Fly PLAY hf.

CONSOLIDATED FINANCIAL STATEMENTS

2024

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

Contents

Endorsement and Statement by the Board of Directors and the CEO

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 and uplisted to the Nasdaq Main Market in Iceland on August 2024. 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 42 destinations at year end.

The Consolidated Financial Statements for the year 2024 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and additional requirements of the Icelandic Financial Statements Act no. 3/2006. The Financial Statements are presented in US dollars, which is the Company's functional currency. The Financial Statements have been audited by the Group's independent auditors.

Financial Year 2024

According to the Consolidated Financial Statement total loss for the year was USD 66 million. Equity at 31 December 2024 amounted to negative USD 33.1 million, including share capital in the amount of USD 14 million and share premium of USD 125.9 million. Reference is made to the Statement of Changes in Equity regarding the information on changes in equity. Due to this the Company has already put a plan in place to strengthen the financial position and to ensure liquidity.

The average number of full time employees was 472 in the year 2024 (2023: total 423) thereof 212 male and 245 female and salaries and related expenses amounted to USD 53 million in the year 2024 (2023: USD 44 million). Number of key management was 6 thereof 2 women and 4 men.

In 2024, PLAY's revenue grew by 4% to USD 292.2 million, compared to USD 281.8 million in 2023, driven by a 29% increase in ancillary revenue per passenger and a 77% rise in onboard sales. This reflects PLAY's strategic focus on expanding non-ticket revenue streams. Capacity, measured in available seat kilometers (ASK), increased by 6%.

Operating expenses rose modestly by 4.4% to USD 282.5 million, driven primarily by a 20% increase in salaries and personnel expenses to USD 53 million. EBITDA reached USD 9.9 million, supported by steady operational performance. Depreciation and fleet investments contributed to an EBIT loss of USD 30.5 million, compared to USD 23 million in 2023. PLAY remains focused on revenue diversification to strengthen its financial position.

PLAY operated a fleet of 10 aircraft throughout the entire year, supporting its network and operational growth. The airline's fleet consists exclusively of Airbus A320neo and A321neo aircraft, known for their fuel efficiency, reliability, and cost-effectiveness. Maintaining a uniform fleet allows PLAY to streamline operations, optimize maintenance, and improve crew flexibility.

PLAY's load factor improved throughout 2024 and resulted in 85.3% for the full year and 1.6 million passengers were flown in the year. PLAY had an 87.5% on-time performance in 2024. This on-time performance percentage means that out of 10,309 flights for the whole year of 2024, over 9,000 flights were on time.

EU Taxonomy Disclosure

The EU Taxonomy Regulation entered into force in Iceland on June 1, 2023 with Act no. 25/2023 on the provision of information on sustainability in the field of financial services and classification system for sustainable investments.

The Company's core business is not eligible according to current technical screening criteria in force in Iceland, mainly , cf. delegated regulation EU 2021/2139. However, the airline industry has been integrated in a recent regulation update; delegated regulation EU 2023/2485 which entered into force in the EU in 2023 and in Iceland from 1 January 2025. Consequently, the Company's eligible economic activity falls under 6.19.Passenger and freight air transport.

Furthermore, in accordance with Article 8(6) and (7) of the same Regulation, PLAY provides transparency regarding activities related to nuclear energy and natural gas. However, since PLAY does not engage in nuclear or natural gas activities, the respective KPIs are not applicable and therefore not included, as specified in the relevant Annex of the Regulation.

PLAY remains committed to transparent reporting and compliance with EU Taxonomy requirements.The Company will closely monitor the developments that take place and anticipates evolving its reporting with the EU Taxonomy when new insights are learned. The disclosures of taxonomy are provided in the Annex to the Financial Statements.

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

Share Capital and Resolutions

PLAY aims to deliver its shareholders a total return in excess of its cost of capital. While the Group has a planned profitable growth path, the cash reserves are best utilised within the Group. When a more moderate growth level is reached, the Group aims to pay 50% of its after-tax profit to its shareholders in the form of dividends or share buy-back. Other factors which need to be considered and may affect these payments are factors like the Group's earnings trend, financial position, and investment requirements. Dividends and share buy-back require a resolution by a shareholders' meeting following a proposal by the Board of Directors.

The Board of Directors proposes no dividend payment to shareholders in 2025 for the year 2024 and refers to the Financial Statements regarding the treatment of loss and other changes in equity accounts.

The number of shareholders at year-end 2024 was 2,116 (2023: 1,990). At year-end 2023 and 2024 the 10 largest shareholders were:

	31.12.2024		31.12.2023	
	Number of shares in ISK thousand	shares in %	Number of shares in ISK thousand	shares in %
Birta lífeyrissjóður	195,791	10.4%	81,686	9.4%
Fea ehf.	111,701	5.9%	35,034	4.0%
Stoðir hf.	110,000	5.8%	54,000	6.2%
Leika fjárfestingar ehf.	93,596	4.9%	93,596	10.8%
Landsbankinn hf.	71,206	3.8%	17,397	2.0%
IS EQUUS Hlutabréf	65,779	3.5%	38,173	4.4%
Gnitanes ehf.	55,556	2.9%	0	0.0%
Einir ehf.	55,556	2.9%	0	0.0%
IS Hlutabréfasjóðurinn	49,748	2.6%	24,623	2.8%
Lífsverk lífeyrissjóður	48,458	2.6%	37,534	4.3%
	857,390	45.3%	382,044	44.0%
Other shareholders	1,034,209	54.7%	486,399	56.0%
Total shares	1,891,599	100.0%	868,443	100.0%

Derecognition of Deferred Tax Assets and Business Model Transformation

As part of the Company's strategic reassessment, management has decided to implement significant changes to the business model to better position the Company for long-term success. This transformation is expected to enhance operational efficiency and create sustainable future value.

In light of these changes, and in accordance with IAS 12 – Income Taxes, management has adopted a conservative approach regarding the recognition of deferred tax assets (DTA) related to tax loss carry forwards. Although the Company continues to hold significant tax loss carry forwards and remains confident that these will be utilized in the future, the associated DTA has been derecognized due to the inherent uncertainty in the near-term recognition of taxable profits under the revised business model.

This derecognition has a significant impact on the Company's equity, resulting in negative equity as of December 31, 2024. However, it is important to emphasize that this accounting adjustment does not affect the Company's underlying tax attributes or its future ability to utilize the tax loss carryforwards once sufficient taxable profits are generated. The derecognition is an accounting decision based on IAS 12 requirements rather than an indication of a reduction in the economic benefits of these tax attributes.

Management remains confident in the long-term prospects of the Company and anticipates that, as the new business model matures and taxable income is generated, the recognition of deferred tax assets may be reconsidered in future periods.

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

Future Outlook and Strategic Direction
In the fall of 2024, PLAY announced a fundamental shift in its business model, placing greater emphasis on the strong leisure markets outside of Iceland. At the same time, the airline is scaling back its operations connecting passengers between North America and Europe. This adjustment has already been implemented and is reflected in the updated 2025 schedule. The number of PLAY's destinations in North America and Northern Europe has decreased compared to previous years, with a stronger focus on the airline's leisure markets in Southern Europe.

In line with these changes, PLAY will deploy part of its fleet outside of Iceland. The airline's first project of this kind was with U.S. carrier GlobalX in Miami, operating from November 1, 2024, to March 15, 2025. To support this strategy, PLAY has applied for an air operating certificate (AOC) in Malta, with the process expected to be completed by spring 2025. The aircraft operating under the Maltese AOC will not be based in Malta but will fly from other destinations in Europe. As a result of these changes, PLAY plans to operate 6-7 of its aircraft under its Icelandic AOC and 3-4 under the Maltese AOC.

The Board firmly believes that changes in business plan, coming into effect in Q2 2025, will improve the economics of the company significantly and that further capital increase will not be required during the year. Management has modelled a base and downside liquidity headroom position for its going concern. The Board believes that there is sufficient liquidity available for a period of at least 12 months from the date of signing of the F24 financial statements. However the Hub-and-Spoke model is under pressure, the ACMI part of PLAY will start in Q2 and it despite careful planning there are risks involved in changing the business model.

To support liquidity, PLAY prioritizes cost control and effective working capital management, ensuring efficient operations and sustainable growth. PLAY continuously evaluates its financial position to ensure flexibility and stability. As part of this, the company may consider raising capital within its organizational structure, depending on market conditions and strategic needs. If management plan does not materialize, there could be an uncertainty about the Company's ability to continue as a going concern. See further information regarding going concern in note 2.

PLAY successfully transferred its share listing from the First North Growth Market Iceland to the Nasdaq Main Market in Iceland on August 8, 2024. This achievement reflects the Company's financial progress and commitment to transparency, aligning with our strategic growth objectives.

Corporate Governance and Non-Financial Reporting
The Board of Directors has prepared a Corporate Governance Statement in compliance with the Icelandic Corporate Governance guidelines which are described in full in the Corporate Governance Statement in PLAY´s annual and sustainability report. The Board of Directors are composed of five members, thereof two women and three men.

Information on matters related to financial risk management is disclosed in note 28.

Statement by the Board of Directors and the CEO
We hereby confirm that the Consolidated Financial Statements for the year 2024, to the best of our knowledge, have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Further, in our opinion, the Consolidated 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 Consolidated Financial Statements of PLAY for the year 2024 and confirm them by means of their signatures.

Reykjavik February 17, 2025

Board of Directors:

CEO:

Independent Auditor's Report

To the Shareholders and the Board of Directors of Fly Play hf.

Opinion
We have audited the consolidated financial statements of Fly Play hf. for the year ended December 31, 2024 which comprise the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of Fly Play hf. as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and additional requirements in the Icelandic Financial Statement Act.

Our opinion in this report on the consolidated financial statements is consistent with the content of the additional report that has been submitted to the audit committee in accordance with the EU Audit Regulation 537/2014 Article 11.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of Fly Play hf. in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Iceland, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Based on the best of our knowledge and belief, no prohibited services referred to in the EU Audit Regulation 537/2014 Article 5.1 has been provided.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern
Without modifying our opinion we draw attention to the Endorsement and Statement by the Board of Directors and the CEO and Note 2 to the consolidated financial statements, which indicates that the Company has incurred a net loss of USD 66.013 thousand during the year ended December 31, 2024. These conditions, along with other matters set forth in the Statement by the Board of Directors and the CEO and Note 2, indicate the there is uncertainty that may cast doubt on the Company's ability to continue as a going concern.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Explanation of Key Audit Matter	Responses to Key Audit Matter
Valuation of the leased aircraft maintenance The Group has recognised maintenance provision of USD 41.252 thousand. The Group operates aircraft which are held under lease arrangements and for which it incurs liabilities and expenses for maintenance costs during the term of the lease. These arise from legal and contractual obligations relating to the condition of the aircraft when they are returned to the lessor.	In our audit of the Group´s leased aircraft maintenance provision, we reviewed management´s accounting policies and scheduled maintenance expense and provision and carried out the following substantive audit procedures: • Evaluated the maintenance provision model and tested the calculations therein. • Assessed the discount rate used in discounting the maintenance provision as determined by management for appropriateness.

Key Audit Matters contd.

Explanation of Key Audit Matter	Responses to Key Audit Matter
Management has applied several judgements and estimates in accounting for leased aircraft maintenance provision. We considered this to be a key audit matter given its significance to the consolidated financial statements and due to the estimates involved in measuring the maintenance provision. Further information about provisions can be found in note 23 in the consolidated financial statements.	• Inspected lease contracts to assess whether the relevant lease data inputs into management´s calculations are accurate. • Performed a recalculation of the provisions. • Traced contractual cash flows to appropriate supporting documentation and invoices. • Assessed the appropriateness of management's key assumptions which included assessing the estimated cost and expected maintenance intervals. • Tested maintenance expense for accuracy, occurrence and cutoff and assessed the completeness of provision. • Assessed the adequacy of disclosures with reference to the requirements of IAS 37 — Provisions, Contingent Liabilities and Contingent Assets and IFRS 16 – leases.

Responsibilities of the Board of Directors and the CEO for the Consolidated Financial Statements
The Board of Directors and the CEO are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and additional requirements in the Icelandic Financial Statement Act, and for such internal control as the Board of Directors and the CEO determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors and the CEO are responsible for assessing Fly Play hf.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors and the CEO either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board of directors and the audit committee are responsible for overseeing Fly Play's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fly Play's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor’s Report, contd.:

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements contd.

• Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a uncertainty exists related to events or conditions that may cast doubt on the Company’s ability to continue as a going concern. If we conclude that a uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors and the Audit Committee a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors and the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on European single electronic format (ESEF Regulation)

As part of our audit of the Consolidated Financial Statements of Fly Play hf. we performed procedures to be able to issue an opinion on whether the consolidated financial statements of Fly Play hf. for the year 2024 with the file name [flyplayhf-2024-12-31-en.zip] is prepared, in all material respects, in compliance with laws no. 20/2021 disclosure obligation of issuers of securities and the obligation to flag relating to requirements regarding European single electronic format regulation EU 2019/815 which include requirements related to the preparation of the Consolidated Financial Statements in XHTML format and iXBRL markup.

Management is responsible for preparing the consolidated financial statements in compliance with laws no. 20/2021 disclosure obligation of issuers of securities and the obligation to flag. This responsibility includes preparing the consolidated financial statements in a XHTML format in accordance to EU regulation 2019/815 on the European single electronic format (ESEF regulation).

Our responsibility is to obtain reasonable assurance, based on evidence that we have obtained, on whether the consolidated financial statements is prepared in all material respects, in compliance with the ESEF Regulation, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirement set out in the ESEF regulation, whether due to fraud or error.

In our opinion, the consolidated financial statements of Fly Play hf. for the year 2024 with the file name [flyplayhf-2024-12-31-en.zip] is prepared, in all material respects, in compliance with the ESEF Regulation.

Appointment of auditor

Deloitte was appointed auditor of Fly Play hf. By the general meeting of shareholders on March 7, 2024. Deloitte have been elected since the general meeting 2024.

Kópavogur, February 17, 2025.

Deloitte ehf.

Eyþór Guðjónsson

State Authorized Public Accountant

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year 2024

	Notes	2024	2023*
Revenue			
Transport revenue	6	292,200	281,777
Operating expenses			
Aviation expenses	7	203,897	201,458
Salaries and other personnel expenses	8	52,982	43,975
Other operating expenses	9	25,412	24,996
		282,291	270,429
Operating profit before, depreciation, financial items and tax (EBITDA)		9,909	11,349
Depreciation and Amortization	10	40,452	34,303
Operating loss (EBIT)		(30,543)	(22,954)
Financial income and expenses			
Financial income		1,812	1,714
Financial expense		(24,777)	(23,657)
Foreign exchange		2,216	943
	11	(20,749)	(21,001)
Loss before tax (EBT)		(51,292)	(43,955)
Income tax	12,18	(14,721)	8,927
Loss for the year		(66,013)	(35,028)
Other comprehensive (loss) income			
Items that are or may be reclassified from equity to the income statement on later date			
Fuel hedges - effective portion of changes in fair value, net of tax		(952)	316
Fuel hedges - reclassified to profit or loss		0	(121)
		(952)	195
Total comprehensive loss for the year		(66,965)	(34,833)
Loss per share			
Basic and diluted loss per share in US cent	22	(5.6)	(5.2)

* The comparative information has been restated as discussed in note 2.

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Consolidated Statement of Financial Position at 31 December 2024

	Notes	2024	2023*
Assets			
Intangible assets	13	13,915	14,195
Right-of-use assets	14	259,861	283,784
Operating assets	15	17,941	11,855
Aircraft deposits & security instalments	17	11,452	13,209
Deferred tax assets	18	10,262	24,955
Non-current assets		313,431	347,997
Inventories		858	180
Trade and other receivables	19	24,811	32,992
Prepaid expense		1,624	2,755
Cash and cash equivalents	20	23,604	21,606
Current assets		50,897	57,532
Total assets		364,329	405,530
Shareholders equity			
Share capital		14,046	6,797
Share premium		125,897	101,490
Other components of equity		1,315	1,160
Accumulated loss		(174,363)	(107,398)
Total shareholder equity	21	(33,106)	2,049
Liabilities			
Provisions	23	36,889	37,442
Lease liabilities	24	229,937	247,761
Non-current liabilities		266,827	285,202
Provisions	23	4,363	2,777
Lease liabilities	24	27,671	25,300
Trade and other payables	25	55,786	43,731
Deferred income	26	42,788	46,471
Current liabilities		130,608	118,278
Total liabilities		397,435	403,481
Total shareholders equity and liabilities		364,329	405,530

* The comparative information has been restated as discussed in note 2.

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Consolidated Statement of Changes in Equity for the year 2024

2024	Share capital	Share premium	Other components of equity	Accumulated loss	Total equity
Balance at January 1, 2024	6,797	101,490	1,160	(107,398)	2,049
Loss for the year	0	0	0	(66,013)	(66,013)
Other comprehensive income	0	0	0	(952)	(952)
Total comprehensive loss	0	0	0	(66,965)	(66,965)
Share capital increase	7,249	24,407	0	0	31,656
Stock options expense	0	0	155	0	155
Balance at December 31, 2024	14,046	125,897	1,315	(174,363)	(33,106)

2023	Share capital	Share premium	Other components of equity	Accumulated loss	Total equity
Balance at January 1, 2023	6,740	100,587	13,844	(84,932)	36,239
Loss for the year	0	0	0	(35,028)	(35,028)
Other comprehnsive income	0	0	195	0	195
Total comprehensive loss	0	0	0	(35,026)	(35,026)
R&D reserve transfers	0	0	(12,560)	12,560	0
Exercised stock options	0	502	(502)	0	0
Share capital increase	57	401	0	0	458
Stock options expense	0	0	183	0	183
Balance at December 31, 2023	6,797	101,490	1,160	(107,398)	2,049

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Consolidated Statement of Cash Flows
for the year 2024

	Notes	2024	2023*
Cash generated from (used in) operating activities			
Loss for the year		(66,013)	(35,028)
Adjustments for			
Depreciation and amortization	10	40,452	34,303
Net finance expense	11	20,749	21,001
Stock options		155	183
Income tax	12	14,721	(8,927)
		10,064	11,532
Changes in operating assets and liabilities			
Inventories, decrease (increase)		(678)	639
Trade and other receivables, decrease / (increase)		9,312	(12,226)
Trade and other payables, increase		9,839	37,638
Changes in operating assets and liabilities		18,473	26,051
Cash generated from operations before interest and taxes		28,537	37,583
Financial income received		1,812	1,714
Interest paid		(24,602)	(22,166)
Net cash generated from operating activities		5,746	17,130
Cash flows (to) from investing activities			
Deposits	17	1,757	(2,218)
Investment of operating assets	15	(8,397)	(6,320)
Investment of intangible assets	13	(3,272)	(4,430)
Net cash to investing activities		(9,912)	(12,968)
Cash flows from financing activities			
Repayment of lease liabilities	24	(25,836)	(20,381)
Proceeds from share issue	21	32,620	458
Expenses incurred for the share issuance	21	(965)	0
Net cash to financing activities		5,819	(19,923)
Increase / (decrease) in cash and cash equivalents		1,653	(15,760)
Effect of exchange rate fluctuations on cash held		346	1,133
Cash and cash equivalents at beginning of the year		21,606	36,234
Cash and cash equivalents at year end		23,604	21,606
Investment and financing without cash flow effect			
Acquisition of right-of-use assets	14	(10,339)	(69,034)
Lease liabilities from new leases	24	10,339	69,034
Capitalized maintenance obligation under lease	24	-	- 21,289
Lease liabilities from new leases		-	21,289

* The comparative information has been restated as discussed in note 2.

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Notes

1. **Reporting entity**

Fly Play hf. (the Company 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 was uplisted to the Nasdaq Main Market in Iceland on August 2024.

The Consolidated Financial Statements of the Company as at and for the year ended 31 December 2024 comprise the Company and its subsidiary (together referred to as "Group"). The subsidiary 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%. The subsidiary provides technical and administrative support for the Company.

2. **Basis of preparation**

a. *Statement of compliance*

The Group´s Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and additional Icelandic financial statements Act no. 3/2006.

The Consolidated Financial Statements were approved by the Board of Directors of Fly Play hf. on February 17, 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 in note 32.

c. *Going concern*

The Group incurred a loss for the year 2024 amounting to USD 41 million (2023: USD 34 million), with a current ratio of 0.39 at year-end (2023: 0.49). Due to this, and discussed in the Endorsement and Statement by the Board of Directors and the CEO, the Board of Directors will focus on working capital management, cost control, and other financial measures to strengthen the Company's financial position and to ensure liquidity and its ability to continue as a going concern

d. *Change of accounting policy*

During the year, the Company changed its accounting policy for its variable maintenance reserve rent for its leased aircraft, where previously the total expected maintenance cost was included in the provisions (and right-of-use assets) while now the variable maintenance rent (based on usage, e.g. flight hours) is expensed as occurred as the level of flight potential received and to be returned is the same.

The Company feels that this accounting policy is better aligned with the accounting policies applied within the industry and provide a better comparison with other airlines.

The following table summarises the impact of the retrospective application of the new accounting policy on Consolidated Statement of Profit or Loss for the year 2023, the Consolidated Statement of Financial Position as at 31.12.2023 and the Consolidated Statement of Cash Flows for the year 2023:

	Previuosly Reported	Adjustments Made	Restated Amount
Consolidated statement of profit or loss			
Aviation expenses	179,503	21,955	201,458
Depreciation and Amortization	53,989	(19,686)	34,303
Financial expense	27,404	(3,748)	23,656
Tax expense	10,262	1,335	8,927
Decreased the loss for the financial year	(35,171)	143	(35,028)
Consolidated statement financial position			
Right-of-use assets	338,450	(54,666)	283,784
Provisions	(96,364)	56,145	(40,219)
Deferred tax asset	26,290	(1,335)	24,955
Accumulated losses	107,542	(143)	107,398

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2. **Basis of preparation cont.:**

Consolidated statement of Cash Flows	Previuosly Reported	Adjustments Made	Restated Amount
Loss for the year	(35,171)	143	(35,028)
Depreciation and Amortization	53,989	(19,686)	34,303
Net financial expense	24,748	(3,747)	21,001
Income tax	(10,262)	1,335	(8,927)
Trade and other payables	15,682	21,956	37,638
Net cash generated from operating activities	17,130	0	17,130

3. **Functional and presentation currency**

These Consolidated Financial Statements are presented in United States Dollars (USD), which is the Company'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 Consolidated 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.

Information about assumptions and estimates that have a significant risk of resulting in a material adjustment within the next financial year are included in note 32(h) regarding determination of useful life of operating assets, 32(e) regarding recognition of deferred tax assets, 23 regarding Provisions and 24 regarding lease liabilities.

5. **Operating segments**

The Group operates as single operating segment at this time.

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6. Revenue

Revenue is specified as follows:

	2024	2023
Airfare	192,825	192,652
Ancillary	90,285	82,604
Cargo revenue	4,504	3,594
Other revenue	4,587	2,928
Transport revenue total	292,200	281,777

7. Aviation expenses

Aviation expenses are as follows:

	2024	2023
Aircraft fuel	88,357	89,131
Aircraft handling, landing and communication	66,888	59,003
Maintenance of aircraft	36,564	35,770
Emissions permits (ETS)	6,071	10,948
Catering	1,375	1,814
Other aviation expenses	4,642	4,792
Aviation expenses total	203,897	201,458

8. Salaries and other personnel expenses

Salaries and other personnel expenses are specified as follows:

	2024	2023
Salaries	43,920	36,233
Pension fund contributions	4,383	3,630
Other salary related expenses	3,818	2,866
Accrued vacation	706	1,063
Stock options	155	183
Total salaries and other personnel expenses	52,982	43,975
Average number of full year equivalents	472	423
Employees at year end	457	477

9. Other operating expenses

Other operating expenses are as follows:

	2024	2023
Marketing and sales expenses	9,516	9,251
Travel and other employee expenses	6,050	9,090
IT cost	6,235	4,381
Audit, legal and other professional services	1,454	1,153
Housing and office expenses	1,161	270
Other operating expenses	996	851
Other operating expenses total	25,412	24,996

10. Depreciation and Amortization

Depreciation and amortization are specified as follows:

	2024	2023
Depreciation of right-of-use assets, see note 14	34,875	30,320
Amortization of intangible assets, see note 13	3,552	2,795
Depreciation of operating assets, see note 15	2,025	1,188
Depreciation and amortization total	40,452	34,303

11. Financial income and (expense)

Financial income (expenses) is specified as follows:

	2024	2023
Interest expenses of lease liabilities	(17,736)	(16,897)
Other finance expenses and transaction fees	(7,041)	(6,759)
Net foreign currency exchange rate loss	2,216	943
Interest income on bank deposits	1,812	1,714
Net financial expenses	(20,749)	(21,001)

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12. **Income tax**

Income tax recognized in the income statement is specified as follows:

	2024	2023
Total tax expense recognized in the income statement	(14,721)	8,927

Effective tax rate

		2024		2023
Loss before income tax		(51,292)		(43,955)
Income tax according to current tax rate	20.0%	10,296	20.0%	8,791
Change of accounting policy	0.0%	0	2.4%	(1,040)
Previously unrecognized	(0.7%)	(350)	(1.0%)	454
Write-down of previously recognised deferred tax assets	(46.8%)	(24,090)	0.0%	0
Non-deductible expense	0.0%	0	0.3%	(120)
Currency exchange	(1.4%)	(722)	1.9%	842
Other	0.4%	145	0.0%	0
Effective tax rate	(28.7%)	(14,721)	19.9%	8,927

13. **Intangible assets**

Intangible assets and their amortization are specified as follows:

	Software and website	Long-term cost	Total
Cost			
Balance at January 1, 2023	9,556	5,953	15,509
Additions	4,394	36	4,430
Balance at December 31, 2023	13,949	5,989	19,939
Additions	3,272	0	3,272
Balance at December 31, 2024	17,221	5,989	23,211
Amortization and impairment losses			
Balance at January 1, 2023	2,076	872	2,948
Amortization	2,191	605	2,795
Balance at December 31, 2023	4,266	1,477	5,743
Amortization	2,967	585	3,552
Balance at December 31, 2024	7,233	2,062	9,295
Carrying amount			
January 1, 2023	7,480	5,081	12,561
December 31, 2023	9,683	4,513	14,195
December 31, 2024	9,988	3,928	13,915
Carrying amount is specified as follows			
Thereof internally generated	884	3,175	4,059
Thereof externally generated	9,139	717	9,855
	10,023	3,892	13,914
Amortization rate	20-33%	10-20%	

There are no indicators of impairment of intangible assets at year-end.

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14. Right-of-use assets

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

	Aircraft and engines	Other	Total
Balance at January 1, 2023	296,595	1,445	298,040
Additions	90,323	0	90,323
Depreciation	(29,890)	(429)	(30,320)
Indexed leases	0	94	94
Changes to IFRS 16 lease computation	(74,354)	0	(74,354)
Balance at December 31, 2023	282,673	1,110	283,784
Balance at January 1, 2024	282,673	1,110	283,784
Additions	10,339	465	10,804
Depreciation	(34,427)	(448)	(34,875)
Indexed leases	0	148	148
Balance at December 31, 2024	258,585	1,276	259,861

For further information on lease agreements, refer to note 24 - Lease liabilities.
Refer note 2 for the information of IFRS 16 lease computation changes

15. Operating assets

Operating assets and depreciation are specified as follows:

	Aircraft- and flight equipment	Other property and equipment	Total
Cost			
Balance at January 1, 2023	6,680	792	7,473
Additions	6,127	192	6,320
Balance at December 31, 2023	12,808	985	13,792
Additions	8,274	123	8,397
Balance at December 31, 2024	21,082	1,108	22,189
Depreciation			
Balance at January 1, 2023	545	205	750
Depreciation	788	400	1,188
Balance at December 31, 2023	1,332	605	1,938
Depreciation	1,785	240	2,025
Balance at December 31, 2024	3,117	845	4,248
Carrying amount			
January 1, 2023	6,136	587	6,723
December 31, 2023	11,475	379	11,855
December 31, 2024	17,964	262	17,941
Depreciation rate	10-20%	20-33%	

16. Insurance value

The insurance value of operating and right-of-use assets at year end 2024 amounted to USD 569 million (2023: 587 million).

17. Aircraft deposits & security instalments

The Group has paid aircraft deposits and security instalment in the amount of USD 11.5 million at year end 2024 (2023: USD 13.2 million).

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18. **Deferred tax assets**

Deferred tax assets are specified as follows:

	2024	2023
Balance at January 1	24,955	16,027
Previously unrecognized		
Calculated income tax, recognized in the Income statement	(14,721)	8,927
Other items	28	0
Deferred tax at the end of the year	10,262	24,955

Deferred tax assets are attributable to the following:

	2024	2023
Carry-forward tax loss	9,143	21,285
Right-of-use assets	2,631	4,820
Stock options	162	193
Operating assets	(1,047)	(472)
Currency exchange difference	(360)	(92)
Intangible assets	(268)	(819)
Deferred tax assets at year end	10,262	24,955

As of December 31, 2024, the Company has tax loss carry forwards amounting to USD 166.2 million, which remain available for future offset against taxable profits. However, in accordance with IAS 12 – Income Taxes, a deferred tax asset (DTA) is recognized only to the extent that it is probable that future taxable profits will be available to utilize these losses.

Following a strategic reassessment, the Company has undertaken a significant change in its business model, impacting the expected timing and nature of taxable profits. As a result, management has conducted a detailed assessment of both positive and negative evidence when evaluating the recognition of the deferred tax asset.

Positive evidence supporting recognition includes:

- The Company's substantial tax loss carry forwards remain available for future use.
- The long-term growth potential of the revised business model.

Negative evidence leading to derecognition includes:

- The inherent uncertainty regarding the timing and magnitude of taxable profits under the new business model.
- As the revised business model introduces a new operational framework, there is currently insufficient evidence to support a reliable expectation of profitability in the near term.
- While management believes in the long-term success of the business model transformation, it is too early to establish concrete evidence that the generation of sufficient taxable profits is more likely than not, as required for DTA recognition under IAS 12.

Given these factors, while the Company remains confident in the long-term benefits of its tax attributes, the negative evidence currently outweighs the positive evidence in terms of meeting the probability threshold under IAS 12. Consequently, the deferred tax asset has been derecognized in the current period, resulting in a significant impact on equity, including negative equity as of December 31, 2024.

This accounting adjustment does not reduce the availability or economic benefit of the tax loss carry forwards, and the Company expects to reassess the recognition of the DTA as the business model transition progresses and taxable income is generated in future periods. The impact of the derecognition is reflected in the income tax expense for the period.

Carry-forward tax loss are specified as follows:

Carry-forward tax loss from 2019 expires 2029	1,214
Carry-forward tax loss from 2020 expires 2030	4,368
Carry-forward tax loss from 2021 expires 2031	24,448
Carry-forward tax loss from 2022 expires 2032	45,717
Carry-forward tax loss from 2023 expires 2033	27,396
Carry-forward tax loss from 2024 expires 2034	63,025
	166,168

Management has concluded that financial statements reflect write-off of significan portion of deferred tax assets. This decision, made in alignment with accounting best practices. The adjustment does not impact the Company's cash position, operations, or ability to execute its strategic plans. It is an accounting decision reflecting evolving market conditions and regulatory factors, ensuring a conservative financial approach.

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19. **Trade and other receivable**

Trade and other receivable are specified as follows:

Credit card receivables	20,224	30,968
Trade receivables	1,295	564
Other receivables	3,292	1,460
	24,811	32,992

20. **Cash and cash equivalents**

Cash and cash equivalents

Cash	14,329	12,144
Restricted cash	9,275	8,956
Marketable securities	0	506
	23,604	21,606

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 January 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.

21. **Equity**

Share capital

The Company's share capital at the end of the period amounted to ISK 1,892 million (USD 14 million). One vote is attached to each share of one ISK.

During the year the Company increased its share capital in the amount of ISK 1,023 million (USD 7.2 million) at the rate of ISK 4.5 per share resulting in a total of ISK 4,602 million (USD 33 million). Cost incurred for the Share issuance process was ISK 136 million (USD 965 thousands)

Share premium

Share premium represents excess of payment above nominal value that shareholders have paid for shares sold by the Company. The balance of the share premium account can be used to offset losses not covered by other reserves or to offset stock splits.

Other components of equity

At year end there were a total of ISK 36.6 million shares unvested or not exercised due to share agreements. A third of the shares will vest annually between 2025-2027. The options will be settled with equity.

The fair value of the options was determined using a Black-Scholes option pricing model. The fair value of the employees stock options is recognised as expense and included in salaries and related expenses. The average excercise price for all outstanding stock options is 13.5 per share. Volatility is 37.4% and the discount rate ranges from 2% to 6.5%.

Estimated remaining expenses due to active stock options is USD 186.5 thousand.

	Fuel hedges	Stock options
Balance at December 31, 2023		1,160
Fuel hedges - effective portion of changes in fair value, net of tax	(952)	0
Stock options charge for the year	0	155
Balance at December 31, 2024	(952)	1,315

Retained earning (Accumulated loss)

Retained earning (Accumulated loss) shows accumulated profit or loss of the Group after deducting contributions to the statutory reserve and dividend. Retained earnings can be distributed to shareholders in the form of dividends.

Dividend

No dividend was paid to shareholders during the year 2024. The Board of Directors proposes that no dividend shall be paid to shareholders during the year 2025 due to operations in the year 2024.

Capital management

The Board's policy is to maintain a strong capital base to sustain future development of the business.

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22. **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

	2024	2023
Loss for the year attributable to equity holders of the Group	(66,013)	(35,028)
Weighted average number of shares for the year	11,788	6,760
Basic loss per share in US cent per share	(5.6)	(5.2)
Diluted loss per share in US cent per share	(5.6)	(5.2)

23. **Provisions**

Provisions for aircraft maintenance on leased aircraft are as follows:

	2024	2023
Balance at January 1	40,219	33,875
Increases in provisions during the year	2,782	7,675
Utilization of provision during the year	(1,749)	(1,331)
Balance at December 31	**41,252**	**40,219**
Current provisions	(4,363)	(2,777)
Non-current provisions	36,889	37,442

The expected timing of the outflows of economic benefits associated with the provisions at December 31, 2023 and December 31, 2024, are as follows:

	2024	2023
To be utilzed in 2024	0	2,777
To be utilzed in 2025	4,363	3,461
To be utilzed in 2026	3,301	3,361
To be utilzed in 2027	18,124	14,873
To be utilzed in 2028	2,836	2,864
To be utilzed in 2029	2,911	2,942
Thereafter	9,718	9,941
Provisions for leased aircraft maintenance	41,252	40,219

24. **Lease liabilities**

The lease agreements constitute a lease under IFRS 16. The total number of aircraft in operation at year 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	256,661	0	256,661
Lease payments in ISK, indexed	4.3%	5 years	0	948	948
Total lease liabilities			256,661	948	257,608

	2024	2023
Balance at January 1	273,060	224,053
New leases	10,339	69,034
Indexed leases	37	16
Payment of lease liabilities	(25,836)	(20,381)
Currency translation	8	339
Balance at December 31	257,607	273,060
Current maturities	(27,671)	(25,300)
Total non-current lease liabilities	229,937	247,761

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24. **Lease liabilities, contd.:**

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

Repayments 2025	27,671
Repayments 2026	28,999
Repayments 2027	30,360
Repayments 2028	32,007
Repayments 2029	32,025
Subsequent repayments	106,546
Total lease liabilities	257,607

Cash flow from lease liabilites are as follows:

	2024	**2023**
Payment of principal portion of lease liabilities	25,836	20,381
Payment of interest expenses of lease liabilities	15,458	14,862
Total payments	41,294	35,243

Since beginning operations, the Group 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 2024, in line with the Group'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.

25. **Trade and other payables**

Trade and other payables are specified as follows:

	2024	**2023**
Trade payable	23,566	19,585
Other payables	32,220	24,146
	55,786	43,731

26. **Deferred income**

Deferred revenues in the amount of USD 42.8 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.

27. **Derivatives used for hedging**

Derivatives used for hedging are valued by a brokers quote. The Group uses forward contract to hedge a part of jet fuel purchases. All outstanding fuel hedge contracts are effective. As at 31 December 2024, market to market value of fule hedge conracts are USD 1.1 m. The fair value changes of the hedge are accounted for in Other comprehensive (loss) income.

28. **Financial risk management**

Overview

The Group has exposure to the following financial risks: credit risk, liquidity risk and market risk. Market risk consists of interest rate risk, currency risk, carbon price risk and fuel price risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies, and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's Risk Management Committee is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Based on these analysis the Group makes decisions about whether to use derivatives to hedge against certain types of risks.

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28. **Financial risk management, contd.:**

a. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Exposure to credit risk is influenced mainly by the age of trade receivables, financial standing and individual characteristics of its customer.

Exposure to credit risk

The carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Notes	2024	2023
Cash and cash equivalents	20	23,604	21,606
Credit card receivables	19	20,224	30,968
Aircraft deposits & security instalments	17	11,452	13,209
Trade receivable and other receivable	19	4,587	2,024
		59,868	67,807

The majority of financial assets are claims on financial institutions, credit card claims and cash, where the counterparty is a financially stable party with very low credit default risk. USD 659k impairment was made for the trade receivable based on both baisis of specific and general.

b. Liquidity risk

Liquidity risk is the risk that the Group may face challenges in meeting its financial obligations as they fall due. The Group actively manages this risk through disciplined working capital management, cost control, and careful cash flow planning to ensure sufficient liquidity under both normal and stressed conditions.

While liquidity constraints remain a key focus, management closely monitors cash flows and financial commitments to mitigate risks and maintain operational stability.

Following are the remaining contractual maturities of financial liabilities at the reporting date, including estimated interest payments:

	Carrying amount	Contractual cash flows	Within 12 months	1-2 years	3-5 years	More than 5 years
31 December 2024						
Trade and other payables	55,786	55,786	55,786	0	0	0
Lease liability	257,607	257,607	27,673	28,997	62,367	138,571
Provision	41,252	41,252	4,363	3,301	20,959	12,629
	354,645	354,645	87,821	32,298	83,326	151,200
31 December 2023						
Trade and other payables	43,731	43,731	43,731	0	0	0
Lease liability	273,060	273,060	25,720	26,513	57,064	163,763
Provision	40,219	40,219	2,777	3,461	18,234	15,746
	357,010	357,010	72,228	29,974	75,298	179,509

c. Market risk

Market risk emerges from changes in market prices, such as foreign exchange rates, interest rates, carbon emission quota prices and fuel prices, as those changes will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

The Group's financial instruments subject to variable interest rates consist solely of cash deposits. As the Group has no debt, interest rate risk is limited to fluctuations in deposit interest rates. The Group does not currently hedge this risk, as the impact is considered immaterial.

Fuel price risk

The Group is exposed to fuel price risk due to purchase of fuel. The Group uses forward contract to hedge a part of jet fuel purchases. At year end 2024 the fair value for those contracts was negative in the amount of USD 1.1 million (2023; USD 0.3 million)

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28. **Financial risk management, contd.:**

Change in fuel prices by 10% on average during the year 2024 would have resulted in increase (decrease) on net income by USD 8.7 million. (2023: 8.9 million)

Carbon risk
Emissions permits (ETS credits) are mainly purchased using spot and forward contracts, and the carbon exposure is subject to the same risk management as jet fuel.

Change in ETS credit price by 10% during the year 2024 would have resulted in increase (decrease) on net income by USD 1.1 million. (2023: USD 1.1 million)

d. Currency risk
The Group is exposed to currency risk on sales, purchases, cash and cash equivalents and lease liabilities that are denominated in a currency other than the respective functional currency of the Group. The currency exposure is mostly in EUR, ISK and GBP. The Group's salaries and related expenses, representing around 19% of the Group's total operating expenses, are denominated in ISK. Sales in ISK constitute 32.6% of total sales, EUR 29.2%, USD 27.7% and other currencies 10.5%.

The Group's liquid exposure to currency risk is as follows:

2024	**ISK**	**EUR**	**GBP**	**Other currencies**
Cash and cash equivalents	1,852	5,570	1,055	2,159
Trade and other receivables	1,407	8,451	1,000	1,304
Restricted cash	834	192	0	0
Trade and other payables	(16,997)	(22,116)	(2,021)	(2,830)
Lease liabilities	(674)	(274)	0	0
Net currency exposure	(13,577)	(8,178)	34	633

2023	**ISK**	**EUR**	**GBP**	**Other currencies**
Trade and other receivables	8,247	8,533	1,358	2,015
Cash and cash equivalents	2,507	492	748	492
Restricted cash	782	250	0	0
Trade and other payables	(11,378)	(4,202)	(962)	(1,496)
Lease liabilities	(1,061)	0	0	0
Net currency exposure	(904)	5,073	1,144	1,011

d. Currency risk
The following exchange rates of USD applied during the year:

	Average rate		**Year-end spot rate**	
	2024	**2023**	**2024**	**2023**
ISK	0.0072	0.0072	0.0072	0.0073
EUR	1.08	1.08	1.04	1.11
GBP	1.27	1.24	1.25	1.27

Sensitivity analysis
A 10% strengthening of the USD against the following currencies at 31 December 2024 would have increased (decreased) pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis as for 2023.

	Profit (loss)	
	2024	**2023**
ISK	1,358	90
EUR	818	(507)
GBP	(3)	(114)
Other currencies	(63)	(101)

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28. **Financial risk management, contd.:**

A 10% weakening of the USD against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant. This analysis is performed on the same basis as for 2023.

e. Classification and fair value of financial assets and liabilities

Financial assets and liabilities are classified as follows:

2024	**Amortized cost**	**Fair value through P/L**	**Carrying amount**
Cash and cash equivalents	23,604	0	23,604
Trade receivables	21,520	0	21,520
Aircraft deposits & security instalments	11,452	0	11,452
Restricted cash	9,275	0	9,275
Other receivables	3,097	195	3,292
Total assets	68,948	195	69,143
Trade payables	54,722	1,063	55,786
Total liabilities	54,722	1,063	55,786

Classification and fair value of financial assets and liabilities

2023	**Amortized cost**	**Fair value through P/L**	**Carrying amount**
Trade receivables	31,532	0	31,532
Cash and cash equivalents	21,606	0	21,606
Aircraft deposits & security instalments	13,209	0	13,209
Restricted cash	9,275	0	9,275
Other receivables	1,460	0	1,460
Total assets	77,082	0	77,082
Trade payables	43,731	0	43,731
Total liabilities	43,731	0	43,731

Fair value

Fair value information for financial assets and liabilities not measured at fair value is not included as the carrying amount is considered a reasonable approximation of fair value.

29. **Related parties**

Definition of related parties

The Board of Directors, managers and close family members and companies in which they own majority of the shares are considered to be related parties.

Transactions with related parties are on an arms length basis.

Transactions with management and key personnel

Salaries and benefits of management for their service to Group and the number of shares in ISK directly or indirectly in the Group held by management are specified below:

	Salaries and benefits			shares in ISK		
	Current Year	Prior Year	Change (%)	Current Year	Prior Year	Change (%)
CEO	432	375	15%	93,596	6,250	1398%
Other KMP (Total)	1,271	1,797	-29%	-	9,503	-100%
Board Members	203	199	2%	36,310	129,906	-72%
Total	**1,906**	**2,371**	**-20%**	**129,906**	**145,659**	**-11%**
Termination Payments	950	99	864%			
Total with termination	2,856	2,469				

Two of key management members have open stock option contracts at year end 2024.

Consolidated Financial Statements of Fly Play hf. 2024 25 All amounts are in USD thousands

30. **Events after the reporting period**
No events have arisen after the reporting period of these Consolidated Financial Statements that require amendments or additional disclosures in the Consolidated Financial Statements for the period ended 31 December 2024.

31. **Other matters**
The Financial Supervisory Authority (FSA) notified PLAY of a potential breach of Act 60/2021 on Actions against Market Abuse. PLAY is in dialogue with the FSA but the outcome remains uncertain.

32. **Significant accounting policies**
The Group has consistently applied the following accounting policies to all periods presented in these Consolidated Financial Statements.

a. Currency exchange
Foreign currency transactions
Transactions in currencies other than functional currencies (foreign currencies) are translated to the respective functional currencies of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Foreign currency differences are generally recognized in profit or loss.

Foreign operations
In the Group's consolidated financial statements, the assets and liabilities of Group entities with a functional currency other than the USD are translated into USD at reporting date. Income and expenses are translated into USD at the average rate over the reporting period. Exchange differences recognised on translation are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

b. Revenue
Flight operations
Revenues from passenger flights are recognized in the income statement when the relevant flight has been flown. Sold gift certificates not used within twelve to forty eight months from the month of sale are recognized as revenue.

Other operating revenue
Revenue is recognized in profit or loss when the service has been provided or sale completed by delivery of products.

c. Employee benefits
Share-based payment arrangements
Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at grant date. The grant date fair value of equity-settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

32. **Significant accounting policies, contd.:**

d. Finance income and finance cost

Finance income comprises interest income on funds invested, dividend income and foreign currency gains. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on unwinding of the discount on provisions, foreign currency losses, transaction fees, impairment losses recognized on financial assets, that are recognized in profit or loss and impairment of other financial assets and loans and receivables.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether currency movements are in a net gain or net loss position.

e. Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is expected tax payable on the taxable income for the period, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted at the reporting date. Deferred tax assets and liabilities are offset if there is legal authority to recover tax payable against tax assets and those belonging to the same tax authority.

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised.

f. Inventories

Goods for resale and supplies are measured at the lower of cost and net realizable value. The cost of inventories is based on first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

g. Intangible assets

Recognition and measurement

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are only capitalized if it is probable that future economic benefits associated with the asset will be generated and the cost can be measured reliably.

Subsequent expenditures

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Amortization

Intangible assets are divided into long-term costs and software. Long term cost mainly consists of the acquisition cost of the operation, operating license and brand. The estimated useful lives for the current and comparative years are as follows:

Long-term cost	5-10 years
Software	3-5 years

32. **Significant accounting policies, contd.:**

h. Operating assets

Recognition and measurement

Items of operating assets are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use.

When parts of an item of operating assets have different useful lives, they are accounted for as separate items (major components) of operating assets.

Any gain and loss on disposal of an item of operating assets (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

Aircraft- and flight equipment

Aircraft and flight equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditures

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Items of operating assets are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component. In the case of aircraft engines, the depreciation is calculated based on flown hours.

Operating assets are depreciated from the date they are installed and ready for use or in the case of assets which the Group builds itself, from the date that the asset is complete and ready for use.

The estimated useful lives for the current and comparative periods are as follows:

Aircraft- and flight equipment	5-10 years
Other property and equipment	3-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

32. **Significant accounting policies, contd.:**

i. Financial instruments

Non-derivative financial assets

The Group initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets, including assets designated at fair value through profit or loss, are recognized initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at amortized cost

Financial assets at amortized cost are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost using the effective interest method, less any impairment losses.

Financial assets at amortized cost comprise cash and cash equivalents, trade and other receivables and long-term receivables.

Cash and cash equivalents comprise cash balances and marketable securities with original maturities of three months or less.

Non-derivative financial liabilities

The Group initially recognizes debt securities issued on the date that they are originated. All other financial liabilities including liabilities designated at fair value through profit or loss are recognized initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities comprise loans and borrowings and trade and other payables.

Derivative financial instruments

Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

32. **Significant accounting policies, contd.:**

Hedge accounting

The Group applies hedge accounting for contracts that it enters into to hedge the cash flow of the Group related to forecasted future purchases and for which a hedging relationship has been determined for. Profit or loss of a derivative that has been determined as a hedging derivative is recognized as an increase or decrease in fuel purchases when the contract is settled. Unrealized profit or loss of a derivative which has been determined to be an effective hedge is recognized in other comprehensive income in accordance with hedge accounting for cash flow hedges taken into account tax effects.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for application of hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively.

Share capital

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

j. Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events having occurred after the initial recognition of the asset, and that loss events had an impact on the estimated future cash flows of that asset that can be estimated reliably.

In assessing collective impairment of individual classes of financial assets the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

For impairment testing, assets are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other CGUs.

The recoverable amount of an asset of CGU is the greater of its value in use and its fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets or CGU.

Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

32. **Significant accounting policies, contd.:**

k. Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Aircraft maintenance provisions

For aircraft held under lease agreements, the Group is contractually committed to either return the aircraft in a certain condition or to compensate the lessor based on the actual condition of the aircraft and its major components upon return. If the condition defined in the lease contract can only be met by performing maintenance, then provision is made for the minimum unavoidable costs of the future maintenance obligation at the time when such obligation becomes certain. This is when the respective aircraft component no longer meets the lease re-delivery conditions. The provision is used through the completion of a maintenance event such that the component again meets the re-delivery conditions. If it is probable that on returning the aircraft compensation will be payable to the lessor, because performing maintenance is not or is no longer planned, then the Group accrues for such obligation in line with the compensation rates defined in the lease contract and recognises the respective expense within aviation expenses in the Consolidated Statement of Profit or Loss and and other comprehensive income.

l. Leases

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right of control the use of identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of lease in IFRS 16.

As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right of use assets

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following: fixed payments, including in-substance fixed payments, variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

32. **Significant accounting policies, contd.:**

m. Leases

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

n. Deferred income

Sold unused tickets and other prepayments are presented as deferred income in the statement of financial position.

o. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities (see Note 4).

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.
Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

32. **Significant accounting policies, contd.:**

p. Subsidiaries

Basis of consolidation
The Group's financial statements consolidate those of the parent Company and its subsidiary as of 31 December 2024. The subsidiary has a reporting date of 31 December.

Subsidiaries
Subsidiaries are entities controlled by the Group. The Group "controls" and entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consoldiation
Intra-Group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-Group transactions, are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

q. New accounting standards issued but not yet effective

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these Consolidated Financial Statements.

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The following amended standards and interpretations are not expected to have a significant impact on the Group´s consolidated financial statements:

* Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

* Amendments to IAS 1: Classification of Liabilities as Current or Non-current

* Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

Annex to the Financial Statements

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

Financial year N	Year			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)(h)									
Economic activites (1)	Code (a) (2)	Absolute turover (3)	Proportion of Turnover, year N (4)	Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
Transport revenue		M USD	%	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Activity			%							NA	NA	NA	NA	NA	NA	NA	%	NA	NA
Turnover of environmental sustainable activities (Taxonomy-aligned (A.1)		0	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	NA	NA	NA	NA	NA	NA	NA	**0%**		
Of which enabling		0	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	NA	NA	NA	NA	NA	NA	NA	**0%**	**E**	
Of which transitional		0	**0%**							NA	NA	NA	NA	NA	NA	NA	**0%**		**T**
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Activity 1		0	0%	NA	NA	NA	NA	NA	NA								0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	**0%**	0%	0%	0%	0%	0%	0%								0%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		0	**0%**	0%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		292.2	**100%**																
Total (A + B)			**100%**																

Annex to the Financial Statements, contd.:

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024, contd.:

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.: - Climate
(b) Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	%	%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

(d) The same activity may align with only one or more environmental objectives for which it is eligible.
(e) The same activity may be eligible and not aligned with the relevant environmental objectives.
(f) EL - Taxonomy eligible activity for the relevant objective N/EL - Taxonomy non-eligible activity for the relevant objective
(g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: (a) for substantial contribution - Y/N and N/EL codes instead of EL and N/EL and (b) for DNSH – Y/N codes

Annex to the Financial Statements, contd.:

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

Financial year N	Year			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)(h)									
Economic activites (1)	Code (a) (2)	Absolute CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
Assets		M USD	%	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Activity 1		0	0%							NA	NA	NA	NA	NA	NA	NA	0%	NA	NA
CapEx of environmental sustainable activities (Taxonomy-aligned (A.1)		0	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	NA	NA	NA	NA	NA	NA	NA	**0%**		
Of which enabling		0	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	NA	NA	NA	NA	NA	NA	NA	**0%**	**E**	
Of which transitional		0	**0%**							NA	NA	NA	NA	NA	NA	NA	**0%**		**T**
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Activity 1		0	0%	NA	NA	NA	NA	NA	NA								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	**0%**	0%	0%	0%	0%	0%	0%								0%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		0	**0%**	0%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		31.9	**%**																
Total (A + B)			**100%**																

Annex to the Financial Statements, contd.:

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024, contd.:

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.: - Climate Change Mitigation: CCM - Climate Change Adaptation: CCA - Water and Marine Resources: WTR - Circular Economy: CE - Pollution Prevention and Control: PPC - Biodiversity and ecosystems: BIO For example, the Activity "Afforestation" would have the Code: CCM 1.1
Where activities are eligible to make a substantial contribution to more than one objective, the codes for all objectives should be indicated.
For example, if the operator reports that the activity "Construction of new buildings" makes a substantial contribution to climate change mitigation and circular economy, the code would be: CCM 7.1. / CE 3.1.
The same codes should be used in Sections A.1 and A.2 of this template.

(b) Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	%	%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

(d) The same activity may align with only one or more environmental objectives for which it is eligible.
(e) The same activity may be eligible and not aligned with the relevant environmental objectives.
(f) EL - Taxonomy eligible activity for the relevant objective N/EL - Taxonomy non-eligible activity for the relevant objective
(g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: (a) for substantial contribution - Y/N and N/EL codes instead of EL and N/EL and (b) for DNSH – Y/N codes

Annex to the Financial Statements, contd.:

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

Financial year N	Year			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)(h)									
Economic activites (1)	Code (a) (2)	Absolute OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
OPEX		M USD	%	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y; N; N/EL; (b)(c)	Y/N	Y/N	YN/	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Activity 1		0	0%							NA	NA	NA	NA	NA	NA	NA	0%		
OpEx of environmental sustainable activities (Taxonomy-aligned (A.1)		0	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	NA	NA	NA	NA	NA	NA	NA	**0%**		
Of which enabling		0	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	NA	NA	NA	NA	NA	NA	NA	**0%**	**E**	
Of which transitional		0	**0%**							NA	NA	NA	NA	NA	NA	NA	**0%**		**T**
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Activity 1 (e)		0	%	NA	NA	NA	NA	NA	NA								0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	**0%**	0%	0%	0%	0%	0%	0%								0%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		0	**0%**	0%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		282.3	**%**																
Total (A + B)			**100%**																

Annex to the Financial Statements, contd.:

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024, contd.:

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.: - Climate Change Mitigation: CCM - Climate Change Adaptation: CCA - Water and Marine Resources: WTR - Circular Economy: CE - Pollution Prevention and Control: PPC - Biodiversity and ecosystems: BIO For example, the Activity "Afforestation" would have the Code: CCM 1.1
Where activities are eligible to make a substantial contribution to more than one objective, the codes for all objectives should be indicated.
For example, if the operator reports that the activity "Construction of new buildings" makes a substantial contribution to climate change mitigation and circular economy, the code would be: CCM 7.1. / CE 3.1.
The same codes should be used in Sections A.1 and A.2 of this template.

(b) Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	%	%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

(d) The same activity may align with only one or more environmental objectives for which it is eligible.
(e) The same activity may be eligible and not aligned with the relevant environmental objectives.
(f) EL - Taxonomy eligible activity for the relevant objective N/EL - Taxonomy non-eligible activity for the relevant objective
(g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: (a) for substantial contribution - Y/N and N/EL codes instead of EL and N/EL and (b) for DNSH – Y/N codes

Annex to the Financial Statements, contd.:

Disclosure referred to in Article 8(6) and (7)

The information referred to in Article 8(6) and (7) shall be presented as follows, for each applicable key performance indicator (KPI)

Template 1 Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No