

PLAY



Information Memorandum

14 June 2021


ARCTICAFINANCE

 Arion banki

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Summary

On 24th of June PLAY is scheduled to finally make its maiden flight after two years of preparation



**COVID HAS CREATED A
UNIQUE OPPORTUNITY FOR
PLAY...**

**...WITH SIGNIFICANT
POTENTIAL INVESTMENT
UPSIDE WHEN THE MARKET
RECOVERS**



The Opportunity

- › Favourable market conditions
- › Optimal new fleet of aircraft secured
- › No legacy liabilities



Successful Private Placement

- › PLAY has already raised USD 47m in a Private Placement
- › Over 60 shareholders
- › Base case fully funded



IPO & First North Listing

- › Raising additional USD 33–36m further boosting liquidity
- › Inviting the public and professional investors to participate in PLAY's journey
- › First day of trading in July



HOW WE DO IT

PLAY is in the air!

- › PLAY is a new low-cost airline which will operate flights between Iceland and Europe. PLAY offers low-cost flights and a safe and pleasant journey in our new and comfortable Airbus aircraft
- › At PLAY, our primary goal is **to make flying affordable for everyone** and offer lower prices to and from our destinations

1.



Low-Cost Culture

- › With PLAY's low-cost culture and streamlined operations, we are able to offer great prices to our customers
- › PLAY's entire team is dedicated to achieve this goal

2.



Simplicity

- › Simple strategy — lean and mean
- › Simple offering — all economy product
- › Outsource non-core activities where PLAY lacks economies of scale, e.g., ground handling, maintenance, catering, etc.

3.



Operational Discipline

- › Culture of operational discipline
- › A sensible approach and clear decision-making
- › We're taking conservative and thoughtful steps

PLAY has Strong Foundations for Future Growth

Unique timing, experienced personnel and strong cornerstone investors with a clear vision for PLAY



Unique Timing

- › Market downturn
- › Modern aircraft available at historically low prices and for long-term lease
- › Competitors facing difficulties, high debt and increased unit cost



Experienced Personnel

- › Access to highly skilled staff
- › Committed and highly experienced management team



Well Funded Airline

- › Lead cornerstone investors with a strong track record in airline investments
- › Airline industry know-how
- › Diverse ownership with an aligned vision on PLAY

PLAY — A Jump Start with no Barriers

PLAY infrastructure is ready — First flight scheduled on 24th of June 2021

Preparation Phase

Completed Infrastructure

- ✓ Air Operator Certificate (AOC) granted
- ✓ Key systems, installed, tried and tested
- ✓ Crew with full qualifications hired
- ✓ Initial aircraft leased and slots secured
- ✓ Ticket sales launched in May 2021



Execution Phase

Ramp-up

- › First flight scheduled on 24th of June 2021
- › Ticket sales above expectations
- › Onboarding of new employees
- › Establishing and expanding network

Flexibility — Expand Offering when Timing is Right

PLAY has the ability to ramp up when market conditions are favourable



Aircraft in operation: 3 aircraft
Operating Model: Point to Point¹ offering in accordance with demand
Destinations: Europe
Customers²: TO | FROM

Phase 1
Soft Take Off

Phase 2
Hub & Spoke








Aircraft in operation: 6+ aircraft
Operating Model: Hub and Spoke
Destinations: Europe and North America
Customers²: TO | FROM | VIA

Starting with Popular Destinations in Europe

PLAY's flexibility allows for choosing the most profitable destinations

Current Destinations

We will start small and expand when the timing is right.
First, we will begin servicing a few destinations in Europe...

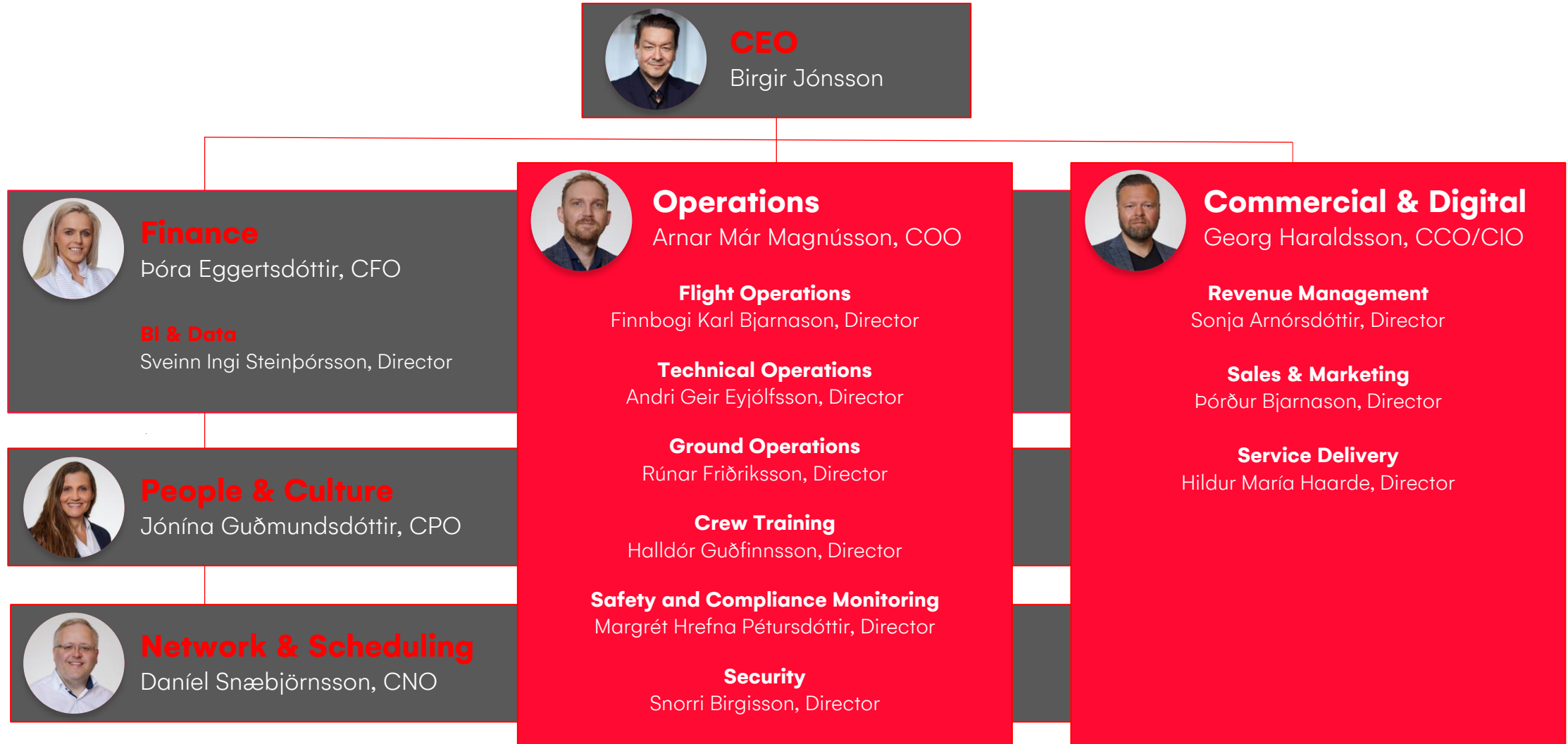
-  Alicante
-  Barcelona
-  Berlin
-  Copenhagen
-  London
-  Paris
-  Tenerife

...At a later phase, we will expand our operations further in Europe and North America with our Hub & Spoke model



Key Management

Committed and highly experienced management team



Board of Directors



Einar Örn Ólafsson
Chairman

Einar is the chairman of the boards of Terra and Löður. Einar was previously the general manager of Fjarðarlax, CEO of Skeljungur and before that held various management positions in banking.



Elías Skúli Skúlason
Vice Chairman

Skúli has over 25 years of aviation and airline operations experience. Skúli was one of the founders of Airport Associates and Bluebird Cargo.



Auður B. Guðmundsdóttir
Board Member

Auður is the CEO of Two Birds, a fintech company. Auður has extensive experience in marketing, management and strategic planning.



Guðný Hansdóttir
Board Member

Guðný has over 15 years of experience in the airline industry. Guðný served as a Managing Director of cabin crew for Icelandair and as VP of Human Resources at Air Atlanta for five years.



María Rúnarsdóttir
Board Member

María is an independent investor. She was one of the founders of MINT Solutions. María currently sits on the board of numerous companies.

The Opportunity



Market Environment

Historically, leisure and VFR traffic has been less affected by economic shocks



Change in consumer behaviour

- › Flying has become more affordable than previously
- › Low-Cost Carriers increased their market share in Europe from 26% in 2011 to 37% in 2019
- › In general, consumers are price sensitive — they want to Pay Less, Play More!



Strong VIA¹ market following crisis

- › Uncertainty for recovery of business travel
- › Many Transatlantic carriers are reliant on business travel and are likely to maintain low capacity due to uncertainty
- › Historically, the VIA market recovers quickly following crisis



Leisure & VFR² will pick up first

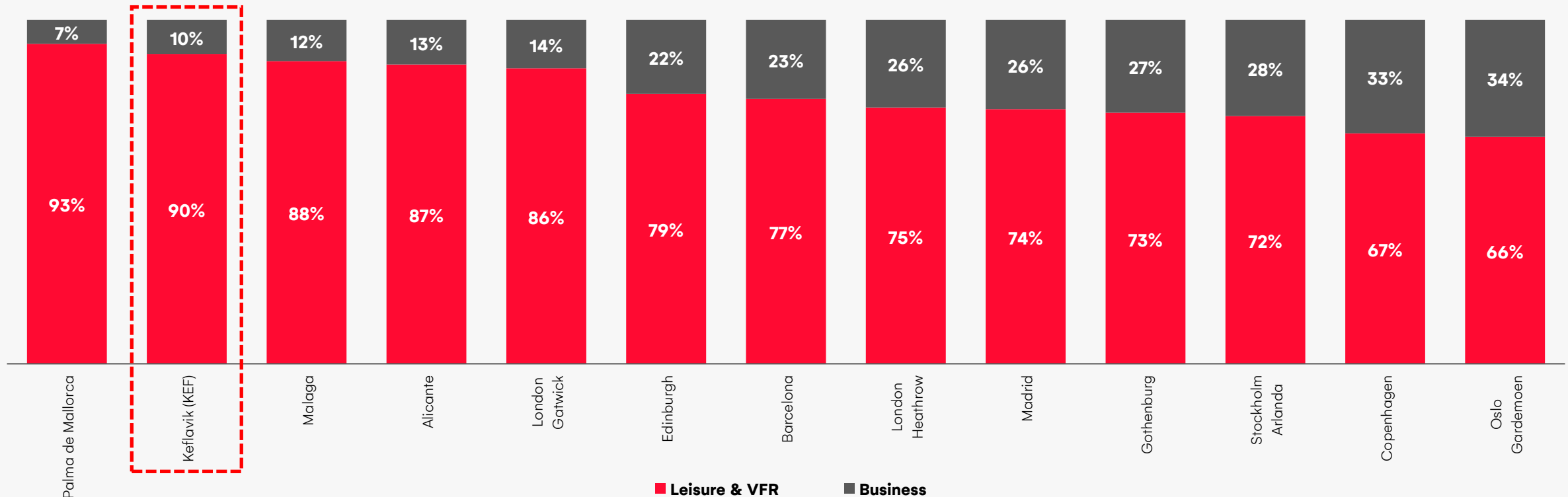
- › Historically, leisure and VFR traffic is less affected by economic shocks
- › Leisure/VFR travellers continue to travel, and Low-Cost Carriers benefit in a recession as traveller's price awareness increases

PLAY's customer base will consist mainly of passengers travelling for leisure and VFR¹ purposes to and from Iceland as well as across the Atlantic

Passenger Traffic at KEF is Dominated by Leisure and VFR Traffic

In 2019, 90% of passengers travelling to/from KEF were travelling for leisure or VFR purposes

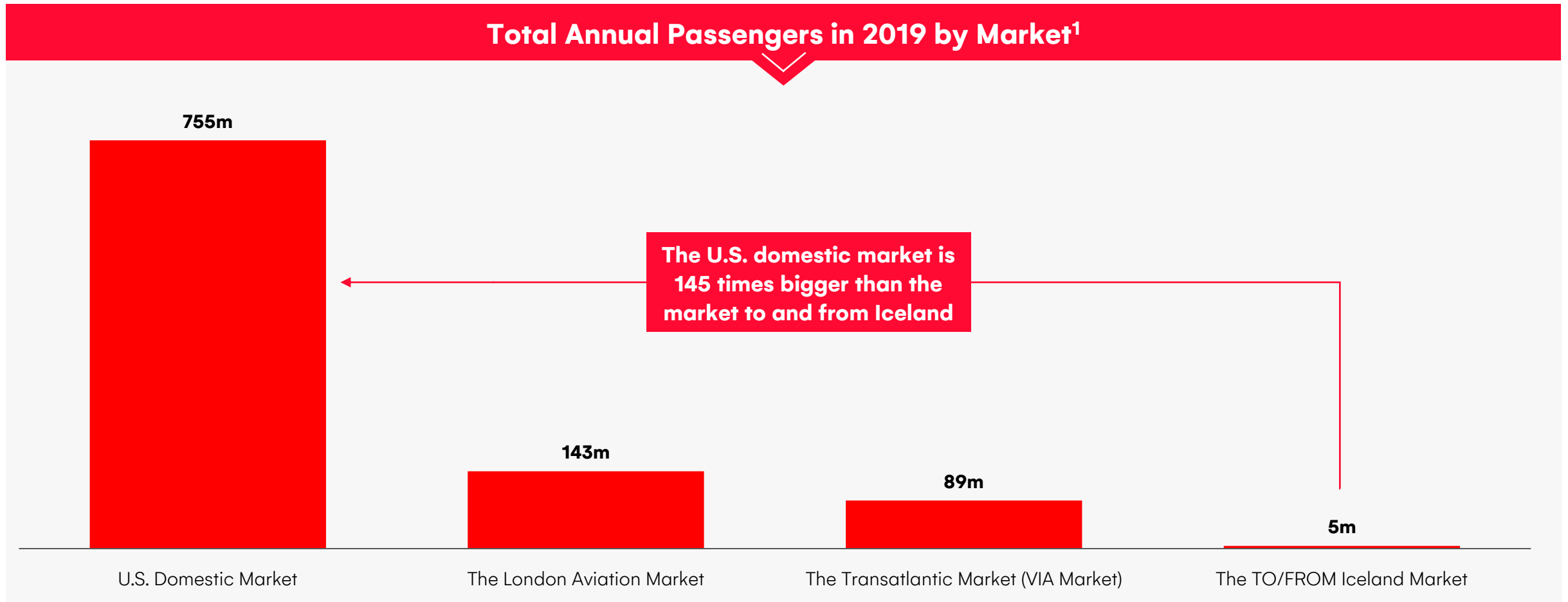
Passengers Journey Purpose at Selected European Airports¹



¹) Traffic data for the year 2019
Source: ISAVIA, UK CAA and various airport websites

The Hub & Spoke Model Provides Access to Larger Markets

The majority of markets to/from Iceland and across the Atlantic do not have enough traffic to sustain non-stop service on frequent basis



¹) The London Aviation Market includes all passengers terminating or originating their journey at London Heathrow, London Gatwick, London Stansted, London Luton and London City. The TO/FROM Iceland market excludes passengers transferring at KEF airport. U.S. domestic market size estimated based on Bureau of Transportation Statistics Origin & Destination Survey
Source: European Travel Commission, UK CAA, Bureau of Transportation Statistics and Icelandic Tourist Board

The Hub & Spoke Model is Key in Connecting Markets Together

In smaller markets, a hub is required to combine passenger flows allowing more destinations and frequencies to be offered

Iceland's geographical location & the Hub & Spoke model enables PLAY to connect with larger markets

- › Having a hub at Keflavik Airport creates an opportunity for PLAY to connect with larger markets by combining passenger flows, which enables PLAY to offer more frequency of service and serve markets that otherwise couldn't sustain service depending on the TO/FROM Iceland market alone
- › Iceland's location allows PLAY to use smaller narrow-body aircraft, such as the Airbus A320neo Family, to connect cities in Europe and North America
- › Because of the distance between these cities, an airline operating directly between Europe and North America would usually have to use wide-body aircraft which in most cases have a greater risk profile than narrow-body aircraft due to their larger size, generally higher ownership cost and higher operating cost versus a narrow-body aircraft
- › Long-range narrow-body aircraft that can operate directly between Europe and North America do pose a challenge to the hub-and-spoke model. However, that does mean that it is critical to have low unit cost to be able to withstand increased competition
- › The introduction of long-range narrow-body aircraft also creates an opportunity for PLAY to reach destination further East and West



1) The picture is for illustrative purposes only

Leisure Passengers are Driven by Price

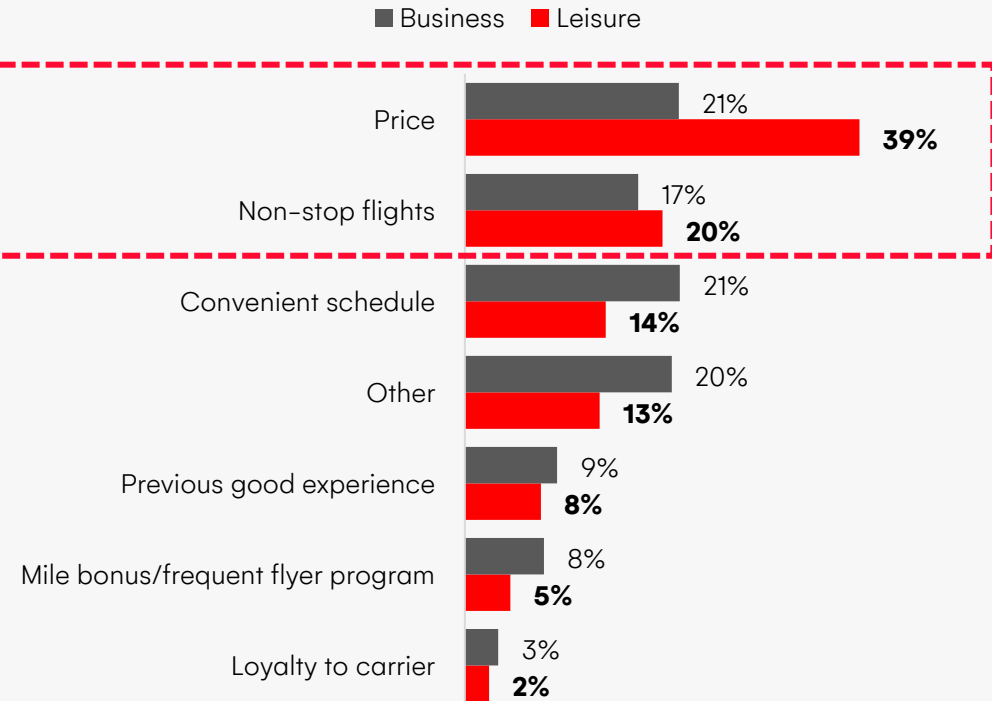
The price and whether the flight is non-stop or not are the two most important factors that consumers look at when choosing an airline

Main Factor in Airline Choice for International Travellers to/from the U.S.¹

U.S. Nationals Travelling from the U.S.



Foreign Nationals Travelling to the U.S.



¹ Survey data for the year 2017
Source: U.S. Department of Commerce Survey of International Travellers

Low Unit Cost is Key to Success in Leisure Dominated Markets

Fundamental decisions that a Clean-Sheet airline has the opportunity to make — Low unit cost achieved through decisions on:

Fleet

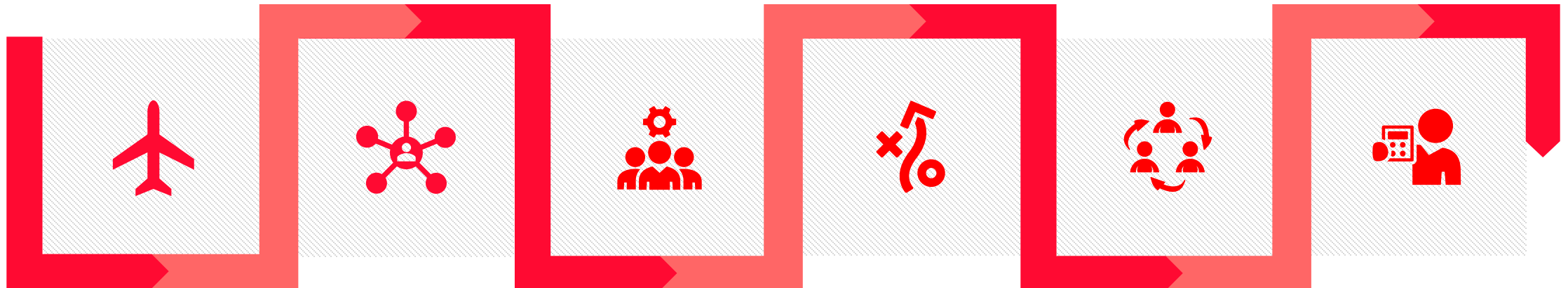
New versus old aircraft,
aircraft commonality
and seat density

Staff Productivity

Competitive utilization
of all staff employed by
the airline

In- vs. Outsourcing

Outsourcing of non-core
functions where the airline
lacks economies of scale and
speciality knowledge



Route Network

Connecting versus point-to-
point network and
geographical location of the
airline

Distribution Strategy

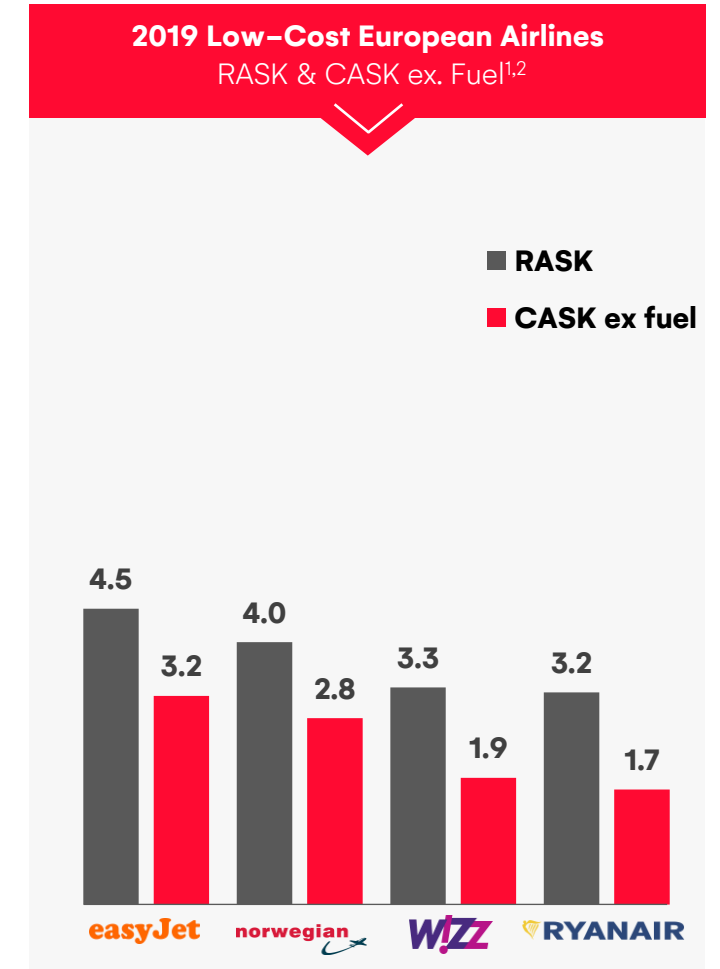
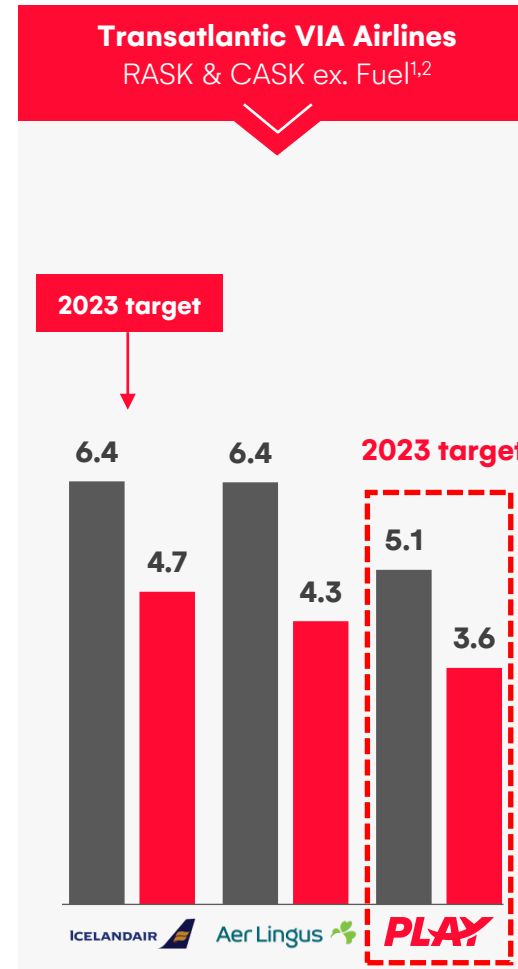
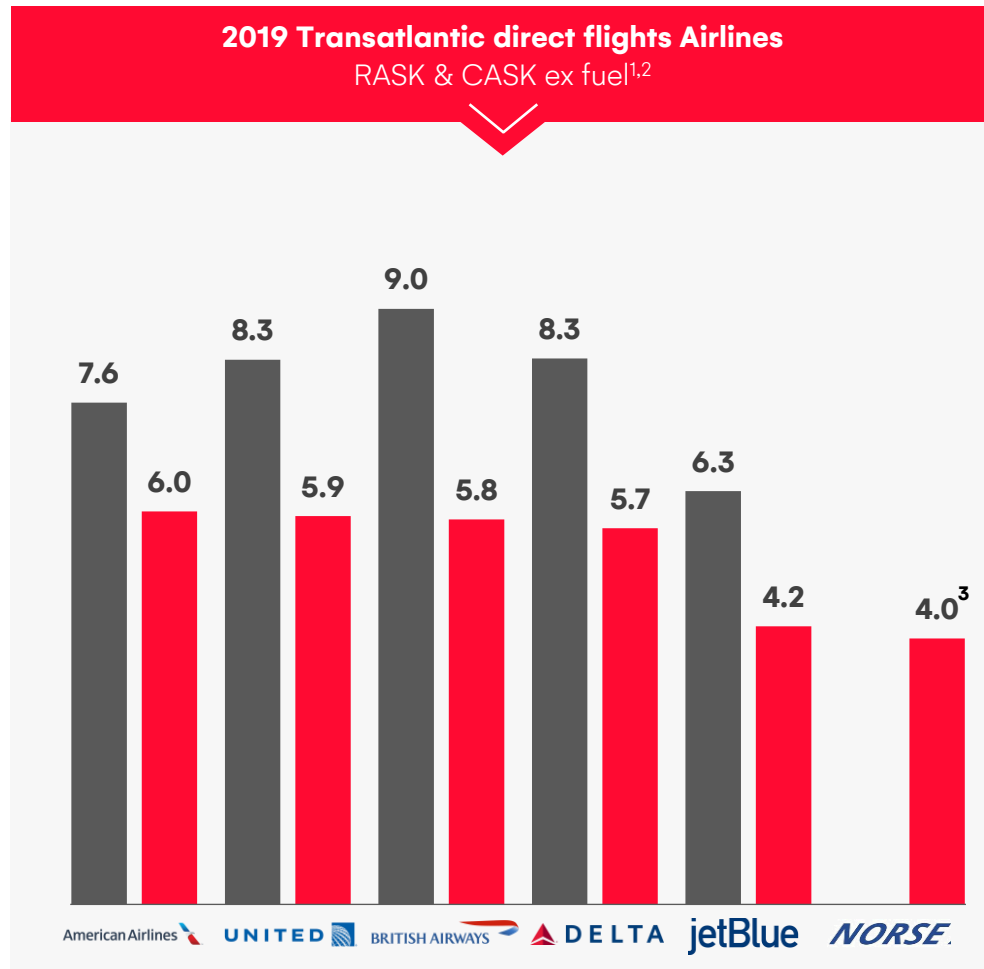
Low cost online distribution
versus legacy-style/high-cost
distribution via global
distribution systems

Low-Cost Culture

Focus on low-cost part
of the organizational
culture

Lowest CASK on the Transatlantic

Current operators likely to face higher cost post-COVID as they cut capacity and number of cost items are fixed



1) Stage adjusted with PLAY's average sector length in 2023 of 2,899 km. 2023 targets for Icelandair and PLAY discounted to 2019 with 2.5% inflation. Icelandair's stage length in 2023 assumed to be 3,100 kilometers compared to 3,208 kilometers in 2018

2) RASK= Revenue per available seat kilometer — CASK=Cost per available seat kilometer

3) CASK for Norse Atlantic Airways is based on projected CASK in 2022 presented in company's prospectus, discounted to 2019. The company has not published target RASK

The Eco-Friendly Airbus A320 Family is Perfect for PLAY's Operations

Power-by-the-hour (PBH) contracts in 2021 and long-term lease rates significantly below pre-COVID levels

PLAY has secured 3 Airbus A321neo

PLAY has secured long-term lease agreements for the first three A321 Neo aircraft at a price up to 24%¹ lower than pre-COVID — excluding PBH² effects

- › The A320 family has size and range flexibility which allows PLAY to reach small and larger markets close by and far away
- › Lower fuel consumption and crew commonality creates a competitive advantage
- › Favourable 10-year lease agreements secured for the first three aircraft
 - › PBH in 2021 to provide flexibility during the ramp-up period
 - › With delivery in 2022 and 2023, PLAY has sufficient access to aircraft for future growth of its fleet at expected favourable lease rates — securing low future CASK
- › The lessor is AerCap, the world's largest commercial aircraft leasing company with 2,000 aircraft and over 200 customers

Lower lease rates creates long-term opportunity for PLAY

- › As a Clean-Sheet airline with no legacy liabilities, PLAY is a favourable counterparty for leasing companies
- › Current operators expected to return to previous lease rates and repayment profiles in the next 1-2 years when payment holiday and forbearance periods expire



PLAY Airbus NEO 321

New Collective Bargaining Agreement Creates Flexibility in the Network

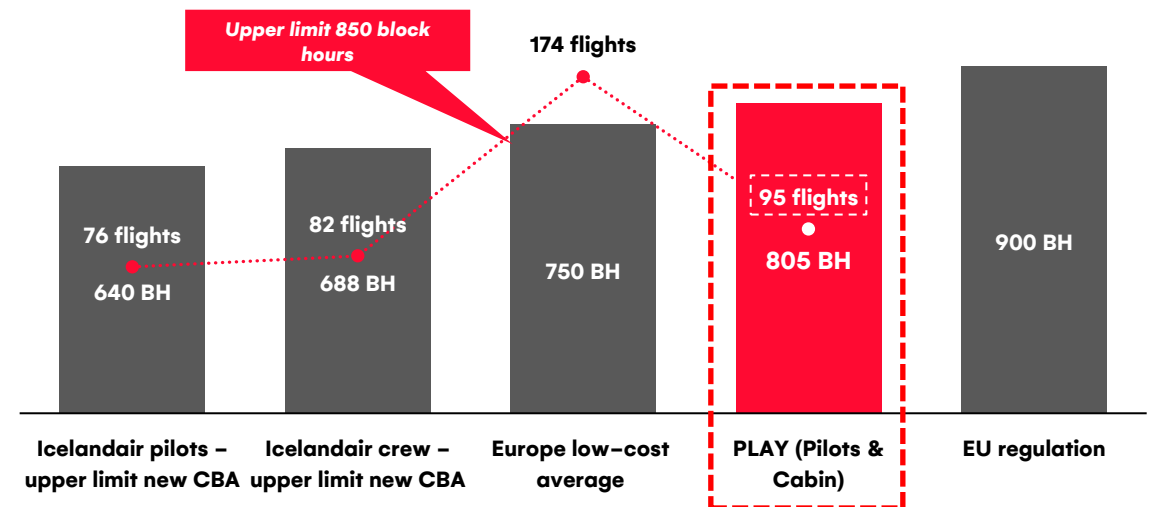
Cost savings not driven by lower salaries — Competitive remuneration comparable with the general labour market

Collective bargaining agreements

Collective bargaining agreements with both pilots and cabin crew were signed in September 2019 and expire in February 2025

- › Salary in line with responsibility and work — not factors such as number of years with the company
- › Promotions based on performance, not seniority lists
- › Vacation days in accordance with what is customary on the general labour market
- › Assumed average utilization is 805 block hours
- › In 2017, the average number of block hours for low-cost airlines in Europe was 750
- › Low-cost airlines in Europe fly shorter sectors, typically between 1,000 — 1,500 km, while PLAY will on average have ~3,000km — resulting in more block hours, but less number of flights²
- › Cost savings are not driven by a decrease in salaries

Block hours¹ and average number of flights per year



What drives cost savings?

- › No pay scales
- › No seniority lists
- › Better utilization
- › No pickup from Reykjavik – Work starts at Keflavik airport
- › New Crew 24–30 vacation days (WOW air was 36–38 days)

¹) The time from the moment the aircraft door closes at departure of a revenue flight until the moment the aircraft door opens at the arrival gate following its landing

²) Based on 4 hours and 13 minutes block hours per sector for PLAY and Icelandair and 2 hour and 10 minutes for European low-cost carriers

Crew Member Salary

The assumed average number of block hours per month is 67 — equivalent to 8 flights per month¹

Key points

- › The table presents salaries for a different level of cabin crew members
 - › **NCCM**: New Cabin Crew Member, beginners with no previous experience. Often temporary (seasonal) workers, maximum 2 years as NCCM
 - › **CCM**: Cabin Crew Member. The largest group, consisting of cabin crew members with experience
 - › **SCCM**: Senior Cabin Crew Member, cabin leaders onboard (one SCCM required per flight)
 - › **Trainer/LC**: Senior Cabin Crew with additional privileges, either qualified to conduct ground training or perform Line Checks
- › Salaries are based on 67 block hours which is the projected average utilization for cabin crew members in the business scenario
- › Guaranteed salaries range from **ISK 352–454 th.** — regardless of working hours (i.e. sick leave, parental leave)
- › PLAY's contribution to a pension fund is 8% for mandatory contribution and 5.5% for supplementary pension — total 13.5%
- › Based on 67 block hours per month, the net salary of crew members after taxes and other deductions is between **ISK 372–521 th.**

ISK th.	NCCM	CCM	SCCM	Trainer/LC
Base salary (incl. sale bonus)	301	311	362	403
Car subsidy	51	51	51	51
Total guaranteed salary	352	362	413	454
Other Salaries				
On-board sale bonus	15	15	15	15
Block hour pay	4	18	28	31
Pay Per Diem	79	116	135	154
December-/ Holiday bonus	12	12	12	12
Red days	8	9	10	11
Total salaries+Pay Per Diem	470	532	613	678
Taxes	(126)	(135)	(159)	(176)
Personal tax discount	51	51	51	51
Union dues	(2)	(2)	(2)	(3)
Pension contribution	(20)	(22)	(26)	(28)
Net payout after taxes	372	424	477	521

¹) PLAY's average sector length will be approximately 4 hours and 13 minutes resulting in round trip time of 8 hours and 26 minutes. Based on 67 block hours, average total number of monthly flights will be 8 (67 hours/8 hours and 26 minutes).

PLAY is Committed to Sustainable Operation

The low-cost business model and investment in the latest aircraft technology will minimize PLAY's environmental impact

PLAY will provide social and economic benefits due to its operations, but we realize that our operations impact our environment

Social Impact

- > Air transport provides significant social benefits by connecting people and advancing cultural understanding
- > PLAY is committed to promoting gender equality and to that effect has formally received equal pay certification in recognition of its pay structure, which fulfils the requirements of the ÍST equal pay certification standard

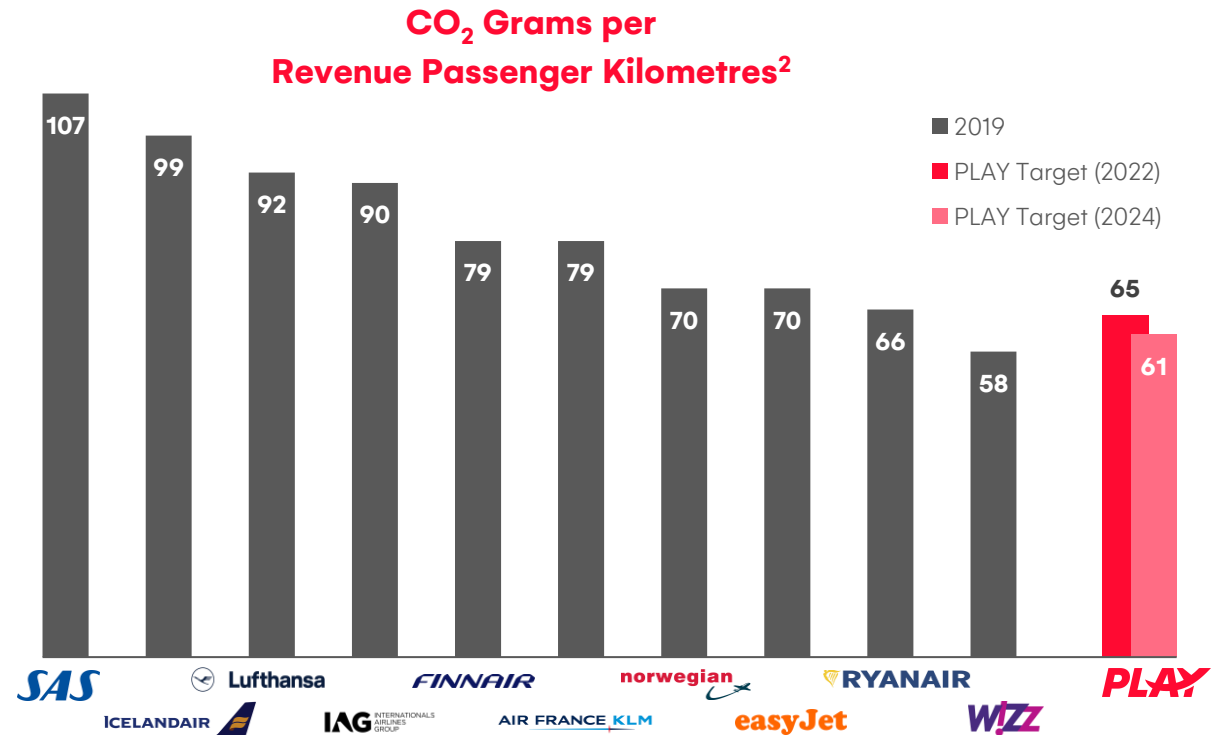
Economic Impact

- > PLAY's operation will make a significant economic contribution
- > Pre-Covid, the air transport sector in Iceland supported 11,000 direct jobs, 61,000 indirect jobs and 38% of Iceland's GDP¹

Environmental Impact

- > We are aware of the impact that air transport has on the environment
- > Therefore, we are committed to minimizing the environmental impact of our operations by investing in the latest aircraft technology, comply with all environmental laws and regulation and promote environmental awareness amongst our employees

A low-cost model with high seat density and seat factor and investments in the latest aircraft technology will help us to minimize the environmental impact



1) Source: IATA 2) Source: Airlines company reports, CO₂ emissions reported by the airlines per their Revenue Passenger Kilometres

PLAY's Focus is on Digital Media

Our primary goal is to make flying affordable for everyone

Pay Less, Play More!

- › Our marketing mantra is "Pay Less, Play More!"
- › In line with what the majority of travellers think about when booking their vacation
- › They want to spend their hard-earned money at their destination



Come out and Play!



Book now on flyPLAY.com

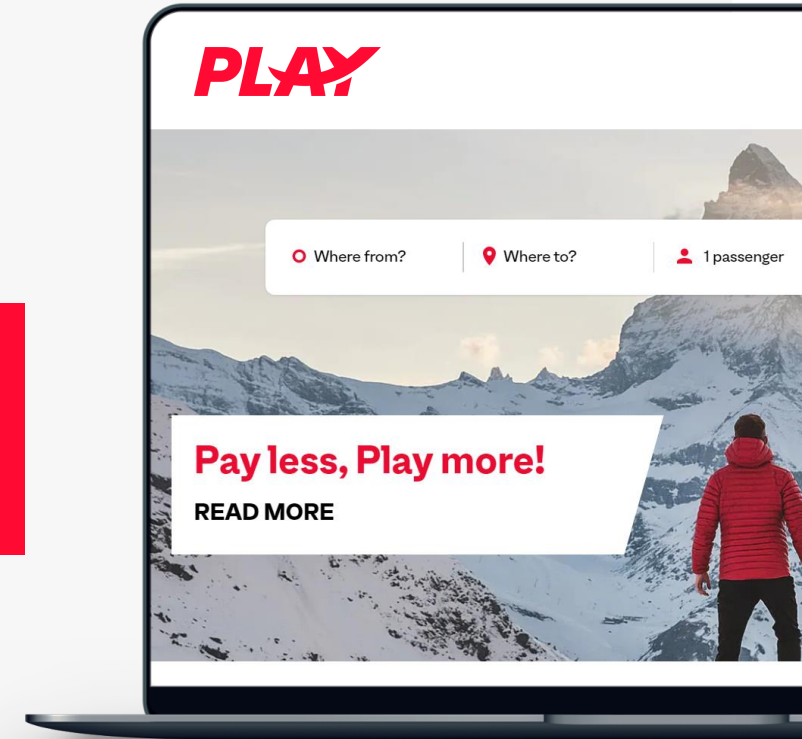


Streamlined and Cost Effective Sales & Distribution Strategy

Pricing and availability controlled at a single point

All channels are digital

- › Focusing on driving all sales directly through our website
- › Lean & Mean — Fewer staff / low overhead
- › Distribution channel management





PLAY's Uniforms

Simple, Stylish, Unisex and Comfy



Financials



PLAY's Business Scenario

The presented business scenario should not be interpreted as PLAY's future earnings forecast

Flexibility characterizes PLAY's operations

The key to PLAY's operations is **flexibility**. In accordance with market conditions, PLAY has the opportunity for faster or slower growth in ramp-up phase than the presented potential business scenario

- › The presented business scenario is a potential scenario for what the company's operations might look like in the coming years but could change significantly due to changes in the market environment
- › The scenario assumes a strong liquidity position and flexibility which enables the company to react to growth opportunities as well as negative changes in market environment
- › Revenue assumptions based on management experience, but downward adjustments made to reflect the impact of COVID and ramp-up
 - › Targeted load factor of 72% in 2021 with a gradual increase from 85% in 2022 to 89% in 2025
- › The business scenario assumes an increase in fuel prices to the highest 2019 levels of USD 660 per MT. The current spot price is approx. USD 600
- › CASK is assumed to be higher in the first year due to less operational efficiency in the beginning — targeting optimal level in 2024
- › The scenario assumes first flight to North America in April 2022

Business Scenario

USD million	2021	2022	2023	2024	2025
Revenue	25m	170m	319m	422m	509m
EBITDA	(10)	28m	64m	93m	122m
EBIT	(16m)	11m	33m	53m	71m
EBIT%	(61.1%)	6.4%	10.3%	12.6%	14.0%
Profit	(15)	4	17	31	43

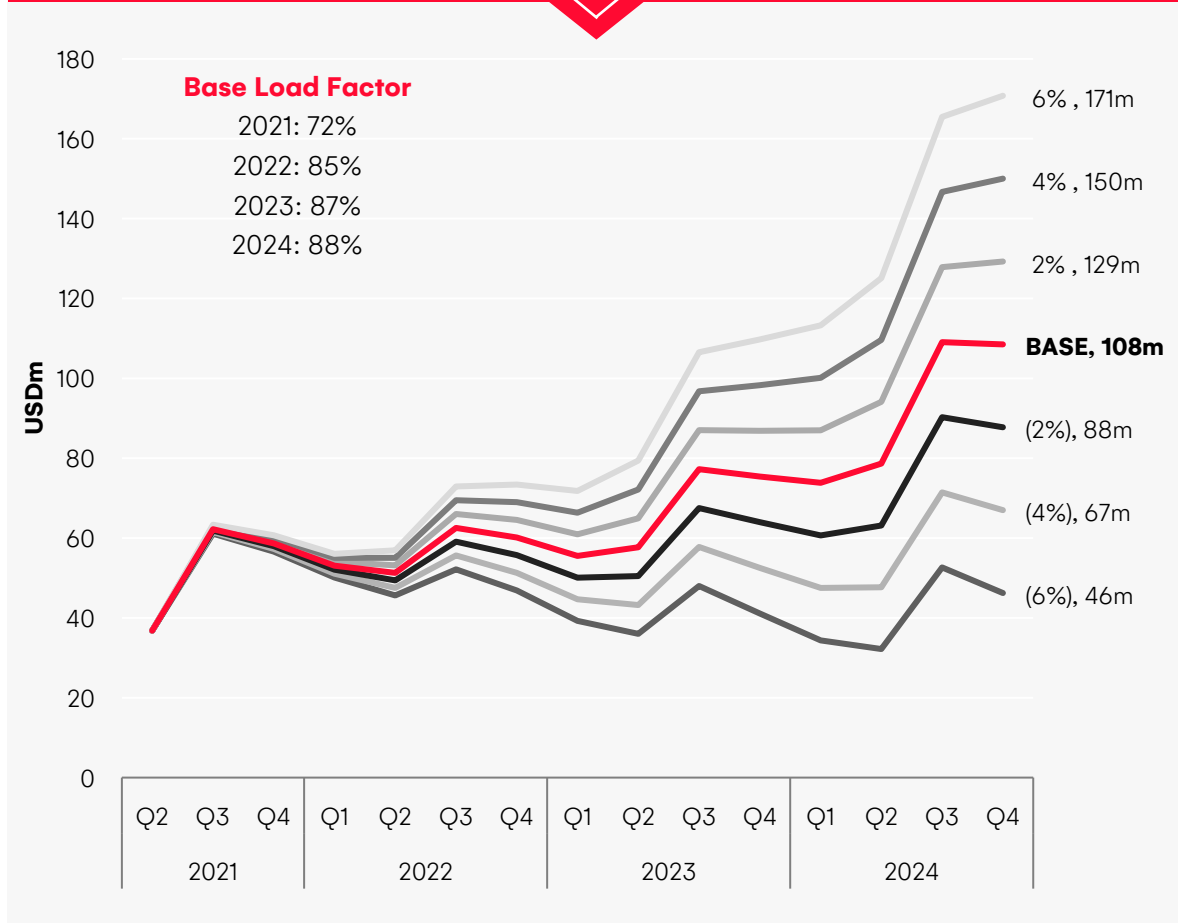
KPI's and assumptions

RASK¹ US cents	4.9c	5.5c	5.6c	5.7c	5.8c
CASK ex. Fuel US cents	7.2c	4.3c	4.0c	3.8c	3.8c
Load factor%	71.8%	84.6%	87.2%	88.1%	89.2%
Air fare per pax	114	126	125	124	122
Ancillary revenue per pax	55	58	61	63	65
Total sold seats (pax)	143 th.	865 th.	1.651 th.	2.201 th.	2.669 th.
FTE per aircraft²	42	50	49	48	47
#Aircraft in operation³	3	6	10	12	15

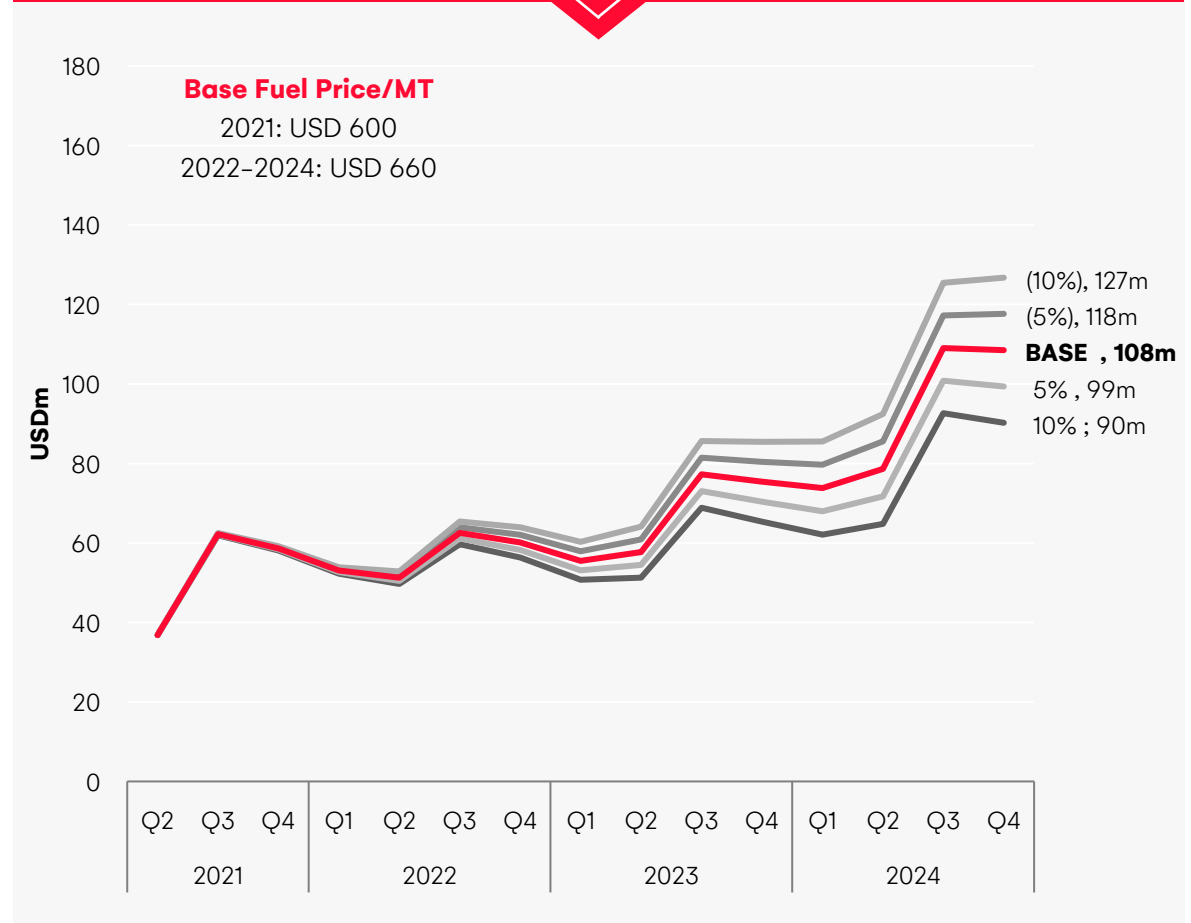
Business Scenario – Liquidity Position

Strong cash position — PLAY assumes 100% hold back¹, 90% hold back increases cash position significantly

Sensitivity Analysis on Cash Position (Load Factor)



Sensitivity Analysis on Cash Position (Fuel Price)

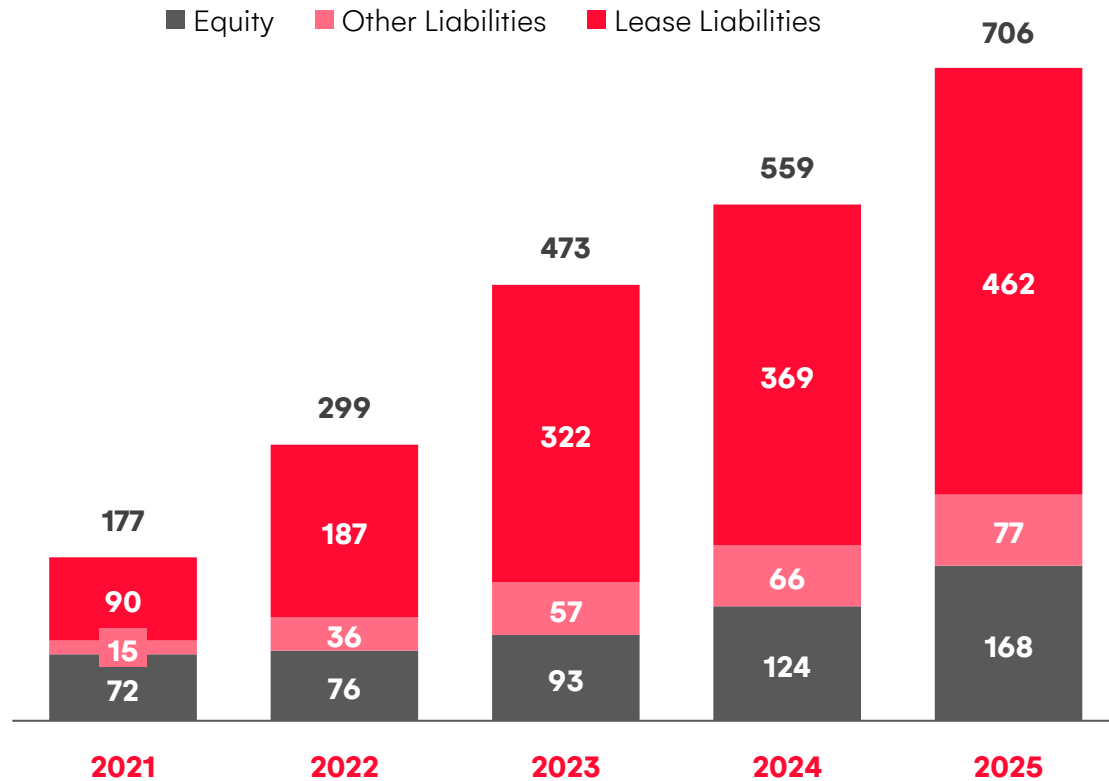


¹) 100% hold back= No payment to the company until after the flight has been flown

Business Scenario – Balance Sheet

The presented balance sheet scenario should not be interpreted as PLAY's future forecast

New IFRS16 inflates balance sheet as leases are recognized as assets and liabilities



Balance Sheet

USD million	2021	2022	2023	2024	2025
Right of use assets ¹	87	180	310	352	439
Cash & cash equivalents	59	60	75	108	154
Other assets	32	59	87	99	114
Total assets	177	299	473	559	706

Equity and liabilities

Equity	72	76	93	124	168
Lease liability	90	187	322	369	462
Other liabilities	15	36	57	66	77
Total equity and liabilities	177	299	473	559	706

1) The right of use asset is a lessee's right to use an asset over the life of a lease

Strong Impact on the Icelandic Economy

PLAY's desired impact in 2024

Full Time employees	545 +~1.400 in derived jobs
Bringing tourists to Iceland	440 th. + 22% of total tourists in 2019
Expenditure in Iceland	+ISK 50bn



Published KPI's after Listing on First North

Key items

Publishment of KPI's will provide better regular disclosure of information to the public and discipline towards the company's management

- › PLAY will publish quarterly financial accounts and investor presentation
- › Traffic data will be presented monthly, along with key environmental KPI's presented in the table on the right

PUBLISHED KPI's	MONTHLY	QUARTERLY
Number of Passengers	✓	✓
Load Factor %	✓	✓
Available Seat Kilometers (ASK)	✓	✓
Revenue Passenger Kilometer (RPK)	✓	✓
CO ₂ Grams per Revenue Passenger Kilometers (gCO ₂ per RPK)	✓	✓
CO ₂ Emissions in Tonnes	✓	✓
Stage Length (KM)	✓	✓
On-Time Performance	✓	✓
Quarterly Accounts		✓
FTE per Aircraft		✓
RASK US cents		✓
Yield US cents ¹		✓
CASK US cents		✓
Investor Meeting and Presentation		✓

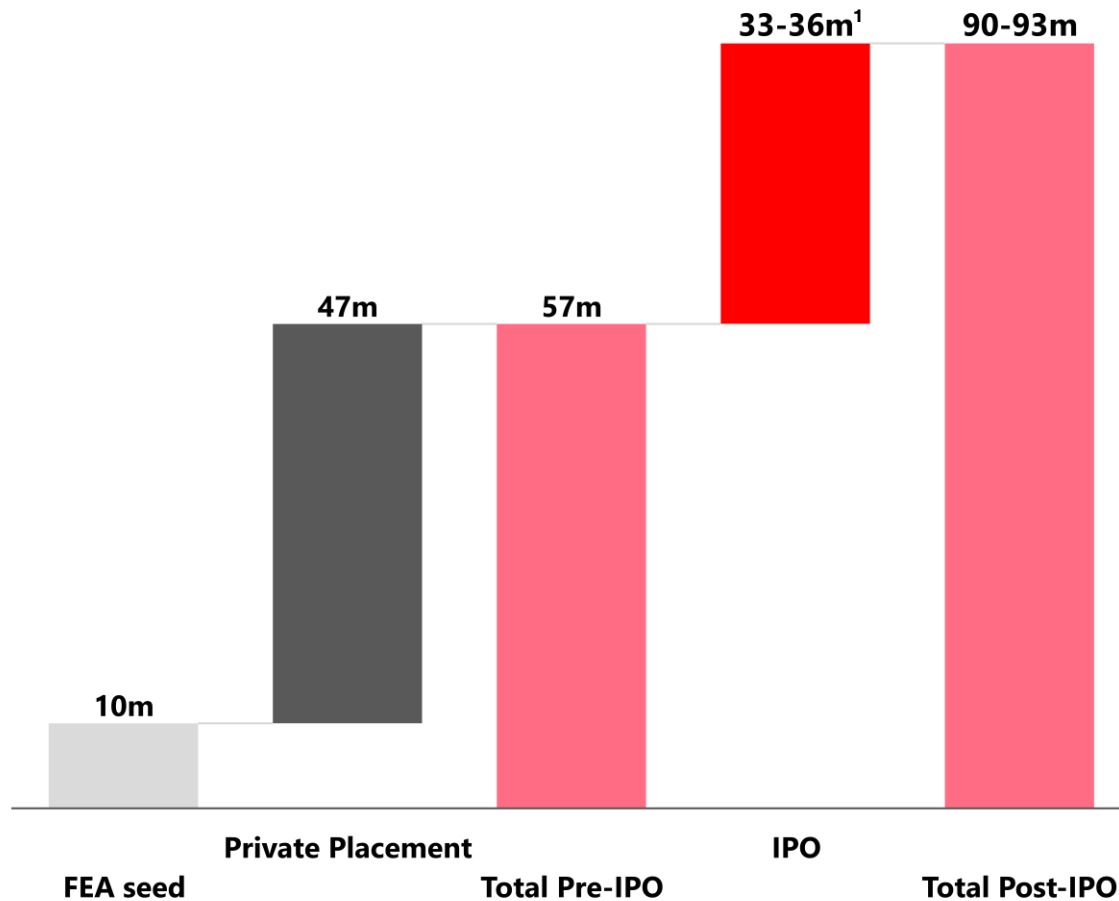
1) Yield = the average air fare per passengers kilometer

Share Offerings and First North Listing



Funding Overview

USD 57m funding to date — Raising additional 33–36m USD further boosting liquidity



FUNDING ROUNDS

- ☑ **10m USD | Seed Funding from FEA Investors**
December 2019 – March 2021
- ☑ **47m USD | Private Placement**
April 2021
- ▶ **33–36m¹ USD | IPO**
June 2021

IPO

- › Inviting the public and professional investors to participate in PLAY's journey
- › Proceeds used to ensure post-COVID ramp up and to further support future growth of the business

¹) The final size of the auction is determined by the final price that the sale takes place in Offer Book B and the exchange rate of USD/ISK

Listing on Nasdaq First North Iceland

Listing will provide better regular disclosure of information to the public and discipline towards the company's management

Listing on First North

PLAY considers a First North listing of the Company's Shares as an important milestone for the Company and its expected growth

The listing will benefit the Company's future development, and therefore, the Company has applied for listing of the Company's shares on Nasdaq First North Iceland

- › The listing will provide **better regular disclosure of information** to the public and discipline towards the company's management. Provides better access to capital markets and enables additional investors to take part in the Company's future growth and value creation
- › Furthermore, it allows for a trading platform and **provides increased liquidity** in the trading of the Shares, which is advantageous for existing shareholders
- › Finally, a listing **enhances the Company's profile** with investors and customers, as well as media and other stakeholders

Top 20 Shareholders Pre-IPO¹

NAME	SHARES	SHARES%
Birta lífeyrissjóður	59,984,252	12.55%
Fiskisund ehf.	56,699,294	11.86%
Stoðir hf.	40,000,000	8.37%
Fea ehf.	28,184,920	5.90%
Brimgarðar ehf.	22,993,701	4.81%
Dalía ehf.	22,047,244	4.61%
Akta HS1	20,472,441	4.28%
Lífsværk lífeyrissjóður	20,472,000	4.28%
Akta Stokkur	17,637,796	3.69%
Akta HL1	15,433,071	3.23%
Kjartan Páll Guðmundsson	11,791,526	2.47%
IS EQUUS Hlutabréf	10,000,000	2.09%
Gildur ehf	10,000,000	2.09%
Alpha Hlutabréf	8,000,000	1.67%
Attis ehf.	8,000,000	1.67%
IS Hlutabréfasjóðurinn	8,000,000	1.67%
Vátryggingafélag Íslands hf.	8,000,000	1.67%
P300 ehf.	6,681,864	1.40%
Skinnuhúfuklettur ehf.	5,000,000	1.05%
Innkaupafélagið ehf.	5,000,000	1.05%
Others (45 Shareholders)	88,695,091	16.54%
TOTAL	478,093,200	100.00%

¹) The Company has committed to issuing 33,636,366 new shares in the Company pursuant to option agreements with certain key employees and the CEO, subject to the vesting of these options. In addition, the Board of Directors has the authority to issue additional options to employees for a total of 13,863,634 shares.

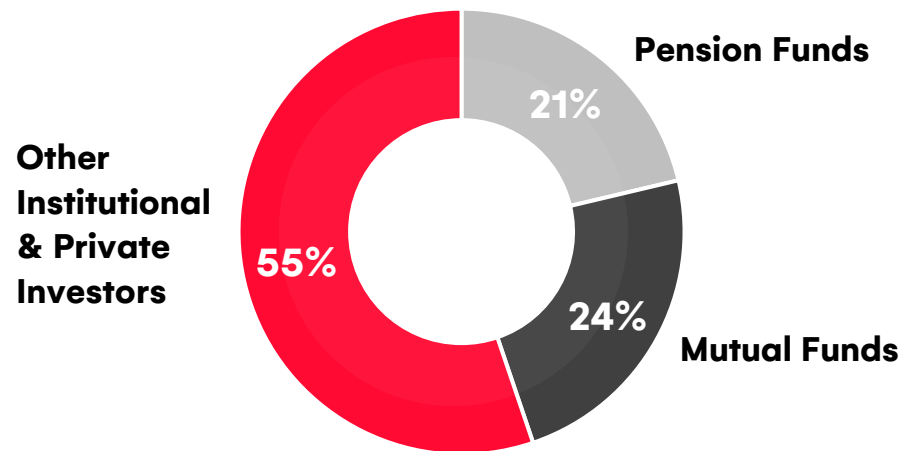
Successful Private Placement

Certain investors in the Private Placement are subject to Lock-up requirements

Private Placement

In March 2021, the Company launched a round of financing intended to secure working capital for PLAY's base case business plan, with the aim to raise USD 35 million

- › The Private Placement was successfully completed in April with a total transaction size of **ISK 6 billion** or approx. **USD 47 million** in new equity
- › The Private Placement attracted strong support and interest and was oversubscribed



Lock-Up

Certain investors in the Private Placement undertook to enter into a lock-up arrangement in connection with any admission to trading on a regulated market or a multilateral trading facility of the Company's shares

The Private Placement Subscription Shares will be released from Lock-up from the first day of admission to trading (the "First Trading Date") as follows:

- › On the **First Trading Date**, 10% of the Subscription Shares are released from Lock-up;
- › On the date falling **6 months** from the First Trading Date, a further 30% of the total Subscription Shares, are released from Lock-up
- › On the date falling **9 months** from the First Trading Date, a further 30% of the total Subscription Shares, are released from Lock-up
- › On the **first anniversary** of the First Trading Date, a further 30% of the total Subscription Shares, are released from Lock-up

The Lock-up does not apply to Pension Funds and Mutual Funds

Key Terms of the Share Offerings

The size of the offerings is ISK 3.99 – 4.31 billion

	Offer Book A	Offer Book B
Offering Price	Fixed price of ISK 18 per share	Offer made within the price range ISK 18–20 per share. The sale takes place at a fixed price, which is determined equally as the lowest of the accepted bids (Dutch Auction)
The size of the offerings is ISK 3.99 – 4.31 billion ¹	ISK 1.15 billion purchase value 64,000,000 shares (about 29% of the offerings)	ISK 2.84 – 3.16 billion purchase value 157,906,800 shares (about 71% of the offerings)
Subscription amounts	Subscriptions at a purchase value of ISK 100 thousand to ISK 20 million	Subscriptions for a purchase value exceeding ISK 20 million
Allotment Principles ²	Efforts will be made not to reduce subscriptions below a purchase value of ISK 500 thousand. In the case of excess demand, the reduction will be proportional	Acceptance of bids will be determined on the basis of the bid price. The Board of Directors has unilateral authority to determine share allotment
Subscription Period	From 10:00 GMT on 24 June 2021 to 16:00 GMT on 25 June 2021	

¹ The issuer reserves the right to reduce the size of the Offer Book A in order to maintain its total subscriptions at a purchase value of below the equivalent of EUR 8 million in ISK. Currency fluctuations might affect the number of shares offered and/or sold through the Offer Book A. The issuer reserves the right to change the relative size of offer books if demand proves to give rise to this and taking into account the objectives of the offerings.

² The issuer reserves the right to deviate from the principles regarding allocation and reduce subscriptions and allocate shares in the manner they deem desirable to achieve the objectives of the offerings, including rejecting subscriptions in whole or in part without special notice or justification. Efforts will be made to provide allocation to PLAY's members of staff who participate in the offerings.

Key Dates of the Share Offerings

The subscription period is 24-25 June 2021

June						
Mo.	Tu.	We.	Th.	Fr.	Sa.	Su.
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July						
Mo.	Tu.	We.	Th.	Fr.	Sa.	Su.
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Key Dates

- | 22 June | Open investor meeting
- | 24 - 25 June | Subscription period
- | 25 June | The results of the Offerings expected to be published
- | 28 June | Allotment in the Offerings is expected to be announced

- | 5 July | Expected final due date for payment by investors
- | 7 - 9 July | Expected delivery of shares
- | 9 July | Expected first day of trading

Investor Subscription in the Share Offerings

Subscriptions shall be registered electronically on a special order form (subscription website)

The Subscription Period is 24 – 25 June

Subscriptions will be accepted electronically on Arctica Finance's website, www.arctica.is/play. A link to the subscription website can also be found on PLAY's and Arion Bank's website

- › To register subscriptions on the subscription website, investors must login either:
 - a) With electronic ID;
 - b) Identification number or password requested via the subscription website that will be sent as a digital document to the investor's online bank
- › Electronic confirmation through the subscription form is a valid proof of a subscription, and such confirmation is displayed at the end of the subscription registration. Electronic confirmation will also be emailed to investors
- › Electronic invoice for the subscription will be generated and delivered to investor's online bank, with a due date on the 5th of July. Subscriptions may be cancelled if payment is not completed on or before the due date

Further Information Regarding Offer Books



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Arion Bank

Joint Financial Advisor

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Appendix



PLAY's Management Team



Þóra Eggertsdóttir

Chief Financial Officer

Þóra has over 17 years of experience working in finance, operations and business management. She also has few years of aviation experience. Her latest position was Director of Regional Aviation within Icelandair, and previously as CFO and Director of IT at Air Iceland Connect. Prior to joining Air Iceland Connect, she worked in a financial role within the energy sector and before that she, worked for Morgan Stanley in Tokyo



Arnar Már Magnússon

Chief Operations Officer and Founder

Arnar is the COO and one of the founders of PLAY. Arnar has over 14 years of experience within the aviation industry. Arnar worked for WOW air for six years before joining PLAY. He held various positions within the airline, such as VP of Operations/Accountable Manager and Director of Flight Operations

Birgir Jónsson

Chief Executive Officer

Birgir has extensive experience in international management and operations, including in airline operation, as CEO of Iceland Express and later Deputy CEO of WOW air. He was CEO of Iceland Post and has also been involved in many projects in the field of restructuring and transformation across a diverse range of industries



PLAY's Management Team



Daníel Snæbjörnsson

Chief Network Officer

Daníel has extensive experience within the aviation industry, having worked for both airports and airlines. Before joining PLAY, Daníel served as a manager within the network planning and scheduling team at Icelandair. From 2014 until 2019, Daníel was Vice President of Network Planning at WOW air. Before joining WOW air, Daníel co-founded Altitude Aviation Advisory, a UK based consultancy firm focusing on the aviation industry



Georg Haraldsson

Chief Commercial & Information Officer

Georg has diverse experience. He worked as an Ecommerce and Distribution Manager for Iceland Express for 6 years and an Ecommerce Manager for Dohop for a year. Georg held the position of Managing Director and Regional Sales Director in the Middle East for Marorka and as a Product Director for Valka. Then he held the position of a CCO at Iceland Travel for a year. For the last two years, Georg worked as Chief Information and Digital Officer at Iceland Post



Jónína Guðmundsdóttir

Chief People Officer

Jónína's experience within the aviation industry includes her work for WOW air as Senior Vice President of Human Resources from 2015 until 2019. Before her career in aviation, she worked for the information technology service corporation, Advania, as Human Resource Manager from 2012 until 2015. Jónína also worked in recruitment and as an HR consultant for Capacent from 2005 until 2012

Peer Analysis

Historical valuation multiples for airlines

Name	Market Cap USD m. (2019)	EV USD m. (2019)	EV/EBITDA (2019)	EV/EBIT (2019)	P/E (2019)	EBIT margin (2019)	Profit margin (2019)	FCF Yield (2019)	Equity ratio (2019)
Aeroflot	1,773	10,649	4.1x	11.4x	10.4x	8.9%	1.6%	74.1%	0.2%
Air Canada	9,861	12,445	4.5x	10.0x	9.1x	8.6%	7.7%	28.4%	15.9%
Air France-KLM	4,777	12,299	2.7x	10.9x	14.7x	3.7%	1.1%	12.6%	7.5%
American Airlines	12,281	41,899	5.7x	13.7x	5.9x	6.7%	3.7%	(3.6%)	(0.2%)
Delta Air Lines	37,589	51,962	5.1x	7.9x	8.1x	14.1%	10.1%	9.2%	23.8%
EasyJet	5,611	5,956	4.8x	10.4x	13.0x	7.3%	5.5%	0.9%	36.6%
Finnair	839	1,760	3.2x	9.8x	10.1x	5.2%	2.4%	11.4%	24.9%
Icelandair	339	583	4.2x	(14.8x)	(5.9x)	(2.6%)	(3.7%)	(40.9%)	28.8%
IAG	16,449	24,957	4.7x	8.6x	8.5x	10.2%	6.7%	3.7%	19.3%
Jet2	1,534	1,156	2.6x	4.4x	8.1x	6.5%	4.6%	11.7%	20.2%
JetBlue	5,279	7,103	4.8x	8.9x	9.5x	9.9%	7.0%	5.3%	40.3%
Lufthansa	8,812	16,336	3.2x	9.3x	6.4x	4.3%	3.3%	8.7%	24.0%
Norwegian	703	7,396	8.9x	76.0x	(3.0x)	2.0%	(3.7%)	(25.6%)	4.8%
Pegasus Airlines	1,485	2,589	4.1x	7.1x	6.6x	18.8%	12.1%	34.8%	25.4%
Ryanair	14,835	15,379	8.0x	13.1x	15.1x	13.2%	11.5%	3.5%	39.4%
SAS	598	765	2.3x	6.1x	9.8x	2.6%	1.3%	(27.6%)	15.8%
Southwest Airlines	28,019	28,028	6.4x	9.5x	12.6x	13.2%	10.3%	10.2%	38.0%
Spirit Airlines	2,759	5,233	5.8x	10.4x	7.9x	13.1%	8.8%	7.9%	32.1%
Turkish Airlines	3,354	14,251	5.3x	16.4x	4.4x	6.6%	6.0%	33.5%	27.8%
United Airlines	22,130	37,563	4.9x	8.7x	7.3x	9.9%	7.0%	10.4%	21.9%
Wizz Air	4,013	4,603	5.7x	11.1x	20.0x	15.4%	5.3%	21.7%	30.6%
Median	4,777	10,649	4.8x	9.8x	8.5x	8.6%	5.5%	9.2%	24.0%

CONFIDENTIAL

Further
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