



Year of immense growth and progress: revenue doubled, unit cost decreased and EBIT improved significantly

- **PLAY carried 1.5 million passengers in the full year of 2023 thereof were 376 thousand passengers in Q4.**
- **The load factor in Q4 was 78.3%. The load factor for the full year 2023 was 83.4%.**
- **On-time performance in Q4 was 78.4%. The OTP was 83.2% for the full year of 2023.**
- **Revenues in Q4 were USD 65.7 million compared to USD 37.9 million in Q4 2022.**
- **Revenue for the full year in 2023 doubled from 140 million in 2022 to 282 million USD in 2023.**
- **PLAY operated ten aircraft at the end of 2023 compared to six aircraft at the end of 2022. Available seat kilometers (ASK) grew 89% in 2023 compared to 2022.**
- **Earnings before interest and taxes, EBIT, in 2023 improved significantly in 2023 compared to 2022. EBIT was negative 21 million USD in 2023 compared to negative 44 million USD in 2022. EBIT per available seat improved by 74% in 2023.**
- **Cost per available seat kilometer (CASK) decreased by 13% between years, from 6.4 US cents in 2022 to 5.6 US cents in 2023.**
- **Cost per available seat kilometer excluding fuel and emissions (Ex-Fuel CASK) decreased by 6% from USD 4.0 cents in 2022 to USD 3.7 cents in 2023 and was on target.**
- **Ancillary revenue has grown from USD 42 per passenger in 2022 to USD 54 per passenger in 2023. Ancillary yield per passenger in quarter four increased by 55% compared to Q4 2022.**
- **Total revenue per available seat kilometer (TRASK) for the full year is up 7% between years.**
- **Record sales days in January 2024 and forward bookings are looking strong.**



Operating statistics		2023	2022	Change
Number of flights	no.	9,645	5,377	4,268
Number of operating destinations	no.	38	25	13
Number of aircraft in operation	no.	10	6	4
Percentage of arrivals on time (OTP)	%	83%	87%	-4 ppt
Number of passengers	000s	1,521	791	92%
Available seat kilometers (ASK)	mill	5,415	2,865	89%
Revenue passenger kilometers (RPK)	mill	4,514	2,286	97%
Stage length (km)	no.	2,943	2,757	7%
Load factor	%	83%	80%	3 ppt
Seats available	000s	1,831	982	86%
Income statement				
Operating revenue	USD mill	281.8	139.9	141.9
Operating expenses	USD mill	248.5	151.9	96.6
EBIT	USD mill	-20.7	-43.8	23.1
EBIT margin	%	-7%	-31%	24 ppt
Net operating results	USD mill	-35.2	-47.8	12.6
Balance sheet				
Total assets	USD mill	461.5	405.1	56.4
Total liabilities	USD mill	459.6	368.9	90.7
Total shareholders equity	USD mill	1.9	36.2	-34.3
Equity ratio	%	0.4%	8.9%	-8.5 ppt
Cash and cash equivalents (incl. restricted)	USD mill	21.6	36.2	-14.6
Share information				
Share price at period-end	Per share	7.8	13.1	-5.3
Earnings per share	US cents	-5.20	-8.40	3.2
Key statistics				
Airfare per passenger	USD	127	134	-5%
Ancillary per passenger	USD	54	42	29%
Yield per passenger	USD	181	176	3%
TRASK	US cents	5.2	4.9	7%
CASK (incl. Fuel & emissions)	US cents	5.6	6.4	-13%
CASK (excl. Fuel & emissions)	US cents	3.7	4.0	-6%
CO ₂ per RPK (grams CO ₂ per RPK)	no.	60	66	-9%
CO ₂ emissions in tons from jet fuel	no.	272,636	152,457	79%



Birgir Jonsson CEO:

“2023 was in many ways a very good year for PLAY and once again showed the resilience and flexibility of the business model and our fantastic team of Players. We delivered strong financial results after the all-important summer season and third quarter, delivering the first-ever bottom-line profit even though we were in the middle of a very steep growth curve, having added hundreds of employees, thirteen new destinations, and four new aircraft.

At the end of summer, the year was looking to deliver very acceptable financial results, but, as is sometimes the case in aviation, external factors had a negative impact on the business, and the year closed somewhat below what we had anticipated. This challenging external business environment began to materialize in late summer with various geopolitical and economic variables, such as a spike in oil prices, inflationary pressures on cost, and a crisis in the Middle East. Locally, in the fourth quarter, we saw seismic activity and two volcanic eruptions, resulting in very inaccurate global news coverage that affected demand for Iceland as a tourist destination in the short term. We were also hit with significant disruptions and costs in relation to the industrial action taken by the air traffic controllers in Iceland in the week before Christmas. After all this it is great that we have seen some of our best ever sales weeks since the beginning of the year and looking ahead, we see a stronger booking status and higher unit revenue than last year, giving us every reason to be optimistic for the summer and the year as a whole.

As we are selling our fourth summer, we see clear signs that our business model is working as it should. Last year, we saw our revenue double and ancillary revenue grow considerably following investment in our digital sales platform. This growth in ancillary revenue will continue as we keep on launching new features and functionalities, such as our new Stopover program launched last month.

Most importantly, we have successfully kept our cost base low and very competitive, allowing us to offer lower fares than our competitors and quickly win market share in our key markets. While most of our competitors are reporting a significant increase in unit costs, we are proud to report a decrease of 6% in our ex-fuel CASK, and the PLAY management team is determined to continue to keep costs under control as this is critical to our continued success.

As a young airline in a steep growth trajectory, we are still operating at a loss after the full year, but as we see our revenues growing and our cost base remaining stable, our losses are rapidly decreasing. This sets a very positive trend towards our future profitability.

Looking into the future, we have identified clear and exciting opportunities for growth, and our team is hard at work to make sure that we find ways to continue to grow successfully. We are also looking at various ways to develop our fleet, as it is critical to find the right aircraft and fleet composition to suit our highly seasonal and ever-changing markets.

2024 will be the first year that PLAY will not add new aircraft to the operation and in a stable environment there would not be a need for additional capital for 2024. Recent events have however shown that the situation of airlines can change quickly, and it is the company's opinion that the liquidity position needs to be strengthened. Therefore, the company along with its financial advisors has started preparations to uplist its shares from the First North Market to the Nasdaq Main Market in Iceland which is expected to take place in the first half of 2024. We believe that this uplisting will increase the company's access to capital and broaden the group of shareholders.



Overall, we are proud of our achievements and performance in the year, even though I would have wanted to see less turbulence in the last months of the year and a better financial performance overall. I am, however, absolutely sure that we are on the right trajectory, and I look forward to seeing my great team of colleagues continue to build PLAY into a great airline in the coming year.”

1.5 million passengers and world class on-time performance

PLAY’s load factor improved throughout 2023 and resulted in 83.4% for the full year. The load factor in Q4 was 78.3% and 1.5 million passengers were flown in the year, thereof 376 thousand in Q4 2023. The load factor in Q4 2023 was impacted by the inaccurate global news coverage following the seismic events in the Reykjanes Peninsula in November that had short-term negative effect on demand for flights to Iceland.

After experiencing a drastic decrease in demand, PLAY had a record sales day in the last week of November. The record came after the news coverage linked to the seismic activity had slowed down and during historically important sales days associated with Black Friday, Cyber Monday and Travel Tuesday. In January 2024, PLAY has set new record sales weeks, and forward bookings are looking strong.

Of all the passengers flying with PLAY in Q4, 32% were flying to Iceland, 26% were flying from Iceland and 42% were connecting passengers (VIA). For the full year 2023, 32% were flying to Iceland, 27% were flying from Iceland and 41% were connecting passengers (VIA).

PLAY had an on-time performance of 83.4% in 2023. This means that of the 9,600 flights flown in 2023, over 8,000 flights were on time, and the average delay on all flights was 5.4 minutes. When corrected for the air traffic controllers strike, the on-time performance for the year of 2023 would have been around 86%.

New destinations, new products and awards

2023 was an eventful year when it comes to new destinations. PLAY had its first flights to Aalborg and Billund in Denmark, Stockholm in Sweden, Düsseldorf, Hamburg and Frankfurt in Germany, Washington DC in the United States, Toronto in Canada, Porto in Portugal, Geneva in Switzerland, Venice in Italy, Glasgow in Scotland, Athens in Greece, Warsaw in Poland and Fuerteventura in the Canary Islands. In 2023, PLAY also launched ticket sales for Verona in Italy and most recently to Split in Croatia in 2024. In addition to that, PLAY relaunched flights to Amsterdam and now operates daily year-round flights to the capital of the Netherlands.

PLAY recently launched a new feature on its website which allows passengers to book a stopover in Iceland for up to 10 days at no additional cost. PLAY already offers competitive prices in all its markets and this new feature gives passengers even more reason to choose PLAY.

In 2023, PLAY launched bundled fares, which allows customers to book their airfare and ancillary services in one package, that drove improvement in ancillary revenue, with ongoing optimization and new updates in 2024. The payment service Uplift was launched in North America (USA and Canada) and is set to be launched in Europe, offering "fly now and pay later" options for even more people to travel. PLAY has also launched the dynamic PLAY packages with lastminute.com which introduces a comprehensive travel packages, increasing revenue and brand awareness.

PLAY got a lot of acknowledgment in the year 2023. Our crew was voted the best by the readers of USA Today 10Best and PLAY was recognized as the top low-cost airline in



Northern Europe, according to the prestigious World Airline Awards, which is based on customer satisfaction. PLAY also made it on to the World Airline Awards top 100 list of best airlines in the world and won ch-aviation's award Europe's Youngest Aircraft Fleet in 2023, for the second year in a row.

Significant EBIT improvement

EBIT improved between years, being negative USD 21 million in 2023 compared to negative USD 44 million in 2022. EBIT was negative in Q4 2023 by USD 17.6 million and was negatively impacted by inaccurate news coverage of the seismic activities and the air traffic controllers strike in November and December. Net results improved full year on year by USD 12.7 million.

Cash at the end of 2023 amounted to USD 21.6 million including restricted cash of USD 9 million.

Revenue doubled between years

Revenue for the full year was USD 282 million compared to USD 140 million in 2022. Revenue for Q4 2023 was 65.7 million compared to USD 39.7 million in Q4 2022. Revenue per available seat kilometer (RASK) was 5.2 US cents in 2023, increased by 6% compared to 2022.

PLAY has also seen a significant growth in ancillary revenue which grew from USD 42 per passenger in 2022 to USD 54 per passenger in 2023. Ancillary yield per passenger in Q4 increased by 55% compared to Q4 2022 and total ancillary revenue was up by 152% for the full year while capacity increased by 89% compared to 2022.

Cost on target, in line with PLAY's guidance

Total operating expenses amounted to USD 68.4 million in Q4 compared to 46.2 million in Q4 2022 which was expected due to significant increase in available seat kilometers between years. Operating expenses were higher in Q4 due to de-icing, maintenance, ATC strikes and other items.

Cost per available seat kilometer (CASK) for the full year 2023 was 5.6 US cents compared to 6.4 cents in 2022. Cost excluding fuel and emissions (Ex-Fuel CASK) decreased by 6% year on year and was 3.7 US cents in 2023, on target and in line with PLAY's guidance.

PLAY's total assets amounted to USD 461.5 million at the end of the period compared to USD 405.1 million at year-end 2022. The company operated ten aircraft at the end of the year and four aircraft were added to the operation in 2023.

Uplisting to Nasdaq Main Market and intended share offering

PLAY is preparing to transfer its share listing from the First North Growth Market Iceland to the Nasdaq Main Market in Iceland. The uplisting process, expected to conclude during the first half of 2024, marks a significant milestone in our journey. Arctica Finance hf. has been engaged by PLAY to oversee the uplisting process, and they have already initiated the drafting of a prospectus toward that end.

Since PLAY started its first scheduled flight in June 2021, the company has grown rapidly. During its growth period, the company has had to deal with repeated external shocks, most recently a volcanic eruption in Reykjanes this morning. The company believes that strengthening its liquidity position, with a capital increase, is a strategic move to seize growth opportunities and meet unforeseen events.



The company has retained the services of three financial advisors, Arctica Finance hf. as Lead Financial Advisor, Fossar Investment Bank hf. and Greenhill (Mizuho) as Joint Bookrunners. The proposed share capital increase could amount to approximately 3.000 to 4.000 million ISK. The company's financial advisors will initiate in the coming weeks talks with investors and the format of the capital increase will be influenced by the outcome of those conversations. The final proposal is subject to the approval of shareholders. PLAY's Annual General Meeting will take place on March 21 where the board will request a permission to issue the new shares.

Outlook 2024-25

PLAY had previously announced that it had signed LOIs for two aircraft that were planned to join the fleet in 2025. While the airline has every intention to develop its fleet and increase its capacity in the coming years, these orders have been canceled. It has been decided that a slightly different aircraft profile is more suitable for the company's next steps in the growth phase. PLAY plans to grow its fleet from 10 to 12 aircraft in the next two years and that ex-fuel CASK will only increase around 3% annually. PLAY expects EBIT to be approximately zero in 2024 and positive in 2025. Year-on-year cash flow will continue to improve in 2024 and be positive in 2025.

PLAY's long-term vision is to grow the fleet to 18-20 aircraft and that revenue will grow with capacity to over USD 750 million by 2029. At that time EBIT margin will be positive by over 10% and long-term the CASK will be competitive.

Further Information:

Investor presentation webcast, February 9th, 2024, at 8:30 AM GMT.

CEO Birgir Jónsson and CFO Ólafur Þór Jóhannesson will present the company's results on Friday, February 9th at 8:30 AM (GMT). The presentation will be streamed in English via webcast: <https://www.flvplav.com/financial-reports-and-presentations>

Financial Calendar

- Annual General Meeting and publishing of Annual and Sustainability Report March 21st, 2024.
- Q1 2024 Results – 24 April 2024
- Q2/H1 Results – 25 July 2024
- Q3 2024 Results – 24 October 2024
- Q4 2024 Results – 7 February 2025