



Interim report H1 2024



Interim report 2024 Air Greenland A/S

January 1, 2024 - June 30, 2024

Management statement

As of today's date, we have prepared the interim report as of June 30, 2024, for Air Greenland A/S. The company's auditor has not conducted an audit or review of the interim H1 2024 report.

The interim report has been prepared in accordance with the danish financial statements act. We consider the chosen accounting policies to be appropriate and, following consistent accounting practices, the interim report provides a true and fair view of the Group's assets and liabilities, financial position, results, and cash flows.

Nuuk, 11 September 2024

EXECUTIVE MANAGEMENT

Jacob Nitter Sørensen
Chief Executive Officer

BOARD OF DIRECTORS

Malik Hegelund Olsen
Chairman of the Board

Bodil Marie Damgaard

Henrik Maule Steinbacher

Steen Jensen
Vice Chairman

Charlotte Pedersen

Tina Chemnitz

Ella Grødem

Claus Motzfeldt

Rob Gurney



..... **Mogens Jensen**
Group CFO

Executive summary

Interim report and outlook for the year

Consolidated Interim report financial report and expectations for the year

The Air Greenland Group's consolidated interim report financial statements for the period from January 1 to June 30, 2024, have been prepared in accordance with Accounting Class D of the Danish Financial Statements Act, as implemented in Greenland. The applied accounting policies remain unchanged from 2023.

The interim financial report includes the consolidated financial statements for Air Greenland and its subsidiaries, collectively referred to as "the Group." All amounts are stated in thousands of DKK.

According to the Group's income statement, the loss for the period from January 1 to June 30, 2024, amounted to DKK 15.8 million. As of June 30, 2024, equity amounted to DKK 732.5 million.

Air Greenland concludes another busy half-year with continued weather-related challenges and a slight increase in passengers, though not achieving the expected growth in passenger numbers.

Financial performance

The Group reports a pre-tax loss of DKK 21.1 million for the first half of 2024, representing a reduction of DKK 29.4 million compared to the same period in 2023 (2023: DKK +8.2 million).

Net revenue increased by 4% to DKK 846.5 million,

primarily driven by increased passenger traffic, while other revenue remained consistent with previous years.

Other external operating income decreased by DKK 25.2 million, due to the sale of fixed assets in 2023.

Total costs, including depreciation, increased by DKK 37.4 million, generally attributed to increased production and rising costs associated with flight operations. Personnel expenses increased by DKK 22.8 million, with the Group employing an average of 704 full-time employees during the period, reflecting a 3.6% increase.

As of June 30, 2024, equity stands at DKK 732.5 million, with a solvency ratio of 31.1%. The balance sheet increased from DKK 2,252.4 million to DKK 2,357.4 million, primarily due to an increase in fixed assets and short-term liabilities.

During the period, the ownership share of Norlandair ehf increased from 25% to 39%.

No dividend payments were made in 2024.



Liquidity

As of the end of June 2024, the Group's cash balance amounts to DKK 204.5 million, unchanged from the end of 2023. At the beginning of 2024, a credit facility of DKK 275 million was established, primarily intended to finance capital investments. However, this facility has not been utilized during the period due to general delays in planned investments.

Capital resources

The company continues to meet its financial obligations, and its capital base is still considered strong.

Expectations for 2024 results

The company's expectation for 2024 was to deliver a profit of DKK 90-105 million before tax, which has now been reduced to DKK 50-65 million before tax. This is due to lower growth than expected, continued high irregularity costs and consequential costs that also arise from the new airport in Nuuk and unscheduled maintenance cost.

Weather continues to pose a challenge for maintaining scheduled flight operations in 2024, which not only reduces capacity utilization but also increases costs. As of June 30, 2024, nearly 4,000 scheduled flights have been canceled due to weather conditions, which is at the same level as same period last year. Regularity for scheduled fixed-wing flights is 77% compared to 79% in 2023 which is mainly due to the weather.

Events after the reporting period

There have been no events from the balance sheet date until today that would alter the Group's financial position.





Financial reporting

Air Greenland Group



air greenland group

Interim report H1 2024 report

Income statement for January 1 to June 30, 2024

(in 1,000 DKK)	Group		
	1H 2024	1H 2023	2023
Net revenue	846,505	813,700	1,776,738
Other operating income	11,388	36,565	52,127
Other external expenses	(536,378)	(528,878)	(1,096,271)
Staff costs	(268,549)	(245,738)	(513,010)
Depreciation and Impairments	(67,216)	(60,088)	(129,138)
Operating result before financial items	(14,250)	1,561	90,446
Income from investments in associated companies	-	-	317
Other financial income	1,943	483	8,356
Financial expenses	(8,832)	(7,809)	(14,204)
Profit before tax	(21,139)	8,235	84,506
Tax on the period's result	5,285	(2,006)	(22,487)
Result for the period	(15,854)	6,229	62,019



Balance sheet as of June 30, 2024



(in 1,000 DKK)	Group		
	June 30, 2024	June 30, 2023	2023
Software	5,098	3,949	4,591
Goodwill	6	-	-
Intangible fixed assets	5,104	3,949	4,591
Buildings	342,849	215,022	254,287
Aircrafts, including major components	1,370,345	1,178,408	1,295,982
Other aircraft components	68,153	40,630	61,404
Other equipment, operating materials, and fixtures	75,082	40,985	59,306
Prepayments and construction in progress	37,128	213,220	154,411
Tangible fixed assets	1,893,557	1,688,266	1,825,390
Investments in associated companies	21,558	13,488	13,757
Other securities and investments	40	39	41
Other receivables	3,953	1,733	4,076
Deferred tax assets	45	375	1,655
Financial fixed assets	25,596	15,635	19,529
Fixed assets	1,924,257	1,707,850	1,849,510
Inventories	68,768	80,672	60,350
Trade receivables	129,494	238,518	116,139
Receivables from associated companies	-	25	-
Other receivables	28,518	19,387	15,647
Prepayments	1,953	1,616	6,033
Receivables	159,965	259,545	137,819
Cash and cash equivalents	204,454	360,470	204,725
Current assets	433,187	700,687	402,894
Assets	2,357,443	2,408,537	2,252,404

Balance sheet as of June 30, 2024

(in 1,000 DKK)	Group		
	June 30, 2024	June 30, 2023	2023
Share capital	24,000	24,000	24,000
Reserve for net revaluation of investments under the equity method	4,937	4,310	43,645
Reserve for hedging transactions	(614)	(4,744)	(1,970)
Retained earnings	704,217	664,599	681,363
Equity	732,540	688,165	747,038
Deferred tax liabilities	133,264	115,833	136,764
Provisions for liabilities and charges	133,264	115,833	136,764
Debt secured by issuance of bonds	874,555	948,823	912,044
Long-term debt	874,555	948,823	912,044
Current portion of long-term debts	75,674	74,738	75,232
Supplier debts	108,673	132,573	99,079
Debts to associated companies	30	-	556
Corporate tax payable	-	2,532	-
Other debt	106,603	100,406	132,430
Accruals and deferred income	326,105	345,466	149,260
Short-term debt	617,085	655,715	456,557
Total debt	1,491,640	1,604,538	1,368,601
Liabilities	2,357,443	2,408,537	2,252,404



Statement of changes in equity as of June 30, 2024

Group

(In 1,000 DKK)

	Share capital	Reserve for net revaluation of investments under the equity method	Retained earnings	Reserve for hedging transactions	Total
Equity as of January 1, 2023	24,000	4,310	658,370	5,819	692,499
Revaluation of derivative financial instruments				(10,386)	(10,386)
Net profit for the year		317	61,701		62,018
Currency translation adjustment of foreign associated company		118			118
Tax on Equity Movements		(15)		2,597	2,582
Other Adjustments		207			207
Equity as of december 31, 2023	24,000	4,937	720,071	(1,970)	747,038
Revaluation of derivative financial instruments				1,356	1,356
Net profit for the year					
Currency translation adjustment of foreign associated company			(15,854)		(15,854)
Equity 30.06.2024	24,000	4,937	704,217	(614)	732,540



Cash flow statement

(in 1,000 DKK)	Group		
	1H 2024	1H 2023	2023
Operating profit before financial items	(14,250)	11,843	90,446
Depreciation and impairments	67,216	35,512	129,138
Gain on sale of fixed assets	(555)	(24,576)	(29,017)
Change in working capital	135,395	72,301	20,653
	187,806	95,080	211,220
Received financial income	1,943	4,162	8,356
Paid financial expenses	(8,832)	(7,770)	(14,613)
Paid taxes	-	-	(3,806)
Cash flows from operating activities	180,917	91,472	201,156
Acquisition of intangible assets	(513)	(138)	(1,914)
Acquisition of tangible assets	(135,938)	(111,657)	(347,351)
Sale of tangible assets	555	24,576	35,079
Acquisition of financial assets	(7,801)	-	(2,430)
Disposal of financial assets	-	-	-
Change in financial assets	-	(87)	-
Received dividends	-	-	167
Cash flows from investing activities	(143,697)	(87,306)	(316,449)
Repayment and installments on long-term debt	(37,492)	(37,001)	(73,287)
Cash flows from financing activities	(37,492)	(37,001)	(73,287)
Change in cash and cash equivalents	(272)	(32,835)	(188,580)
Cash and cash equivalents at January 1	204,725	393,304	393,304
Cash and cash equivalents at end of period	204,453	360,469	204,725

