

Half-year report 2023

1 January 2023 - 30 June 2023



Air Greenland A/S
CVR: 56996710
Postboks 1842
Siaqqinneq 1
3900 Nuuk

air greenland 

Company details

CBR No. (CVR):	56996710
Ownership:	Grønlands Selvstyre, Nuuk, Grønland, ejer selskabet 100%
Share capital	24 mio. kr.
Auditor:	PricewaterhouseCoopers Grønlands Revision A/S
Management	Jacob Nitter Sørensen, Administrerende direktør

Management's statement

We have today presented the half-year report as of 30 June 2023 for Air Greenland A/S.

The company's auditor has not audited or reviewed the half-year report.

The report has been prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies to be appropriate and, based on unchanged accounting policies, the half-year report gives a true and fair view of the Group's assets and liabilities, financial position, financial position, results and cash flows.

Nuuk, 12. september 2023

EXECUTIVE BOARD

Jacob Nitter Sørensen
CEO

BOARD OF DIRECTORS

Bodil Marie Damgaard
Chairwoman of the Board

Anette Grønkjær Lings

Henrik Maule Steinbacher

Steen Jensen
Deputy Chairman

Johannes Groth

Claus Martin Motzfeldt

Charlotte Pedersen

Malik Peter Hegelund Olsen

Tina Chemnitz

Management's report

- Half-year results and expectations for the year

Finances

Air Greenland delivers a consolidated profit before tax of 8.2 MDKK in the first half of 2023, which is an improvement of 15.9 MDKK compared to the same period in 2022 (2022: -7.7 MDKK).

Net revenue has increased by 11% to 751.0 MDKK (2022: 675.8 MDKK). Compared to the period before the Covid-19 pandemic, revenue has increased by 21% (2019: 622.9). Compared to previous years, passenger volumes have increased by 16% to a total of 230,447 passengers across the entire route network.

The increased activity has resulted in higher costs and depreciations by a total of 9% to 739.2 MDKK (2022: 676.0 MDKK). There have been fewer technical challenges with the aircrafts this year than in 2022, while bad weather continues to contribute to many operational disruptions and increased costs. The aircraft fleet has been increased by one Dash 8, and the additional aircraft has been aimed at delivering a more stable operation and better customer experience, especially when passengers have had to travel after a period of bad weather.

Depreciation and amortisation was reduced by DKK 12.8 million, of which DKK 13.6 million was due to an increased gain on the sale of fixed assets.

Equity at the end of the first half of 2023 has decreased by 4.3 MDKK to 688.2 MDKK and the solvency ratio has been reduced to 28.6% from 30.9% at the end of 2022. The lower solvency is due to the balance sheet increasing from 2,237.6 MDKK to 2,408.5 MDKK.

No dividend payment has been made in 2023.

Cash liquidity

Cash and cash equivalents totalled 360.5 MDKK at the end of June 2023, which is a decrease of 32.8 MDKK compared to the end of 2022. The lower liquidity is due to investment activity, where the fleet renewal continues as planned, which during the period has resulted in capital investments of 103.8 MDKK.

Capital resources

The company fulfils its financial obligations and the capital base is still considered solid.

Expectations for the result at the end of 2023

Air Greenland A/S expects to deliver a result in the expected level of DKK 100 million before tax, which is in line with previously announced expectations.

Events after the end of the period

From the balance sheet date until today, no events have occurred that change the Group's financial position

Half year report

Profit and loss statement for 1 January to 30 June 2023

(in 1.000 DKK)	The Group		
	1H 2023	1H 2022	2022
Net turnover	751.032	675.820	1.542.923
Other external expenses	(457.939)	(401.516)	(859.647)
Staff costs	(245.738)	(226.920)	(478.688)
Depreciation and devaluation	(35.512)	(47.600)	(114.925)
Profit or loss before financial entries	11.843	(216)	89.663
Income from equity holdings in associated companies	-	-	2.284
Other financial income	4.162	329	977
Financial expenses	(7.770)	(7.805)	(16.432)
Profit/loss before tax	8.235	(7.693)	76.492
Tax on profit for the period	(2.006)	1.688	(17.849)
Profit for the period	6.229	(6.004)	58.643



Balance per 30 June 2023

(in 1.000 DKK)	The Group		
	30. juni 2023	30. juni 2022	2022
Software	3.949	5.668	3.811
Intangible fixed assets	3.949	5.668	3.811
Buildings	215.022	224.544	201.361
Aircraft equipment incl. essential aircraft components	1.178.408	511.352	1.181.089
Other aircraft components	40.630	32.773	51.476
Other equipment, vehicles and inventory	40.985	29.854	35.389
Prepayments and current intangible fixed assets	213.220	445.698	142.789
Tangible fixed assets	1.688.266	1.244.221	1.612.104
Equity holdings in associated companies	13.488	11.980	13.488
Other securities and equity holdings	39	36	39
Other receivables	1.733	1.591	1.646
Deferred tax assets	375	2.278	375
Financial fixed assets	15.635	15.888	15.548
Fixed assets	1.707.850	1.265.777	1.631.463
Inventories	80.672	35.491	47.972
Trade receivables	238.518	179.331	133.217
Receivables with associated companies	25	34	-
Other receivables	19.387	54.473	25.703
Accrual items	1.616	43.898	5.943
Receivables	259.545	277.735	164.863
Cash at bank and in hand	360.470	906.496	393.304
Current assets	700.687	1.219.722	606.139
Assets	2.408.537	2.485.499	2.237.602

Balance per 30 June 2023 (continued)

(in 1.000 DKK)	The Group		
	30. juni 2023	30. juni 2022	2022
Shareholders' funds	24.000	24.000	24.000
Reserve for net revaluation of equity holdings using the book value method	4.310	4.238	4.310
Reserve for hedging transactions	(4.744)	46.956	5.819
Retained profit	664.599	594.572	658.370
Shareholders' funds	688.165	669.766	692.499
Deferred tax liabilities	115.833	115.023	118.685
Hensatte forpligtigelser	115.833	115.023	118.685
Debt contracted through bond issues	948.823	1.024.501	991.577
Long-term debt obligations	948.823	1.024.501	991.577
Short-term share of long-term debt obligations	74.738	73.760	68.986
Supplier debts	132.573	192.294	69.656
Corporation tax	2.532	4.950	1.402
Other debts	100.406	66.945	129.527
Periodafgrænsningsposter	345.466	338.261	164.884
Short-term debt obligations	655.715	676.210	434.841
Debt obligations	1.604.539	1.700.710	1.426.418
Liability	2.408.537	2.485.499	2.237.602

Statement of changes in equity as of 30 June 2023

(in 1.000 DKK)	The Group				
	Share capital	Reserve for net appreciation of equity holdings to book value method	Retained profit	Reserve for hedging transactions	Total
Equity 01.01.2022	24.000	4.238	600.576	18.760	647.574
Appreciation derivative financial instruments				(17.766)	(17.766)
Net profit/loss for the year		1.713	56.929		58.642
Exchange rate adjustment of foreign associated company		(776)			(776)
Tax on equity				4.825	4.825
Other adjustments		(865)	865		
Equity 31.12.2022	24.000	4.310	658.370	5.819	692.499
Appreciation derivative financial instruments				(14.084)	(14.084)
Profit for the period			6.228		6.228
Tax on equity				3.521	3.521
Equity 30.06.2023	24.000	4.310	664.599	(4.744)	688.165



Cash flow statement

(in 1.000 DKK)	The Group		
	1H 2023	1H 2022	2022
Profit or loss before financial entries	11.843	(216)	89.662
Depreciation and devaluation	35.512	47.600	114.925
Change in working capital	72.301	223.252	35.233
	119.656	270.636	239.820
Received financial income	4.162	329	977
Paid financial expenses	(7.770)	(7.805)	(16.432)
Tax paid	-	-	(3.294)
Cash flows regarding operation	116.048	263.159	221.071
Addition of intangible fixed assets	(138)	48	(2.204)
Addition of tangible fixed assets	(136.233)	(179.974)	(620.334)
Sale of tangible fixed assets	24.576	12.500	21.760
Addition of fixed asset investments	-	-	(43)
Change in financial fixed assets	(87)	12	-
Cash flows regarding investments	(111.882)	(167.414)	(600.821)
Taking on long-term debt obligations	-	485.000	485.000
Instalments on long-term debt obligations	(37.001)	(19.750)	(57.447)
Cash flows regarding financing	(37.001)	465.250	427.553
Change in cash and cash equivalents	(32.835)	560.992	47.803
Cash and cash equivalents 1 January	393.304	345.501	345.501
Cash and cash equivalents 30 June 2023	360.470	906.496	393.304