



Increase in revenue and healthy cash position

- **PLAY airlines carried 442 thousand passengers in Q2 2024, a 13% increase from Q2 2023 when PLAY carried 392 thousand passengers.**
- **Cash position was USD 51.4 million at the end of the quarter.**
- **Load factor in Q2 2024 was 86% compared to 85% Q2 2023.**
- **PLAY's on-time performance was 89% in Q2 2024, compared to 84% in Q2 2023.**
- **Revenue increased by 7%, from USD 73.1 million in Q2 2023 to USD 78.3 million in Q2 2024.**
- **PLAY's ancillary revenue per passenger grew by 8%, from USD 51 in Q2 2023 to USD 55 in Q2 2024.**
- **Earnings before interest and taxes (EBIT) in Q2 2024 was negative USD -4.5 million. EBIT was negatively impacted by increased capacity in the transatlantic market and a surge from neighboring countries in attracting tourists.**
- **Full year EBIT expected to improve significantly from last year.**
- **Cost per available seat kilometer (CASK) was 5.4 cents in Q2 2024, compared to 5.2 cents in Q2 in 2023. CASK excluding fuel was 3.8 cents, compared to 3.5 last year. Unit cost was higher mainly due to capacity adjustments in April and maintenance.**



Einar Örn Ólafsson, CEO

Q2 this year was our biggest quarter to date with 442 thousand passengers which is a 13% increase between years, 7% increase in total revenue and an 8% increase in ancillary revenue. At the same time, we had a 1 percentage point increase in our load factor while our ASK grew by 12%. Despite all of this increase, our on-time performance was 89% which makes us the most punctual airline operating departure flights from Keflavík International Airport. This is a fantastic result from my colleagues at PLAY and demonstrates the prominent level of professionalism within our team.

Our Q2 results were marked by the deteriorating performance of the VIA market. Worsening performance was driven by significant growth in seat capacity across the Atlantic. Airlines have, however, been reducing their capacity for fall and winter, so the growth is set to decelerate based on published schedules. Nevertheless, the market remains more seasonal than it was pre-COVID due to delayed recovery in business travel.

As a result, PLAY has reduced its seat capacity to/from North America in the fall and winter to better reflect seasonal fluctuations in demand, and at the same time, PLAY is adding more seats to existing and new leisure markets in Europe and Africa, markets that have produced higher yields for PLAY.

Our EBIT in Q2 was hit by the lingering negative impact of the seismic activity in the Reykjanes peninsula and by the fact that Easter fell on Q1 this year. We are also fighting the development of fewer tourists visiting Iceland, which is a clear effect of a big push our neighboring countries have done in direct marketing to consumers. They spent around 21 million Euros in tourism advertising in 2023, 92% of which was government funded. Iceland needs a big marketing effort to attract visitors to our country and I believe that it can be done with a joint effort between the Icelandic tourism industry and the government.

Safety plays a key factor when tourists select their destination and the misconception of Iceland not being safe due to seismic activity needs to be reduced or preferably eliminated. That is achievable with a proper campaign aimed at consumers.

Though the results for the first six months of the year could have been better, we are optimistic for the rest of the year. We are adjusting our schedule to seasonality and continuously keeping our costs as low as possible with several initiatives across the company. Our forward-tracking revenue is showing positive trends for the fourth quarter.

Our cash generation in Q2 was less than last year, mostly due to our growth being very limited between quarters this year and also because of a slightly worse financial performance.

Overall, PLAY's position is solid, we have improved our financial outcome every year and continue to do so while remaining a great choice for passengers looking for low fares to their favorite destinations.



Operating statistics		Q2 2024	Q2 2023	Change
Number of flights	no.	2,712	2,451	261
Number of operating destinations	no.	36	34	2
Number of aircraft in operation	no.	10	9	1
Percentage of arrivals on time (OTP)	%	89%	84%	5 ppt
Number of passengers	000s	442	392	13%
Available seat kilometers (ASK)	mill	1,544	1,382	12%
Revenue passenger kilometers (RPK)	mill	1,325	1,170	13%
Stage length (km)	no.	3,010	2,945	2%
Load factor	%	86%	85%	1 ppt
Seats available	000s	514	469	10%
Income statement				
Operating revenue	USD mill	78.3	73.1	5.2
Operating expenses	USD mill	67.3	58.4	8.9
EBIT	USD mill	-4.5	0.9	-5.4
EBIT margin	%	-6%	1%	-7 ppt
Net operating results	USD mill	-8.1	-4.6	-3.5
Balance sheet				
Cash and cash equivalents (incl. restricted)	USD mill	51.4	54.5	-3.1
Share information				
Share price at period-end	Per share	2.5	12.0	-9.5
Key statistics				
Airfare per passenger	USD	117	131	-10%
Ancillary per passenger	USD	55	51	9%
Yield per passenger	USD	172	181	-5%
TRASK	US cents	5.1	5.3	-4%
CASK (incl. fuel & emissions)	US cents	5.4	5.2	3%
CASK (excl. fuel & emissions)	US cents	3.8	3.5	8%
CO ₂ per RPK (grams CO ₂ per RPK)	no.	60	61	-2%
CO ₂ emissions in tons from jet fuel	no.	141,491	109,338	29%



13% increase in passenger numbers and a great on-time performance

PLAY airlines carried 442 thousand passengers in Q2 2024, compared to 392 thousand passengers in Q2 in 2023, which is a 13% increase year-on-year. The increase is especially notable because PLAY's load factor increased year-on-year, from 85% in Q2 2023, to 86% in 2024. At the same time available seat kilometers (ASK) increased by 12% between years.

Of the passengers flying with PLAY in Q2, 31% were flying from Iceland, 25% were flying to Iceland and 44% were connecting passengers (VIA).

Q2 was operationally successful. PLAY had an 89% on-time performance in the quarter, which is beyond the airline's full-year target of 85%.

10 aircraft were operated in Q2 2024, compared to 9 aircraft in Q2 2023. 36 destinations were in operation in Q2 2024, compared to 34 in Q2 2023. PLAY started flights to Vilnius in Lithuania and Split in Croatia in Q2 and started flying again to many seasonal leisure destinations in Europe.

PLAY has expanded its partnership with Dohop with the launch of PLAY Connect, which taps into new demand by connecting PLAY's network with several airline partners. This allows PLAY to offer its customers connections worldwide. Since launching in mid-May, passengers have booked one-stop connections, for example to Texas and Cyprus which are not served directly from Iceland.

In addition, PLAY also announced partnership with GO7 to broaden its distribution capability. PLAY is now live in the major global distribution systems (GDSs) worldwide through GO7, enabling travel agencies around the globe to book PLAY's flights. While the partnership is relatively new, early signs in markets that are more accustomed to GDS distribution are positive.

PLAY airlines was recognized as the top low-cost airline in Northern Europe in Q2 for the second consecutive year by the prestigious World Airline Awards, based on customer satisfaction. These awards have been conducted since 1999 by the British company Skytrax through customer surveys and are coveted quality accolades.

In addition, PLAY has been listed among the top 100 airlines in the world for the second year in a row, moving up 4 places from 91 in 2023 to 87 in 2024 and is the only Icelandic airline on the top 100 list. In 2022, PLAY was ranked number 167 on the same list.

PLAY also ranked 3rd among the world's most improved airlines at the same awards.

Financials

Total revenue for Q2 was USD 78.3 million, compared to USD 73.1 million last year, up 7.1% between years at the same time as ASK increased by 12%. Ancillary revenue increased by 18% between years, from USD 20.6 million in Q2 2023 to USD 24.3 million in Q2 2024.

Cost per available seat kilometer (CASK) increased by 3% year-on-year, from 5.23 cents to 5.37 cents. Cost per available seat kilometer excluding fuel (Ex-fuel CASK) is up 8% between years, from 3.50 cents to 3.78 cents. Several factors contributed to the higher unit cost. Capacity cuts in April, following the Easter ramp-up of production, drove up unit cost for the month. Maintenance costs were higher due to spare engine lease costs incurred this year, and not last year, to improve operational resilience. Airport costs were



higher due to expiration of new route incentives at some airports as well as higher fees and charges in KEF and lastly marketing costs were higher due to increased marketing activity in response to a softer VIA market and lingering negative impact on demand from the seismic activity on the Reykjanes peninsula.

Total revenue per available seat kilometer (TRASK) was 5.1 US cents, compared to 5.3 US cents in 2023. Yields were affected by Easter being mostly in Q1 this year, as opposed to Q2 last year, as well as the deteriorating performance of the VIA market due to increased capacity across the Atlantic, resulting in lower fares and softer demand for trips to Iceland. Unit revenue (TRASK) therefore decreased by 4% compared to last year. The European side of the network showed improving year-on-year performance whereas North America performed below last year.

Earnings before interest and taxes (EBIT) was negative USD 4.5 million in Q2 2024, compared to positive USD 0.9 million in Q2 2023. Despite this, there were positive signs within the quarter, as both May and especially June yielded better financial results this year than last.

PLAY's cash position was USD 51.4 million, including restricted cash. Positive net operating cash flow totaled 5.7 million USD. PLAY has no external interest-bearing debt.

Outlook

Play will not provide detailed guidance for operating factors for the full year at this time but has said in a recent announcement that EBIT is projected to improve significantly from last year.

Further information:

CEO Einar Örn Ólafsson will present the company's results on Thursday, July 25, at 4:15 p.m. (GMT). The presentation will be streamed in English via webcast: <https://www.flyplay.com/financial-reports-and-presentations>

Financial Calendar:

Q3 2024 24 October 2024

Q4 2024 7 February 2025