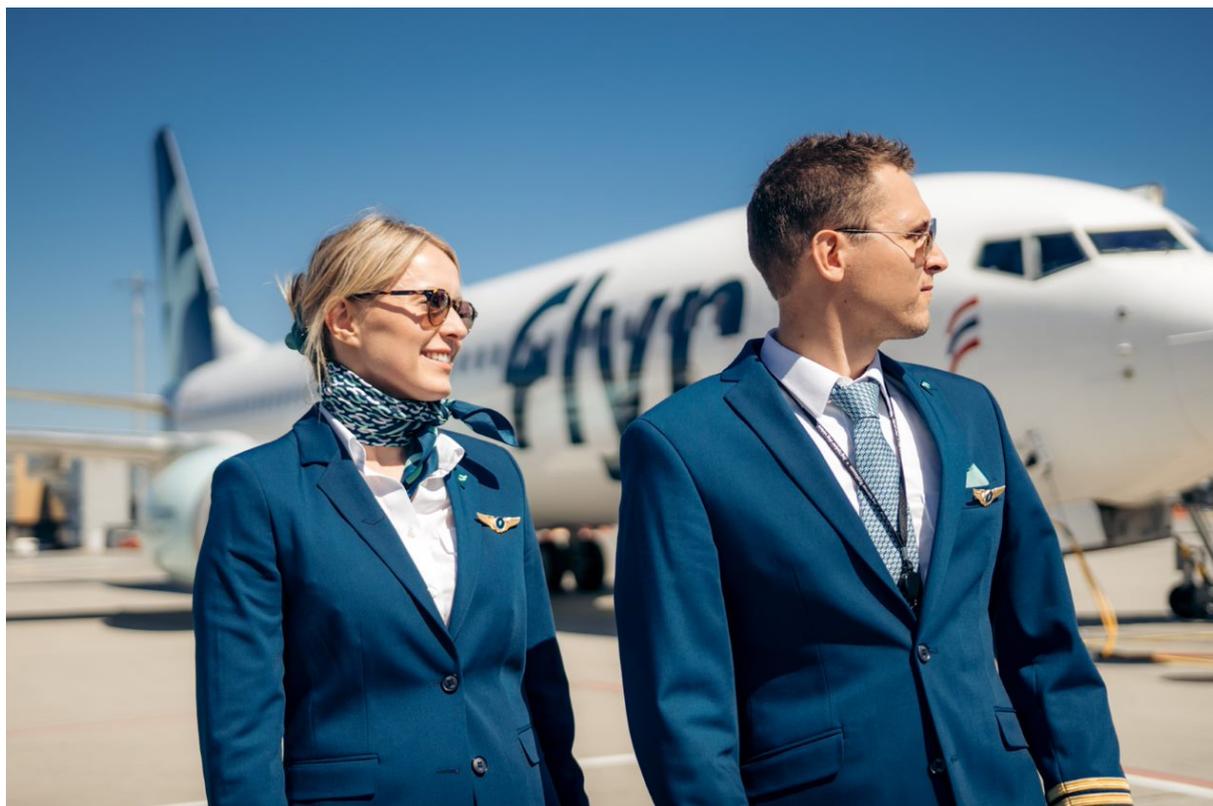


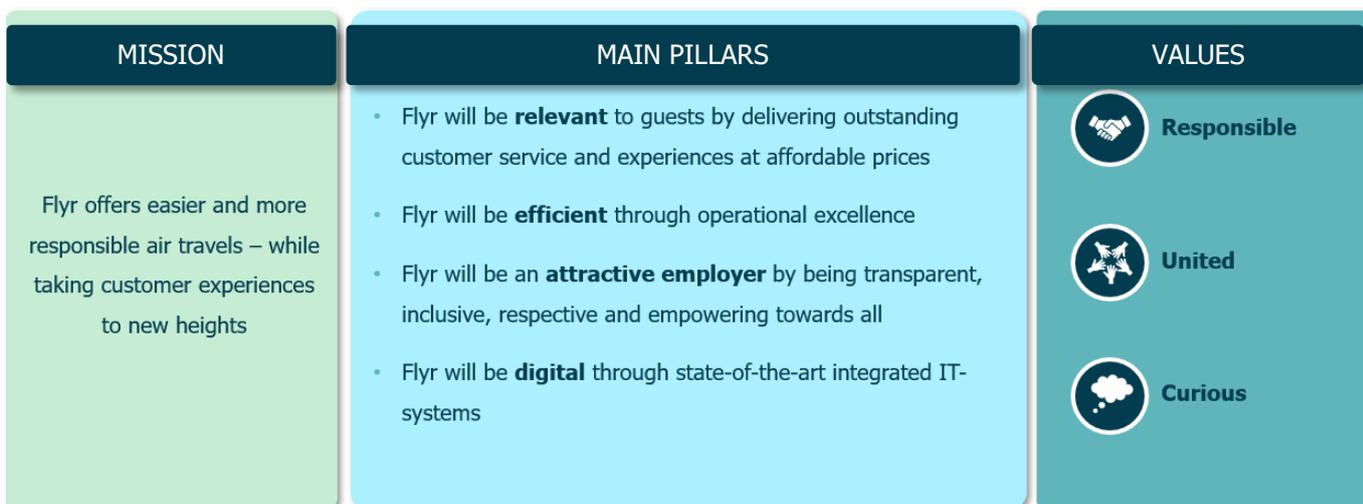
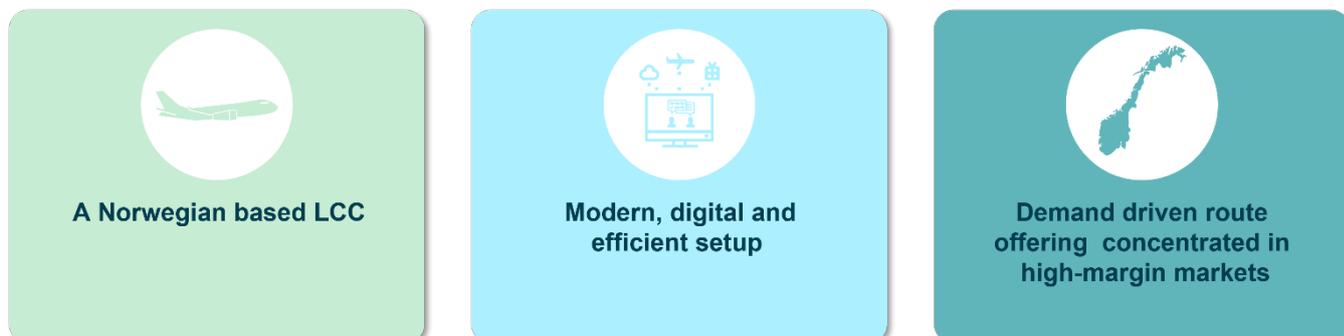
Flyr



Third quarter 2021 report

The company

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



Highlights third quarter

- Strong growth in demand and improving visibility following the full reopening of society in late September leading to a load factor of 61% in October
- Flexible organization enabling an agile approach to route management
- Continuous expansion of new routes for sale, concentrating on international leisure routes which has demonstrated high demand
- Implemented a modern IT platform delivering a frictionless customer journey and high cost efficiency
- Industry leading customer satisfaction
- Aircraft order in place for building an environmentally efficient fleet
- Raising NOK 250 million in new equity in a fully underwritten rights issue, reestablishing financial buffer

Solid momentum - on schedule for next phase

Flyr's first quarter with full operations was characterized by start-up and expansion investments and by lower customer demand than expected due to COVID-19. However, following the reopening of society in late September, demand and revenue increased significantly at the end of the quarter.

Flyr's third quarter results reflect that the company is in a start-up phase. The company has been fully staffed with administrative resources and is continuously investing in the operational and technical infrastructure, enabling the introduction of new products and functionalities as well as the expansion and entry into the market. During the quarter, the company launched new domestic routes in Norway as well as routes to popular European leisure destinations and attractive Ski destination in the Alps.

Commenting on the third quarter, CEO Tonje Wikstrøm Frislid says:

"The quarter is characterized by investments and costs related to start-up and expansion as well as enthusiastic and dedicated employees and great feedback from customers and partners.

Indeed, the pandemic is still a challenge for our industry and affected demand during the majority of the quarter. However, we have seen positive booking trends during the last part of the quarter. The fully integrated multiplatform web-based booking-system is delivering as promised, our brand name recognition is growing and not least, our on-time performance has been top-notch. We look forward to the next step of the journey and to welcoming new and returning guests on board our flights,"

Key figures

Unaudited

(1,000 NOK)	Q3 2021	YTD 30.09 2021	Full year 2020
Operating revenue	39 609	39 859	0
EBITDAR	-142 750	-219 422	-9 142
Operating profit (EBIT)	-155 493	-236 660	-9 379
Net profit/(loss)	-162 332	-249 722	-9 466
Book equity per share (NOK)		2,34	1 037,61
Equity ratio (%)		42,5 %	58,95 %
Cash and cash equivalents		362 544	13 840

Operational review

Traffic figures and ratios

Unaudited

	July 2021	August 2021	September 2021	Q3 2021	October 2021
Yield	0,43	0,35	0,53	0,44	0,61
Unit revenue (PASK)	0,19	0,12	0,19	0,17	0,37
Unit cost	0,72	0,86	0,89	0,84	
Unit cost ex fuel	0,57	0,70	0,63	0,64	
Number of FTE per aircraft	100	101	84	84	67
ASK (mill)	64,2	78,9	92,8	235,9	96,6
Guests (1.000)	28,95	31,72	39,82	100,48	62,90
Load factor	45,3 %	35,8 %	35,2 %	38,2 %	60,9 %
Avg. sector length (1.000 Km)	1,01	0,87	0,81	0,87	0,83
CO2 per aircraft/mo (ton)	1 868	1 924	1 870	1 887	1 772

Flyr commenced with first flights on June 30th, 2021, with 2 aircraft and 4 flights between Oslo and Tromsø. Hence, third quarter 2021 is the company's first quarter with full operations. Up until first flight, and continuing into the third quarter, the company built the organization and regulatory and operational infrastructure preparing for operations. Ticket pre-sale started on May 30th, the Air Operating Certificate was received in June, and the first two aircraft were received on June 3rd and June 15th.

Market and Operational development

In third quarter, the company has had 1.438 flights since the maiden flight from Oslo to Tromsø on June 30th, and the start-up of operations has been highly successful, with great customer reviews. In particular the outstanding customer service as well as the simple booking process has been well received.

Entering the quarter, Flyr had 2 aircraft in production, with flights between Oslo and Tromsø. On July 1st, flights from Oslo to Evenes/Bodø was introduced, and on August 16th, flights from Oslo to Bergen and Trondheim started. Then on August 21st, the first international flights were introduced, with flights from Oslo to Nice, Alicante and Malaga.

On August 27th, the third aircraft in the fleet was received. However, as the delivery of this aircraft was delayed due to logistical and supply chain challenges with preparing the aircraft for operations, it was necessary to lease an aircraft on wet-lease agreement for two weeks in August to deliver on planned operation.

In addition to introducing the new routes above, flights to Copenhagen, Paris, Rome, Stavanger, and selected Ski destinations in Europe were introduced for sale during the quarter, with first flights taking place in fourth quarter.

During the quarter there has been several improvements in the IT technical infrastructure enabling introduction of new products, such as the partnership with VIPPS and introducing Flyr UNG.

The COVID-19 Delta variant delayed the reopening of society, which heavily affected the demand for air travel during the summer and into the fall. With the airlines ramping up operations to prepare for reopening, the availability of air tickets has been in excess of what the market has been able to absorb. However, the company used the first months in the quarter to smoothen operations and allocate aircraft efficiently to the more profitable destinations.

During the pandemic, there has been a trend of bookings very close to departure date. However, after the reopening of society in late September, we see that the demand for air travel as well as the booking trends have started to shift.

Traffic development

At the end of the third quarter, Flyr had 3 aircraft in operation, where the third aircraft was added to the fleet on August 27th. Total production (ASK) was 235.9 million.

A total of 100,483 guests travelled with Flyr in the quarter. While experiencing higher load factor in July, the month of August and September was heavily impacted by the Covid Delta variant. The load factor for the quarter in total was 38.2%.

Entering fourth quarter, the positive effects of the reopening of society and the tuning of our route portfolio is evident. In the beginning of October, the fourth aircraft was put into operations, the number of guests flown increased to 62,899, load factor increased to 61% and unit revenue (PASK) increased to NOK 0,37.

Operating performance

The operating performance in the first three months of operation has been very successful. Punctuality (share of flights departing on schedule) was 97.4%, and regularity (share of scheduled flights taking place) was 98.7%.

Financial review

Income statement

Operating revenues

Third quarter was Flyr's first quarter with full operations. Total revenue in the quarter was NOK 39.6 million, where NOK 0.6 million was ancillary revenues. Unit revenue (PASK) was NOK 0,17, affected by the low demand for

travel in particular in August due to the COVID Delta spread. Unit revenue showed an increasing trend leaving the quarter after the reopening of society in late September.

Unit cost breakdown

(1,000 NOK/NOK per ASK)	Q3 2021	Unit Cost
Personnel expenses	44 758	0,19
Airport and ATC charges	17 724	0,08
Handling charges	11 554	0,05
Technical maintenance expenses	15 107	0,06
Other operating expenses	46 492	0,20
Aircraft lease, depreciation and finance cost	15 520	0,07
Cost excl fuel	151 155	0,64
Aviation fuel	46 724	0,20
Total cost	197 880	0,84

Operating expenses

Third quarter expenses reflects that the company is still in a start-up and expansion period. Total cost in the period, including depreciation and interest on lease was NOK 197.9 million.

Although the quarter includes full operation in all three months, the company has, entering the quarter, been fully staffed with administrative resources, and is continuously investing in the operational and technical infrastructure to introduce new products and functionalities and to manage the expansion and entry into the market. Additionally, flight crew are hired a few months before the introduction of new aircraft, as there is lead time for training and onboarding.

Unit cost in the period was NOK 0,84, including fuel, and 0,64 excluding fuel.

Personnel expenses of NOK 44.8 million in the quarter include costs for administrative, crew and pilot personnel. Total FTE per aircraft as per the end of the quarter was 84, vs. the company long term target of 36 FTE per aircraft. Administrative personnel are per date

close to fully staffed, and number of FTE's will not materially increase when adding further aircraft to the fleet. Flight crew per aircraft are hired in advance of first flight to allow for training and onboarding, and third quarter expenses include crew costs for fourth quarter increase in production.

Airport ATC and Handling charges of NOK 17.7 million and 11.6 million respectively, are entirely variable in nature, and reflect the production of 1.438 flights in the quarter.

Technical maintenance expenses of NOK 15.1 million in the quarter include expenses for external Part 145 organization, in addition to accruals for future aircraft heavy maintenance.

Other operating expenses of NOK 46.5 million 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. Third quarter expenses include in addition expenses for wet-lease of aircraft in total of

NOK 3.2 million due to delayed delivery of one leased aircraft.

Aviation fuel in the third quarter amounted to NOK 46.7 million, including ETS costs. During the quarter, jet fuel price increased with 6%.

Depreciation in the quarter was NOK 12.7 million and primarily includes depreciation on aircraft leases capitalized according to IFRS 16. Additionally, included in unit cost is interest cost on the same leases amounting to NOK 2.8 million.

Net financial items in the quarter were NOK -6.8 million, whereof NOK 2.8 million is interest expense on leased assets. The remaining is primarily related to unrealized currency loss on the translation of aircraft lease liability 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 period was NOK 162.3 million.

Cash flow

Net cash flow from operating activities was NOK -120.8 million in the third quarter, equaling operating profit (EBITDAR) of NOK -142.8 million in addition to positive effects on cash from changes in working capital due to the increase in activities in third quarter. Changes in air traffic liabilities are mainly offset by changes in receivables, as there is 100% hold-back on credit card settlement due to the negative effects the industry is experiencing from the Covid-19 pandemic. Other adjustments are primarily related to non-cash effects of currency revaluation on liabilities.

Cash flow used on investment activities was NOK 19.2 in the third quarter, whereof NOK 8.6 million is due to deposits paid on leased aircraft. Remaining invested amounts are spent on investments in IT systems and infrastructure.

Cash flow from Financing activities was NOK -12.3 million in the third quarter, related to the repayment of aircraft and facility lease arrangements.

Net cash flow in third quarter was NOK -152.3 million.

Financial position

Total non-current assets at 30 September was NOK 394.2 million, of which NOK 344.5 million is Right of Use assets, primarily aircraft and facility leases, recognized in statement of financial position according to IFRS 16. NOK 17.1 million has been paid year to date for long term deposits for aircraft leases.

Total current assets was NOK 432.9 million, of which cash and cash equivalents were NOK 362.5 million.

Total equity on 30 September was NOK 351.2 million, equaling an equity ratio of 42.5%, a reduction of 16.5 ppt. since year end 2020.

Long term liabilities of NOK 300.1 million is related to aircraft and facility leases.

NOK 175.8 million in short term liabilities consists of NOK 56.7 million in short term part of leases, falling due within 12 months. Remaining short term liabilities are related to ticket liabilities, trade liabilities and accruals and provisions.

With a solid financial position, sound funding and liquidity, the company is well positioned to expand according to plans.

On November 8th, the company announced that the Board of directors has resolved to propose that the company carries out a share capital increase to NOK 250 million in gross proceeds. The net proceeds will be used to re-establish the company's financial buffer, further increasing the solid financial foundation. The share issue is fully underwritten.

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 ongoing pandemic. Future demand is dependent on several factors. The development of the pandemic and the customer demand as well as the industry competition post-Covid is uncertain and challenging to predict.

The company is exposed to currency risk, as a major part of the company's expenses are denominated in USD, such as aircraft leases and jet-fuel purchases. In addition, fluctuations in the prices of jet-fuel may impact the results negatively. The Company is in the process of developing sound risk hedging strategies in line with the ramp-up in operations, in order to manage the impact these risk factors may cause.

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 can create volatility in profit and loss.

For more information, please see the Information Document dated 26 February 2021 available at <https://www.flyr.com/reports-and-presentations> for more detailed information about risk factors

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. Up until the first flight on 30 June 2021, and throughout third quarter, the Company focused on building a robust and efficient organization and IT infrastructure and is currently operating 4 aircraft.

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.

Load factor in October was 61 %, indicating that the demand in the market is slowly improving, and that Flyr has managed to position our product well in the market. Covid will continue to affect the market and may effect sales negatively with the current spike we see in new cases. During the slower market conditions in the summer/fall, the Company reevaluated and shifted the production program towards more profitable leisure-oriented routes. The company expects the current trend of bookings close to departure date to slowly improve towards summer 2022.

In addition to the 4 aircraft in operation in October, one additional aircraft is scheduled for operations in fourth quarter and one early in the first quarter of 2022. In October, the Company announced that a Letter of Intent has been signed with Air Lease Corporation for the delivery of 6 new 737-8 aircraft, with an option to lease further 4 new 737-8 aircraft with delivery in 2023. The first 6 aircraft is scheduled to be delivered in the period from Q1 until summer 2022. The company targets a production capacity at 5 aircraft at YE 2021 and 12-18 at YE 2022 (current firm orders would result in 12).

The company is well positioned to develop in line with plans. The majority of the planned administrative resources are currently in place, and additional employees will primarily be flight operating resources. Going forward we will ensure flexible and cost-efficient deployment of operations, targeting 38 FTE per aircraft in 2H 2022.

The company is targeting a CASK eks fuel of 0,41-0,43 in 2H 2022, dependent on route network.

Condensed Interim Financial Statements

Statement of profit and loss and comprehensive income

Unaudited

(1,000 NOK)	Note	Q3 2021	YTD 30.09 2021	Full year 2020
Passenger revenues		38 973	39 223	0
Ancillary revenue		636	636	0
Total operating revenues		39 609	39 859	0
Personnel expenses		44 758	75 666	4 671
Aviation fuel		46 724	47 053	0
Airport and ATC charges		17 724	17 855	0
Handling charges		11 554	11 605	0
Technical maintenance expenses		15 107	17 217	0
Other operating expenses		46 492	89 884	4 471
Total operating expenses excl depreciation		182 360	259 281	9 142
Operating profit/(loss) excl lease, depreciation and amortization (EBITDAR)		-142 750	-219 422	-9 142
Depreciation and amortizations	3	12 742	17 238	237
Operating profit/(loss) (EBIT)		-155 493	-236 660	-9 379
Net financial items	3	-6 839	-13 062	-87
Taxes		0	0	0
Net profit/(loss)		-162 332	-249 722	-9 466
Other comprehensive income		0	0	0
Total comprehensive income		-162 332	-249 722	-9 466
Earnings per share (NOK) - basic		-1,082	-1,999	-0,58
Earnings per share (NOK) - diluted		-1,082	-1,999	-0,58
No. Of shares at end of the period		150 000 000	150 000 000	30 000 000
Avg. No. of shares outstanding		150 000 000	124 945 055	16 339 286
Avg. no. of shares at end of the period - diluted		150 000 000	124 945 055	16 339 286

Statement of financial position

Unaudited

(1,000 NOK)	Note	30.09.2021	31.12.2020
Assets			
Non-current assets			
Intangible asset		27 144	4 985
Right of Use assets	3	344 518	5 311
Property, Plant and equipment		5 341	317
Deposits long term		17 120	0
Investments in subsidiaries		39	39
Total non-current assets		394 162	10 651
Current assets			
Inventory		3 353	0
Trade receivables		29 407	0
Other receivables		14 447	1 745
Prepayments		23 180	168
Cash and cash equivalents		362 544	13 840
Total current assets		432 932	15 753
Total assets		827 094	26 404
Equity			
Share capital		300	30
Other paid in capital		610 130	25 000
Retained earnings		-259 188	-9 466
Total equity		351 242	15 564
Liabilities			
Long term Liabilities			
Long term leasing liabilities	3	300 053	2 067
Total long term liabilities		300 053	2 067
Short term liabilities			
Ticket Liabilities		31 227	0
Short term Leasing liabilities	3	56 686	2 595
Trade liabilities		44 034	2 928
Other short term liabilities		43 852	3 250
Total short term liabilities		175 799	8 772
Total equity and liabilities		827 094	26 404

Statement of changes in equity

Unaudited

(1,000 NOK)	Note	YTD 30.09 2021	Full year 2020
Equity - beginning of period		15 564	0
Total comprehensive income for the period		-249 722	-9 466
Share issue		585 400	25 030
Equity - end of period		351 242	15 564

Cash flow statement

Unaudited

(1,000 NOK)	Note	Q3 2021	YTD 30.09 2021	Full year 2020
EBT		-162 166	-249 722	-9 466
Paid tax		0	0	0
Depreciation and amortization		12 742	17 238	237
Changes in air traffic settlement liabilities		22 875	30 550	0
Changes in receivables		-50 386	-65 121	-1 913
Changes in current liabilities		53 556	80 073	6 138
Changes in inventory		-3 353	-3 353	0
Other adjustments		5 959	12 159	87
Net Cash Flow From Operating Activities		-120 773	-178 177	-4 916
Deposits paid		-8 578	-17 120	0
Investment in tangible assets		-2 945	-5 315	-333
Investment in intangible assets		-7 679	-23 318	-4 985
Other investing activities		0	0	0
Cash Flow From Investing Activities		-19 203	-45 754	-5 318
Proceeds from issuing new sharers		0	585 400	25 030
Net interest paid		-1 992	-2 075	-87
Principal payments leases		-10 335	-10 690	-869
Net Cash Flow From Financing Activities		-12 327	572 635	24 074
Net change in Cash and Cash equivalents		-152 302	348 704	13 840
Cash and cash equivalents at beginning of period		514 847	13 840	0
Cash and cash equivalents at end of period		362 544	362 544	13 840

Selected notes to the interim financial statements

Note 1. Basis of preparation of quarter report

1.1. Base for statement

The condensed interim financial statements comprise Flyr AS, a limited liability company incorporated in Norway. The financial statements of the company for the year ended 31 December 2020 are available at www.flyr.com.

These unaudited condensed interim financial statements have been prepared in accordance with the rules and regulations of Oslo Stock Exchange and International Accounting Standard (IAS) 34 Interim Financial Reporting. They 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 2020.

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 2020. The company started flight operations on 30 June 2021, and the financial statements for the first nine months of 2021 includes additional line items related to flight operations, compared to the financial statements of 2020. Accounting principles for the items not described in the 2020 annual report, is described below.

1.2. Accounting principles

This section outlines the accounting principles for items not described in the annual financial statements for the company for 2020.

1.2.1 Revenue recognition

Revenue is recognised when goods or services are delivered. Revenue is measured at fair value of the consideration received or receivable, net of discounts and indirect taxes.

Passenger revenue includes sale of flight tickets and is recognised as revenue when the flight is flown in accordance with the flight traffic program. Recognition of unused tickets as revenue is based on the expected breakage

amount of tickets remaining unused in proportion to the pattern of rights exercised by the passenger.

Customer compensations for delays or cancellations is a variable consideration in the contract and it is recognised as an adjustment to revenue.

Ancillary revenue includes sale of ticket related services, like advance seat reservations, additional baggage fees as well as different service fees, and sale of goods in the aircraft. The service revenue is recognized when the flight is flown in accordance with the flight traffic program, since it is considered as a contract modification instead of separate revenue transaction. The sale of goods is recognized when the goods are delivered to the customer.

Prepayments from customers are classified as ticket liabilities in the statement of financial position, until revenue is recognized when flight is flown.

1.2.2 Trade receivables

Trade receivables are amounts due from customers for services performed and goods sold in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Receivables from credit card companies are classified as trade receivables in the statement of financial position.

1.2.3 Provisions for aircraft maintenance

Provisions are recognised when the Company has a present legal or constructive obligation as the result of a past event, the fulfilment of the payment obligation is probable, and a reliable estimate of the amount of the obligation can be made. The amount to be

recognised as provision corresponds to the management's best estimate of the expenses that will be necessary to meet the obligation at the end of the reporting period.

The Company is obliged to return leased aircraft and their engines according to the redelivery condition set in the lease agreement. If at the time of redelivery, the condition of the aircraft and its engines differs from the agreed redelivery condition, the Company needs to either maintain the aircraft so that it meets the agreed redelivery condition or settle the difference in cash to the lessor. To fulfil these maintenance obligations, the Company has recognised airframe heavy maintenance, engine performance maintenance, engine life limited part, landing gear, auxiliary power unit and other material maintenance provisions. The provision is defined as a difference between the current condition and redelivery condition of these maintenance components. The provision is accrued based on flight hours flown until the next maintenance event or the redelivery and recognised in the aircraft overhaul costs in the income statement. The provision is reversed at the maintenance event or redelivery. The price of the flight hour depends on the market price development of the maintenance costs. Estimated future cash flows are discounted to the present value.

The final check and painting required at redelivery are considered unavoidable maintenance costs that realise when the aircraft is redelivered to the lessor, irrespective of the time or flight hours. The counterpart of the provision is recorded in the book value of the right-of-use asset at the commencement of the lease. Respectively, costs depending on the usage of the aircraft are not considered as part of the right-of-use asset cost, but these are recognised according to the principles presented above.

1.2.4 Aircraft leasing arrangements

Flyr assesses whether a contract that relates to tangible assets is, or contains, a lease in accordance with the IFRS 16. Lease agreements for tangible assets, where the contract conveys the right to use an identified asset for a period of time in exchange for consideration, are classified as leases.

The lease term is the non-cancellable period for which a lessee has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise the option.

At the commencement date of a lease, Flyr recognises both a right-of-use asset and a lease liability.

The lease liability is the present value of future lease payments. Lease payments for aircraft leases contain typically payments that depend on interest rates and indices, that are included in the measurement of the lease payments included in the measurement of the lease liability, using the interest or index rate at the commencement date of the lease.

The right-of-use asset is measured at cost, comprising

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any incentives received;
- any initial direct costs incurred; and
- an estimate of costs to be incurred in restoring the assets to the condition required by the terms and conditions of the lease.

The final check and painting required at redelivery are considered unavoidable maintenance costs that realise when the aircraft is redelivered to the lessor, irrespective of the time or flight hours. The counterpart of the provision is recorded in the book value of the right-of-use asset at the commencement of the lease.

After initial recognition, right-of-use assets are measured at cost less any accumulated depreciations and accumulated impairment losses. The assets are depreciated with a straight-line method from the commencement date to the shorter of end of useful life of the right-of-use asset and the end of lease term.

The aircraft lease agreements do not clearly define the interest rate implicit in the lease. However, since the fair values of the aircraft are provided publicly by third parties, Flyr is

able to calculate the implicit interest rate for each qualifying aircraft operating lease. The rate implicit in the lease is defined as the rate that causes the sum of the present value of the lease payments and the present value of the residual value of the underlying asset at the end of the lease to equal the fair value of the underlying asset. The implicit interest rate is determined by each aircraft lease contract separately.

Aircraft lease contracts are usually denominated in foreign currency (US dollars) and the foreign currency lease liabilities are revalued at each balance sheet date to the spot rate. The lease payments (lease payments made) are accounted for as repayments of the lease liability and as interest expense.

1.2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's Board of Directors. The Company has one operating segment, which is airline passenger travel.

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 2020. Additionally, in preparing the interim financial statements, the key critical judgements and estimation uncertainty are detailed below.

- The aircraft held under lease agreements are subject to specific redelivery conditions stated in the contracts as well as periodic maintenance programs as defined by the aircraft and engines manufacturers. To meet these requirements, the Company must conduct maintenance, both regularly and at the expiration of the leasing period. Provisions are made based on the estimated costs of overhauls and maintenance. In order to estimate these conditions, Management must make assumptions regarding expected maintenance costs.
- The aircraft leasing agreements does not detail the implicit interest rate, and Management must make assumptions as to the fair values and residual values of the aircraft in order to estimate the interest rate to measure the Right of Use asset and Lease liabilities at commencement dates.

3. Lease agreements

Right of use assets

Unaudited

<i>(1,000 NOK)</i>	Aircraft	Office rent	Sum
Aquisition cost			
Aquisition cost 1 January 2021	-	5 532	5 532
Additions	279 871	75 124	354 995
Aquisition cost 30 September 2021	279 871	80 656	360 527
Accumulated depreciations			
Accumulated depreciations 1 January 2021	-	221	221
Additions	12 904	2 884	15 787
Accumulated depreciation 30 September 2021	12 904	3 105	16 009
Carrying value 30 September 2021	266 967	77 551	344 518
Useful life	6 year	2 year	
Depreciation plan	Linear	Linear	

Leasing liabilities

Unaudited

<i>(1,000 NOK)</i>	30.09 2021
Lease liabilities 1 January 2021	4 663
Additions	352 381
Lease downpayments	(10 690)
Interest payments	(2 075)
Interest expenses	2 778
Effects of currency revaluations	9 682
Total lease liabilities 30 September 2021	356 739
Long term lease liabilities	300 053
Short term lease liabilities	56 686

Maturity profile for interest bearing liabilities

The below schedule shows the maturity dates for nominal amounts of lease liabilities in NOK at 30 September 2021.

Unaudited

<i>(1,000 NOK)</i>	
< 1year	70 794
1-2 year	66 883
2-5 year	205 898
> 5 year	93 092
Total interest bearing liabilities	436 666

4. Related parties

There have been no changes during the second quarter or first nine months of 2021 in related parties compared to the description in in the Annual Report for 2020. There have been no significant transactions with related parties year to date in 2021.

5. Shareholder information

The 20 largest shareholders per 9th November 2021:

Shareholder	No.shares	% of total shares
DIVA DUGNAD AS	15 000 000	10,0 %
OJADA AS	15 000 000	10,0 %
KULTA INVEST AS	6 052 701	4,0 %
SKANDINAVISKA ENSKILDA BANKEN AB	5 000 000	3,3 %
NORDNET LIVSFORSIKRING AS	3 738 046	2,5 %
VERDIPAPIRFONDET NORDEA NORGE VERD	2 579 042	1,7 %
NORDNET BANK AB	2 070 054	1,4 %
ORMESTAD TELLEF	2 054 922	1,4 %
SOBER AS	1 999 324	1,3 %
AVANZA BANK AB	1 746 077	1,2 %
AKTIV PORTFOLIO AS	1 500 000	1,0 %
VALSØ HOLDING AS	732 575	0,5 %
LODEVOLDEN IV AS	654 000	0,4 %
SESA CONSULTING AS	650 000	0,4 %
LOOM AS	500 000	0,3 %
SKATTUM INVEST AS	500 000	0,3 %
TANNREG AS	500 000	0,3 %
FJELLHAMMEREN AS	467 000	0,3 %
KYBEKO AS	418 176	0,3 %
IFG HOLDING AS	400 000	0,3 %
Top 20 shareholders	61 561 917	41,0 %
Total shares outstanding	150 000 000	100,0 %

6. Events after reporting date

On 12 October 2021, Flyr announced that the company had signed a letter of intent with Air Lease Corporation (ALC) for six brand new Boeing 737-8 aircraft. The aircraft will be delivered during the first half of 2022. The agreement includes an option for the lease of further 4 aircraft with delivery in 2023.

On November 8th, the company announced that the Board of Directors had resolved to propose that the company carries out a share capital increase by way of a fully underwritten rights issue, to raise gross proceeds of NOK 250 million. The proposed rights issue is subject to approval by the company's shareholders at an extraordinary general meeting expected to take place in December 2021 or January 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

Maurice Alexander Mason

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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<https://www.flyr.com/investors>

Financial Calendar

Traffic figures for November will be released on 3 December 2021

Traffic figures for December will be released on 5 January 2021

Fourth quarter results (Q4) will be released 17 February 2022