

Flyr



Second Quarter and First Half Year 2022 Report

The company

Flyr is low-cost carrier with a demand driven and sustainable business model, with focus on serving the Norwegian market with domestic and international flights from its base at Oslo Airport.



Highlights second quarter 2022

- Successful start of summer season, with more than 735,000 guests on board from April to July
- Summer season ramp-up impacted Q2 earnings, with an operating result (EBIT) of NOK -279.5 million
- High customer satisfaction and positive customer feedback
- Two brand-new Boeing 737-8 aircraft entered the fleet
- Equity raise of NOK 250 million, re-establishing financial buffer

The second quarter of 2022 was characterized by summer season ramp-up and a strong market response to the holiday traffic. With more than 735,000 customers from April to July and 1.2 million on board since launch, Flyr is now well positioned with significantly increased brand awareness and cost-efficiency targets on track.

“We are very pleased with the response from the traveling public and the increasing demand for our customer-friendly flights to exciting destinations. With 1.2 million guests on board since launch, Flyr is now well positioned with significantly increased brand awareness and cost-efficiency targets on track. The positive feedback from our guests is encouraging and a testament that our company culture and the Nordic model are well received. We look forward to welcoming new and returning guests in the coming weeks and months, not least on our domestic routes in Norway”, said CEO Tonje Wikstrøm Frislid.

“The quarter has also been characterized by summer ramp-up, including capacity growth and new route launches. We increased production from 4 aircraft in winter to 10 aircraft in summer, launched 44 routes to 38 destinations and recruited and onboarded 150 new colleagues, which obviously impacted our costs”, said Wikstrøm Frislid.

Expanding route offering in Norway

To succeed as a start-up commercial airline in a tough competitive market and the current macro-economic situation, flexibility in scaling production to the demand is crucial. Going into the fall and winter, Flyr will improve its offer on domestic routes in Norway to meet demand from both leisure and business travelers. In addition, its route offering will continue to include popular destinations such as European cities and holiday getaways in Spain, Portugal, France and Italy.

Key financial figures

Unaudited

(1,000 NOK)	Q2 2022	YTD 30.06.2022	Full year 2021
Operating revenue	338,962	421,037	125,939
EBITDAR	-226,567	-406,389	-381,782
Operating profit (EBIT)	-279,497	-491,756	-419,996
Net profit/(loss)	-432,655	-643,387	-437,045
Book equity per share (NOK)		0.01	1.09
Equity ratio (%)		0.3%	19.1%
Cash and cash equivalents		306,519	209,731

Operational review

On 30 June 2022, Flyr celebrated one year since its first flight. The first 12 months with operations have shown that the company and the brand name is gaining strength and appreciation in the market and among our guests.

The second quarter of 2022 has shown that the market for air travels is beginning to regain momentum after the two-year pandemic. As the first quarter of 2022 was heavily impacted by the spread of the omicron virus, sales and travels increased into second quarter of 2022, with record high number of guests travelling with Flyr in June.

During the first half year of 2022, a total of 5 new aircraft were added to the fleet, bringing the total fleet to 10 aircraft before the start of summer vacation travels towards the end of the quarter. At the same time, the number of guests and load factor has been increasing, and for the high-traffic month of July, many flights were sold out, proving that the summer route program was well received in the market.

Operations

Flyr's summer program was released for sale during the first quarter. Bookings for leisure travels for summer season were strong, driving second quarter sales to record high levels. Under the summer program, lasting from March to September, Flyr operates 44 routes to 38 destinations.

Despite challenging market conditions, the first twelve months of Flyr's operations have been successful. Flyr's product offering has been well received in the market and the company has received great customer reviews on its customer service and the simplicity and user friendliness on the digital booking process.

In April, the company was awarded second place in the Customer Service Award, ranked well above all competitors in the aviation business.

The previously introduced youth tickets, Flyr UNG, offering discounted tickets to travelers aged between 16 and 29 years have been well received. More than 340,000 UNG tickets have been sold since introduction.

The loyalty program FLYR+ include more than 275,000 members.

During the first half year of 2022, development and improvements of the company's IT infrastructure continued, enabling the company to introduce new products and distribution capabilities.

During the third quarter, Flyr will introduce agent booking, an important initiative for the further expansion of the company's distribution outreach.

Traffic figures and ratios

Unaudited

	April 2022	May 2022	June 2022	Q2 2022	July 2022
Yield	0.62	0.52	0.55	0.58	0.71
Unit revenue (PASK)	0.40	0.34	0.45	0.40	0.68
Unit cost	0.82	0.74	0.74	0.76	0.66
Unit cost ex fuel	0.55	0.46	0.43	0.47	0.36
Number of FTE per aircraft	36	41	43	43	41
ASK (mill)	224.6	270.4	336.0	831.0	425.8
Guests (1,000)	122.7	149.1	203.2	475.0	260.5
Load factor	61.6%	62.1%	78.8%	68.7%	92.3%
Avg. sector length (1,000 Km)	1.11	1.07	1.29	1.16	1.51
CO2 per aircraft/month (ton)	1,623	1,537	1,942	1,779	2,454

Traffic development

During the second quarter of 2022, Flyr operated 3,796 flights, vs. 1,613 flights in the first quarter of 2022. Due to the Omicron situation, Flyr reduced the number of flights and routes in January to adapt to the challenging market conditions. As the market recovered into the second quarter of 2022, operational activity increased towards maximum capacity entering summer season.

At the end of the first half year of 2022, Flyr operated 10 aircraft. In February and March, Flyr received three new aircraft, whereof two were brand new 737-8. Another two new 737-8 were delivered in April. The final two 737-8 ordered will be received during third quarter this year, bringing the fleet to a total of 12 aircraft by the end of the year.

Total production measured as available seat kilometers (ASK) during the second quarter of 2022 amounted to 831.0 million, an increase of 204% from the previous quarter.

Throughout the second quarter of 2022, a total of 474,951 guests travelled with Flyr, which was an increase of 189% from first quarter of 2022. Load factor for the second quarter of 2022 was 68.7% vs. 58.4% in the previous quarter. In July 2022, load factor was 92.3%.

Unit revenue (PASK) for the second quarter of 2022 was NOK 0.40 compared with NOK 0.30 in the first quarter of 2022. Unit revenue was NOK 0.68 in July 2022.

Operating performance

The strong operating performance in 2021 continued into the first half year of 2022, achieving overall regularity (share of scheduled flights taking place) at 98.8%.

Punctuality (share of flights departing on schedule) during first half year 2022 was 80.9%.

In June and July, the air traffic in Europe was heavily impacted by challenging capacity situations, caused by lack of personnel on several European airports as well as capacity limitations in European airspace. Flyr's punctuality in June and July was 61.9% and 54.2% respectively. Despite the challenges, more than 90% of Flyr's flights were within one hour delay.

At the end of the quarter, number of full-time employees (FTE) per aircraft was 41, compared with 39 three months earlier. The increase is explained by the ramping up for the summer operations. Based on planned production and future fleet expansion, Flyr has a long-term ambition of 36 FTE per aircraft.

Financial review

Income statement

Operating revenues

Second quarter of 2022 was Flyr's fourth full quarter of operations. The corresponding period in 2021 includes only one day of operation. Hence, the comparables referred to in this section is first quarter 2022.

Total revenue in the second quarter of 2022 was NOK 339.0 million, of which NOK 15.8 million was ancillary revenues. Compared to the previous quarter, total revenue increased by 313%. The first quarter of 2022 was impacted by the Omicron wave, while the second quarter includes easter travels as well as the traffic related to the beginning of the summer vacation period. Flyr had on average 6 aircraft in operation during first quarter, while average number of aircraft in operation during the second quarter was 9.3.

Unit revenue (PASK) in the quarter was NOK 0.40, increased from NOK 0.30 in the first quarter of 2022.

Operating expenses

Total cost, including depreciation and interest on lease commitments, was NOK 632.0 million during the quarter, increased by 110% from Q1 2022 due to higher activity levels with additional aircraft in production. This corresponds to an increase in revenue by 313%, showing the Company's ability to increase production without adding a similar level of costs.

By the end of the quarter, Flyr was nearly fully staffed with administrative resources. However, the company is continuously investing in the operational and technical infrastructure to introduce new products and functionalities, and to manage the operational expansion and entry into the market.

Due to lead time for training and onboarding, flight crew are normally hired a few months ahead of the introduction of new aircraft. Alongside introduction of new aircraft, the total number of FTEs per aircraft increased from 39 at the end of first quarter, to 43 at the end of the second quarter. The increase is related to ramp up for higher production during summer months, as well as onboarding and training of crew for the aircraft to be delivered in third quarter.

Unit cost breakdown

(1,000 NOK / NOK per ASK)	Q2 2022	Unit Cost
Personnel expenses	60,462	0.07
Airport and ATC charges	66,834	0.08
Handling charges	40,775	0.05
Technical maintenance expenses	55,385	0.07
Other operating expenses	99,595	0.12
Aircraft lease, depreciation and finance cost	66,741	0.08
Cost excl fuel	389,793	0.47
Aviation fuel	242,201	0.29
Total cost	631,994	0.76

Unit cost (CASK) in second quarter 2022 was 0.76 vs 1.10 in the first quarter of 2022.

Excluding fuel, CASK was 0.47 in the second quarter of 2022, decreased from NOK 0.86 in the first quarter. The decrease is caused by higher aircraft utilization during the quarter, while at the same time additional aircraft has been received and set in production.

Personnel expenses, including costs for administrative, crew and pilot personnel amounted to NOK 60.5 million in the quarter. Administrative personnel are per date fully staffed, and number of FTE's will not materially increase when adding further aircraft to the fleet for increased production. Unit cost (operating expenses per available seat kilometer) ended at NOK 0.07 for the quarter; down from NOK 0.21 in the previous quarter.

Airport ATC and Handling charges of NOK 66.8 million and NOK 40.8 million respectively, are entirely variable in nature, and reflect the production of 3,796 flights in the quarter. Unit cost was NOK 0.08 and NOK 0.05, unchanged from the previous quarter.

Technical maintenance expenses amounted to NOK 55.4 million in the quarter. This includes expenses for external Part 145 organization, costs for accessibility to aircraft component pool, in addition to accruals for future aircraft heavy maintenance. Unit cost was NOK 0.07 in the quarter, a decrease of NOK 0.03 from the previous quarter.

Other operating expenses ended at NOK 99.6 million during the quarter. This includes all other flight operating expenses, sales and distribution expenses and general and administrative expenses. Included in general and administrative expenses are the Company's investments in IT infrastructure and investments in building brand awareness.

Unit cost in the quarter was NOK 0.12, a decrease of NOK 0.15 from the previous quarter, reflecting the higher production in the second quarter.

Aviation fuel in the quarter amounted to NOK 242.2 million, including ETS costs. During the quarter, jet fuel price increased 41% compared to the first quarter of 2022 while average NOK/USD rate increased 7%, resulting in a unit cost for the quarter of NOK 0.29 vs. NOK 0.24 in the first quarter.

Depreciation in the quarter was NOK 52.9 million. This includes primarily depreciation on aircraft leases and facilities capitalized according to IFRS 16. Additionally, included in unit cost for the period is interest cost on the same leases, amounting to NOK 13.5 million.

Net financial items in the quarter were negative at NOK 153.2 million vs. positive NOK 1.5 million in first quarter. In addition to interest expenses on lease assets amounting to NOK 13.5 million, NOK 139.6 million is unrealized exchange rate losses related to revaluation of aircraft leases denominated in USD.

The company has not recognized any tax income from taxable loss, and tax items in the period is NOK 0.

Net loss in the second quarter of 2022 was NOK 432.7 million and NOK 643.4 million for the first half year.

Cash flow

Net cash flow from operating activities was NOK -150.6 million in the second quarter of 2022, and NOK -293.9 million in the first half year. Cash flow from operating activities consists of operating profit (EBITDAR) adjusted for positive effects on cash from changes in working capital and adjustment for unrealized currency exchange losses on revaluation of USD denominated lease liabilities. Due to the cyclic nature of commercial airline activities, second quarter will show positive effects on working capital as production in June is substantially higher than during winter and spring months.

Changes in air traffic liabilities are mainly offset by changes in receivables, as there is 100% hold-back on credit card settlement. Payment for tickets will be received by the company immediately after the first date of travel.

Cash flow used in investment activities was NOK 16.2 during the second quarter and NOK 28.5 million in the first half year. A total of NOK 13.3 million has been paid in deposits on leased aircraft in the first half year, of which NOK 8.0 million was paid in the second quarter. Remaining invested amounts are related to IT systems and infrastructure.

Cash flow from financing activities was positive at NOK 201.4 million during the quarter and NOK 419.2 million in the first half year. The cash flow includes net proceeds from the rights issue finalized in January of NOK 232.1 million, the share issue in February NOK 10.0 million and an additional private placement in May at NOK 245.2 million.

Net cash flow in second quarter was NOK 34.6 million and NOK 96.8 million in the first half year.

Financial position

Total non-current assets on 30 June were NOK 1,515.7 million, vs 576.4 on year-end 2021. NOK 1,425.8 million is Right of Use assets, primarily aircraft leases recognized in statement of financial position according to IFRS 16. At the end of the period, Flyr had ten leased aircraft, vs. five at year end 2021, which explains the significant increase in non-current assets.

Total current assets at the end of the period were NOK 842.2 million, of which cash and cash equivalents were NOK 306.5 million. Included in cash and cash equivalents is NOK 31.9 million in restricted funds, held for guarantees to suppliers and lessors. Trade receivables increased by NOK 422.7 million since 31 December 2021, in line with increased activity and in particular due to bookings for the summer season. Trade receivables are more or less offset by a similar increase in ticket liabilities.

Total equity at the end of the quarter was NOK 7.8 million, equaling an equity ratio of 0.3%, a reduction of 18.8 %-points since year end 2021. In addition to the operating loss in the first half year, the equity is heavily affected by the unrealized currency losses from revaluation of lease liabilities denominated on USD. A total of NOK 131.4 million has been

recognized in losses in 2022, reducing equity ratio by 5.6%-points.

Long term liabilities of NOK 1,412.1 million are primarily related to aircraft and facility leases.

Short term liabilities amounted to NOK 938.0 million, of which NOK 213.5 million are lease commitments falling due within 12 months. Remaining short term liabilities are related to ticket liabilities, trade liabilities and accruals and provisions. Total short term liabilities have increased by NOK 688.4 million since the end of last year, both due to increases in aircraft leases as well as the seasonality of the commercial airline business.

Total interest-bearing debt, being lease liabilities, was NOK 1,605.0 at the end of June 2022, an increase of NOK 1,075.4 million since year end 2021.

During the first year in operation, the company has raised funds to ensure the expansion in operation and to ensure a sound financial platform throughout the waves in the Covid-19 pandemic. The increased fuel prices and the effects of the rising USD value vs. NOK during the first half year of 2022 has negatively affected the company's results, but at the end of the first half year the Company has a satisfactory liquidity position and is continuously monitoring the effects of currency changes, and other effects, on the level of equity.

Risks and uncertainties

Flyr is exposed to a number of risk factors such as market risk, operational risk, financial risk and liquidity risk.

The airline industry is undergoing an extremely challenging time due to the pandemic and the war in Eastern Europe causing disruption and instability in general macro-economic conditions. Development of the pandemic, customer demand for air travel in general, as well as the post-Covid industry competition is uncertain and challenging to predict, increasing uncertainty to development in demand the coming months.

The company is exposed to currency risk, as a major part of the company's expenses such as aircraft leases and jet-fuel purchases are denominated in USD. In addition, with fuel representing a significant share of operating costs, fluctuations on prices of jet-fuel may impact the results.

According to IFRS 16, the Company's aircraft leases are recognized as a right-of-use asset denominated in NOK. The corresponding lease liability is denominated in USD. The currency exposure from recalculating USD liabilities into NOK is significant and may impact company earnings.

For more detailed information about risk factors, please see the Information Document dated 26 February 2021 and Prospectus dated 6 January 2022, as well as the annual financial statements for 2021, all available at www.flyr.com/reports-and-presentations.

Outlook

Flyr was established during the ongoing Covid-19 pandemic with the aim to build a sustainable and profitable business model by adapting and scaling production to meet the needs of the market.

To succeed as a start-up commercial airline in the current business environment, flexibility in scaling production to the demand is crucial. Our main focus is demand driven growth and ensuring attractive offering to the market. Expansion plans and the route network will be adjusted continuously depending on the pandemic situation.

The company is currently seeing a trend where bookings are gradually made further from departure date for the European leisure destinations. However, for domestic travels bookings are still made close to departure date.

In addition to the 10 aircraft in operation in June, 2 additional aircraft are scheduled for operations in the third quarter. The company targets a production capacity of 12 aircraft at YE 2022 and 16-20 at YE 2023 (current firm orders will result in 16 aircraft)

The majority of the planned administrative resources and flight operating resources are currently in place and the operative department is starting the sourcing process for the aircraft to be delivered in 2023. Going forward we will ensure flexible and cost-efficient deployment of operations, targeting 38 FTE per aircraft in second half year of 2022.

The 6 new 737-8 aircraft added to the fleet in 2022 will contribute to further cost-efficient operations and in particular lower cash burn, especially in the first years of operation, relative to operating 737-800's.

The company is targeting a CASK excl. fuel down towards 0.41 in second half year of 2022 assuming all 12 aircraft in full production, dependent on route network. We will follow the demand closely during second half year of 2022 and will do capacity adjustments if necessary and this could lead to a reduced economic of scale, but no changes in the underlying cost.

Statement from the Board of Directors

We hereby confirm that the interim financial statements for the period from 1 January to 30 June 2022, to the best of our knowledge, have been prepared in accordance with IAS 34 – Interim Financial Reporting – and that the information in the accounts gives a true and fair view of the Company’s assets, liabilities, financial position, and overall results.

We also confirm that, to the best of our knowledge, the half-year report gives a true and fair view of the main events during the accounting period and their effect on the accounts for the first half year, as well as the principal risks and uncertainties facing the Company in the next accounting period.

The Board of Directors and CEO of Flyr AS
Oslo, 25 August 2022

Erik G. Braathen
Chairman

Tord Meling
Director

Paal C. Wollan
Director

Per Erik Åkerman
Director

Tonje Wikstrøm Frislid
CEO

Condensed Interim Financial Statements

Income statement and comprehensive income

Unaudited

(1,000 NOK)	Note	Q2 2022	Q2 2021	YTD 30.06.2022	YTD 30.06.2021	Full year 2021
Passenger revenues		317,148	249	395,099	249	121,979
Ancillary passenger revenue		15,843	1	19,760	1	3,960
Other revenue		5,972	0	6,178	0	0
Total operating revenues		338,962	250	421,037	250	125,939
Personnel expenses		60,462	20,921	118,944	30,908	129,252
Aviation fuel		242,201	329	307,890	329	115,842
Airport and ATC charges		66,834	131	88,577	131	42,113
Handling charges		40,775	51	55,111	51	28,978
Technical maintenance expenses		55,385	2,288	82,938	2,288	43,561
Other operating expenses		99,871	31,493	173,965	43,393	147,975
Total operating expenses excl depreciation		565,529	55,213	827,426	77,100	507,721
Operating profit/(loss) excl lease, depreciation and amortization (EBITDAR)		-226,567	-54,963	-406,389	-76,850	-381,782
Depreciation and amortizations	3	52,930	3,771	85,367	4,495	38,214
Operating profit/(loss) (EBIT)		-279,497	-58,735	-491,756	-81,346	-419,996
Net financial items	3	-153,158	-6,158	-151,631	-6,223	-17,049
Taxes		0	0	0	0	0
Net profit/(loss)		-432,655	-64,892	-643,387	-87,569	-437,045
Other comprehensive income		0	0	0	0	0
Total comprehensive income		-432,655	-64,892	-643,387	-87,569	-437,045
Earnings per share (NOK) - basic		-0.82	-0.43	-1.51	-0.78	-3.30
Earnings per share (NOK) - diluted		-0.82	-0.43	-1.51	-0.78	-3.30
No. of shares at end of the period		633,019,667	150,000,000	633,019,667	150,000,000	150,000,000
Avg. no. of shares outstanding		529,344,979	150,000,000	426,883,312	112,209,945	132,012,839
Avg. no. of shares outstanding - diluted		529,344,979	150,000,000	426,883,312	112,209,945	132,012,839

Statement of financial position

Unaudited

(1,000 NOK)	Note	30.06.2022	30.06.2021	31.12.2021
Assets				
Non-current assets				
Other fixed assets		55,358	22,832	43,454
Right of Use fleet	3	1,354,364	182,019	436,112
Right of Use other fixed assets		71,444	6,610	75,701
Deposits		34,461	8,542	21,123
Investments in subsidiaries		39	39	39
Total non-current assets		1,515,665	220,042	576,429
Current assets				
Trade receivables		454,787	5,719	32,070
Inventory		6,553	0	5,288
Other current assets		74,357	9,653	35,126
Cash and cash equivalents		306,519	514,847	209,731
Total current assets		842,215	530,219	282,215
Total assets		2,357,880	750,261	858,644
Equity				
Share capital		1,266	300	300
Other paid in capital		1,096,466	610,130	610,130
Retained earnings		-1,089,898	-97,035	-446,511
Total equity		7,834	513,395	163,919
Liabilities				
Long term Liabilities				
Lease liabilities, long term	3	1,391,531	161,216	433,818
Provisions		20,539	1,804	11,373
Total long term liabilities		1,412,070	163,020	445,191
Short term liabilities				
Ticket liabilities		470,612	6,429	32,704
Lease liabilities, short term	3	213,481	34,245	95,746
Trade liabilities		114,766	18,593	51,070
Other liabilities, short term		139,118	14,579	70,014
Total short term liabilities		937,977	73,846	249,534
Total equity and liabilities		2,357,880	750,261	858,644

Statement of changes in equity

Unaudited

(1,000 NOK)	Note	YTD 30.06 2022	YTD 30.06 2021	Full year 2021
Equity - beginning of period		163,919	15,564	15,564
Total comprehensive income for the period		-643,387	-87,569	-437,045
Share issue		487,302	585,400	585,400
Equity - end of period		7,834	513,395	163,919

Cash flow statement

Unaudited

(1,000 NOK)	Note	Q2 2022	Q2 2021	YTD 30.06 2022	YTD 30.06 2021	Full year 2021
EBT		-432,655	-64,879	-643,387	-87,556	-437,045
Paid tax		0	0	0	0	0
Depreciation and amortization		52,930	3,771	85,367	4,495	38,214
Changes in air traffic settlement liabilities		229,833	7,674	437,909	7,674	32,704
Changes in receivables		-261,733	-13,962	-461,948	-14,735	-65,283
Changes in current liabilities		110,391	0	138,607	0	125,742
Changes in inventory		15	15,665	-1,265	26,517	-5,288
Other adjustments		150,660	6,164	150,851	6,200	14,183
Net Cash Flow From Operating Activities		-150,559	-45,566	-293,865	-57,405	-296,773
Deposits paid		-8,003	-6,823	-13,305	-8,542	-21,123
Investment in tangible assets		-798	-1,879	-1,383	-2,370	-9,331
Investment in intangible assets		-7,419	-6,736	-13,854	-15,638	-31,916
Cash Flow From Investing Activities		-16,219	-15,438	-28,543	-26,551	-62,370
Proceeds from issuing new shares		245,213	0	487,302	585,400	585,400
Net interest paid		-14,125	-26	-20,210	-83	-5,035
Principal payments leases		-29,738	272	-47,895	-354	-25,332
Net Cash Flow From Financing Activities		201,350	246	419,197	584,962	555,034
Net change in Cash and Cash equivalents		34,572	-60,758	96,788	501,007	195,891
Cash and cash equivalents at beginning of period		271,947	575,605	209,731	13,840	13,840
Cash and cash equivalents at end of period		306,519	514,847	306,519	514,847	209,731

Selected notes to the interim financial statements

Note 1. Basis of preparation of quarter report

1.1. Basis for statement

The condensed interim financial statements comprise Flyr AS, a limited liability company incorporated in Norway. The report is prepared in accordance with IAS 34 and with the rules and regulations of Oslo Stock Exchange. The figures are unaudited and do not include all the information required for full annual financial statements and should be read in conjunction with the financial statements for the company for the year ended 31 December 2021, available at www.flyr.com/reports-and-presentations.

The condensed interim financial report has been authorized for publication on 25 August 2022.

1.2. Accounting principles

The accounting policies applied by the company in these condensed financial statements are the same as those applied by the company in its consolidated financial statements for the year ended 31 December 2021. The company started flight operations on 30 June 2021, and the financial statements for the first six months of 2021 does not include line items related to flight operations, compared to the financial statements of 2022.

2. Judgements, estimates and assumptions

The preparation of condensed interim financial statements in accordance with IFRS require management to make judgements, estimates and assumptions which affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and assumptions used are based on various factors such as historical figures and management experience and are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the company's accounting policies and the key sources of estimation uncertainty, were the same as those that applied to the financial statements for the period ended 31 December 2021.

3. Lease agreements

Right of use assets

Unaudited

<i>(1,000 NOK)</i>	Aircraft	Facilities	Sum
Aquisition cost			
Aquisition cost 1 January 2022	465,693	81,461	547,154
Additions	994,833	1,195	996,028
Aquisition cost 30 June 2022	1,460,526	82,656	1,543,182
Accumulated depreciations			
Accumulated depreciations 1 January 2022	29,581	5,760	35,341
Additions	76,581	5,452	82,033
Accumulated depreciation 30 June 2022	106,162	11,212	117,374
Carrying value 30 June 2022	1,354,364	71,443	1,425,807
Useful life	6-9 year	2-8 year	
Depreciation plan	Linear	Linear	

Leasing liabilities

Unaudited

<i>(1,000 NOK)</i>	30.06.2022
Lease liabilities 1 January 2022	529,564
Additions	988,526
Lease downpayments	-48,056
Interest payments	-20,210
Interest expenses	20,210
Effects of currency revaluations	134,978
Total lease liabilities 30 June 2022	1,605,012
Long term lease liabilities	1,391,531
Short term lease liabilities	213,481

Maturity profile for interest bearing liabilities

The below schedule shows the maturity dates for nominal amounts of lease liabilities in NOK on 30 June 2022.

Unaudited

(1,000 NOK)

< 1 year	238,350
1-2 year	252,572
2-5 year	858,658
> 5 year	673,664
Total interest bearing liabilities	2,023,244

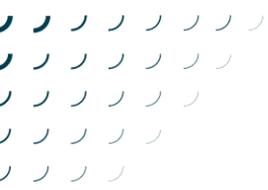
4. Related parties

There have been no changes during the first half year of 2022 in related parties compared to the description in the Annual Report for 2021. There have been no significant transactions with related parties in 2022.

5. Shareholder information

The 20 largest shareholders per 24 August 2022:

Shareholder	Nb.shares	% of total shares
OJADA AS	53,815,719	8.5 %
SKANDINAVISKA ENSKILDA BANKEN AB	29,700,000	4.7 %
STADSSALG AS	28,507,559	4.5 %
NORDNET LIVSFORSIKRING AS	23,718,391	3.7 %
DIVA DUGNAD AS	22,424,165	3.5 %
TELLEF ORMESTAD	21,564,105	3.4 %
KULTA INVEST AS	20,059,898	3.2 %
VERDIPAPIRFONDET FIRST GENERATOR	17,618,405	2.8 %
AVANZA BANK AB	8,545,882	1.4 %
AKTIV PORTFOLIO AS	8,298,245	1.3 %
CLEMCO HOLDING INVEST AS	7,000,000	1.1 %
NORDNET BANK AB	6,186,364	1.0 %
FJELLHAMMEREN AS	5,404,977	0.9 %
MP PENSJON PK	4,749,037	0.8 %
SKANDINAVISKA ENSKILDA BANKEN AB	4,186,916	0.7 %
STOLT-NIELSEN HOLDING AS	2,700,000	0.4 %
TANNREG AS	2,323,653	0.4 %
JARLE LINTHO FOSS	2,300,000	0.4 %
NSK HOLDING AS	2,300,000	0.4 %
INRO HOLDING AS	2,300,000	0.4 %
Top 20 shareholders	273,703,316	43.2 %
Total shares outstanding	633,019,667	100.0 %



6. Events after reporting date

There are no events after balance sheet date that would materially effect the financial statements as per 30 June 2022.

Alternative performance measures

Flyr's financial statements are prepared in accordance with International Financial reporting standards (IFRS). In addition, the company presents alternative performance measures (APM), to describe its operational and financial performance in order to enhance comparability between financial periods and to enable better comparability relative to its industry peers. The alternative performance measures do not replace IFRS indicators.

The APMs are regularly reviewed by management and their aim is to enhance stakeholders' understanding of the company's performance. APMs are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described in the table below.

APM	Description	Reason to include
EBIT	Earnings before net financial items, income tax expense (income) Equivalent to operating profit in the income statement in the annual report.	Enables comparability of profitability regardless of capital structure or tax situation
EBITDAR	Earnings before net financial items, income tax expense (income), depreciation, amortization and impairment and aircraft leasing expenses	A measure of operating performance that enables comparison between airlines as it is not affected by the method used to finance aircraft
EBT	Earnings before income tax expense (income). Equivalent to profit (loss) before income tax expense (income) in the Income Statement in the annual report	Enables comparability of profitability regardless of tax situation.
Equity ratio	Total equity/ equity and liabilities x 100	Equity ratio provides information on the financial leverage used by the Company to fund its assets.

Other definitions

Item	Description
ASK	Available seat kilometers. Number of available passenger seats multiplied by flight distance
Average sector length	Total flown distance divided by number of flights
Load Factor	RPK divided by ASK, describes the utilization of available flights
RPK	Revenue passenger kilometers, Number of seats sold multiplied by flight distance
Passengers (PAX)	Number of passengers flown
Passenger revenue (PASK)	Total passenger revenue divided by ASK
Employees per aircraft	Total number of employees divided by number of aircraft
Unit cost (CASK)	Total operating expenses divided by ASK
Yield	Total passenger revenue divided by RPK

General information

Flyr AS
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www.flyr.com

Board of directors

Erik Braathen (Chair)
Tord Meling
Paal C. Wollan
Per Erik Åkerman

Management

Tonje W. Frislid (CEO)
Brede G. Huser (CFO)
Thomas Ramdahl (CCO)
Asgeir Nyseth (COO)
Alf Sagen (CTO)
Frode Berg (CLSO)
Bjørn Erik Barman-Jenssen (CGOO)

Investor relations

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Financial Calendar

Traffic figures for August will be released on 7 September 2022
Traffic figures for September will be released on 7 October 2022
Third quarter 2022 results will be released on 3 November 2022
Traffic figures for October will be released on 7 November 2022
Traffic figures for November will be released on 7 December 2022