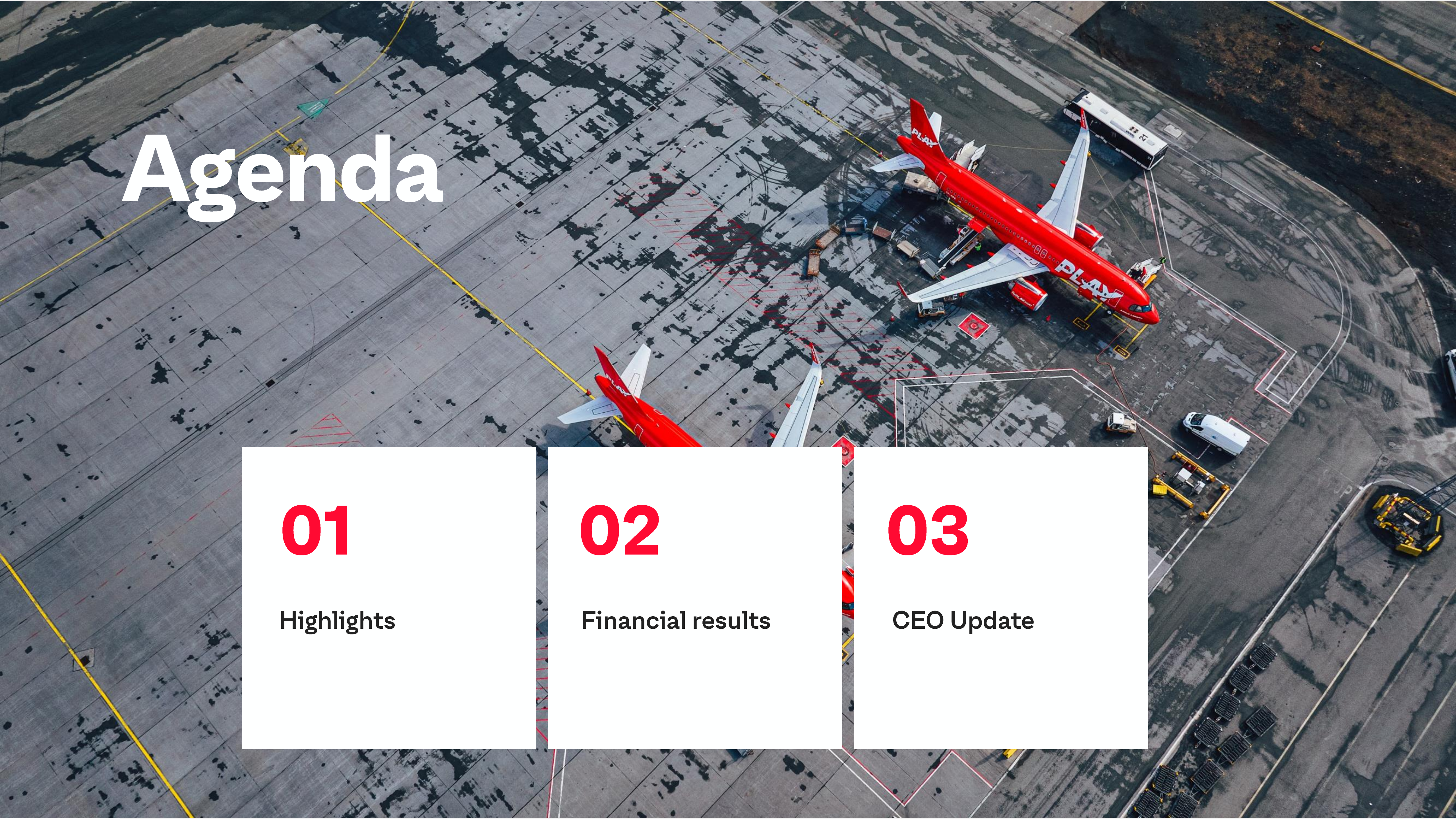
Q4 and FY 2024 Results

Questions to ir@flyplay.com

February 17, 2025

PLAY



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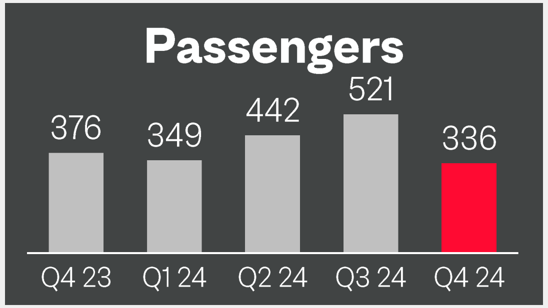
Highlights

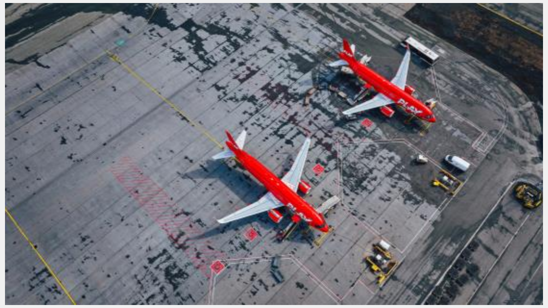
Questions to ir@flyplay.com

PLAY at a glance 2024

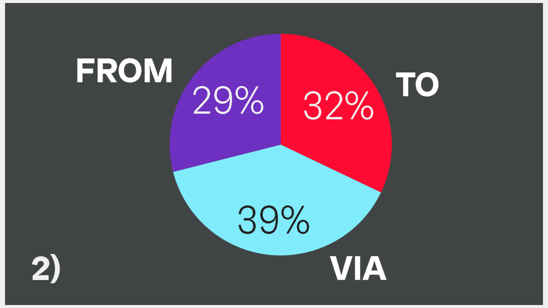


85.3%
Load factor

10 aircraft in operation



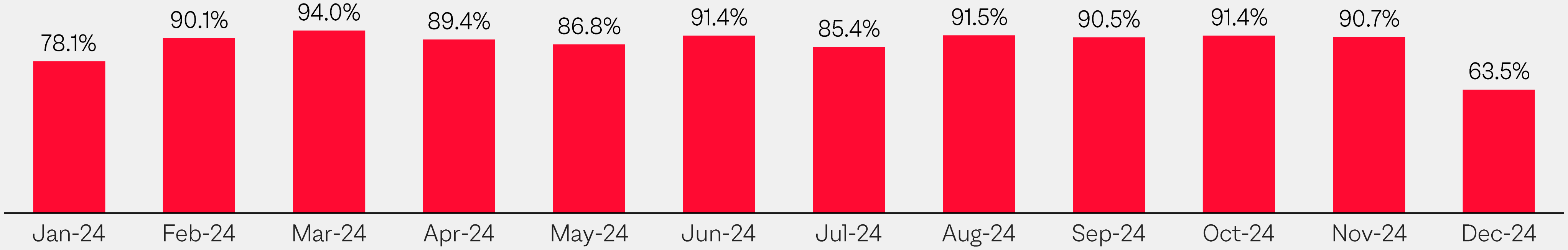
87.5%
On-time performance



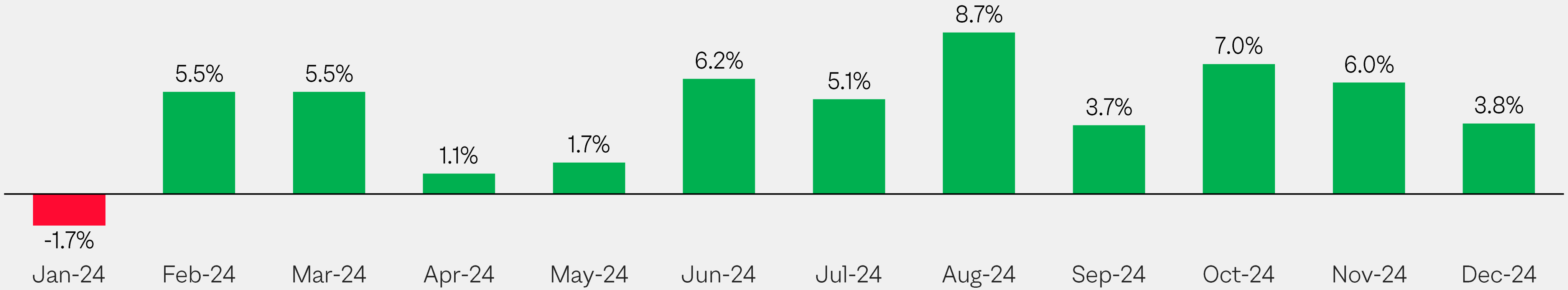
1) Operated to during 2024
2) Split of passengers flying FROM, TO and VIA Iceland

Continued strong on-time performance versus main competitor

Monthly on-time performance (OTP)
All arrivals

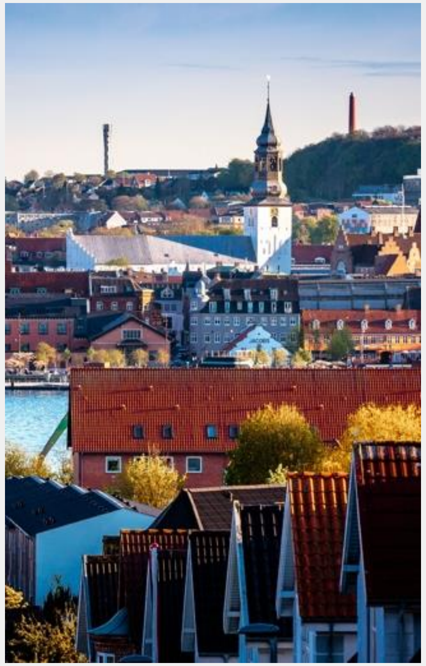


Versus main competitor (ppts)[1)]



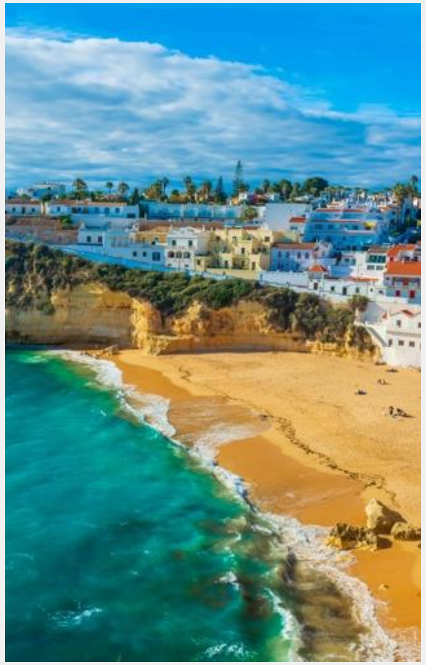
1) Difference in on-time performance in percentage points compared to main competitor

New destinations announced in 2024



Aalborg, Denmark
Creating connections to a Scandinavian cultural city

Antalya, Turkey
A gateway to the Turkish Riviera with stunning beaches and world-class resorts



Faro, Portugal
Expanding Southern Europe reach with Algarve's popular beaches

Pula, Croatia
New gateway to Istria's historic charm and coastal attractions, with increased frequency to Split

Valencia, Spain
Entering Spain's vibrant, artsy Mediterranean city

New and improved at PLAY

Cargo partnership

- A new collaboration with Odin Cargo expands air freight services across Europe and North America

GDS

- Implemented in May 2024, GDS bookings have seen significant growth since launch

Stayover

- Launched in January 2024, the stayover program has been steadily growing its share in PLAY's revenue

PLAY Connect

- Passengers can now access more destinations through PLAY's partnership with Dohop

Icelanders choose PLAY

- PLAY is the preferred airline for Icelanders travelling to leisure destinations
- 477 thousand FROM passengers travelled with PLAY in 2024
- 17% increase in FROM passenger carried by PLAY compared to 2023
- This positive trend in FROM passengers continues in 2025 as we see a 9%[1)] increase in forward bookings compared to the same time last year

1) Company data as of 11Feb2025 for full year 2025

Growing customer satisfaction

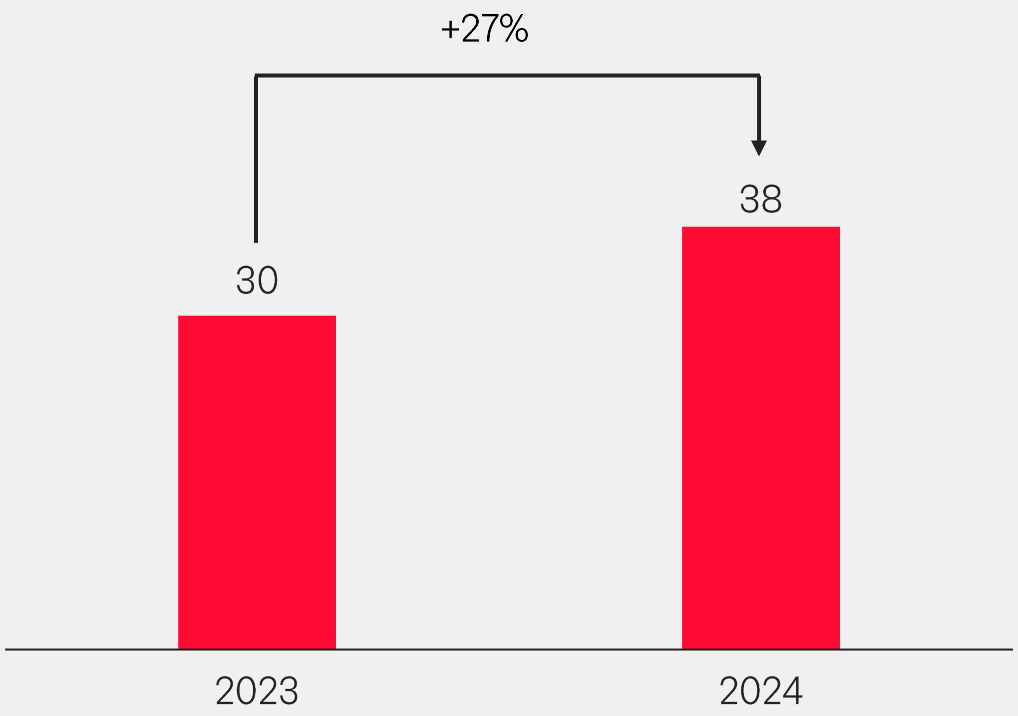
Customer satisfaction (NPS)

- Increased by 27% in 2024 compared to 2023
- Ongoing improvements driven by dedication and excellent teamwork at PLAY
- Q4 with the highest score, despite a few challenges due to winter weather

Commitment to excellence

- 2025 starts with a record NPS score
- Continuously enhancing the customer experience throughout the entire journey

Net Promoter Score (NPS)



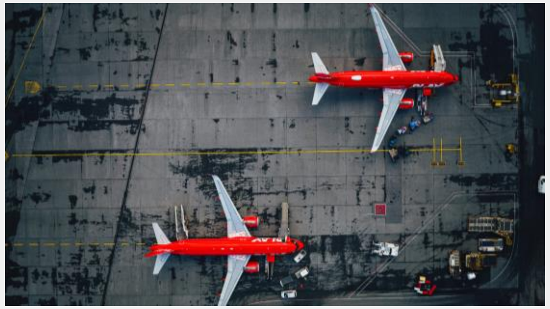
1) Company Data: Customer Survey

Financial results

Questions to ir@flyplay.com

Financial snapshot

FY 2024

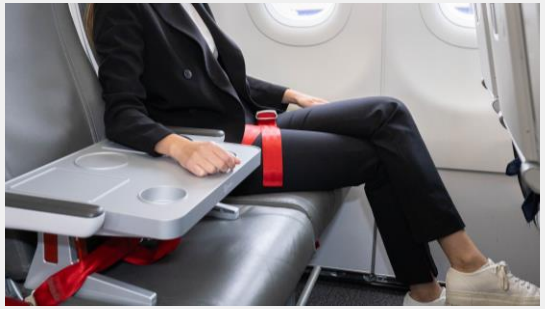


USD 292.2 million
Revenue

USD -30.5 million
EBIT

USD 23.6 million
Cash position

4.0 cents
Ex-fuel CASK[1)]



5.1 cents
TRASK[2)]

0
External IBD[3)]

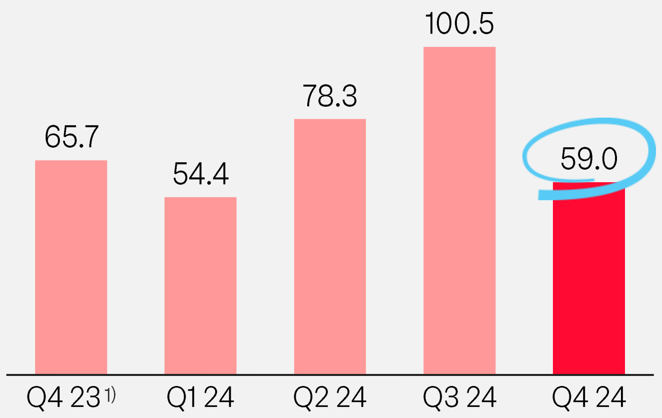
1) Total operating and depreciation cost per available seat kilometer for route network
2) Total revenue per available seat kilometer
3) Interest Bearing Debt

Financial highlights

Q4 2024

Revenue

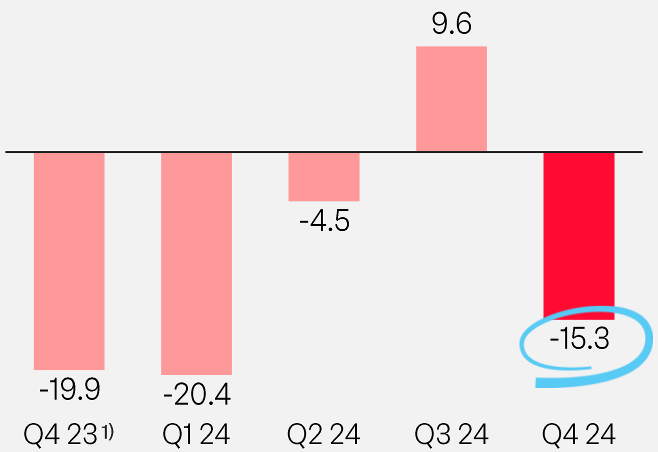
Total Revenue



- **Revenue:** Revenue decreased by 10% (USD 6.7 million) vs. last year (LY), driven by reduced capacity with one aircraft on ACMI and schedule changes
- **ASK:** Decreased by 17% year-on-year (YoY)

Financial performance

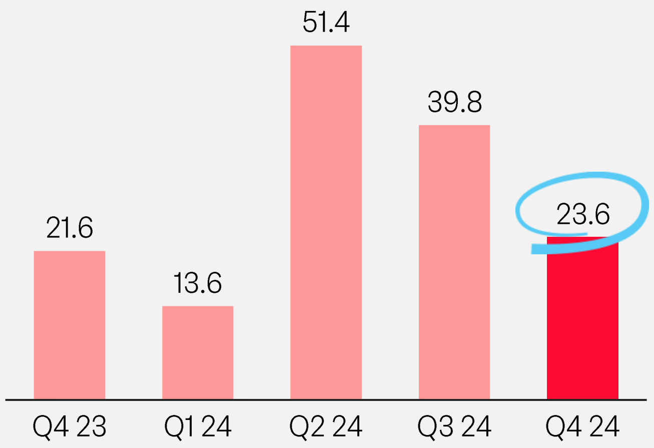
EBIT



- **EBIT for Q4 2024:** EBIT improved by USD 4.7 million vs. LY, driven by RASK increase
- **Yield Impact:** Load factor increased YoY, with yield remaining consistent with last year, contributing positively to EBIT

Balance sheet

Cash



- **Cash:** Position of USD 23.6 million including restricted cash
- **Debt:** No external interest-bearing debt

1) Includes adjustments due to restatement of 2023

Income statement

Q4 2024

- Operating income declined by USD 6.7 million YoY due to a reduction in the number of aircraft in scheduled operations resulting in reduced capacity
  - One aircraft was transitioned to an ACMI contract, aligning with the company's evolving business strategy
- EBIT improved to USD -15.3 million, compared to USD -19.9 million in the previous period
- Income tax negative due to write-off of deferred tax assets of USD 24.1 million
  - Uncertainty over PLAY's ability to utilize a carry-forward tax loss, to offset future profits

USD million	Q4 2024	Q4 2023[1)]	Change
Airfare revenue	37.6	41.2	-3.6
Ancillary revenue	18.3	22.2	-4.0
Cargo revenue	1.0	0.9	0.1
Other revenue	2.1	1.3	0.8
Operating income	**59.0**	**65.7**	**-6.7**
Salaries and related expenses	-14.7	-13.5	-1.2
Fuel & ETS	-20.4	-26.3	5.9
Other aviation expenses	-43.0	-46.0	3.0
Other operating expenses	-2.2	-4.6	2.4
Operating expenses	**-80.2**	**-90.4**	**10.1**
Depreciation and amortisation	6.0	4.7	1.3
EBIT	**-15.3**	**-19.9**	**4.7**
EBIT %	**-26%**	**-30%**	**4 ppt**
Financial expenses	-2.7	-2.1	-0.6
EBT	**-17.9**	**-22.0**	**4.1**
Income tax	-21.9	4.8	-26.7
Net result for the period	**-39.8**	**-17.2**	**-22.6**
Other comprehensive (loss) income	-0.1	-2.3	2.2

1) Includes adjustments due to restatement of 2023

Income statement

FY 2024

- Full year operating income increased by USD 10.4 million YoY, driven by increased production
- Full year operating expenses rose by USD 11.9 million, primarily driven by increased production and salary increases, and partially offset by a reduction in fuel costs
- EBIT declined to USD -30.5 million, representing a YoY decrease of USD 7.6 million, reflecting effect from seismic activity in first half of the year and disappointing summer with overcapacity on the North-Atlantic market
- Q4 2024 demonstrated a positive shift. The business model transformation, announced at the end of Q3, began to take effect in Q4, indicating an improving trajectory

USD million	FY 2024	FY 2023[1)]	Change
Airfare revenue	192.8	192.7	0.2
Ancillary revenue	90.3	82.6	7.7
Cargo revenue	4.5	3.6	0.9
Other revenue	4.6	2.9	1.7
Operating income	**292.2**	**281.8**	**10.4**
Salaries and related expenses	-57.1	-47.8	-9.2
Fuel & ETS	-94.4	-100.1	5.7
Other aviation expenses	-112.1	-103.4	-8.7
Other operating expenses	-18.7	-19.1	0.5
Operating expenses	**-282.3**	**-270.4**	**-11.9**
Depreciation and amortisation	-40.5	-34.3	-6.1
EBIT	**-30.5**	**-23.0**	**-7.6**
EBIT %	**-10%**	**-8%**	**-2 ppt**
Financial expenses	-20.7	-21.0	0.3
EBT	**-51.3**	**-44.0**	**-7.3**
Income tax	-14.7	8.9	-23.6
Net result for the period	**-66.0**	**-35.0**	**-31.0**
Other comprehensive (loss) income	-1.0	0.2	-1.1

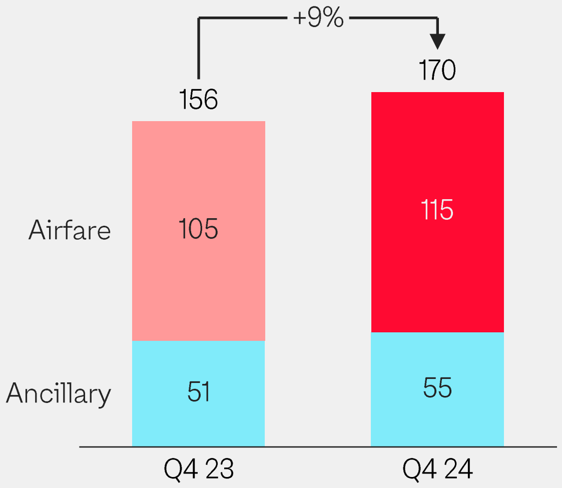
1) Includes adjustments due to restatement of 2023

Operating income 1)

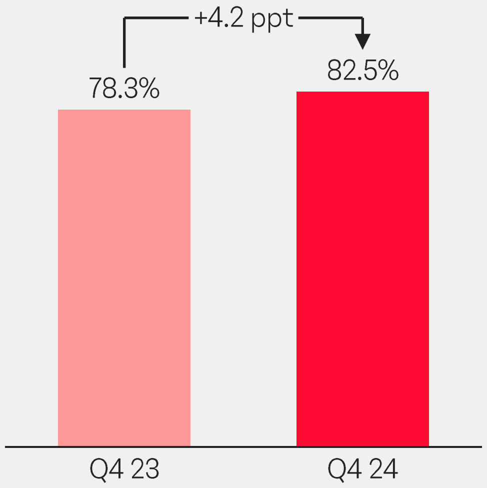
Q4 2024

- Yield per passenger increased by 9% YoY, driven by growth in both airfare and ancillary revenue
  - Where airfare revenues are up by 9.7% and ancillary revenue up by 8.9%
- RASK[2] improved by 17%, highlighting better revenue generation per unit of capacity

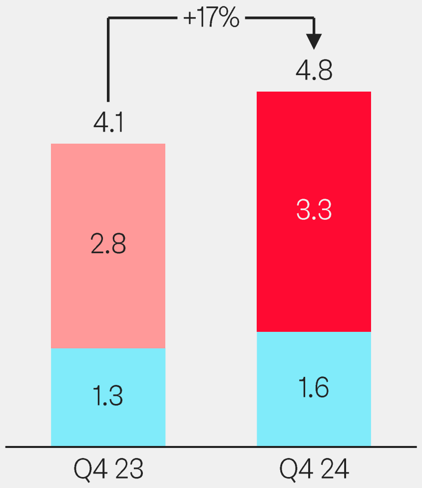
Yield per passenger
USD



Load factor



RASK 2)
US cents



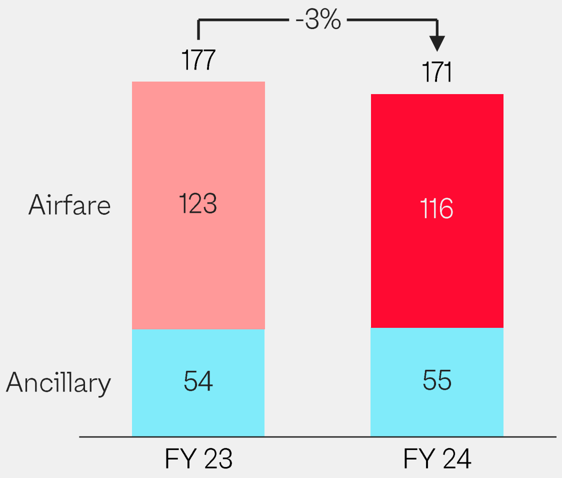
1) Without one-time or annual adjustments
2) Passenger revenue per available seat kilometer. Revenues from ACMI/charter business excluded

Operating income 1)

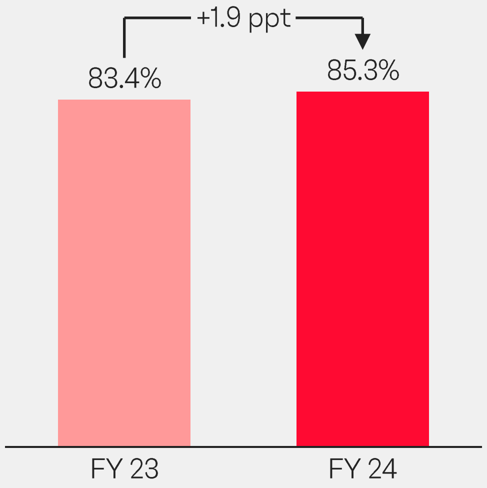
FY 2024

- Passenger yield declined by 3.4% YoY, primarily due to pressure on airfare yields, partially offset by ancillary revenue growth
- Airfare revenue decreased by 5.7%, while ancillary revenue increased by 1.7%
- RASK[2)] declined by 1.3%, driven by
  - Weaker airfare performance in Q1, impacted by seismic activity
  - A challenging summer season, with overcapacity on transatlantic routes leading to lower yield

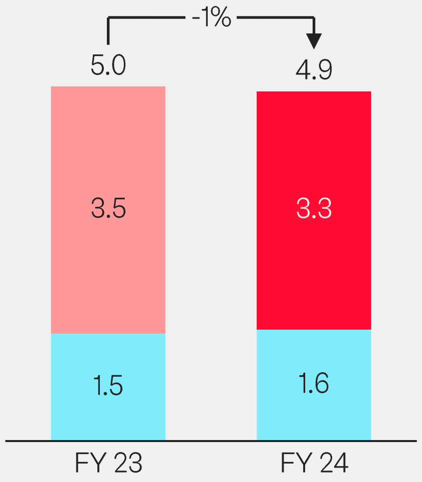
Yield per passenger
USD



Load factor



RASK 2)
US cents



1) Without one-time or annual adjustments
2) Passenger revenue per available seat kilometer. Revenues from ACMI/charter business excluded

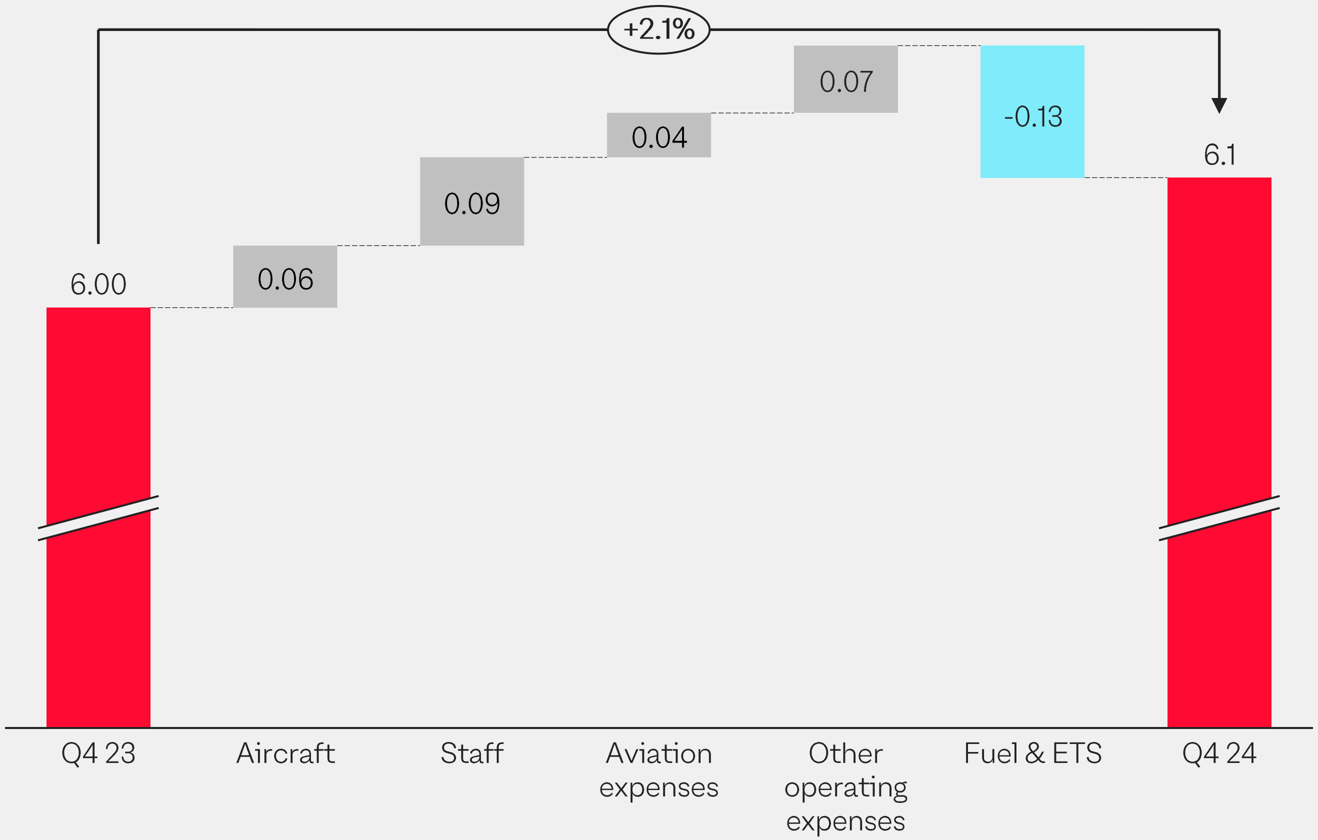
CASK bridge

Q4 2024

- Total CASK in Q4 rose by 2.1% while ex-fuel CASK rose by 6.2%
- Unit cost impacted by reduced capacity within route network as available seat kilometers reduced by 16.6%

Adjusted CASK[1]

US cents



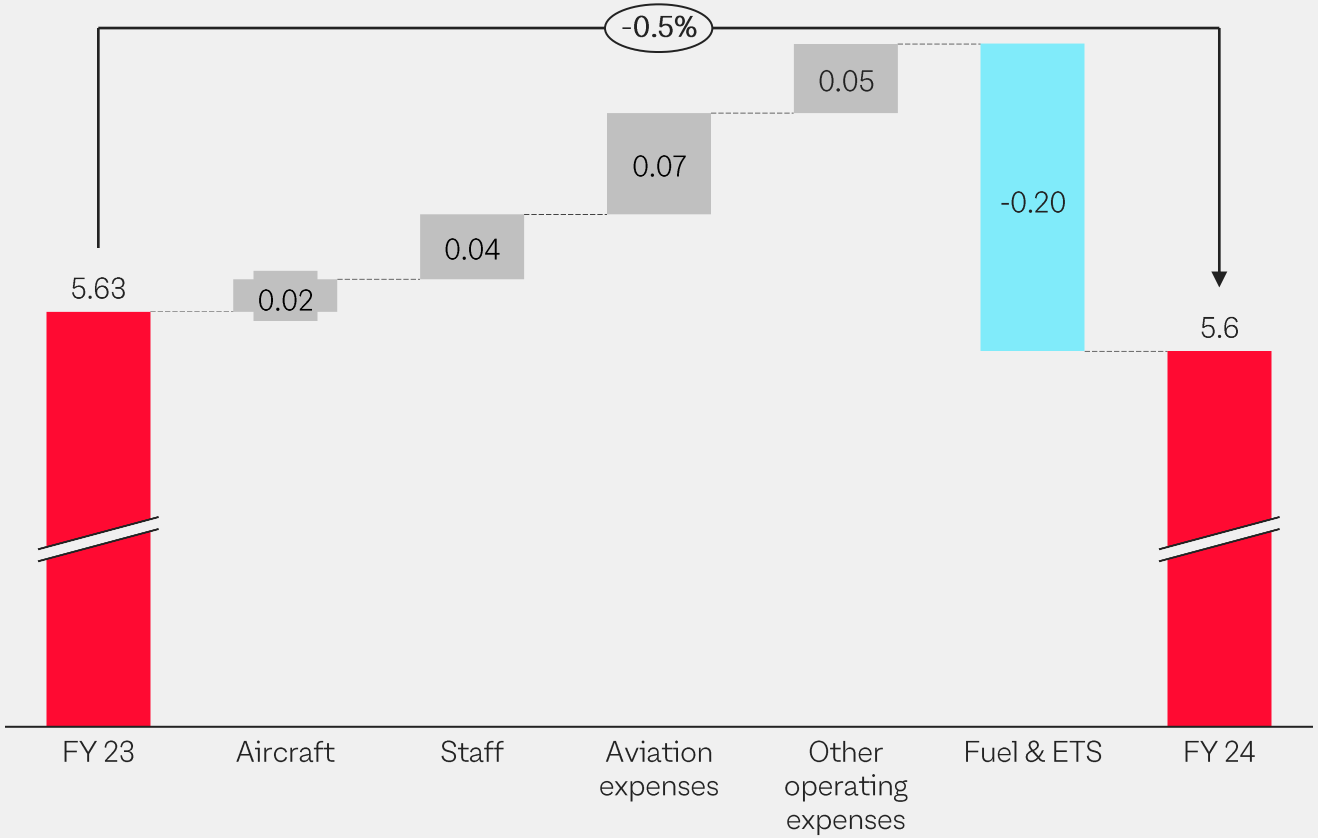
1) Costs and available seat kilometers related to ACMI contract excluded

CASK bridge

FY 2024

- In 2024, total CASK remains steady at 5.6 US cents
- Ex-fuel CASK increased by 4.7% YoY influenced by ASK reduction in Q4

Adjusted CASK[1)]
US cents



1) Costs and available seat kilometers related to ACMI contract excluded

Balance sheet

- Cash position is increasing by 9%, with cash and cash equivalents at year end USD 23.6 million
- Trade and other receivables declined by USD 8.2 million, driven by improved collections, enhanced cash flow efficiency and improved settlement terms with acquirers
- Shareholders' equity negative at USD -33.1 million
  - The main reason is the cautious approach to write-off deferred tax assets of USD 24.1 million
  - This has no impact on PLAY's cash flow, operation or ability to meet its obligations
  - Negative shareholder equity is common in the airline industry [2)]

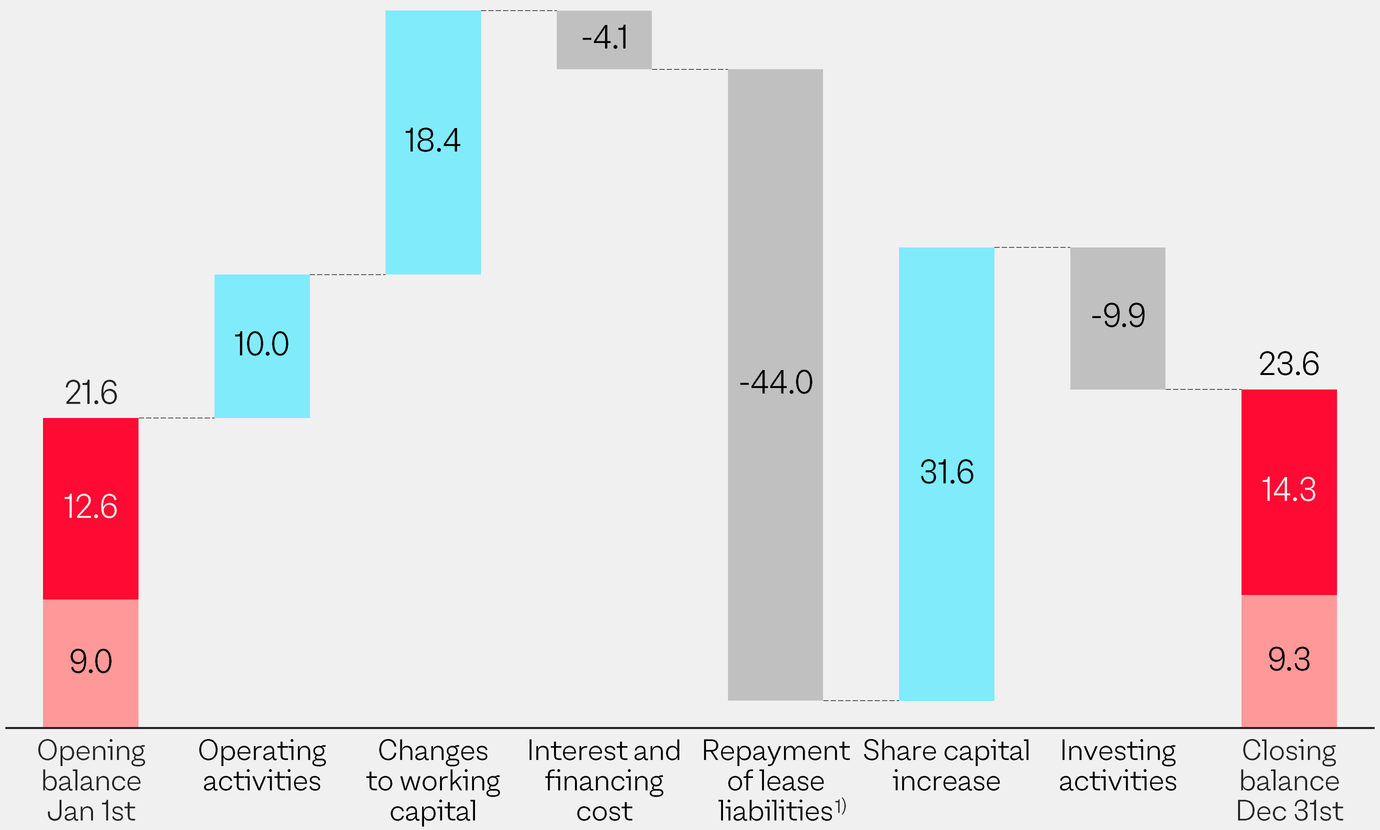
USD million	31.12.2024	31.12.2023[1)]
Intangible assets	13.9	14.2
Right-of-use assets	259.9	283.8
Operating assets	17.9	11.9
Deposits	11.5	13.2
Tax assets	10.3	25.0
Non-current assets	**313.4**	**348.0**
Inventories	0.9	0.2
Trade and other receivables	24.8	33.0
Prepaid expenses	1.6	2.8
Cash and cash equivalents	23.6	21.6
Current assets	**50.9**	**57.5**
Total assets	**364.3**	**405.5**
Share capital	14.0	6.8
Share premium	125.9	101.5
Other components of equity	1.3	1.2
Accumulated loss	-174.4	-107.4
Shareholders' equity	**-33.1**	**2.0**
Provisions	36.9	37.4
Lease liabilities	229.9	247.8
Non-current liabilities	**266.8**	**285.2**
Provisions	4.4	2.8
Lease liabilities	27.7	25.3
Trade and other payables	55.8	43.7
Deferred income	42.8	46.5
Current liabilities	**130.6**	**118.3**
Total liabilities	**397.4**	**403.5**
Total equity and liabilities	**364.3**	**405.5**

1) Includes adjustments due to restatement of 2023
2) American Airlines 2017-24, Delta Air Lines 2011-12, Air Canada 2010-14 and Wizz Air 2023 to name a few internationally recognized airlines

Cash flow FY 2024

- USD 10 million generated from operations, further supported by USD 18.4 million from working capital improvements
- USD 44.0 million repayment of lease liabilities, comprising of aircraft rentals and fixed maintenance reserves (LY USD 36.6 million)
- Share capital increase of USD 31.6 million in Q2
- Investing activities included USD 8.4 million for operating assets and USD 3.2 million for intangible assets, offset by a USD 1.7 million deposits repayment inflow
- Closing at USD 23.6 million, maintaining liquidity supporting ongoing operations and lease commitments

Cash flow bridge
USD million



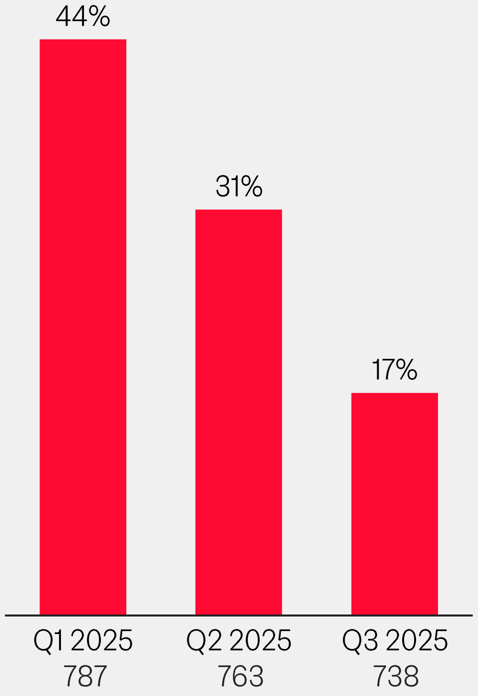
1) Repayment of lease liabilities includes interests

Fuel price development and fuel hedging

- Hedge strategy
  - 1-3 months - Up to 60%
  - 4-6 months - Up to 40%
  - 7-12 months - Up to 30%
- Current spot ($/MT) [1] @14.02.2025 - $748
- Hedge position helped smoothen out fluctuations in market price

Fuel Hedging

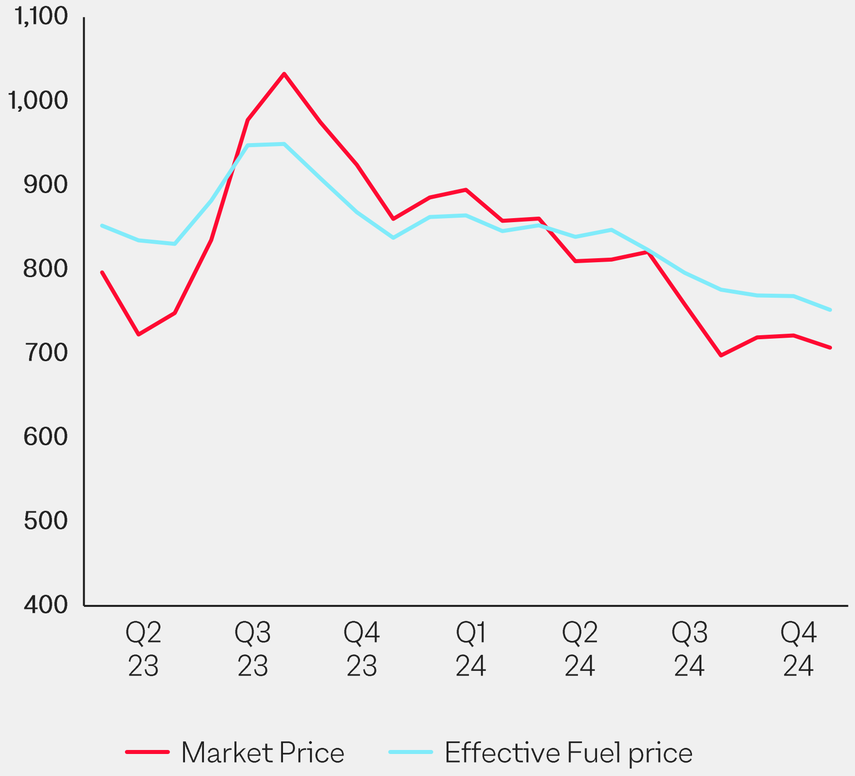
Current position (Hedge %, Hedge price $/MT)



Hedge price $/MT

Jet Fuel Price

Monthly average $/MT



[1] $/MT = US dollar pr. metric ton

CEO update & outlook

Questions to ir@flyplay.com

PLAY going forward

Financial results called for a shift in business plan

Strong leisure market

- While the overall financial results were disappointing in 2024, the Point-to-Point part of our network was profitable
  - Mainly catering to outbound leisure traffic
  - In the ten years before COVID, the FROM market grew by a CAGR of 9%[1)]
- The share of point-to-point markets in our network is in the process of being increased
  - In 2025, Point-to-Point markets will represent ca. 30% of PLAY's seat capacity, up from 25% in 2024 and 22% in 2023

Highly sought after aircraft

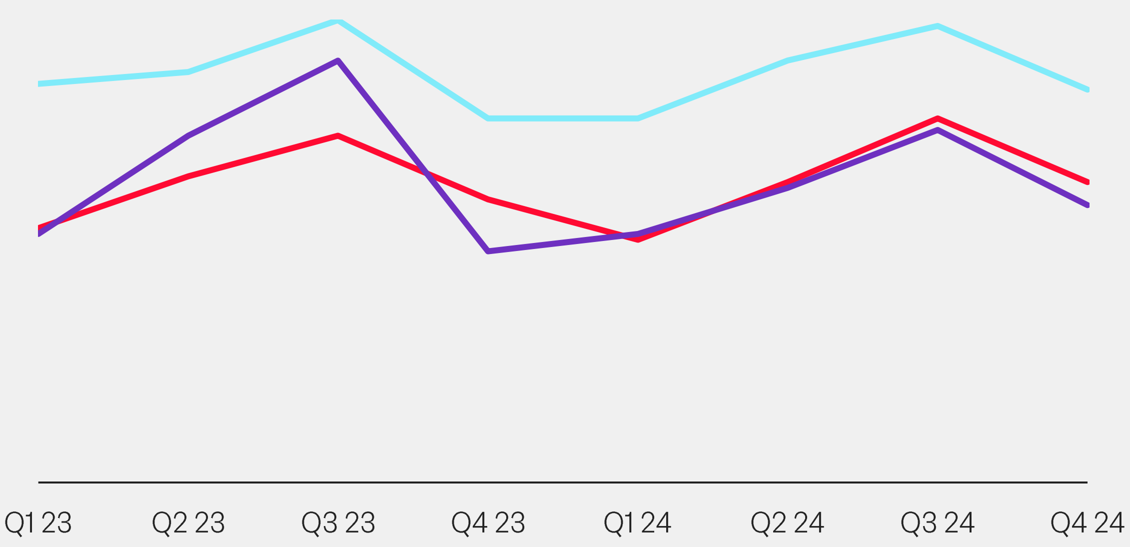
- All aircraft in PLAY's fleet are secured through favorable long-term lease agreements
- Our aircraft are in high demand
- PLAY announced in October 2024 that it would start to place some of its aircraft with other operators in 2025
  - This work is advancing according to plan
  - PLAY has negotiated commercial terms of deployment of 3 aircraft on long-term ACMI to a European airline until 2027

1) Based on data from the Iceland Tourist Board for the period 2009-2019

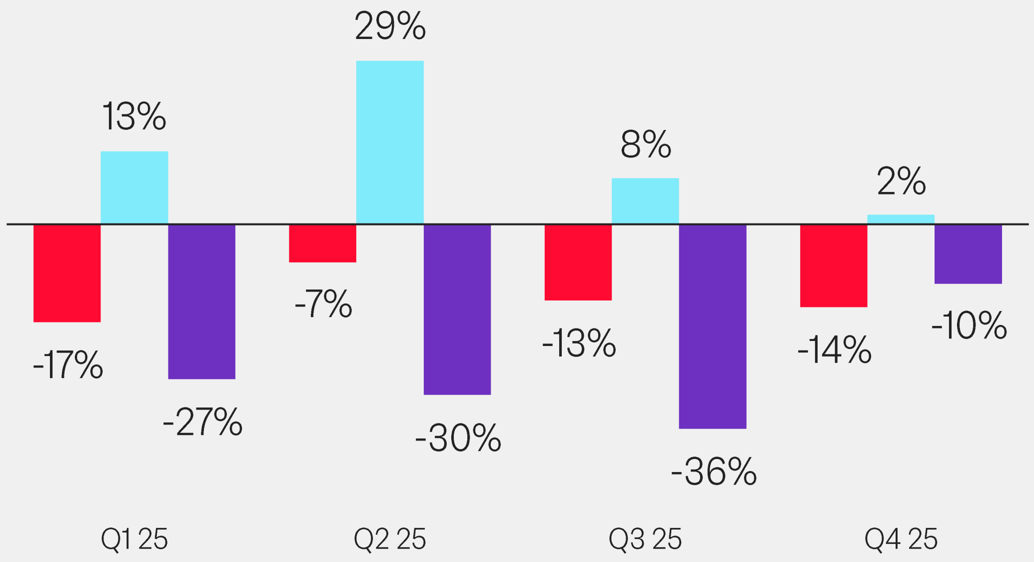
Leisure market delivering strong results

- PLAY's leisure markets have outperformed Europe city and North America market types every quarter
- PLAY has made changes to its business model by further increasing the emphasis on the strong leisure markets out of Iceland and at the same time reducing its exposure to the VIA market

Revenue per available seat kilometer by market type[1)]



Year-on-year capacity change by market type[2)]



1) Company data, RASK adjusted for stage length
2) Company data

PLAY

Attractive fleet for ACMI

Meeting market demands with the right aircraft

- The ACMI market has traditionally been dominated by 12–20-year-old aircraft, which were primarily used to fill gaps in carriers' networks, generally on a short-term basis
- However, airlines, including legacy, are now increasingly using ACMI as part of their fleet strategy
    - This is driven by a growing need for aircraft and engines, along with the demand for greater operational flexibility
- Economics are also shifting, making newer aircraft more attractive in the ACMI market. While lease rates for these aircraft may be higher, they offer several benefits
    - Improved fuel/emissions efficiency
    - Enhanced technical reliability
    - More available block hours per month than 15–20-year-old aircraft
- Additionally, stricter regulations regarding environmental impact, such as noise and emissions, are further pushing the adoption of newer, more sustainable aircraft

PLAY forward

All elements of modified business model progressing as planned

- PLAY has negotiated commercial terms of deployment of 3 aircraft on long-term ACMI to a European airline until 2027 ☑
  - Commercial terms in line with what has been communicated previously
  - Long-term ACMI secures predictable income for PLAY
- One aircraft operating ACMI project for GlobalX in Miami this winter 2024-25 ☑
- Application for Maltese AOC is on track ☑
- Schedule amended as presented in Q3 presentation ☑

2025 outlook

General

- RASK improvement year-on-year for the past five months, forward RASK tracking ahead of last year
- Network has been adjusted, focus on Point-to-Point leisure
- Labor agreements expired at the end of January, negotiations in progress

Operational efficiency

- Targeting 15 - 20% reduction in overhead cost in 2025
  - Less own production and less IT development
  - Improved supplier contracts and benefits from Vilnius office

Financial outlook

- Q1 25 expected to deliver similar results as last year, despite peak Easter period moving to Q2 in 2025
- Changes to business model along with updated schedule expected to deliver improved results for all other quarters

Key takeaways

Plan progressing

Focus on profitable routes

Increased share of leisure destinations

Deployment of 3 aircraft in long-term ACMI

Q4 improved while still substandard results

Q4 in 2024 slightly better than the year before

Effects of changed business model already showing but only to a limited degree

Tide is turning

Cost reduction measures starting to take effect

Changed flight schedule is already yielding higher RASK with 2025 looking promising

Capital requirements

- Cash position has strengthened compared to the same period last year, and business outlook much improved
- 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

Thank you

Questions to ir@flyplay.com

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