



**Fly PLAY hf.**

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 JANUARY 2025 TO 31 MARCH 2025

Fly PLAY hf. | Suðurlandsbraut 14 | 108 Reykjavík Iceland | Reg. no. 660319-0180

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# Endorsement and Statement by the Board of Directors and the CEO

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Fly Play hf. ("the Company" or "PLAY") is an Icelandic low-cost airline operating a hub-and-spoke model connecting Iceland with Europe and North America. The Company commenced operations in June 2021 and was listed on Nasdaq First North Iceland in July 2021 and uplisted to the Nasdaq Main Market in Iceland on August 2024. PLAY's primary objective is to make air travel affordable for all. The airline offers safe and comfortable journeys aboard its modern fleet of Airbus aircraft. During Q1 2025, PLAY operated 8 aircraft serving 26 destinations.

The Condensed Consolidated Interim Financial Statements for the period from January 1 to 31 March 2025 have been prepared in accordance with International Financial Reporting Standards (IFRSs) for Interim Financial Statements (IAS 34). The Financial Statements are presented in thousands of US dollars, the Group's functional currency.

## Operations in the three-month period ended 31 March 2025

According to the Condensed Consolidated Interim Financial Statement loss for the period was USD 26.8 million. On March 31, 2025, equity amounted to USD 60.3 million, including share capital in the amount of USD 14 million and a share premium of USD 125.9 million. Reference is made to the Statement of Changes in Equity regarding the information on changes in equity. The average number of full-time employees was 473 as at 31 March 2025 thereof 220 men and 253 women, and salaries and related expenses amounted to USD 12.5 million.

PLAY's cash position, including restricted cash, amounted to USD 21.1 million as of 31 March 2025, representing an improvement of USD 3.9 million compared to USD 17.2 million at the end of Q1 2024. Year-end cash was USD 23.6 million.

PLAY carried 286 thousand passengers in the first quarter of 2025, compared to 349 thousand passengers during the same period in 2024. The load factor in Q1 2025 was 77.2%, compared to 81.8% in Q1 2024. These figures reflect PLAY's strategic focus on expanding leisure operations and ACMI projects.

During the quarter, one of PLAY's aircraft was allocated to an ACMI project for GlobalX in Miami, and the route network was optimized to better align with seasonal demand. The load factor development is in line with PLAY's increased focus on leisure destinations in Southern Europe, where capacity grew by 17% year-over-year. While leisure markets deliver higher yields, they primarily operate on a point-to-point basis without connecting (VIA) traffic, resulting in a different load factor profile. Additionally, the shift in Easter holiday timing — falling in March in 2024 but in April in 2025 — also contributed to the Q1 results.

Of the passengers flying with PLAY in Q1 2025, 32.0% were flying from Iceland, 40.0% were flying to Iceland and 28.0% were connecting passengers (VIA).

Our customer satisfaction (NPS) increased substantially in year-on-year, from a score of 33 in Q1 2024 to 49 in Q1 2025, or by 48%. This is thanks to the sustained efforts of PLAY staff to improve the services provided to customers.

Total revenue for the first quarter of 2025 was USD 46.4 million, compared to USD 54.4 million in the same period in 2024. This development reflects PLAY's strategic adjustments to its network, including reduced capacity and schedule changes to better align with seasonal demand and operational priorities.

Passenger revenue per available seat kilometer (RASK) for the first quarter of 2025 was 4.10 US cents, compared to 4.24 US cents in the same period in 2024. Average yield per passenger increased by 1.2%, rising from USD 152 in Q1 2024 to USD 153 in Q1 2025. While the load factor was 4.6 percentage points different year-over-year, strong yields supported a stable RASK performance. This was achieved despite the shift in Easter holidays, which fell within the reporting period in 2024 but not in 2025.

PLAY's total assets amounted to 362.9 million USD as at 31 March 2025.

# Endorsement and Statement by the Board of Directors and the CEO, contd.:

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## Outlook going forward

PLAY's business plan continues to evolve, with a strong focus on leisure destinations from Iceland. Leisure capacity is set to increase by 7% in 2025 compared to 2024, despite operating fewer aircraft from Keflavik Airport. PLAY will operate a fleet of seven aircraft during the peak summer months, including one additional aircraft leased short-term to support the announced schedule. New holiday destinations include Faro, Portugal, and Antalya, Turkey, with service beginning in summer 2025.

PLAY will deploy four of its ten aircraft for ACMI damp leasing with SkyUp Malta Airlines from spring/summer 2025, an increase from three aircraft previously announced. The agreement extends through the end of 2027. SkyUp Malta is part of the JoinUp Group, which originated as a Ukrainian tour operator and now includes a Maltese airline and travel agencies across Eastern Europe.

## Statement by the Board of Directors and the CEO

According to the Board of Directors' and CEO's best knowledge, the Condensed Consolidated Interim Financial Statements give a true and fair view of the financial performance of the Group for the three-month period ended 31 March 2025, its assets, liabilities and financial position as at 31 March 2025 and its cash flows for the three-month period ended 31 March 2025.

Further, in our opinion, the Financial Statements and the Endorsement of the Board of Directors and the CEO give a fair view of the development and performance of PLAY's operations and its position and describes the principal risks and uncertainties faced by PLAY.

The Board of Directors and the CEO have today discussed the Condensed Consolidated Interim Financial Statements of PLAY for the three-month period ended 31 March 2025 and confirm them by means of their signatures.

**Reykjavik April 29, 2025**

Board of Directors:

CEO:

## Consolidated statement of Profit or Loss and Other Comprehensive Income

	Notes	Q1 2025	Q1 2024*
<b>Revenue</b>			
Transport revenue .....	6	46,359	54,446
<b>Operating expenses</b>			
Aviation expenses .....	7	40,780	47,671
Salaries and other personnel expenses .....	8	12,455	13,522
Other operating expenses .....	9	4,781	4,808
		<u>58,017</u>	<u>66,002</u>
<b>Operating profit before, depreciation, financial items and tax (EBITDA).....</b>		<b>( 11,657)</b>	<b>( 11,556)</b>
Depreciation and Amortization .....	10	10,090	9,715
<b>Operating loss (EBIT).....</b>		<b>( 21,748)</b>	<b>( 21,271)</b>
<b>Financial income and expenses</b>			
Financial income .....		160	96
Financial expense .....		( 4,316)	( 6,317)
Foreign exchange .....		( 923)	273
	11	<u>( 5,079)</u>	<u>( 5,948)</u>
<b>Loss before tax (EBT).....</b>		<b>( 26,827)</b>	<b>( 27,219)</b>
Income tax .....		0	0
<b>Loss for the quarter.....</b>		<b><u>( 26,827)</u></b>	<b><u>( 27,219)</u></b>
<b>Loss per share</b>			
Basic and diluted loss per share in US cent .....	15	( 1.9)	( 4.0)

\*Refer note 2 (d)

# Consolidated statement of Financial Position

## as at 31 March 2025

			Audited
	Notes	31.3.2025	31.12.2024
<b>Assets</b>			
Intangible assets .....		12,906	13,915
Right-of-use assets .....	12	251,922	259,861
Operating assets .....		17,789	17,941
Aircraft deposits & security instalments .....		11,552	11,452
Deferred tax assets .....		10,282	10,262
Non-current assets		<u>304,451</u>	<u>313,431</u>
Inventories .....		720	858
Trade and other receivables .....	13	35,530	24,811
Prepaid expense .....		1,138	1,624
Cash and cash equivalents .....	14	21,075	23,604
Current assets		<u>58,463</u>	<u>50,897</u>
<b>Total assets</b>		<u><u>362,913</u></u>	<u><u>364,329</u></u>
<b>Shareholders equity</b>			
Share capital .....		14,046	14,046
Share premium .....		125,897	125,897
Other components of equity .....		1,314	1,315
Accumulated loss .....		( 201,653)	( 174,363)
Total shareholder equity		<u>( 60,396)</u>	<u>( 33,106)</u>
<b>Liabilities</b>			
Provisions .....	16	38,450	36,889
Lease liabilities .....	17	222,636	229,937
Non-current liabilities		<u>261,086</u>	<u>266,827</u>
Provisions .....	16	4,370	4,363
Lease liabilities .....	17	27,968	27,671
Trade and other payables .....		60,741	55,786
Deferred income .....	18	67,211	42,788
Deposits received .....		1,932	0
Current liabilities		<u>162,223</u>	<u>130,608</u>
Total liabilities		<u>423,309</u>	<u>397,435</u>
<b>Total shareholders equity and liabilities</b>		<u><u>362,913</u></u>	<u><u>364,329</u></u>

## Consolidated statement of Changes in Equity for the three months ended as at 31 March 2025

	Share capital	Share premium	Other components of equity	Accumulated loss	Total equity
<b>31 March 2025</b>					
Balance at January 1, 2025 .....	14,046	125,897	1,314	( 174,826 )	( 33,569 )
Loss for the quarter .....	0	0	0	( 26,827 )	( 26,827 )
Other comprehensive income .....	0	0	0	0	0
<b>Total comprehensive loss .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>( 26,827 )</b>	<b>( 26,827 )</b>
Share capital increase .....	0	0	0	0	0
Stock options expense .....	0	0	0	0	0
Balance at March 31, 2025 .....	14,046	125,897	1,314	( 201,653 )	( 60,396 )

	Share capital	Share premium	Other components of equity	Accumulated loss	Total equity
<b>31 March 2024</b>					
Balance at January 1, 2024 .....	6,797	101,490	1,160	( 107,398 )	2,049
Loss for the year .....	0	0	0	( 27,219 )	( 27,219 )
Other comprehensive income .....	0	0	0	0	0
<b>Total comprehensive loss .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>( 27,217 )</b>	<b>( 27,217 )</b>
R&D reserve transfers .....	0	0	0	0	0
Exercised stock options .....	0	0	46	0	46
Share capital increase .....	0	0	0	0	0
Stock options expense .....	0	0	0	0	0
Balance at March 31, 2024 .....	6,797	101,490	1,206	( 134,617 )	( 25,123 )

## Consolidated statement of Cash Flows

### for the three months ended 31 March 2025

	Notes	Q1 2025	Q1 2024*
<b>Cash generated from (used in) operating activities</b>			
Loss for the quarter .....	(	26,827)	( 27,219)
Adjustments for			
Depreciation and amortization .....	10	10,090	9,715
Net finance expense .....	11	5,079	5,948
	(	11,657)	( 11,556)
Changes in operating assets and liabilities			
Inventories, decrease (increase) .....		138	( 455)
Trade and other receivables, decrease / (increase) .....	(	10,238)	( 8,766)
Trade and other payables, increase .....		30,218	31,229
Changes in operating assets and liabilities		20,118	22,009
Cash generated from operations before interest and taxes		8,460	10,453
Financial income received .....		160	171
Interest paid .....	(	1,781)	( 1,086)
Net cash generated from operating activities		6,839	9,538
<b>Cash flows (to) from investing activities</b>			
Deposits .....		0	915
Investment of operating assets .....	(	512)	( 2,402)
Investment of intangible assets .....		0	( 1,030)
Net cash to investing activities	(	512)	( 2,518)
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities .....	(	8,841)	( 11,480)
Proceeds from share issue .....		0	0
Expenses incurred for the share issuance .....		0	0
Net cash to financing activities	(	8,841)	( 11,480)
Increase / (decrease) in cash and cash equivalents .....	(	2,514)	( 4,459)
Effect of exchange rate fluctuations on cash held .....		42	83
Cash and cash equivalents at beginning of the quarter .....		23,548	21,606
Cash and cash equivalents at quarter end .....		21,075	17,228

\*Refer note 2 (d)



# Notes

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## 1. Reporting entity

Fly Play hf. (the "Group" or "PLAY") is a private limited company and domiciled in Iceland. PLAY is a low-cost airline which operates flights between North America and Europe. The registered office of the company is at Suðurlandsbraut 14 in Reykjavík, Iceland. The Company is listed on the Nasdaq First North Iceland effective from July 9, 2021 and uplisted to the Nasdaq Main Market in Iceland on August 2024.

The Condensed Consolidated Interim Financial Statements of the Company as at and for the period ended 31 March 2025 comprise the Company and its subsidiary (together referred to as "the Group" or "PLAY"). PLAY has one subsidiary which is PLAY Lithuania which is a private limited company and domiciled in Lithuania with its registered office at Livo g. 101, Vilnius. PLAY's ownership in PLAY Lithuania is 100%.

## 2. Basis of preparation

### a. Statement of compliance

These Condensed Consolidated Interim Financial Statements of the Group are for the three-month period ended 31 March 2025 and have been prepared in accordance with IAS 34 as adopted by the European Union.

The Condensed Consolidated Interim Financial Statements should be read in conjunction with the Group's Annual Consolidated Financial Statements for the year ended 31 December 2024. The Financial Statements for the Group for the period ended 31 December 2024 are available upon request from the Group's registered office or at [www.flyplay.com/financial-reports-and-presentations](http://www.flyplay.com/financial-reports-and-presentations).

These Condensed Consolidated Interim Financial Statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The Condensed Consolidated Interim Financial Statements were approved by the Board of Directors of Fly Play hf. on 29 April, 2025.

### b. Basis of measurement

The Consolidated Financial Statements are prepared on the historical cost basis except that derivative financial instruments are recognized at fair value. Further details of the Group's accounting policies are included 2024 financial statements.

### c. Going concern

These Condensed Consolidated Interim Financial Statements are prepared on a going concern basis.

### d. Comparative figures

Comparative figures have been restated, where required, to incorporate adjustments made at the prior year-end and to enhance comparability with the current period's financial statements.

## 3. Functional and presentation currency

These Condensed Consolidated Interim Financial Statements are presented in United States Dollars (USD), which is the Group's functional currency. All financial information presented in United States Dollars has been rounded to the nearest thousand unless otherwise stated.

## 4. Use of estimates and judgements

In preparing these Condensed Consolidated Interim Financial Statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Consolidated Financial Statements as at and for the year ended 31 December 2024.

## Notes, cont.:

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### 4. Use of estimates and judgements (Cont.)

Determination of fair value is based on assumptions subject to management's assessment of the development of various factors in the future. The actual selling price of assets and settlement value of liabilities may differ from these estimates.

#### Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities. Where applicable, further information about the assumptions made in determining the fair value of assets or liabilities are in the notes to the relevant assets and liabilities.

### 5. Accounting policies

#### *Standards issued but not yet effective*

The accounting policies adopted in the preparation of the Condensed Consolidated Interim Financial Statements are consistent with those followed in the preparation of the Group's annual Consolidated Financial Statements for the year ended 31 December 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

#### *Operating segments*

The Group operates as a single operating segment.

## Notes, contd.:

<b>6. Revenue</b>		<b>Q1 2025</b>	<b>Q1 2024</b>
Revenue is specified as follows:			
Airfare .....	28,982	35,167	
Ancillary .....	14,774	17,567	
Cargo revenue .....	1,030	1,022	
Other revenue .....	1,574	690	
Transport revenue total .....	<u>46,359</u>	<u>54,446</u>	
<b>7. Aviation expenses</b>			
Aviation expenses are as follows:			
Aircraft fuel .....	15,710	20,227	
Aircraft handling, landing and communication .....	13,127	15,777	
Maintenance of aircraft .....	7,472	10,402	
Emissions permits (ETS) .....	2,162 (	407)	
Catering .....	394	488	
Other aviation expenses .....	1,915	1,185	
Aviation expenses total .....	<u>40,780</u>	<u>47,671</u>	
<b>8. Salaries and other personnel expenses</b>			
Salaries and other personnel expenses are specified as follows:			
Salaries .....	8,828	8,699	
Pension fund contributions .....	965	954	
Other salary related expenses .....	2,473	744	
Accrued vacation .....	( 75)	824	
Other expenses related to staff .....	263	2,254	
Stock options .....	0	46	
Total salaries and other personnel expenses .....	<u>12,455</u>	<u>13,522</u>	
Employees at period end .....	480	531	
<b>9. Other operating expenses</b>			
Other operating expenses are as follows:			
Marketing and sales expenses .....	2,320	2,311	
Travel and other employee expenses .....	737	696	
IT cost .....	1,890	797	
Audit, legal and other professional services .....	485	836	
Housing and office expenses .....	149	130	
Other operating expenses .....	( 799)	39	
Other operating expenses total .....	<u>4,781</u>	<u>4,808</u>	
<b>10. Depreciation and Amortization</b>			
Depreciation and amortization are specified as follows:			
Depreciation of right-of-use assets, see note 14 .....	8,498	8,530	
Amortization of intangible assets, see note 13 .....	976	832	
Depreciation of operating assets, see note 15 .....	617	353	
Depreciation and amortization total .....	<u>10,090</u>	<u>9,715</u>	
<b>11. Financial income and (expense)</b>			
Financial income (expenses) is specified as follows:	<b>Q1 2025</b>	<b>Q1 2024</b>	
Interest expenses of lease liabilities .....	( 4,063)	( 4,958)	
Other finance expenses and transaction fees .....	( 858)	( 1,358)	
Net foreign currency exchange rate loss .....	( 923)	273	
Interest income on bank deposits .....	765	171	
Net financial expenses .....	<u>( 5,079)</u>	<u>( 5,873)</u>	

## Notes, contd.:

### 12. Right-of-use assets

Right-of-use assets and depreciation are specified as follows:

	<b>Aircraft and engines</b>	<b>Other</b>	<b>Total</b>
Balance at January 1, 2024 .....	282,673	1,110	283,783
Additions .....	10,339	267	10,606
Depreciation .....	( 8,419)	( 111)	( 8,530)
Indexed leases .....	0	9	9
Changes to IFRS 16 lease computation .....	( 5,828)	0	( 5,828)
Balance at March 31, 2024 .....	278,766	1,275	280,041
Balance at January 1, 2025 .....	258,585	1,276	259,861
Additions .....	559	0	559
Depreciation .....	( 8,403)	( 95)	( 8,498)
Balance at March 31, 2025 .....	250,741	1,181	251,922

Refer to note 17 for Lease liabilities.

### 13. Trade and other receivable

Trade and other receivable are specified as follows:

Credit card receivables .....	29,498	40,838
Other trade receivables .....	6,032	2,555
	<u>35,530</u>	<u>43,393</u>

### 14. Cash and cash equivalents

Cash and cash equivalents

Cash .....	12,261	8,616
Restricted cash .....	8,814	8,460
Marketable securities .....	0	153
	<u>21,075</u>	<u>17,229</u>

Restricted cash is held in bank accounts pledged against credit cards acquirers and airport operators. The largest amount (USD 6.4 m) is pledged against credit card claims and at the reporting date is restricted until the end of May 2025 but management expects it to be renewed. That amount is included in cash and cash equivalents in the statement of financial position. Other restricted cash amounts (USD 2.6 m) are pledged against airport operators, handling agents and the tax authorities.

### 15. Loss per share

The calculation of basic EPS has been based on the following net loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding. The calculation of diluted earnings per share is the same as basic earnings per share as the effect of stock options would not dilute the earnings per share only decrease loss per share.

#### *Basic loss per share*

	<b>Q1 2025</b>	<b>Q1 2024</b>
Loss for the quarter attributable to equity holders of the Company .....	( 26,827)	( 27,219)
Weighted average number of shares for the quarter .....	14,046	6,797
Basic loss per share in US cent per share .....	( 1.9)	( 4.0)
Diluted loss per share in US cent per share .....	( 1.9)	( 4.0)

## Notes, contd.:

### 16. Provisions

Provisions for aircraft maintenance on leased aircraft are as follows:

	Q1 2025	Q1 2024
Balance at January 1 .....	41,252	35,372
Increases in provisions during the quarter .....	2,307	0
Utilization of provision during the quarter .....	( 738)	( 425)
<b>Balance at March 31 .....</b>	<b>42,821</b>	<b>34,947</b>
Current provisions .....	( 4,370)	( 4,363)
Non-current provisions .....	38,450	30,584

The expected timing of the outflows of economic benefits associated with the provisions at March 31, 2024 and March 31, 2025, are as follows:

	Q1 2025
To be utilized in 2025 .....	4,370
To be utilized in 2026 .....	2,368
To be utilized in 2027 .....	19,949
To be utilized in 2028 .....	3,504
To be utilized in 2029 .....	2,911
Thereafter .....	9,718
Provisions for leased aircraft maintenance .....	42,821

### 17. Lease liabilities

The lease agreements constitute a lease under IFRS 16. The total number of aircraft in operation at period end were 10.

Lease liabilities are as follows:

	Average rate	Year of maturity	Aircraft	Real estate	Total
Lease payments in USD .....	5.6%	8-12 years	250,016	0	250,016
Lease payments in ISK, indexed .....	4.3%	5 years	0	588	588
Total lease liabilities .....			250,016	588	250,604

	Q1 2025	Q1 2024
Balance at January 1 .....	257,607	274,130
New leases .....	0	10,339
Indexed leases .....	0	( 9)
Finance interest .....	3,708	4,033
Payment of lease liabilities .....	( 10,711)	( 11,480)
Balance at March 31 .....	250,604	277,013
Current maturities .....	( 27,968)	( 27,671)
Total non-current lease liabilities .....	222,637	249,341

## Notes, contd.:

### 18. Lease liabilities, contd.:

Repayments of lease liabilities are distributed over the next 5 years as follows:

**Q1 2025**

Repayments 2025 .....	20,839
Repayments 2026 .....	28,899
Repayments 2027 .....	30,287
Repayments 2028 .....	32,007
Repayments 2029 .....	32,025
Subsequent repayments .....	106,546
Total lease liabilities .....	250,603

Cash flow from lease liabilities are as follows:

**Q1 2025      Q1 2024**

Payment of principal portion of lease liabilities .....	10,711	11,480
Seasonal rent adjustment .....	( 1,870)	0
Payment of both principal portion and interest .....	8,841	11,480

Starting from 2024, the Company pays aircraft lease rentals that vary by season. During the winter period, the Company pays a lower rent, while during the summer period, the rent increases. The difference in lease payments, as reflected in the cash flow statement and the lease note, is attributable to these seasonal variations in rental payments

Since beginning operations, the Company has entered into lease agreements for a total of 10 Airbus A320neo and A321neo aircraft, all of which are operated year-round. The repayment schedule above reflects liabilities for the full fleet of 10 aircraft in 2025, in line with the Company's fleet expansion and operational strategy. The increase in lease liabilities is driven by the introduction of additional engine, resulting in higher financial commitments for the period.

### 19. Deferred income

Deferred revenues in the amount of USD 67.2 million are recognised among current liabilities in the statement of financial position. Deferred revenue is due to sale of unflown flights and outstanding gift certificates at year end. Revenues from passenger flights are recognized in the Consolidated statement of profit or loss when the relevant flight has been flown.

### 20. Events after the reporting period

No events have arisen after the reporting period of these Financial Statements that require amendments or additional disclosures in the Financial Statements for the period ended 31 March 2025.