



## **Year of Important Investment: PLAY turned over USD 140 million, delivered a negative EBIT and strong revenue growth**

- **PLAY carried 241 thousand passengers in Q4. For the full year of 2022 PLAY carried 789 thousand passengers.**
- **The load factor in Q4 was 80.3%. The load factor was improving throughout 2022 and resulted in 79.7% for the full year.**
- **Q4 was operationally successful with an on-time performance of 91%.**
- **Revenues in Q4 were USD 37.9 million compared to USD 9.7 million in Q4 2021. Full year revenues in 2022 were USD 140 million compared to USD 16 million in 2021.**
- **Positive trends in ancillary revenues in Q4.**
- **Negative effect of weather disruptions in Iceland in December resulted in USD 2.2 million in lost revenues and additional expenses.**
- **The financial position of the company is healthy. Cash on December 31 amounted to USD 36.2 million including restricted cash. The equity ratio was 11.6% and the company has no external interest-bearing debt.**
- **Earnings before interest and taxes (EBIT) were negative in 2022 by USD 44 million compared to negative USD 25 million in 2021.**
- **Net income was negative by USD 45.5 million in 2022 compared to negative USD 22.5 million in 2021.**
- **Shareholders' equity was increased by USD 16 million in Q4 2022.**
- **PLAY's cost target of being under 4 US cents a unit (CASK ex-fuel), was reached in Q4 and was in line with the target for 2022.**
- **36 destinations are currently on sale.**
- **Strong sales momentum at the beginning of 2023 resulting in forward unit revenue (RASK) being higher than in 2022.**



Operating statistics		Q4 2022	Q4 2021	Change	FY 2022	FY 2021	Change
Number of flights	no.	1,609	533	1,076	5,377	1,025	4,352
Number of operating destinations	no.	18	10	8	25	10	15
Number of aircraft in operation	no.	6	3	3	6	3	3
Percentage of arrivals ontime OTP	%	91%	93%	-2 ppt	87%	95%	-8 ppt
Number of passengers	000s	241	58	316%	789	100	689%
Available seat kilometers (ASK)	mill	865	247	250%	2,809	487	476%
Revenue passenger kilometers (RPK)	mill	698	147	376%	2,225	255	772%
Stage length (km)	no.	2,924	2,417	21%	2,852	2,484	15%
Load factor	%	80%	59%	21 ppt	80%	53%	27 ppt
Seats available	000s	295	102	188%	982	196	400%

Income statement							
Operating revenue	USD mill	37.9	9.7	28.2	139.9	16.4	123.5
Operating expenses	USD mill	46.2	17.2	29.0	151.9	32.6	119.3
EBIT	USD mill	-17.6	-12.3	-5.3	-44.1	-24.7	-19.4
EBIT margin	%	-46%	-127%	-81 ppt	-32%	-151%	-119 ppt
Net operating results	USD mill	-17.1	-10.6	-6.5	-45.5	-22.5	-23.0

Balance sheet							
Total assets	USD mill	-	-	-	331.5	204.1	127.4
Total liabilities	USD mill	-	-	-	293.0	136.7	156.3
Total shareholders equity	USD mill	-	-	-	38.5	67.4	-28.9
Equity ratio	%	-	-	-	11.6%	33.0%	21.4 ppt
Cash and cash equivalents (incl. restricted)	USD mill	-	-	-	36.2	51.7	-15.5

Share information							
Share price at month-end	Per share	-	-	-	13.1	23.2	-10.1
Earnings per share	US cents	-	-	-	-8.0	-6.1	-1.9

Key statistics							
Airfare per passenger	USD	114	120	-5%	134	118	13%
Ancillary per passenger	USD	38	46	-17%	42	47	-12%
Yield per passenger	USD	152	166	-8%	175	165	6%
RASK	US cents	4.2	3.9	8%	4.8	3.4	42%
CASK (incl. Fuel & emissions)	US cents	6.4	9.0	-29%	6.4	8.4	-24%
CASK (excl. Fuel & emissions)	US cents	3.9	6.5	-40%	4.0	6.6	-40%
CO <sub>2</sub> per RPK (grams CO <sub>2</sub> per RPK)	no.	66	86	-23%	66	98	-32%
CO <sub>2</sub> emissions in tons from jet fuel	no.	46,550	12,861	262%	152,457	24,617	519%



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*Birgir Jónsson, CEO:*

"We are pleased to report strong growth in our revenue base and load factor in the fourth quarter of 2022. For the past months we have been achieving a higher load factor than most of the airlines we compare ourselves with at the same time as our punctuality is world-class. The quarter was operationally successful, with almost 250,000 passengers flown and a load factor of 80.3%. These metrics make all of us at PLAY really proud and confirm that we are being well-received in the market. PLAY has a healthy financial position and a healthy cash balance. In 2022 we were still running the company at a loss but that is to be expected given the fact that we are a start-up company in a steep growth period as adding aircraft, destinations, and staff as well as introducing a new brand into the market is time consuming and capital intensive. We do however see clear and positive signs that show we are on the right track and that we will soon see a return on our investments as we become more established in the market. We have been very successful in controlling our cost level and it is great to see that the revenue is now beginning to grow, creating the perfect cocktail for success. We saw a very positive trend in ancillary revenues in the quarter with airport sales per passenger increasing, the successful ramping up of our cargo operations and have now launched new digital solutions designed to increase our ancillary revenue as well as our service level. The year begins with very strong booking trends and increased unit revenue making us confident that our revenue base is maturing and developing positively. Our capacity in summer 2023 is growing by close to 77% compared to summer 2022 and we are adding four new aircraft to our fleet as well as welcoming around 200 new team members. It is a real pleasure to see the PLAY team continuously growing stronger and working hard on reaching our goals for the year. We enter the new year filled with energy and ambition and a laser focus on reaching our goals. I believe our great team of Players is only just beginning to show the world what they are made of and I am both humble and glad to be a part of this great team of people."

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## **PLAY turned over USD 140 million, delivered a negative EBIT and strong revenue growth**

PLAY's load factor and revenue base improved throughout 2022. PLAY's load factor was 79.7% for the full year and 80.3% in Q4. In 2022, PLAY carried 789 thousand passengers. PLAY expects passengers to be 1.5 – 1.7 million in 2023 and a positive EBIT for the full year. This guidance is based on a number of factors, including the continued growth of passenger traffic and load factor, strong forward bookings, ancillary revenue increasing month by month, the ramping up of cargo operations and stable fuel price. PLAY is also expected to benefit from increased awareness and trust as a new player in the competitive aviation industry.

EBIT was negative in Q4 2022 in the amount of USD 17.6 million and for the full year EBIT was negative in the amount of USD 44.1 million. Cash amounted to USD 36.2 million including restricted cash of USD 6.6 million. The equity ratio was 11.6% at year end and the company has no external interest-bearing debt.



Revenues for Q4 2022 were USD 37.9 million compared to USD 9.7 million in Q4 2021.

### **Airport sales increased by 53% and cargo operations ramped up during the quarter**

PLAY has seen positive growth in its revenue base in Q4 2022. Airport sales per passenger increased by 53% between Q3 and Q4 and has continued to increase in the first months of 2023.

In the latter half of 2022, the company began its cargo operations and saw increasing revenue from the operation month from month. Total cargo revenue in Q4 2022 was USD 700 thousand. Cargo operations are expected to increase in the coming months, with the introduction of new markets and added frequency of service.

PLAY launched bundles in January 2023, and passengers can now choose between PLAY basic, PLAY value, and PLAY flex bundles when booking tickets, which include a mix of upgrades such as priority boarding, seat selection, baggage allowance and more at one discounted price. This improvement will further increase ancillary revenue and improve PLAY's online service.

PLAY's share of the TO market grew as 2022 progressed. There has been strong booking activity from passengers that are planning to visit Iceland in 2023. Forward bookings from foreign travel agencies have improved significantly this year compared to the same time in 2022. At the same time, passengers, in general, are booking their flights further ahead. Both are indicators that the awareness and trust of PLAY in foreign markets have increased.

In December, the company experienced negative effects of weather disruptions with an estimated USD 2.2 million in lost revenues and additional expenses.

### **Cost target reached in Q4**

Total operating expenses amounted to USD 46.2 million in Q4 resulting in a CASK ex-fuel of USD 3.9 cents in Q4 2022 and USD 4.0 cents for the full year which was in line with expectations. This is due to effective cost control and increased economy of scale in the business.

Fuel and emission prices have remained high and volatile and represented 38.3% of total operating cost. Financial income and expenses were negative in 2022 in the amount of USD 11.4 million, thereof USD 8.1 million due to interest expenses of lease liabilities. Net loss in the quarter amounted to USD 17.1 million.

PLAY's total assets amounted to USD 331.5 million at the end of the year compared to USD 204.1 million at year end 2021. The company took delivery of and put into operation three Airbus 320neo aircraft during the year, bringing the total number of aircraft in operation at year end to six. In the first half of 2023 four aircraft will be added into operations. Estimated increase in right-of-use assets and lease liabilities due to the four new aircraft in the first half of 2023 is USD 160-180 million. Trade and other receivables are comprised mostly of acquirer's unpaid ticket sales (USD 20.2 million). At year end, cash position was USD 36.2 million including restricted cash. Total equity at year end was USD 38.5 million resulting in an equity ratio of 11.6%. In November 2022, PLAY increased its share capital by USD 16.1



million. Provision and lease liabilities are related to the company's rental agreements, mainly aircraft in operation. The company has no external interest-bearing debt.

### **Record sales in January 2023**

Q4 was operationally successful with an on-time performance of 91%, a great result for a new and complex operation. During Q4 2022, PLAY operated flights to 22 destinations on both sides of the Atlantic. In 2023 PLAY will operate flights to 36 destinations and have ten aircraft in operation.

PLAY is well positioned to continue its positive revenue trend and achieve its goals for the year. The beginning of 2023 has been a period of strong sales for PLAY, leading to an increase in forward unit revenue. This positive trend is reflected in a record sales month of January.

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### **Further Information:**

Investor presentation webcast, February 15, 2023

CEO Birgir Jónsson and CFO Ólafur Þór Jóhannesson will present the company's results on Wednesday February 15, 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**

- AGM 7 March 2023
- Q1 2023 27 April 2023
- Q2 2023 27 July 2023
- Q3 2023 26 October 2023
- Q4 2023 8 February 2024