



**Fly PLAY hf.**

CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS

1 January - 30 September 2024

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 that operates a hub-and-spoke model between Iceland, Europe, and North America. The Company launched its services in June 2021 and was listed on the Nasdaq First North Iceland in July 2021. PLAY's primary goal is to make flying affordable for everyone. PLAY offers a safe and pleasant journey in new and comfortable Airbus aircraft to 32 destinations during Q3 2024.

The Condensed Consolidated Interim Financial Statements for the period from January 1 to September 30 2024 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 nine-month period ended 30 September 2024

According to the Condensed Consolidated Interim Financial Statement loss for the period was USD 26.2 million. However, in quarter three (Q3) made a profit of USD 3.5 million. On September 30, 2024, equity amounted to USD 6.6 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 547 in the period thereof 250 men and 297 women, and salaries and related expenses amounted to USD 38.9 million.

PLAY's cash position including restricted cash amounted to USD 39.8 million as at 30 September 2024. This is an increase in cash position compared to end of last year. On 24 April the Company completed an increase of share capital of USD 32 million.

During Q3 2024, PLAY operated its 10 flights to 32 destinations in Europe and North America. This included four new destinations which are Faro, Pula, Aalborg and Valencia. Load factor increased from 88% in Q3 2023 to 89% in Q3 2024.

Total revenue for Q3 was USD 100.5 million compared to USD 110.2 million last year. Therefore, total revenue per available seat kilometer (TRASK) was 5.8 US cent, compared to 6.1 US cents in 2023. This is mainly due to PLAY's airfare revenue is down by 11% year-on-year reflecting increased competition in the Transatlantic market. TRASK is down by 5% year-on-year due to overcapacity in the Transatlantic markets with pressure on yields.

PLAY's total assets amounted to 459 million USD as at 30 September 2024.

## Outlook going forward

PLAY believes that flexibility in scaling production to demand has been and remains crucial for PLAY. We will continue to focus on flexibility, demand-driven growth, and attractive value offering to the market. PLAY is well prepared to weather the uncertainty ahead with its healthy financial position.

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

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## **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 nine-month period ended 30 September 2024, its assets, liabilities and financial position as at 30 September 2024 and its cash flows for the nine-month period ended 30 September 2024.

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 nine-month period ended 30 September 2024 and confirm them by means of their signatures.

***Reykjavik October 24, 2024***

Board of Directors:

CEO:

# Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

	Notes	2024 Q3	2023 Q3	2024 1.1-30.9	2023 1.1-30.9
<b>Revenue</b>					
Transport revenue .....	6	100,458	110,199	233,231	216,083
		<u>100,458</u>	<u>110,199</u>	<u>233,231</u>	<u>216,083</u>
<b>Operating expenses</b>					
Aviation expenses .....	7	55,259	63,705	143,275	131,325
Salaries and other personnel expenses .....	8	13,750	12,083	38,995	31,733
Other operating expenses .....	9	6,320	6,152	19,812	17,013
		<u>75,329</u>	<u>81,941</u>	<u>202,082</u>	<u>180,071</u>
<b>Operating profit before depreciation and Amortization (EBITDA) .....</b>					
		25,129	28,259	31,148	36,012
Depreciation and Amortization .....	10	15,504	14,892	46,441	39,023
<b>Operating profit (loss) (EBIT) .....</b>					
		9,625	13,367	( 15,293)	( 3,011)
<b>Financial income and expenses</b>					
Financial income .....		649	575	1,507	1,419
Financial expenses .....		( 6,953)	( 8,518)	( 21,190)	( 20,270)
Foreign exchange .....		782	734	1,594	( 73)
	11	<u>( 5,521)</u>	<u>( 7,211)</u>	<u>( 18,090)</u>	<u>( 18,924)</u>
<b>Profit / (loss) before tax (EBT) .....</b>					
		4,104	6,156	( 33,383)	( 21,936)
Income tax .....		( 614)	( 1,487)	7,137	4,134
<b>Profit / (loss) for the period .....</b>					
		<u>3,490</u>	<u>4,669</u>	<u>( 26,246)</u>	<u>( 17,802)</u>
<b>Other comprehensive (loss) income</b>					
Items that are or may be reclassified to the income statement on later date					
Net gain (loss) on fuel hedge, net of tax .....		( 1,299)	5,262	( 958)	2,505
Net gain (loss) on FX hedge, net of tax .....		( 66)	0	111	0
		<u>( 1,365)</u>	<u>5,262</u>	<u>( 847)</u>	<u>2,505</u>
<b>Total comprehensive profit / (loss) for the period .....</b>					
		<u>2,125</u>	<u>9,932</u>	<u>( 27,092)</u>	<u>( 15,297)</u>
<b>Earnings per share</b>					
Basic and diluted earnings per share (US cent) .....	15	0.2	0.7	( 1.9)	( 2.6)

# Consolidated Statement of Financial Position at 30 September 2024

	Notes	30.9.2024	Audited 31.12.2023
<b>Assets</b>			
Intangible assets .....		13,889	14,195
Right-of-use assets .....	12	305,960	338,450
Operating assets .....		16,143	11,855
Aircraft deposits & security instalments .....		12,072	13,209
Deferred tax assets .....		33,427	26,290
Non-current assets		381,491	403,998
Inventories .....		503	180
Trade and other receivables .....	13	34,443	32,992
Prepaid expenses .....		2,606	2,755
Cash and cash equivalents .....	14	39,849	21,606
Current assets		77,401	57,533
<b>Total assets</b>		458,892	461,531
<b>Shareholders equity</b>			
Share capital .....		14,046	6,797
Share premium .....		125,897	101,490
Other components of equity .....		1,279	1,160
Accumulated loss .....		( 134,634)	( 107,542)
Total shareholder equity		6,588	1,905
<b>Liabilities</b>			
Provisions .....	16	62,778	75,965
Lease liabilities .....	17	236,768	247,761
Non-current liabilities		299,546	323,726
Provisions .....	16	20,778	20,399
Lease liabilities .....	17	27,197	25,300
Trade and other payables .....		50,471	43,731
Deferred income .....	18	54,312	46,471
Current liabilities		152,758	135,900
Total liabilities		452,304	459,626
<b>Total shareholders equity and liabilities</b>		458,892	461,531

# Consolidated Statement of Changes in Equity for the nine months ended 30 September 2024

	Share capital	Share premium	Other components of equity	Accumulated loss	Total equity
<b>2023</b>					
Balance at January 1 .....	6,740	100,587	13,844	( 82,685 )	38,486
Share capital increase .....	57	401	0	0	458
R&D reserve transfers .....	0	0	925	( 925 )	0
Stock options .....	0	0	137	0	137
Total comprehensive loss .....	0	0	0	( 15,297 )	( 15,297 )
Balance at September 30 .....	6,797	100,988	14,906	( 98,907 )	23,784
<b>2024</b>					
Balance at January 1 .....	6,797	101,490	1,160	( 107,542 )	1,906
Share capital increase .....	7,249	24,406	0	0	31,655
Stock options .....	0	0	119	0	119
Total comprehensive loss .....	0	0	0	( 27,092 )	( 27,092 )
Balance at September 30 .....	14,046	125,897	1,279	( 134,634 )	6,588

# Consolidated Statement of Cash Flows

## for the nine months ended 30 September 2024

	Notes	2024	2023
<b>Cash flows used in operating activities</b>		1,1-30.9	1,1-30.9
Loss for the period .....	(	26,246)	( 17,802)
Adjustments for			
Depreciation and amortization .....	10	46,441	40,014
Net finance expense .....	11	18,090	15,386
Stock options .....		119	137
Deferred income tax .....	(	7,137)	( 3,692)
		31,267	34,043
Changes in operating assets and liabilities			
Inventories, increase .....		323	364
Trade and other receivables, decrease (increase) .....		1,451	( 3,219)
Trade and other payables, increase (decrease) .....		6,740	24,488
Changes in operating assets and liabilities		8,514	21,633
Cash from operations before int. and taxes		39,781	55,676
Financial income received .....		1,507	1,419
Interest paid .....	(	17,821)	( 16,826)
Net cash from operating activities		23,467	40,269
 <b>Cash flows to investing activities</b>			
Net movement of deposits .....		1,137	( 2,886)
Investment of operating assets .....	(	1,461)	( 6,168)
Investment of intangible assets .....	(	2,324)	( 2,937)
Net cash used in investing activities		( 2,648)	( 11,991)
 <b>Cash flows from financing activities</b>			
Repayment of lease liabilities .....	16. 17	( 34,748)	( 27,956)
Proceeds from share issue .....		31,655	458
Net cash (to)/from financing activities		( 3,092)	( 27,498)
Increase in cash and cash equivalents .....		17,727	780
Effect of exchange rate fluctuations on cash held .....		516	488
Cash and cash equiv. at beginning of the period .....		21,606	29,644
Cash and cash equivalents at the end of the period .....		39,849	30,912
 <b>Investment and financing without cash flow effect</b>			
Acquisition of right-of-use assets .....	17	( 10,224)	( 134,023)
New leases .....	12	10,224	134,023
Capitalized maintenance obligation under lease .....	16	0	( 42,149)
New leases .....	12	0	42,149



# 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.

The Condensed Consolidated Interim Financial Statements of the Company as at and for the period ended 30 September 2024 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 Lvivo 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 nine-month period ended 30 September 2024 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 2023. The Financial Statements for the Group for the period ended 31 December 2023 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 24 October, 2024.

### 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 in the 2023 financial statements.

### c. Going concern

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

## 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 2023.

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.

## Notes, cont.:

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### 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 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have an impact on the Condensed Consolidated Interim Financial Statements of the Group.

#### *Operating segments*

The Group operates as a single operating segment.

## Notes, cont.:

	<b>2024</b>	<b>2023</b>
<b>6. Revenue</b>		
Revenue is specified as follows:	1,1-30.9	1,1-30.9
Airfare .....	155,236	151,435
Ancillary .....	64,235	55,680
On board sales .....	7,773	4,692
Cargo revenue .....	3,482	2,685
Other revenue .....	2,505	1,592
Transport revenue total .....	233,231	216,083
<b>7. Aviation expenses</b>		
Aviation expenses are as follows:		
Aircraft fuel and emissions .....	74,256	73,780
Aircraft handling, landing and communication .....	52,482	43,233
Maintenance of aircraft .....	11,847	9,841
Catering .....	1,141	988
Other aviation expenses .....	3,550	3,482
Aviation expenses total .....	143,275	131,325
<b>8. Salaries and other personnel expenses</b>		
Salaries and other personnel expenses are specified as follows:		
Salaries .....	32,060	26,237
Accrued vacation .....	948	660
Pension fund contributions .....	3,309	2,624
Other salary related expenses .....	2,558	2,075
Stock options .....	120	137
Total salaries and other personnel expenses .....	38,995	31,733
Employees at the end of the period .....	547	531
<b>9. Other operating expenses</b>		
Other operating expenses are as follows:		
Housing and office expenses .....	727	182
Marketing and sales expenses .....	7,255	6,056
IT cost .....	4,226	3,216
Travel and other employee expenses .....	6,389	6,620
Audit, legal and other professional services .....	1,007	851
Other operating expenses .....	208	88
Other operating expenses total .....	19,812	17,013
<b>10. Depreciation and Amortization</b>		
The depreciation and amortization are specified as follows:		
Amortization of intangible assets .....	1,098	851
Depreciation of right-of-use assets .....	42,744	36,159
Depreciation of operating assets .....	2,599	2,013
Depreciation and amortization recognized in profit or loss .....	46,441	39,023

## Notes, cont.:

### 11 Financial income and (expenses)

Financial income and (expenses) is specified as follows:

	<b>2024</b>	<b>2023</b>
	1.1-30.9	1.1-30.9
Interest income on bank deposits .....	( 1,507)	( 1,419)
Interest expenses of lease liabilities .....	15,848	14,986
Other finance expenses and transaction fees .....	5,342	5,284
Net foreign currency exchange rate gain (loss) .....	( 1,594)	73
Net financial expenses .....	<u>18,090</u>	<u>18,924</u>

### 12. Right-of-use assets

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

	<b>Aircraft</b>	<b>Other</b>	<b>Total</b>
Balance at January 1, 2023 .....	296,595	1,445	298,040
Additions .....	90,323	0	90,323
Depreciation .....	( 49,577)	( 429)	( 50,006)
Indexed leases .....	0	94	94
Balance at December 31, 2023 .....	<u>337,340</u>	<u>1,110</u>	<u>338,450</u>
Balance at January 1, 2024 .....	337,340	1,110	338,450
Additions .....	( 10,224)	0	( 10,224)
Depreciation .....	( 42,064)	( 680)	( 42,744)
Indexed leases .....	0	30	30
Balance at September 30, 2024 .....	<u>285,052</u>	<u>460</u>	<u>285,512</u>

### 13. Trade and other receivables

Trade and other receivables have increased due to increased bookings and are mostly due to claims on the companies acquirers.

### 14. Cash and cash equivalents

Restricted cash is held in bank accounts pledged against credit cards acquirers, tax authorities and airport operators. The largest amount (USD 6.4 million) is pledged against credit card claims. Other restricted cash amounts (USD 2.5 million) which are pledged against airport operators, handling agents and the tax authorities.

## Notes, cont.:

### 15. Earnings 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 warrants would not dilute the earnings per share only decrease loss per share.

#### *Basic earnings per share*

	<b>2024</b>	<b>2023</b>
	1.1-30.9	1.1-30.9
Loss for the period attributable to equity holders of the Group .....	( 26,246)	( 17,802)
Weighted average number of shares for the period .....	14,046	6,747
Basic earnings per share in US cent per share .....	( 1.9)	( 2.6)
Diluted earnings per share in US cent per share .....	( 1.9)	( 2.6)

### 16. Provisions

Provisions for aircraft maintenance on leased aircraft are as follows:

	<b>2024</b>	<b>2023</b>
	1.1-30.9	1.1-30.9
Balance at the beginning of the period .....	96,364	89,281
Increases in provisions during the period .....	0	21,289
Utilization of provision during the period .....	( 12,808)	( 14,206)
Balance at the end of the period .....	83,556	96,364
Current provisions .....	( 20,778)	( 20,399)
Total non-current provisions .....	62,778	75,965

### 17. Lease liabilities

The Group has in total ten aircraft on lease which constitute a financial lease under IFRS 16.

Lease liabilities are as follows:

	<b>Rate</b>	<b>Year of maturity</b>	<b>Aircraft</b>	<b>Real estate</b>	<b>Total</b>
Lease payments in USD .....	5.6%	8-12 years	263,187	0	263,187
Lease in ISK, indexed .....	4.3%	5 years	0	778	778
Total lease liabilities .....			263,187	778	263,965

	<b>2024</b>	<b>2023</b>
	1.1-30.9	1.1-30.9
Balance at the beginning of the period .....	273,060	224,053
New leases .....	10,352	69,034
Indexed leases .....		16
Payment of lease liabilities .....	( 19,447)	( 20,381)
Currency translation .....		339
Balance at the end of the period .....	263,965	273,060
Current maturities .....	( 27,197)	( 25,300)
Total non-current lease liabilities .....	236,768	247,761

## Notes, cont.:

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### 17. Lease liabilities cont.

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

Repayments 2024-2025 .....	27,197
Repayments 2025-2026 .....	28,616
Repayments 2026-2027 .....	29,872
Repayments 2027-2028 .....	31,568
Repayments 2028-2029 .....	32,470
Subsequent repayments .....	114,242
Total lease liabilities .....	<u>263,965</u>

### 18. Deferred income

Among current payables is recognized deferred income in the amount of USD 54.3 million due to sale of tickets for unflown flights. Revenues from passenger flights are recognized in the statement of comprehensive income when the relevant flight has been flown.

### 19. Events after the reporting period

No events have arisen after the reporting period of these Interim Financial Statements that require amendments or additional disclosures in the interim Financial Statements for the period ended 30 September 2024.