

## **INTEREST IN SUBMITTING A VOLUNTARY TAKEOVER OFFER**

Einar Örn Ólafsson, CEO of Fly Play hf. and Elías Skúli Skúlason, Vice Chairman of the board of Fly Play hf., announce their interest to submit a voluntary takeover offer for all shares in Fly Play hf., reg. no. 660319-0180, Nasdaq Ticker PLAY (“**Play**”), via the special purpose vehicle BBL 212 hf., reg. no. to 550125-0640 (the „**Offeror**“). The parties listed below which are (a) controlled by or (b) related to the aforementioned persons will approve the offer, if submitted, and accept Consideration A (defined below), i.e. payment in the form of shares in the Offeror.

- Leika Fjárfestingar ehf.
- Gnitanes ehf.
- Einir ehf.
- Fea ehf.
- Rea ehf.
- Forskot ehf.
- Fjöltækni eignarhaldsfélag ehf.
- Þorvaldur Skúli Skúlason

These parties collectively control 20.0% of the shares and votes in Play.

The Offeror has obtained financing in the amount of USD 7,000,000 which is in the form of equity as well as borrowings. In order to make the offer and support the continued operations and growth of Play, the Offeror will need to secure further financing in the amount of USD 13,000,000. Provided that these financing needs are secured, the Offeror will submit the voluntary takeover offer for all shares in Play. The final capital structure of the Offeror will depend on the financing discussions and be set out in detail in an Offer Document.

## **THE OFFEROR’S INTENTION FOLLOWING THE TAKEOVER**

In light of the company’s financial performance and the outlook for the trans-Atlantic market, the Offeror intends to continue to implement the structural and business plan changes which have been announced by Play. The Offeror plans to build on PLAY’s Q3 2024 shift towards leisure markets and lease operation by implementing significant operational changes, if the takeover offer is submitted and successful:

- From October onwards the Offeror intends to discontinue North-America flights and thus the hub & spoke part of Play’s flight network. Simultaneously, Northern European flights will be scaled back.
- The Offeror intends to continue to focus on Leisure flights and even add to that part of Play’s network. The *Visiting Friends and Relatives* (VFR) part of Play’s operations is growing (mainly Lithuania and Poland).

- The Offeror estimates that the adjusted Play flight network will require four aircraft.
- In addition to changes to the flight network the Offeror intends to operate the majority of the aircraft fleet with other operators, as per Play’s announcement of the placement of four aircraft with JoinUp/SkyUp
- To reflect this change, the Offeror intends to transfer all of Play’s aircraft to the Maltese AOC after the summer high-season and to close down Play’s Icelandic AOC.
- Icelandic passengers will not experience any changes when flying with PLAY:
  - Same red aircraft
  - Same aircraft configuration
  - Same Icelandic crew
  - Same wages
  - Same customer experience
- In order to align operations with this new strategy, the Offeror expects to grow its offices in Malta and Lithuania while reducing operations in its Icelandic office.

#### **MAIN OFFER TERMS AND CONDITIONS**

The Offeror intends to submit an Offer Document to the Central Bank of Iceland (“**FME**”), Financial Supervision for review and approval in accordance with act no. 108/2007 on Takeovers (“**Takeover Act**”), as soon as practicable after completing financing. Once the Offer Document has been approved by the FME it will be published and the offer process initiated.

Following the completion of the Offer, if submitted, the Offeror intends to seek a delisting of shares, issued by PLAY, on Nasdaq Iceland. If the shares will be delisted there will not be any public trading of the shares in PLAY and it is very likely that no active market will exist for the shares

Here below the Offeror sets out the main terms and conditions of the anticipated takeover offer.

#### *Price and payment*

The Offeror will offer a price of ISK 1 per share in Play. Accepting shareholders will be offered a choice of payment in the form of;

- Share(s) in the Offeror – being one share in the offeror per share in Play (“**Consideration A**”); or

- Cash (“**Consideration B**”).

The offer price will be paid to accepting shareholders on conclusion of the offer process, provided that the conditions of the offer are satisfied. More details on the settlement of the offer will be provided in the Offer Document.

The Offer Price represents a premium of 24.2% above the last day’s closing price and a premium of 18.0% above the volume-adjusted average price (VWAP).

#### *Validity period*

The offer will be valid for such period as set out in the Offer Document and accordance with the Takeover Act. The Offeror anticipates that the validity period will be between four (4) and six (6) weeks.

#### *Conditions*

The offer will be subject to conditions, as authorised under the Takeover Act. The Offeror will condition the offer on *inter alia* shareholders controlling more than 90% of shares and votes in Play accepting the offer. If this condition is fulfilled the Offeror intends to effect a mandatory buy-out of remaining shareholders (if any). In addition the offer may be subject to regulatory approvals.

The offer, if submitted, will not be subject to financing.

#### **THE OFFEROR’S ADVISORS**

The Offeror has retained Arctica Finance hf. to act as the Offeror’s financial advisor for this process.