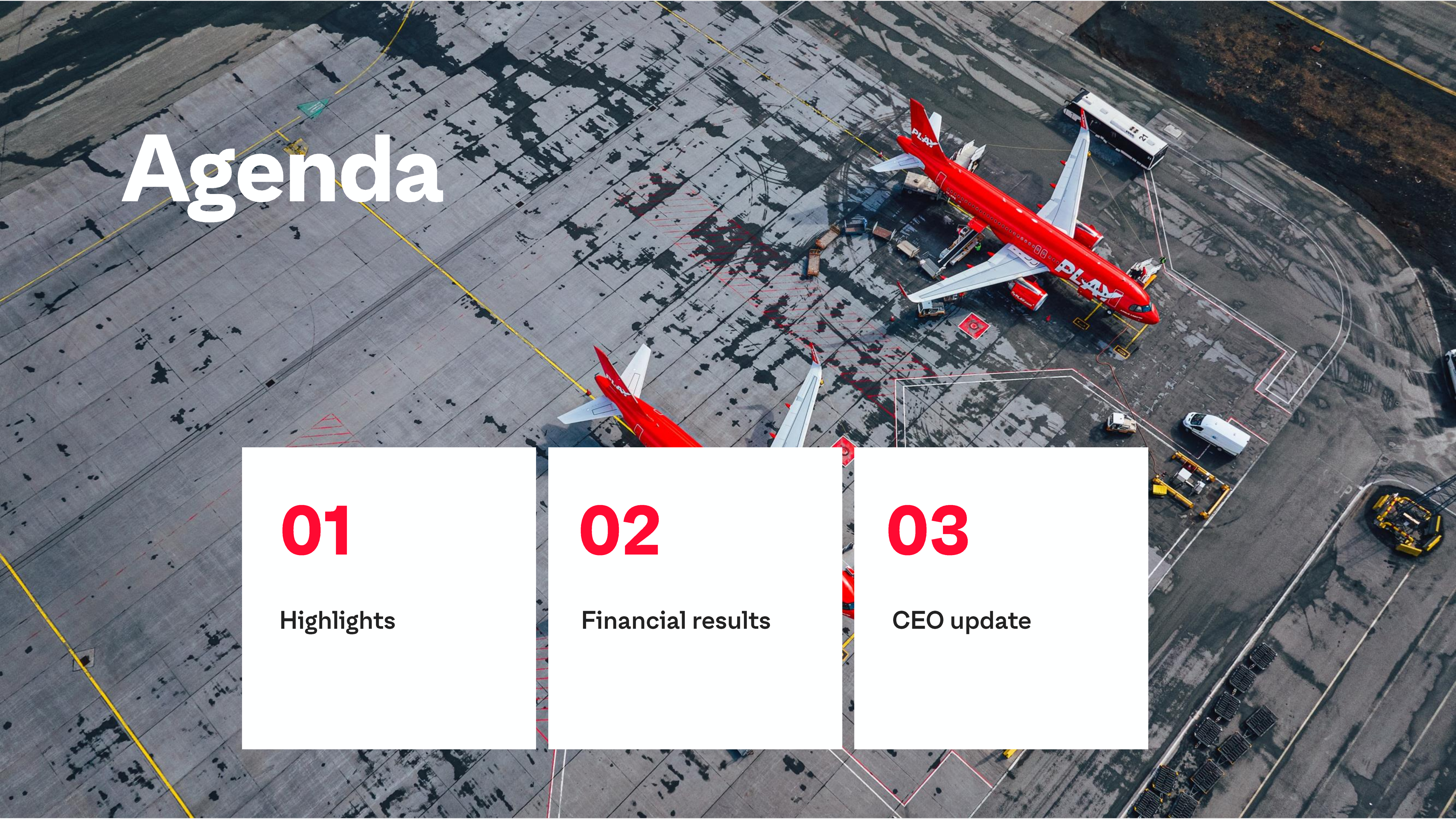
Q2 2025
Results

Questions to ir@flyplay.com
August 7, 2025

PLAY



Agenda

01

Highlights

02

Financial results

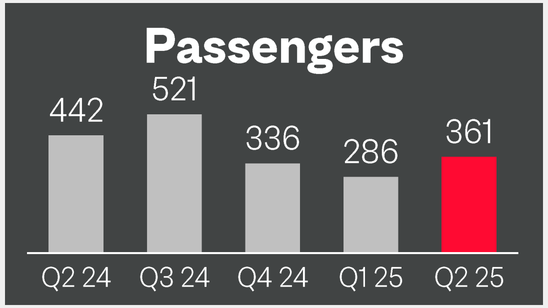
03

CEO update

Highlights

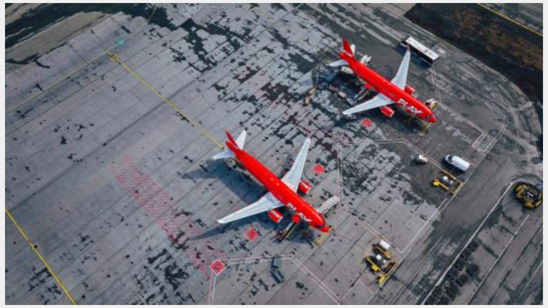
Questions to ir@flyplay.com

PLAY at a glance KEF operation Q2 2025 1)

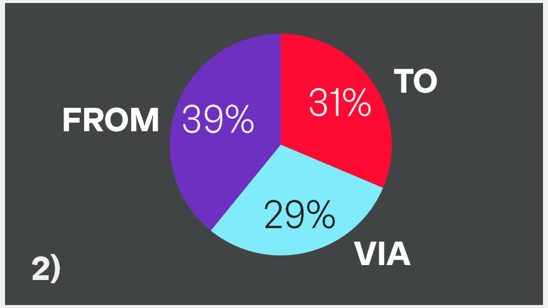


83.2%
Load factor

8 aircraft in operation



91.3%
On-time performance



1) Scheduled operations during Q2 2025
2) Split of passengers flying FROM, TO and VIA Iceland

PLAY at a glance ACMI operation Q2 2025 1)

Operational bases:

Chișinău, Moldova
Katowice, Poland

On-time performance

88.9%

2 aircraft in operation

1,162

Total block hours flown (from mid May)

30

Number of routes

SACA/SAFA RATIO

0.3

1) ACMI operations during Q2 2025

Inaugural flights to Antalya and Faro and 4-year anniversary

PLAY started to operate to two more sunny destinations in Q2 2025

- In April 2025 PLAY commenced operations to Antalya (Turkey) and Faro (Portugal)
- Part of PLAY´s strategy to increase its focus on flights from Iceland to sunny destinations in Southern Europe, Africa and Asia

4-year anniversary

- Q2 also marked PLAY's 4th anniversary
- The airline celebrated the milestone on June 24 with onboard events and a special offer for customers, commemorating the first PLAY flight on that same date in 2021

PLAY issues convertible bond worth ISK 2.4 billion

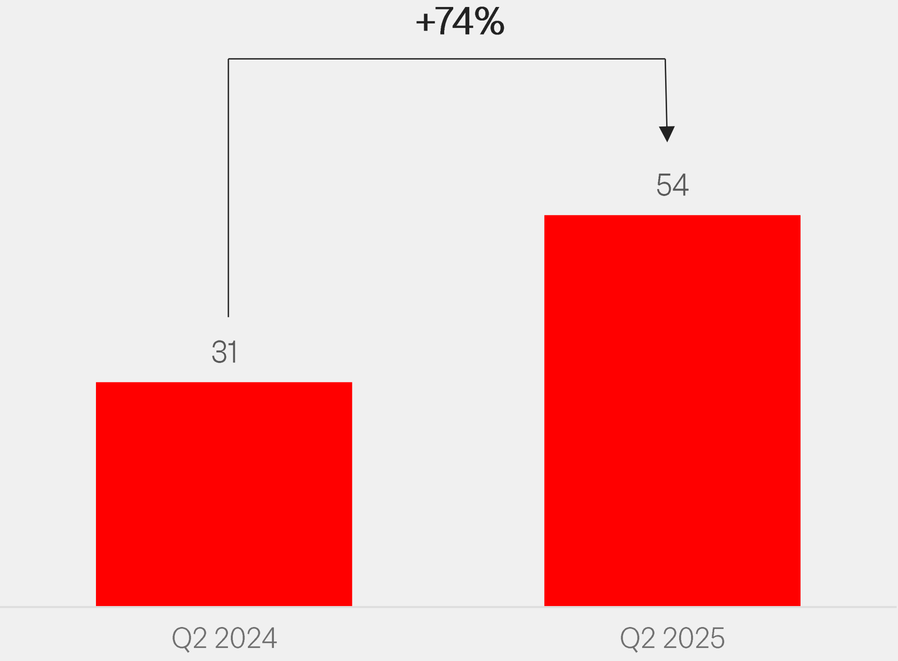
- PLAY has secured subscription commitments totaling USD 20 million, equivalent to approximately ISK 2.4 billion
- The financing will take the form of a two-year convertible bond issuance
- Among the participants are the company's largest shareholders and institutional investors
- This marks a clear show of support for PLAY's continued development and the strategic changes to its business model
- The previously announced takeover offer for all shares in Fly Play hf. has been withdrawn
- Discussions with shareholders revealed a strong desire to keep PLAY's shares listed on the Nasdaq Main Market. As a result, the takeover group decided to abandon the offer and will continue to support the company in its next phase

Growing customer satisfaction

Customer satisfaction (NPS)

- NPS increased by 74% in Q2 2025 compared to Q2 2024
  - A clear reflection of PLAY's teamwork and commitment to excellence
- Through steady monthly improvements, best-practice sharing, and a consistent focus on every stage of the customer journey, PLAY continues to set new standards for customer satisfaction

Net Promoter Score (NPS)[1)]



1) Company Data: Customer Survey

Labor agreements and staff reduction

Labor agreements renewed

- Following negotiations that started in November 2024, PLAY and ÍFF (Íslenska Flugstéttarfélagið) renewed both of its labor agreements

Results in line with the general labor market

- The terms of the renewed agreements, including cost increases, are in line with general labor market agreement increases ("stöðugleikasamningar")

Reduction in the number of employees

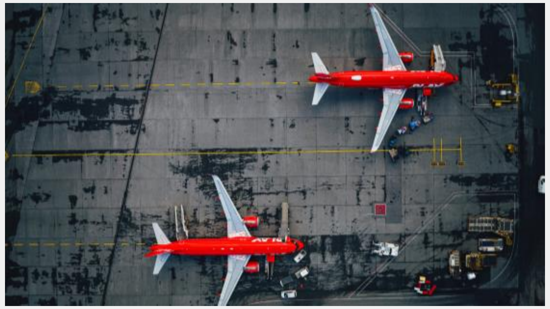
- Coinciding with the change of the business model, the reduction in employment numbers continues as planned, particularly among those based in Iceland
- The number of employees is decreasing through temporary contracts expiring, staff resigning, and layoffs

Financial results

Questions to ir@flyplay.com

Financial snapshot

Q2 2025

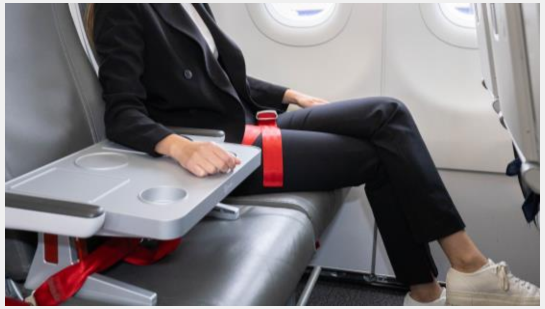


USD **72.1** million
Revenue

USD **-9.2** million
EBIT

USD **11.9** million
Cash position

4.3 cents
Ex-fuel CASK[1)]



5.2 cents
TRASK[2)]

0
External IBD[3)]

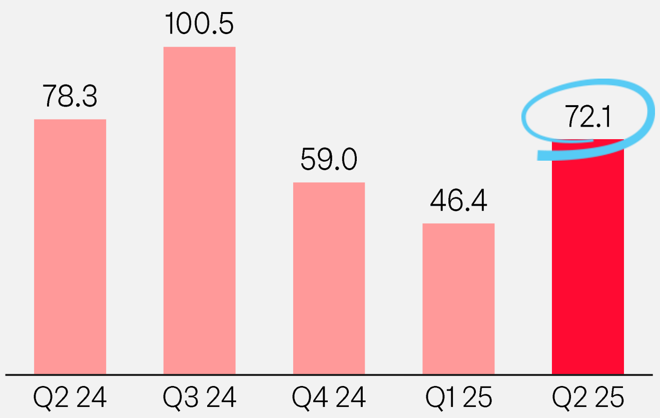
1) Total operating and depreciation cost per available seat kilometer for route network
2) Total revenue per available seat kilometer excluding ACMI operations
3) Interest Bearing Debt

Financial highlights

Q2 2025

Revenue

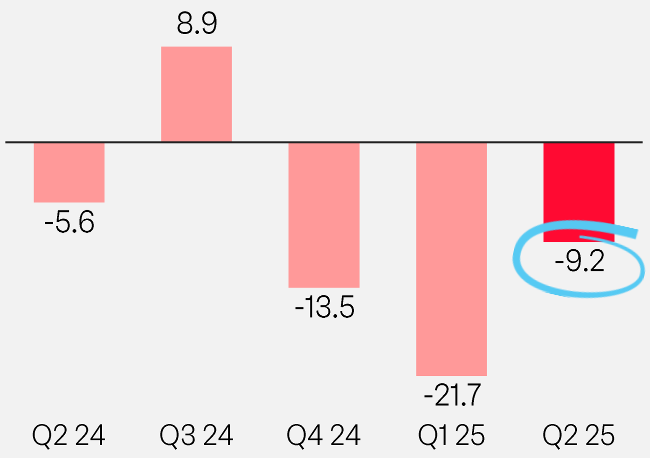
Total Revenue



- **Revenue:** Revenue decreased by 7.9% (USD 6.2 million) YoY, reflecting reduced scheduled capacity as two aircraft were allocated to ACMI operations. ACMI generates lower revenue per aircraft but also has lower operating costs

Financial performance[1)]

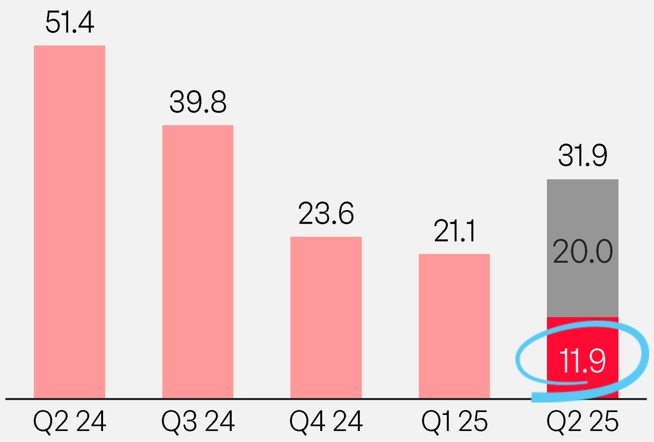
EBIT



- **EBIT:** EBIT fell USD 3.6 million YoY, driven by a USD 6.2 million revenue drop in Q2 2025 and higher costs from ETS and ISK-related FX

Balance sheet

Cash



- **Cash:** Position of USD 11.9 million including restricted cash
- PLAY has secured subscription commitments totaling USD 20 million, equivalent to approximately ISK 2.4 billion that will be finalized in August

1) Includes adjustments due to restatement of 2024

Income statement

Q2 2025

- Operating income decreased by USD 6.2 million YoY, driven by the shift from scheduled-only to a hybrid model (scheduled + ACMI). Revenue was further impacted by delayed aircraft delivery and downtime during the transition of aircraft from PLAY Iceland to PLAY Europe
- ACMI operations generated USD 6 million, supporting business model diversification and new revenue streams
- Operating expenses decreased by USD 3.1 million
  - Fuel costs declined by USD 6.8 million YoY, driven by less production within our own route network and lower fuel prices
  - ETS expense rose by USD 3.9 million YoY, as Q2 2024 benefited from lower market prices and the initial allocation of free emission units
  - The strengthening of the ISK and EUR against the USD led to increased expenses in non-USD currencies, primarily in salaries, handling fees, and airport charges

USD million	**Q2 2025**	**Q2 2024[1)]**	**Variance**
Airfare	44.0	51.7	-7.6
Ancillary	20.5	24.3	-3.9
ACMI revenue	6.0	0.0	6.0
Cargo revenue	0.7	1.3	-0.6
Other revenue	0,9	1.0	0.1
Operating income	**72.1**	**78.3**	**-6.2**
Salaries and related expenses	-16.2	-14.9	-1.3
Fuel	-17.2	-24.0	6.8
ETS	-4.2	-0.3	-3.9
Aviation expenses	-28,9	-29.4	0.5
Other operating expenses	-4.5	-5.5	1.0
Operating expenses	**-71.0**	**-74.1**	**3.1**
Depreciation and amortisation	-10.3	-9.8	-0.5
EBIT	**-9.2**	**-5.6**	**-3.6**
EBIT %	**-13%**	**-7%**	**-6 ppt**
Financial Expenses	-6.0	-4.4	-1.6
EBT	**-15.3**	**-10.0**	**-5.3**
Income tax	0.0	0.0	0.0
Net result for the period	**-15.3**	**-10.0**	**-5.3**

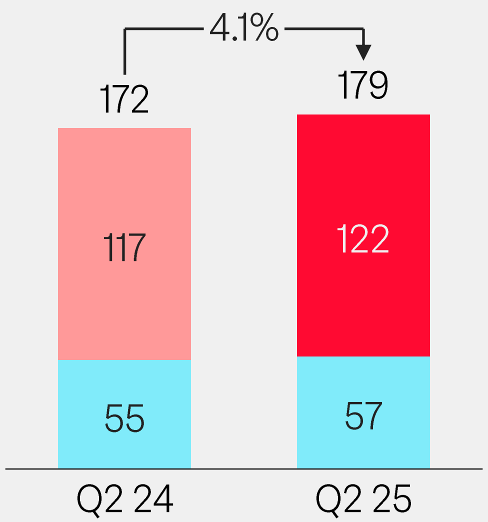
1) LY figures are restated according to the year end adjustments

Operating income

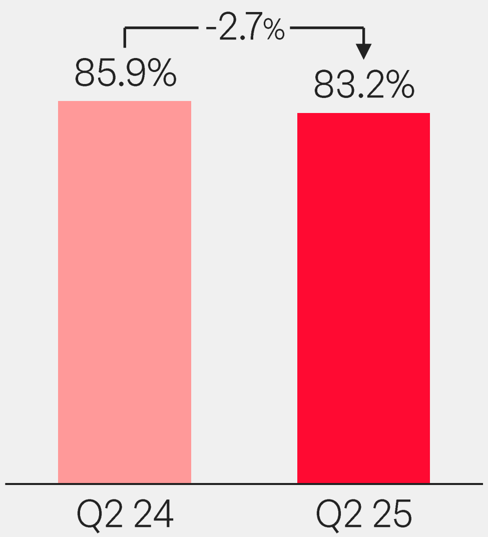
Q2 2025

- Yield per passenger from scheduled operations increased 4.1% YoY to USD 179, driven by growth in both airfare (USD +5) and ancillary revenue (USD +2) per passenger
- Load factor decreased 2.7 percentage points to 83.2%, reflecting network adjustments and market conditions
- TRASK increased 2.9% YoY to 5.2 US cents, supported by stronger yields despite lower load factor

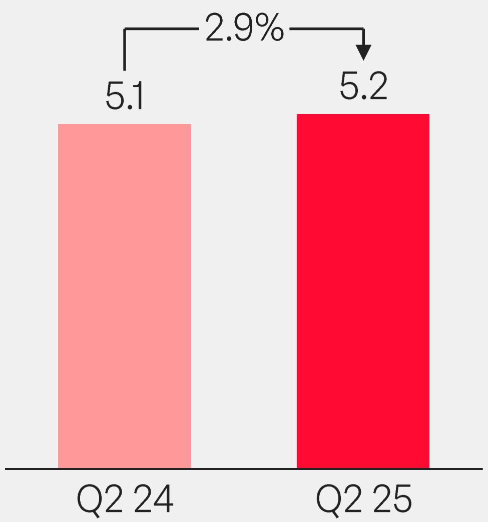
Yield per passenger
USD



Load factor



TRASK[1]
US cents

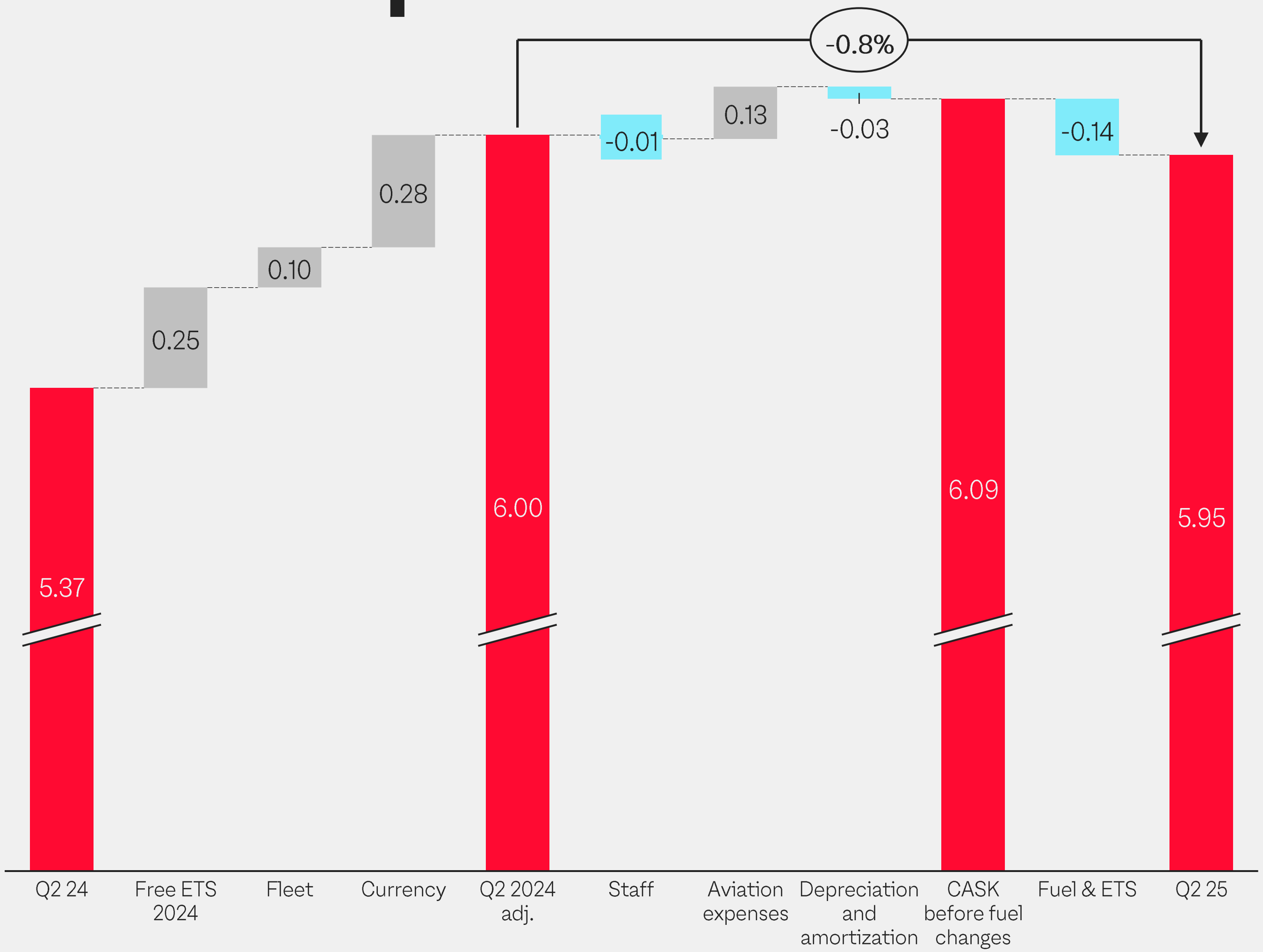


1) Total Revenue per Available Seat Kilometer excluding ACMI operations

CASK bridge scheduled ops[1)]

Q2 2025

- CASK increased 10.4% YoY to 5.95 US cents
- Weak USD increased ISK and EUR-denominated costs (+0.28 US cents), driving most of the unit cost increase
- Aviation expenses rose by 0.13 US cents, mainly due to one wet-leased aircraft operating from Keflavik
- Fleet mix shift, using A320s instead of A321s within our route network, led to higher CASK per seat due to fewer seats
- Fuel and ETS reduction partially offset cost growth



1) Excludes ACMI operations and aircraft grounded for maintenance

Balance sheet

30.06.2025

- Cash position at the end of Q2 2025 was USD 39.5 million lower YoY
  - Reflects reduced advance inflows under the new business model, with fewer aircraft engaged in scheduled operations
  - ACMI is less volatile and less cash-flow intensive, generating lower upfront payments
  - Last year's balance reflects the receipt of USD 32.6 million in capital funds in April 2024. A USD 20 million bond is expected to be finalized in August 2025
- Trade and other receivables decreased by USD 12.3 million YoY, mainly due to two aircraft allocated to ACMI operations, reducing future passenger bookings and receivables from acquirers
- Shareholders' equity negative at USD -81.1 million due to losses and tax asset write-off at year-end 2024
- Total liabilities decreased by USD 19.3 million, from USD 443.1 million to USD 423.8 million, mainly due to a decrease in lease liabilities

USD million	30.06.2025	30.06.2024[1)]
Intangible assets	12.9	14.5
Right-of-use assets	243.5	275.5
Operating assets	18.2	15.0
Deposits	11.9	12.3
Tax assets	10.3	25.0
Non-current assets	**296.7**	**342.3**
Inventories	0.8	0.8
Trade and other receivables	31.7	44.0
Prepaid expenses	1.5	1.2
Cash and cash equivalents	11.9	51.4
Current assets	**45.9**	**97.4**
Total assets	**342.7**	**439.7**
Share capital	14.0	14.0
Share premium	125.9	125.9
Other components of equity	1.3	1.2
Accumulated loss	-222.4	-144.7
Shareholders equity	**-81.1**	**-3.5**
Provisions	45.0	36.7
Lease liabilities	215.6	243.7
Non-current liabilities	**260.6**	**280.4**
Provisions	5.0	3.6
Lease liabilities	28.4	26.8
Trade and other payables	71.8	47.5
Deferred income	55.8	84.8
Deposits received	2.1	0.0
Current liabilities	**163.1**	**162.7**
Total liabilities	**423.8**	**443.1**
Total equity and liabilities	**342.7**	**439.7**

1) LY figures are restated according to the year end adjustments

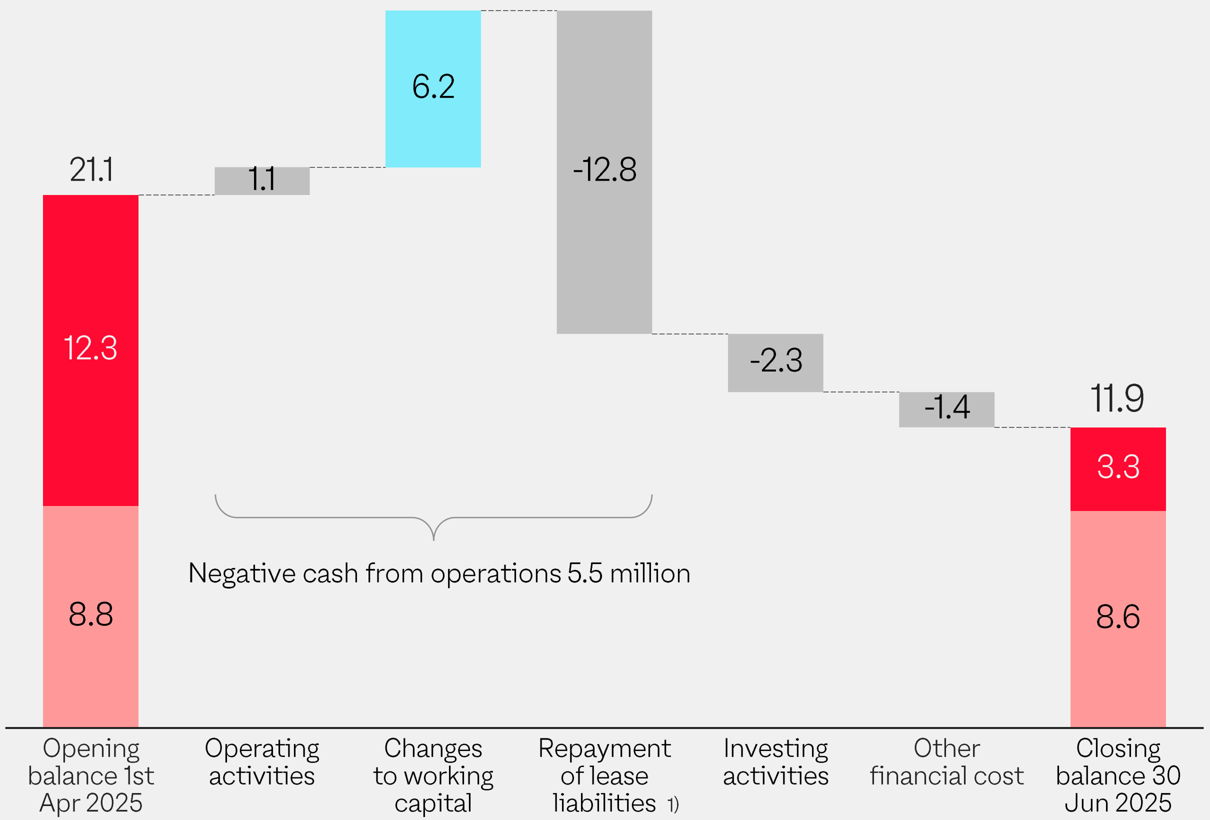
Cash flow

Q2 2025

- Net cash from operations in Q2 2025 amounted to USD 5.5 million, reflecting a negative operational cash flow
  - Working capital improved by USD 6.2 million during the quarter
  - USD 12.8 million was used to settle lease liability installments of aircraft leases, a seasonal USD 4 million increase versus Q1 from higher summer lease payments
- Investing outflows included operating asset purchases and increasing of intangible assets, primarily related to the establishment of the new AOC in Malta
- Closing cash balance as of 30 June 2025: USD 3.3 million unrestricted and USD 8.6 million restricted

Cash flow bridge

USD million



1) Repayment of lease liabilities includes interests

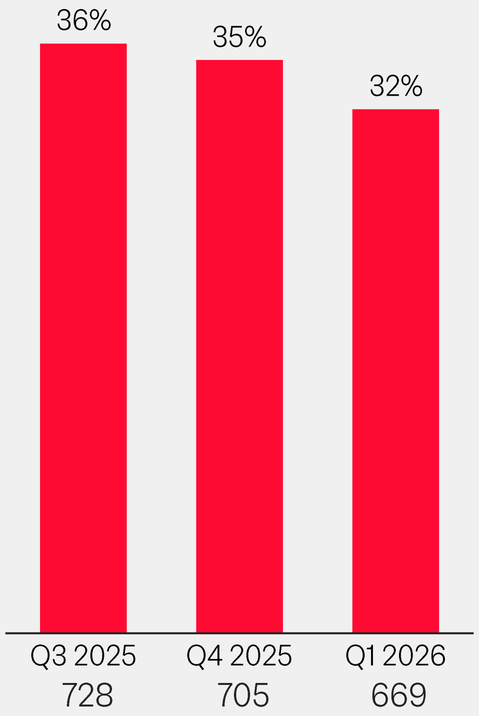
Fuel price development and fuel hedging

Q2 2025

- Hedge strategy
  - 1-3 months – Up to 60%
  - 4-6 months – Up to 40%
  - 7-12 months – Up to 30%
- Current spot ($/MT)[1)]@06.08.2025 ~ 713.25
- Hedge position helped smoothen out fluctuations in market price

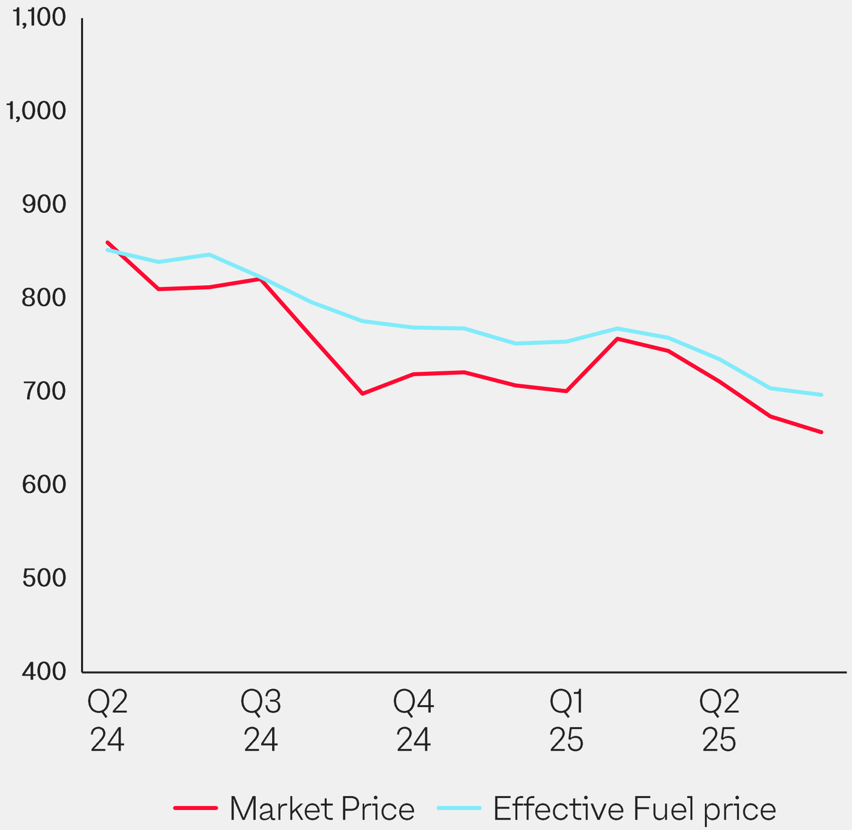
Fuel Hedging

Current position (Hedge %, Hedge price $/MT)



Jet Fuel Price

Monthly average $/MT



1) $/MT = US dollar pr. metric ton

Financial summary

RASK growth and cost reductions with business model shift

- RASK up 2.9% YoY, supported by higher yields and ancillary revenue growth
- Adj. CASK within our route network improved to 5.95 vs 6.00 US cents LY, despite reduced own production
- Financials were impacted by approximately USD 4.8 million by weak USD and fleet mix shift to A320s
- Partial fleet on ACMI reduces revenue per aircraft but also lowers costs, cash needs, and tax liabilities
- Loss-making routes terminated post-summer, focusing the network on profitable core markets
- Changes to business model expected to enhance profitability and reduce financial risk

CEO update & outlook

Questions to ir@flyplay.com

PLAY going forward

Shift in business plan progressing as announced last fall

Continued focus on leisure market

- 15% increase in leisure capacity in Q2 2025 compared to Q2 2024 despite fewer aircraft operating out of Keflavik airport
  - Leisure destinations continue to be profitable for PLAY
- PLAY's schedule out of Keflavik after October 2025 will be mostly to leisure destinations
  - Leisure destinations make up 38% of PLAY's schedule in Q3 2025 compared to 27% in Q3 2024
  - For Q4, the proportion of leisure capacity goes from 25% to 66% between years
- Schedule from Keflavík was adjusted this spring and no further reductions planned

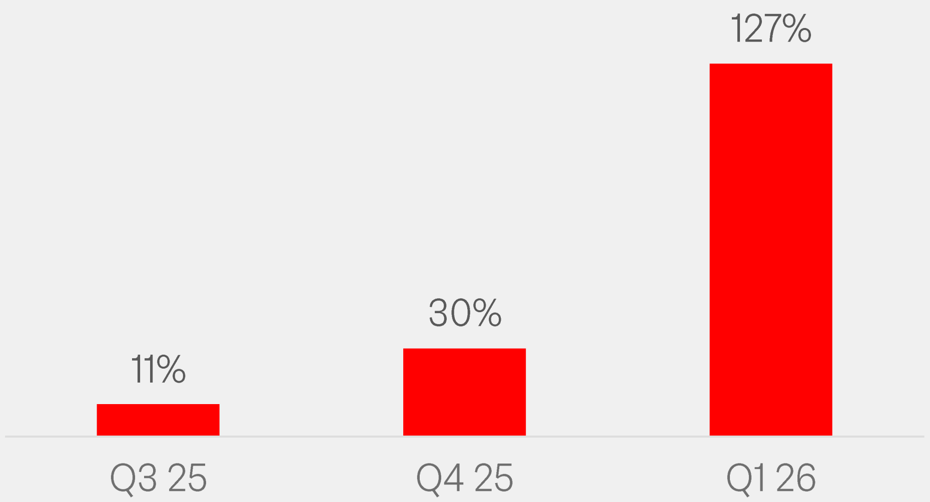
ACMI Leasing for fleet optimization

- Four of PLAY's ten aircraft are committed to a long-term ACMI damp lease agreements with SkyUp, commencing in May 2025. The agreements run through the end of 2027
- The first aircraft began operations on May 12, 2025
- SkyUp is part of the Join UP! Group, which includes airlines and a network of travel agencies across Eastern Europe
- The decision to withdraw from the transatlantic market, announced in June, frees up two further aircraft for operations for other carriers
  - One of them has already been placed until late 2026
  - The second aircraft is being marketed
  - Our new aircraft are proven to be highly sought after

Strong forward unit revenue

- Q3 unit revenue is trending positive
- Agent sales are seeing strong growth and are expected to make up an even larger share of total sales as we place greater focus on leisure markets going forward
- PLAY continues to improve ancillary product offering, resulting in YoY growth
- Leisure markets generate higher ancillary revenue per passenger, and with increased focus on these markets, this revenue is expected to grow further

Another year with improvement Year-on-year in Ancillary RASK[1)]



1) Company data

New business model advancing as presented

- 2025 network optimized with greater focus on leisure routes from Keflavik versus 2024
- Leisure destinations represent 36% of ASK in 2025, up from 27% in 2024 – set to increase further in 2026

☑

- Maltese AOC established, enabling cost-efficient ACMI operations

☑

- PLAY has finalized long-term ACMI agreements for 5 aircraft
  - Four with SkyUp through 2027
  - Fifth aircraft placed through 2026
  - Sixth being marketed

☑

2025 outlook

Operational outlook

- PLAY will operate the last hub-and-spoke flights at the end of October and will exclusively operate a point-to-point network from Iceland after that
- From end of October four aircraft will operate out of Iceland
- Full shift of operations from Iceland to Malta will eliminate dual-AOC costs and benefit from Malta's lower operating cost base

Commercial outlook

- Forward unit revenue trending positive
- Aircraft dedicated to ACMI will ensure stable revenue and stronger fleet utilization during off-peak periods

Financial outlook

- Q3 net income in line with last year, despite one aircraft in extended maintenance and another one for three weeks due to hail incident
- Winter season expected to show a significantly reduced loss, improving overall results during Q4-25 and Q1-26 by upwards of USD 25 million
- Profitable operations expected in 2026

Key takeaways

Progress on track

Higher share of leisure destinations in the network

Network centered on profitability

Long-term ACMI agreements secured for 5 aircraft

Strategic capacity shift underway

Temporary financial impact

Strong operational performance maintained

TRASK up and adjusted CASK down

Aircraft maintenance delay led to revenue shortfall

FX developments impacted cost base

Strengthening cash position

USD 20 million raised through convertible bond issue

Backed by largest shareholders and institutional investors

Cash position remains solid despite one-off costs

Provides stability during transition

Thank you

Questions to ir@flyplay.com

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