USD 3.9 million (USD 3.6 million) and net cash outflow to financing activities was USD 25.3 million (outflow of USD 22.9 million).

Free cash and cash equivalents at the end of the period were USD 4.9 million (USD 25.0 million).

Subsequent events

In April 2026, Norse Atlantic ASA announced a proposed fully underwritten and subscribed rights issue raising gross proceeds of USD 110 million, together with a USD 70 million bridge loan. Norse also announced plans to engage a financial advisor to launch a strategic review, expected to be concluded within 2026, as well as a proposed offer for voluntary conversion of the outstanding convertible bond loan to equity.

On 07 May 2026, Norse announced the accelerated implementation of the Project Falcon cost reduction program. Falcon is expected to deliver annualized cost savings of approximately up to USD 50 million compared to the 2025 baseline. Significant reductions are expected to be realized in 2026, and the program is critical to position the Company for future profitable operations.

Further details can be found in Note 15 in the Financial Statements.

Go back

Outlook and strategy

Norse has a uniform fleet of 12 commercially flexible and cost-efficient Boeing 787-9 Dreamliners on attractive lease terms ranging from 7 to 12 years remaining, with an average duration of 9 years. The lease agreements are highly favorable compared to current market rates for equivalent aircraft and have no price or inflationary adjustments, providing Norse with a significant long-term cost advantage.

The transition to balanced dual ACMI and own-network model has reduced business risk through more stable earnings and lower exposure to fuel price volatility. Additional charter flights further support utilization in periods of seasonally lower demand.

The Company continues to refine its network by prioritizing routes with the strongest demand and pricing potential. Following strong performance on routes between Europe and Asia, Norse is increasingly shifting capacity toward higher-growth markets and away from more competitive transatlantic routes. This approach is aligned with its ambition to operate as an "Airline on Demand," dynamically allocating capacity across scheduled, charter, and ACMI opportunities to maximize returns.

At the same time, Norse is advancing its strategic flexibility by raising capital, reducing costs and evaluating potential structural opportunities, including partnerships, mergers or a sale of the business. The Company has appointed J.P. Morgan Securities plc as financial advisor to launch a strategic review to explore options for unlocking shareholder value.

The broader long-haul aviation market has largely recovered from the pandemic and is expected to grow at approximately 5% annually over the coming decade. In 2025, international passenger traffic increased by 7.1%, according to the International Air Transport Association, though the near-term outlook remains uncertain due to geopolitical disruptions. At the same time, structural constraints on aircraft supply – driven by limited production capacity and an aging global fleet – are expected to persist, supporting favorable market conditions for operators with access to modern aircraft.

These supply constraints are also driving strong growth in the ACMI market, which is expected to expand faster than overall passenger traffic due to both aircraft and crew shortages. Norse is well positioned to capture this demand through its flexible operating model and existing contracts, including partnerships with carriers such as IndiGo. This reinforces the Company's "Airline on Demand" strategy, enabling it to capitalize on both long-term and short-term leasing opportunities.

While the transatlantic market remains a core segment, it has become increasingly consolidated and competitive, with major airline alliances dominating capacity. In response, Norse is focusing on the most profitable routes while expanding into higher-growth regions such as South and Southeast Asia and Africa. Its point-to-point model offers additional resilience by reducing reliance on hub networks, which are more vulnerable to operational disruptions.

Organization

On 31 March 2026, the Company had 1,107 employees (1,255), comprising 835 airborne crew and 272 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.

As a part of Project Falcon, the administrative workforce will be reduced by approximately 75 positions and selected office functions consolidated. The headquarters will relocate to Oslo during 2026 to support closer commercial and operational integration. The Arendal office will subsequently close.

Risks

The Company is exposed to 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.

The Company is 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 behavior. 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 has entered 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. Conversely, the Company is exposed to risks related to the duration of such ACMI contracts, where some or all of the positive aspects mentioned above may be reversed.

Go back

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 dependent 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. As a small airline operating a 12-aircraft fleet with no spare capacity, any aircraft-on-ground (AOG) event due to technical issues may require short-notice ACMI leasing, resulting in higher operating costs and potential schedule disruption.

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 an adverse effect on the Company's cash flow and liquidity position, potentially affecting its ability to manage its financial obligations. Going concern is described in more detail in the notes to the interim consolidated financial statements (refer to Note 2.2).

Aviation fuel represents a material variable cost component for the Company and fluctuations in the price and availability of aviation fuel may materially impact the financial performance. Both cost and availability of aviation fuel are subject to economic and political factors beyond the Norse's control. Any increase in the price of aviation fuel will have a material adverse impact on the Company's profitability.

Currently, Norse has 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. Escalations in geopolitical tensions may lead to volatility and upward pressure in 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.

Condensed interim financial statements

Interim consolidated statement of comprehensive income

(in thousands of USD)	Notes	Q1 2026	Q1 2025	FY 2025
Total Revenue	4	**160,315**	**125,298**	**734,042**
Operating expenses				
Personnel expenses		(41,686)	(33,840)	(160,840)
Fuel, oil and emission costs		(44,356)	(26,903)	(188,988)
Airport charges and handling		(19,316)	(12,352)	(106,176)
Technical maintenance		(30,212)	(19,081)	(135,787)
Other operating costs		(10,438)	(7,669)	(48,288)
Marketing and distribution costs		(4,220)	(6,284)	(22,392)
Administrative costs		(4,268)	(4,164)	(15,093)
Total Operating exps excl. leases, dep & amort.		**(154,496)**	**(110,291)**	**(677,564)**
Operating profit before leases, dep & amort. (EBITDAR) [1]		**5,819**	**15,007**	**56,478**
Depreciation and amortization	6	(18,915)	(20,233)	(76,572)
Operating profit/(loss)		**(13,096)**	**(5,225)**	**(20,094)**
Interest expenses	7	(10,937)	(9,439)	(40,088)
Other financial income/(expenses)	8	123	(197)	(1,111)
Profit/(loss) before tax		**(23,910)**	**(14,862)**	**(61,293)**
Income tax		(119)	(37)	(648)
Profit/(loss) for the period		**(24,029)**	**(14,899)**	**(61,941)**

(in thousands of USD)	Notes	Q1 2026	Q1 2025	FY 2025
Total comprehensive income				
Profit/(loss) for the period		(24,029)	(14,899)	(61,941)
Other comprehensive income		-	-	-
Total comprehensive income		**(24,029)**	**(14,899)**	**(61,941)**
Basic earnings per share (USD) [2]		(0.15)	(0.10)	(0.41)
Diluted earnings per share (USD) [2]		(0.15)	(0.10)	(0.41)

[1] Non-IFRS alternative measures are explained and/or reconciled in separate section of the report
[2] Based on average number of outstanding shares in the period

Interim consolidated statement of financial position

(in thousands of USD)	Notes	31 Mar 2026	31 Mar 2025	31 Dec 2025
Non-current assets				
Tangible assets	9	684,545	753,486	703,407
Intangible assets		1,796	2,569	2,020
Aircraft lease deposits		15,091	14,775	15,013
Other non-current assets		55,463	35,915	51,534
Total non-current assets		**756,896**	**806,746**	**771,974**
Current assets				
Credit card receivables		83,693	138,791	72,137
Trade and other receivables	10	22,084	10,760	24,695
Inventories		6,531	5,206	6,324
Other current assets		13,050	12,829	21,203
Cash and cash equivalents	11	4,942	24,995	17,554
Total current assets		**130,299**	**192,582**	**141,913**
Total assets		**887,195**	**999,328**	**913,887**

(in thousands of USD)	Notes	31 Mar 2026	31 Mar 2025	31 Dec 2025
Equity and liabilities				
Equity				
Share capital	12	8,271	74,596	8,271
Share premium		10,404	200,418	10,267
Other paid-in capital		1,371	687	1,234
Accumulated losses		(303,811)	(501,069)	(279,782)
Total equity		**(283,766)**	**(225,369)**	**(260,011)**
Non-current liabilities				
Lease liabilities non-current	13	693,778	761,298	711,214
Interest-bearing debt	14	35,899	-	36,037
Provisions		80,232	63,358	76,523
Total non-current liabilities		**809,909**	**824,656**	**823,774**
Current liabilities				
Deferred passenger revenue		108,257	181,647	93,855
Interest-bearing debt current	14	20,369	22,969	20,314
Trade and other payables		163,834	128,997	167,884
Lease liabilities current	13	68,592	66,428	68,071
Total current liabilities		**361,052**	**400,041**	**350,124**
Total equity and liabilities		**887,195**	**999,328**	**913,887**

Interim consolidated statement of cash flow

(in thousands of USD)	Notes	Q1 2026	Q1 2025	FY 2025
Cash flows from operating activities				
Profit/(loss) before tax		(23,910)	(14,862)	(61,293)
Adjustments for items not affecting operating cash flows				
Depreciation and amortization	6	18,915	20,233	76,572
Interest expenses		10,937	9,439	40,088
Interest income		(165)	(3)	(1,168)
Share based employee incentives		137	98	364
Income taxes paid		(119)	(37)	(648)
Gain on lease modifications		-	(28,726)	(29,526)
Changes in deferred passenger revenue		14,402	80,358	(7,435)
Provisions		2,505	2,179	10,839
Net operating cash flows before working capital movements		**22,702**	**68,679**	**27,793**
Working capital movements		(6,046)	(38,630)	41,497
Net cash flows from operating activities		**16,657**	**30,050**	**69,290**
Cash flows from investing activities				
Aircraft maintenance assets		(3,929)	(3,577)	(20,748)
Other investments		(12)	(17)	(127)
Net cash flows from investing activities		**(3,941)**	**(3,594)**	**(20,874)**

(in thousands of USD)	Notes	Q1 2026	Q1 2025	FY 2025
Cash flows from financing activities				
Net proceeds from share issue		-	-	11,078
Proceeds from convertible bonds	14	-	-	28,451
Shareholder loan	14	-	-	(15,000)
Bank overdraft facility	14	56	-	20,314
Lease installments		(16,912)	(17,917)	(67,395)
Movements in restricted cash		-	1,800	13,200
Net interest received/(paid)		(8,415)	(6,772)	(31,777)
Net cash flows from financing activities		**(25,271)**	**(22,889)**	**(41,129)**
Effect of foreign currency revaluation on cash		(56)	374	613
Net change in free cash and cash equivalents		**(12,612)**	**3,940**	**7,900**
Free cash and cash equivalents at the beginning of the period		17,554	9,655	9,655
Free cash and cash equivalents at the end of the period		**4,942**	**13,595**	**17,554**
Restricted cash at the end of the period	11	-	11,400	-
Cash and cash equivalents at the end of the period	11	**4,942**	**24,995**	**17,554**

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 2026	162,582,658	8,271	10,267	1,234	(279,782)	(260,011)
Profit/(loss) for the period	-	-	-	-	(24,029)	(24,029)
Other comprehensive income for the period	-	-	-	-	-	-
Other movements	-	-	137	-	-	137
Other changes in equity	**-**	**-**	**-**		**-**	
Share based employee incentives	-	-	-	137	-	137
Balance at 31 March 2026	**162,582,658**	**8,271**	**10,404**	**1,371**	**(303,811)**	**(283,766)**
Balance as at 1 Jan 2025	147,802,416	74,596	200,418	588	(486,170)	(210,568)
Profit/(loss) for the period	-	-	-	-	(14,899)	(14,899)
Other comprehensive income for the period	-	-	-	-	-	-
Other changes in equity						
Share-based payments to employees	-	-	-	98	-	98
Balance at 31 Mar 2025	**147,802,416**	**74,596**	**200,418**	**687**	**(501,069)**	**(225,368)**
Balance as at 1 Jan 2025	147,802,416	74,596	200,418	588	(486,170)	(210,568)
Profit/(loss) for the period	-	-	-	-	(61,941)	(61,941)
Other comprehensive income for the period	-	-	-	-	-	-
Other changes in equity						
15 August, reduction nominal value from NOK 5.00 to NOK 0.50 per share	-	(67,136)	(200,418)	(774)	268,329	-
21 August, equity component at issue of convertible bonds	-	-	-	1,056	-	1,056
27 October, share issue at USD 0.77 (NOK 7.6938) per share	14,780,242	811	10,267	-	-	11,078
Share-based payments to employees	-	-	-	364	-	364
Balance at 31 Dec 2025	**162,582,658**	**8,271**	**10,267**	**1,234**	**(279,782)**	**(260,011)**

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 20 May 2026.

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, Latvia, Greece and Cyprus.

Norse is an affordable long-haul airline established in 2021 that offers affordable fares on direct, long-haul flights to popular destinations, along with specialized charter and ACMI services for tailored travel needs and extensive cargo operations. Norse operates a modern fleet of 12 fuel-efficient Boeing 787-9 Dreamliners, serving a network of destinations across North America, Europe, Africa and Asia.

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 2025 as published and available at the Company's website www.flynorse.com. In these interim consolidated financial statements, the first quarter (Q1) is the period starting on 1 January and ending on 31 March. The period 2025 is defined as the reporting period from 1 January to 31 December. For this interim period the Company presents the first quarter of 2025 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.

Being an airline in its build-up phase, the Company has incurred losses over the first periods of operation, and at 31 March 2026 the reported equity is negative USD 283.8 million. The Company's total cash balance at 31 March 2026 is USD 4.9 million. For Norse's equity situation, the existence of value in the off-balance sheet assets, particularly related to the significant fair value of the aircraft lease contracts, and more, imply that the real equity could be higher than the book equity.

The Company has been through a process of shaping a strategic reorientation for the Company. The outcome of such process is a revised business plan implying that the Company allocates 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 to focus on 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 behavior. 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 has started paying down overdue taxes in monthly instalments 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 continued upside potential in the commercial and financial performance of both the Company's own scheduled network and its ACMI and charter operations.

On 14 April 2026, the Company announced a proposed fully underwritten and subscribed rights issue raising gross proceeds of USD 110 million in response to the changing geopolitical situation and unprecedented jet fuel price increase impacting the global airline industry after the conflict escalation in the Middle East in late February. The Company further announced a USD 70 million bridge loan facility to fund liquidity needs pending completion of the rights issue and accelerated implementation of cost-saving initiatives. Combined with recent developments in operating and commercial performance and the transition to a balanced dual ACMI and own network operating model, the Company expects the completion of these initiatives to create a financial and liquidity position sufficient until such time as the market normalizes and the Company reaches profitability.

The Board of Directors is of the opinion that, in line with the Company's business plan, there is a feasible plan for the Company 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 taking into consideration the increased geopolitical uncertainty and volatility in fuel prices. In the event that the going concern assumption does not serve as basis for the Company's financial statements, depending on the specific circumstances, some assets of the Company 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 2025, unless otherwise stated below. Refer to Note 2 Basis of preparation and significant accounting policies in the 2025 Annual Report for information on the Company's accounting policies.

Note 4 Segment reporting and revenues

Effective 1 January 2026, the Chief Operating Decision Maker of the Company reviews the Company's performance based on two operating segments: Own Network and ACMI & Charter. The Own Network segment comprises the Company's scheduled passenger operations on its own route network, while the ACMI & Charter segment includes aircraft, crew, maintenance and insurance (ACMI) services and charter operations provided to third parties.

	Q1 2026			Q1 2025			
(in thousands of USD)	Own Network	ACMI & Charter	Total	Own Network	ACMI & Charter	Non-recurring items[1]	Total
Revenue	112,893	47,422	160,315	67,811	28,761	28,726	125,298
Total Operating exps excl. leases, dep & amort.	(123,031)	(31,465)	(154,496)	(85,885)	(24,406)	-	(110,291)
EBITDAR	**(10,138)**	**15,957**	**5,819**	**(18,074)**	**4,355**	**28,726**	**15,007**
Depreciation and amortization	(8,934)	(9,981)	(18,915)	(12,574)	(7,658)	-	(20,233)
Operating profit/(loss)	**(19,072)**	**5,976**	**(13,096)**	**(30,648)**	**(3,303)**	**28,726**	**(5,225)**
Net financial expenses	(5,097)	(5,716)	(10,813)	(5,924)	(3,712)	-	(9,636)
Profit/(loss) before tax	**(24,169)**	**260**	**(23,910)**	**(36,573)**	**(7,015)**	**28,726**	**(14,861)**

[1] Non-recurring revenue of USD 28.7 million in Q1-2025 represents the gain on termination of three aircraft leases

Airfare passenger revenue comprises only ticket revenue, while ancillary passenger revenue consists of other passenger related revenue than ticket revenue. Charter and ACMI revenue comprise 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 and proceeds from insurance claims.

4.1 Revenues

(in thousands of USD)	Q1 2026	Q1 2025	FY 2025
Airfare passenger revenue	93,407	49,562	459,497
Ancillary passenger revenue	14,666	12,569	104,156
Total passenger revenues	**108,073**	**62,132**	**563,653**
Cargo	4,355	3,586	28,771
Total own flights	**112,428**	**65,718**	**592,425**
Charter and ACMI	47,422	28,761	84,647
Other revenue	464	29,389	55,539
Lease income	-	1,431	1,431
Total Operating Revenue	**160,315**	**125,298**	**734,042**

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 2025.

Note 6 Depreciation and amortization

(in thousands of USD)	Q1 2026	Q1 2025	FY 2025
Depreciation of right-of-use assets	18,302	19,681	74,477
Depreciation of other tangible assets	389	284	1,126
Amortization of intangible assets	224	268	969
Total	**18,915**	**20,233**	**76,572**

Note 7 Interest expenses

(in thousands of USD)	Q1 2026	Q1 2025	Full Year 2025
Lease liabilities interest expense	7,765	8,377	32,752
Other interest expense	3,171	1,063	7,336
Total	**10,937**	**9,440**	**40,088**

Note 8 Other financial income/(expenses)

(in thousands of USD)	Q1 2026	Q1 2025	FY 2025
Other financial income/(expense)	165	3	1,168
Foreign exchange gains	148	433	212
Foreign exchange losses	(190)	(633)	(2,491)
Total	**123**	**(197)**	**(1,111)**

Note 9 Aircraft and other tangible assets

(In thousands of USD)	31 Mar 2026	31 Mar 2025	31 Dec 2025
Aircraft Right-of-Use assets	676,781	746,381	695,019
Aircraft rotatable inventory	5,635	5,729	6,134
Other Right-of-Use assets	1,418	630	1,482
Other tangible assets	710	746	772
Total	**684,545**	**753,486**	**703,407**

Note 10 Trade and other receivables

(in thousands of USD)	31 Mar 2026	31 Mar 2025
Trade receivables	22,028	8,390
Other receivables	56	2,370
Total	**22,084**	**10,760**

Note 11 Cash and cash equivalents

(in thousands of equivalent USD)	31 Mar 2026	31 Mar 2025	31 Dec 2025
USD	2,620	20,580	8,989
NOK	270	1,028	2,189
GBP	1,392	1,472	4,629
EUR	565	1,869	993
Other	95	46	754
Total cash and cash equivalents	**4,942**	**24,995**	**17,554**
Hereof restricted cash:			
USD	-	11,400	-

Note 12 Shareholder information

Shareholders of the Company as of 31 March 2026.

Name	Number of shares	Ownership	Voting rights
B T Larsen & Co Limited	47,904,781	29.5%	29.5%
Songa Capital As	13,598,610	8.4%	8.4%
UBS Financial Services Inc.	11,400,000	7.0%	7.0%
UBS Switzerland AG	4,172,291	2.6%	2.6%
Citibank, N.A.	3,790,947	2.3%	2.3%
Pershing LLC	3,762,634	2.3%	2.3%
Alto Holding AS	3,200,000	2.0%	2.0%
Vicama AS	3,000,000	1.8%	1.8%
Tigerstaden AS	2,500,000	1.5%	1.5%
Société Générale	2,304,925	1.4%	1.4%
Alden AS	2,250,000	1.4%	1.4%
Gården	2,148,284	1.3%	1.3%
Livermore Invest AS	1,800,000	1.1%	1.1%
F2 Funds AS	1,150,001	0.7%	0.7%
Henok AS	1,100,000	0.7%	0.7%
F1 Funds AS	1,040,884	0.6%	0.6%
AKB AS	1,009,754	0.6%	0.6%
JJB AS	1,009,753	0.6%	0.6%
Agmably AS	1,009,752	0.6%	0.6%
Pure AS	997,302	0.6%	0.6%
Top 20 shareholders	109,149,918	67.1%	67.1%
Other shareholders	53,432,740	32.9%	32.9%
Total number of shares	**162,582,658**	**100.0%**	**100.0%**

Note 13 Lease liabilities

(in thousands of USD)	Q1 2026	Q1 2025	FY 2025
Opening balance	779,285	905,719	905,719
Additions during the period	-	-	1,037
Interest accrued	7,044	6,625	29,194
Installments and interest payments	(23,960)	(24,542)	(60,076)
Lease modifications	-	(60,076)	(96,590)
Closing balance	**762,370**	**827,726**	**779,285**
Of which:			
Due within 12 months	68,592	66,428	68,071
Due after 12 months	693,778	761,298	711,214

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

Note 14 Interest-bearing debt

(In thousands of USD)	31 Mar 2026	31 Mar 2025	31 Dec 2025
Convertible bonds	28,301	-	28,629
Shareholder loan	7,598	22,969	7,409
Bank overdraft facility	20,369	-	20,314
Total	**56,269**	**22,969**	**56,351**
Of which:			
Due within 12 months	20,369	22,969	20,314
Due after 12 months	35,899	-	36,037

Bank overdraft facility of USD 20.4 million was fully repaid after the balance sheet date. Refer to Note 15 Subsequent events for details.

Note 15 Subsequent events

On 14 April 2026, Norse Atlantic ASA announced a proposed fully underwritten and subscribed rights issue raising gross proceeds of USD 110 million at a subscription price of NOK 0.5 per share to strengthen the Company’s financial flexibility and robustness. The transaction will support continued operations amid the rapidly changing geopolitical situation with a sudden unprecedented increase in the jet fuel price impacting the global airline industry.

The underwriting was substantially oversubscribed and the Company experienced strong interest from existing shareholders and new investors to participate in the Rights Issue. Norse Atlantic further announced a USD 70 million bridge loan facility to fund the Company's liquidity needs pending completion of the rights issue and the effects of the accelerated implementation of cost-saving initiatives. The bridge loan has been fully drawn in May 2026. On 16 April 2026, the company fully repaid the USD 20 million bank overdraft, using the proceeds from the bridge loan.

The Company has also engaged a financial advisor to launch a strategic review, expected to be concluded within 2026, as well as a proposed offer for voluntary conversion of the outstanding convertible bond loan to equity.

Against the backdrop of the strong development in operating and commercial performance, and the successful completion of the transition to a balanced dual ACMI and own network operating model, the Company expects the completion of these initiatives to create a financial and liquidity position sufficient until such time as the market normalizes and the Company reaches profitability or alternatively until the strategic review can be successfully concluded.

On 07 May 2026, Norse announced the accelerated implementation of the Project Falcon cost reduction program. Falcon is expected to deliver annualized cost savings of approximately up to USD 50 million compared to the 2025 baseline. Significant reductions are expected to be realized in 2026, and the program is critical to position the Company for future profitable operations.

Alternative performance measures

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

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

APM	Description
CASK (excluding fuel)	Cost per available seat kilometer in Own network, excluding the cost of fuel. Used to measure the unit cost to operate each seat for every kilometer, 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 kilometer in Own network, 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

	Q1 2026	Q1 2025	FY 2025
Airfare passenger revenue – USD thousands	93,407	49,562	459,497
Number of passengers in own network	225,723	183,306	1,492,824
Airfare per passenger – USD	**414**	**270**	**308**
Ancillary passenger revenue – USD thousands	14,666	12,569	104,156
Number of passengers in own network	225,723	183,306	1,492,824
Ancillary per passenger – USD	**65**	**69**	**70**
Revenue per passenger – USD	**479**	**339**	**378**

PRASK

(in thousands of USD)	Q1 2026	Q1 2025	FY 2025
Total passenger revenue	108,073	62,132	563,653
Available seat kilometres in own network (millions)	1,917	1,498	12,014
PRASK - US Cents	**5.64**	**4.15**	**4.69**

TRASK

(in thousands of USD)	Q1 2026	Q1 2025	FY 2025
Total operating revenue[1]	112,428	65,718	592,425
Available seat kilometres (millions)	1,917	1,498	12,014
TRASK - US Cents	**5.86**	**4.39**	**4.93**

[1] New definition from Q1 2026 to include only passenger revenue + cargo

CASK (cash adjusted)

(in thousands of USD)	Q1 2026	Q1 2025	FY 2025
Operating profit/(loss)	(19,072)	(1,922)	29,833
Add-back			
Revenue	(112,893)	(96,538)	(649,395)
Fuel, oil and emissions costs	41,619	24,011	188,988
Costs covered by insurance claims	-	-	23,020
Depreciation	8,934	12,574	76,572
Cost (adj.) sub-total	81,413	61,874	330,981
Available seat kilometres (millions)	1,917	1,498	12,014
CASK (cash adjusted) - US Cents	**4.25**	**4.13**	**2.75**

CASK (excluding fuel)

(in thousands of USD)	Q1 2026	Q1 2025	FY 2025
Operating profit/(loss)	(19,072)	(1,922)	29,833
Add-back			
Revenue	(112,893)	(96,538)	(649,395)
Fuel, oil and emissions costs	41,619	24,011	188,988
Costs covered by insurance claims			23,020
Cost (adj.) sub-total	90,346	74,448	407,553
Available seat kilometres (millions)	1,917	1,498	12,014
CASK (excl. fuel) - US Cents	**4.71**	**4.97**	**3.39**

CASK

(in thousands of USD)	Q1 2026	Q1 2025	FY 2025
Operating profit/(loss)	(19,072)	(1,922)	29,833
Add-back			
Revenue	(112,893)	(96,538)	(649,395)
Costs covered by insurance claims			23,020
Cost sub-total	131,965	98,460	596,541
Available seat kilometres (millions)	1,917	1,498	12,014
CASK - US Cents	**6.88**	**6.57**	**4.97**

NORSE
The Explorer's Airline

Norse Atlantic ASA
Fløyveien 14,
4838 Arendal, Norway

flynorse.com

Design/production: artbox.no