

Half-year report 2022

1 January 2022 - 30 June 2022



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

air greenland 

Company details

CBR No. (CVR):	56996710
Ownership:	The Government of Greenland, Nuuk Greenland, owns 100% of the company
Share capital	DKK 24 million
Auditor:	PricewaterhouseCoopers Grønlands Revision A/S
Management	Jacob Nitter Sørensen, CEO

Management statement

We have today submitted the half-year report as at 30 June 2022 for Air Greenland A/S. The company's auditor has not performed an audit or review of the half-year report.

The half-year report is submitted in accordance with the Danish Financial Statements Act. We consider the chosen accounting policies to be appropriate, and in accordance with unchanged accounting policies, so that the half-year report gives a true and fair picture of the Group's assets and liabilities, financial position, profit and cash flows.

8. september 2022

EXECUTIVE BOARD

Jacob Nitter Sørensen
CEO

BOARD OF DIRECTORS

Bodil Marie Damgaard
Chairman of the Board

Anette Grønkjær Lings

**Henrik Maule
Steinbacher**

Steen Jensen
Deputy Chairman

Johannes Groth

**Claus
Martin Motzfeldt**

Malene Lynge

**Malik Peter
Hegelund Olsen**

Tina Chemnitz

Management's report

- The half-year accounts and expectations for the year

Finances

Overall, in the first half of 2022, Air Greenland delivered a consolidated result before tax of DKK -7.7 million, which is an improvement of DKK 6.4 million compared to the same period in 2021 (2021: DKK -14.1 million). The result has been negatively affected by the Covid-19 pandemic in the first months, but afterwards passenger growth has been higher than expected, which has also contributed to reducing the total available capacity.

Over the period, Atlantic traffic has increased by 209% and domestic traffic by 46% compared to 2021. Compared to 2019, the passenger volumes are at index 99 and 92 for the Atlantic and domestic traffic respectively, and the higher demand has surprised positively.

Net revenue fell by 30% to DKK 675.8 million (2021: DKK 519.6 million), and in terms of the period before Covid-19 made its appearance, this is an increase of 8.5% (2019: DKK 622.9 million).

The period has also been affected by many irregularities triggered by bad weather and technical challenges, but overall the result in this respect is considered satisfactory.

Equity at the end of the first half of 2022 has been reduced by DKK 22.2 million to DKK 669.8 million, and the solvency ratio reduced during the period to 26.9% from 38.3% at the end of 2021. The lower solvency is due to increased debt of DKK 485 million through the issuance of bonds related to investment in the fleet renewal and increased traffic debts for not yet flown tickets, reflecting high demand and strong travel appetite in the future.

No dividend payment has been made in 2022.

Liquidity

The cash and cash equivalents amount to DKK 906.5 million at the end of June 2022, which is an increase of DKK 561 million compared to the end of 2021. The increase in liquidity is partly due to increased debt taken on to finance the fleet renewal and increased travel activity.

The fleet renewal continues as planned, which in the period it has led to fixed asset investment of DKK 147.9 million.

Capital resources

The company lives up to its financial obligations and the capital base is still seen as solid.

Expectations for results at the end of 2022

Air Greenland A/S expects to deliver a profit at an estimated 90 MDKK before tax.

Events after the end of the period

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

Covid-19

The half-yearly accounts continue to be affected by Covid-19, where travel demand was lower due to high infection spread in spring 2022, combined with the recommendation from the Government of Greenland to reduce travel activity until 18 May 2022, when the last restrictions were lifted.

Air Greenland and the Group's companies in Greenland have not received payment from aid packages financed by the Government of Greenland.

Half-year accounts

Profit and loss statement for 1 January to 30 June 2022

(in 1,000 DKK)	1H 2022	1H 2021	2021
Net turnover	675.820	519.566	1.251.269
Other external expenses	(401.516)	(264.410)	(572.019)
Staff costs	(226.920)	(202.881)	(410.393)
Depreciation and devaluation	(47.600)	(60.823)	(112.081)
Profit or loss before financial entries	(216)	(8.548)	156.777
Income from equity holdings in associated companies	-	(726)	7.448
Other financial income	329	1.211	18
Financial expenses	(7.805)	(6.072)	(10.623)
Profit/loss before tax	(7.693)	(14.135)	153.620
Tax on profit for the period	1.688	3.534	(42.624)
Profit for the period	(6.004)	(10.601)	110.996



Balance per 30 June 2022

(in 1,000 DKK)	The Group		
	30 June 2022	30 June 2021	2021
Software	3.710	2.637	3.758
Goodwill	1.958	-	1.958
Intangible fixed assets	5.668	2.637	5.716
Buildings	224.544	182.407	224.773
Aircraft equipment incl. essential aircraft components	511.352	497.056	532.985
Other aircraft components	32.773	24.054	26.092
Other equipment, vehicles and inventory	29.854	19.855	24.537
Prepayments and current intangible fixed assets	445.698	262.602	315.960
Tangible fixed assets	1.244.221	985.974	1.124.347
Equity holdings in associated companies	11.980	14.759	11.980
Other securities and equity holdings	39	39	39
Other receivables	1.591	1.498	1.603
Deferred tax assets	2.278	1.891	2.279
Financial fixed assets	15.888	18.187	15.901
Fixed assets	1.265.777	1.006.798	1.145.964
Inventories	35.491	32.735	34.477
Trade receivables	179.331	107.033	106.038
Receivables with associated companies	34	18	3
Other receivables	54.473	7.686	50.990
Accrual items	43.898	1.077	9.184
Receivables	277.735	115.814	166.215
Cash at bank and in hand	906.496	504.000	345.501
Current assets	1.219.722	652.549	546.193
Assets	2.485.499	1.659.347	1.692.157

Balance per 30 June 2022 (continued)

(in 1,000 DKK)	The Group		
	30 June 2022	30 June 2021	2021
Shareholders' funds	24.000	24.000	24.000
Reserve for net revaluation of equity holdings using the book value method	4.238	5.509	4.238
Reserve for hedging transactions	46.956	4.305	18.760
Retained profit	594.572	477.432	600.576
Shareholders' funds	669.766	511.246	647.574
Deferred tax liabilities	115.023	60.998	108.966
Accrued obligations	115.023	60.998	108.966
Debt contracted through bond issues	1.024.501	612.900	598.695
Bank debt	-	19.644	-
Long-term debt obligations	1.024.501	632.544	598.695
Short-term share of long-term debt obligations	73.760	37.418	34.315
Supplier debts	192.294	134.158	78.234
Corporation tax	4.950	698	3.297
Other debts	66.945	84.585	107.835
Accrual items	338.261	197.702	113.241
Short-term debt obligations	676.210	454.560	336.922
Debt obligations	1.700.710	1.087.103	935.617
Liability	2.485.499	1.659.347	1.692.157

Statement of changes in equity as of 30 June 2022

(i 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 01.01.2021	24.000	63.656	429.392	(10.290)	506.758
Appreciation derivative financial instruments				39.524	39.524
Net profit/loss for the year		12.091	98.905		110.996
Exchange rate adjustment of foreign associated company		1.047			1.047
Tax on equity		(277)		(10.474)	(10.751)
Other adjustments		2.107	(2.107)		-
Equity 01.01.2022	24.000	78.624	526.190	18.760	647.574
Appreciation derivative financial instruments				37.594	37.594
Profit for the period		3.588	(9.592)		(6.004)
Tax on equity				(9.399)	(9.399)
Equity 30.06.2022	24.000	82.212	516.598	46.956	669.766



Cash flow statement

(in 1,000 DKK)	The Group		
	1H 2022	1H 2021	2021
Profit or loss before financial entries	(216)	(8.548)	156.777
Depreciation and devaluation	47.600	60.823	112.081
Change in working capital	223.252	128.200	(21.620)
	270.636	180.475	171.869
Received financial income	329	1.211	18
Paid financial expenses	(7.805)	(6.072)	(10.623)
Tax paid	-	-	(799)
Cash flows regarding operation	263.159	175.614	160.863
Addition of intangible fixed assets	48	(899)	(1.812)
Addition of tangible fixed assets	(179.974)	(222.172)	(373.715)
Sale of tangible fixed assets	12.500	100	11.588
Addition of fixed asset investments	-	-	(113)
Access by business transfer	-	-	(12.000)
Change in financial fixed assets	12	3.308	3.300
Cash flows regarding investments	(167.414)	(219.663)	(372.752)
Taking on long-term debt obligations	485.000	655.000	655.000
Release of the credit facility on the overdraft facility	-	(296.868)	(100.000)
Instalments on long-term debt obligations	(19.750)	-	(268.029)
Cash flows regarding financing	465.250	358.132	286.971
Change in cash and cash equivalents	560.995	314.083	150.053
Cash and cash equivalents 1 January	345.501	189.917	189.917
Access by business transfer	-	-	5.531
Cash and cash equivalents 30 June 2022	906.496	504.000	345.501