PLAY

Fly Play hf.: Financial Results Q2 2025

- **Business plan on track by focusing on leisure routes, profit-driven network planning, and securing long-term ACMI agreements.**

- **Strong operations in Q2, with higher TRASK and lower adjusted CASK, though adverse FX movements and maintenance delay costs impacted results.**

- **Cash at the end of Q2 stood at USD 11.9 million, including restricted cash.**

- **PLAY has secured subscription commitments totalling USD 20 million (ISK 2.4 billion), expected to be finalised by mid-August, strengthening the company's financial position going forward.**

- **Operating costs fell to USD 71.0 million in Q2 2025 from USD 74.1 million in Q2 2024, mainly due to reduced scheduled operations and drop in fuel costs from lower prices.**

- **PLAY carried 361k passengers in Q2 2025, down from 442k in 2024, as the company transitions to new hybrid business model.**

- **TRASK for scheduled operations increased by 2.9% year on year to 5.2 US cents, supported by stronger yields.**

- **Average yield per passenger rose 4.1% year-over-year to USD 179, driven by growth in both airfare and ancillary revenue per passenger.**

- **Net loss for Q2 2025 was USD -15.3 million, compared to USD -10.0 million in Q2 2024.**

- **Leisure capacity rose 15% year-on-year in Q2 2025, despite fewer aircraft operating from Keflavík.**

- **PLAY's Keflavik schedule is shifting toward leisure, with leisure capacity increasing from 27% to 38% in Q3 and from 25% to 66% in Q4 year-over-year.**

- **Schedule from Keflavík was adjusted this spring and no further reductions planned.**

- **Four aircraft are on ACMI lease with SkyUp through 2027; two additional aircraft freed from the U.S. exit—one already placed through 2026, one being marketed.**

- **On-time performance in Q2 2025 was 91.3%, compared to 89.3% in Q2 in 2024.**

- **CASK from scheduled operations rose to 5.95 US cents in Q2 2025 from 5.37 US cents in Q2 2024, driven by a weaker USD, the use of aircraft with fewer seats, and higher aviation costs.**

- **EBIT was USD -9.2 million in Q2 2025, compared to USD -5.6 million in Q2 2024.**

- **PLAY has 10 aircraft in its fleet but operated the equivalent of 8 from Keflavík in Q2, with two on ACMI lease.**

- **PLAY had 31 destinations in its route network during Q2 2025.**

Operating statistics		Q2 2025	Q2 2024	Change
Number of flights	no.	2.368	2.712	-344
Number of operating destinations	no.	31	36	-5
Number of aircraft in operation	no.	8	10	-2
Percentage of arrivals on time (OTP)	%	91,3%	89,0%	2.3 ppt
Number of passengers	000s	361	442	-18%
Available seat kilometers (ASK)	mill	1.258	1.544	-19%
Revenue passenger kilometers (RPK)	mill	1.048	1.325	-21%
Stage length (km)	no.	2.908	3.010	-3%
Load factor	%	83%	86%	-3 ppt
Seats available	000s	433	514	-16%

Income statement				
Operating revenue	USD mill	72,1	78,3	-6,2
Operating expenses	USD mill	71,0	74,1	-3,1
EBIT	USD mill	-9,2	-5,6	-3,6
EBIT margin	%	-13%	-7%	-6 ppt
Net operating results	USD mill	-15,3	-10,0	-5,3

Balance sheet				
Total assets	USD mill	342,7	439,7	-97,0
Total liabilities	USD mill	423,8	443,1	-19,4
Total shareholders equity	USD mill	-81,1	-3,5	-77,6
Equity ratio	%	-23,7%	-0,8%	-22.9 ppt
Cash and cash equivalents (incl. restricted)	USD mill	11,9	51,4	-39,5

Share information				
Share price at period-end (ISK)	Per share	0,9	2,5	-1,6
Loss per share	US cents	-0,8	-0,8	- 0,0

Key statistics				
Airfare per passenger	USD	122	117	4%
Ancillary per passenger	USD	57	55	4%
Yield per passenger	USD	179	172	4%
TRASK	US cents	5,22	5,07	3%
CASK (incl. Fuel & emissions)	US cents	5,95	5,37	11%
CASK (excl. Fuel & emissions)	US cents	4,27	3,80	12%
CO_2 per RPK (grams CO_2 per RPK)	no.	60,0	58,0	3%
CO_2 emissions in tons from jet fuel	no.	63.009	76.781	-18%

Einar Örn Ólafsson, CEO:

"Our strategic transformation, first announced last fall, is unfolding as planned. We are deliberately shifting our network toward more profitable leisure destinations and building a more resilient business model with diversified revenue streams. In Q2, we grew our leisure capacity by 15% year-on-year despite operating fewer aircraft out of Keflavík. This shift is already visible in our forward schedule, with leisure routes making up a significantly larger share of our network in both Q3 and Q4 compared to last year.

At the same time, we are scaling up our ACMI operations, with four aircraft already committed to long-term agreements with SkyUp through 2027. These contracts provide stable income with minimal commercial risk and reflect the strong demand for our modern and efficient fleet. We have also secured placement for one of the two aircraft released from our transatlantic operations and are actively marketing the second. The decision to exit the U.S. market was a strategic one that allowed us to allocate capacity to areas with more attractive returns.

While we faced temporary challenges this quarter—including FX headwinds, softness in the Atlantic market, and the extended downtime of one aircraft due to engine maintenance—our underlying performance remains strong. Unit revenue per passenger increased, TRASK is up, adjusted CASK is down, and our operational excellence continues to show through industry-leading on-time performance.

Importantly, we have taken proactive steps to support our transition. This July, we secured USD 20 million in new funding through a convertible bond issue, with strong backing from our largest shareholders and institutional investors. This not only strengthens our cash position but also underscores continued confidence in PLAY's strategy and future.

We are well on our way to completing this business model shift. Our focus remains on executing with discipline—deploying capacity where returns are strongest, maintaining operational reliability, and diversifying our revenue base. These actions are positioning PLAY for a stronger, more sustainable future."

Traffic Data

PLAY carried 361 thousand passengers in Q2 2025, compared to 442 thousand in the same period in 2024. The decline reflects network adjustments, including increased focus on leisure routes and ACMI operations, as well as temporary capacity constraints.

Load factor in the quarter was 83.2%, down from 85.9% in Q2 2024, in line with these strategic changes. Leisure capacity increased by 15% year-over-year, despite fewer aircraft operating from Keflavík, highlighting PLAY's continued shift toward point-to-point holiday traffic.

During the quarter, PLAY operated an 8-aircraft schedule, with two aircraft on ACMI assignments. One aircraft was leased in to support summer operations.

The passenger mix in scheduled operations in Q2 2025 consisted of 31% traveling from Iceland, 40% to Iceland, and 29% connecting passengers (VIA).

Customer satisfaction continued to rise, with PLAY's Net Promoter Score (NPS) increasing by 74% year-over-year, from 31 to 54. This is the result of sustained focus on service excellence and consistent improvements across the entire customer journey.

Financials

Total revenue in Q2 2025 was USD 72.1 million, compared to USD 78.3 million in Q2 2024. The year-over-year decline reflects network adjustments and temporary impacts from aircraft maintenance delays.

TRASK increased to 5.2 US cents from 5.1 US cents, supported by a higher average yield of USD 179 per passenger, up from USD 172. This improvement underscores PLAY's continued ability to capture strong unit revenue despite lower overall volumes.

CASK for scheduled operations for the quarter was 5.95 US cents, up from 5.37 in Q2 2024, mainly driven by FX effects, the use of aircraft within the fleet with fewer seats, and higher aviation cost. Despite this, PLAY maintained disciplined cost control, reflected in a stable ex-fuel cost base and improved commercial efficiency.

EBIT for the quarter was negative USD 9.2 million, compared to negative USD 5.6 million in the same period last year. Net loss amounted to USD 15.3 million, versus USD 10.0 million in Q2 2024.

Cash at the end of Q2 stood at USD 11.9 million, including restricted cash. Additionally, PLAY has secured subscription commitments totaling USD 20 million (ISK 2.4 billion), expected to be finalized after mid-August, strengthening the company's financial position going forward.

Outlook

PLAY's transition to a point-to-point network will be completed at the end of October, with four aircraft operating out of Iceland. Lease agreements are in place for five of the six remaining aircraft, supporting stronger fleet utilization and revenue generation year-round.

The operational shift from Iceland to Malta will reduce OPEX by eliminating dual-AOC costs and benefiting from Malta's lower cost base.

Forward unit revenue remains strong, and ACMI contracts continue to provide stable income during off-peak periods.

Q3 net income is expected to be in line with last year, despite temporary aircraft downtime. A significantly smaller winter loss is projected, improving Q4 2025 and Q1 2026 results by up to USD 25 million. PLAY expects to return to profitability in 2026.

Further information

CEO Einar Örn Ólafsson will present the company's results on Thursday, August 7, at 4:00pm. The presentation will be streamed in English via webcast: https://www.flyplay.com/en/financial-reports-and-presentations