

Half-yearly Report 2021

1 January 2021 - 30 June 2021



Air Greenland A/S
CBR No. (CVR): : 56996710
Postboks 1842
Siaqqinneq 1
3900 Nuuk

air greenland 

Company information

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

Management statement

Today we have submitted a half-yearly report per 30 June 2021 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 policy 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, result and cash flows.

Ilulissat, 7 September 2021

DIREKTION **Jacob Nitter Sørensen**
CEO

BESTYRELSE **Bodil Marie Damgaard**
Chairman of the Board

Steen Jensen
Deputy Chairperson

Malene Lyngø

Anette Grønkjær Lings

Jens-Jakob Lennert
Sandgreen

Malik Peter
Hegelund Olsen

Henrik Maule
Steinbacher

Claus
Martin Motzfeldt

Tina Chemnitz

Management report

– The half-year accounts and expectations for the year

Economy

Overall, in the first half of 2021, Air Greenland delivered a consolidated result before tax of DKK -14.1 million, which is an improvement of DKK 16.4 million compared to the same period in 2020 (2020: DKK -30.5 million). The result is still affected by the Covid-19 pandemic, and is considered satisfactory in this respect.

Equity at the end of the first half of 2021 has been reduced by DKK 4.4 million to DKK 511.2 million, and the solvency ratio reduced during the period to 30.8% from 43.0% at the end of 2020. The lower solvency is due to increased debt, which is related to new investments.

During the period, DKK 655.0 million has been raised in new long-term debt, where a confirmed agreement on further debt raising in May 2022 of DKK 485 million has also been reached during the period. The increased debt is related to the ongoing renewal of the aircraft fleet.

No dividend payment has been made in 2021.

Development

Net revenue fell by 5.9% to DKK 519.6 million (2020: DKK 551.8 million), and compared to the period before Covid-19 this is a decrease of 16.6% (2019: DKK 622.9 million). The reduction in revenue is offset by a corresponding reduction in costs and depreciation of 8.1% to DKK 528.1 million (2020: DKK 574.5 million), which contributes to the better result in relation to 2020.

At the start of 2021, there was already an expectation of lower activity due to Covid-19. The realised activity has turned out to be even lower than expected, which is due to a further negative impact related to Covid-19, including the authorities' established restrictions on the number of people entering Greenland. These restrictions have lasted longer than expected, and have at times resulted in full aircraft without the possibility of increasing capacity.

Liquidity

The cash and cash equivalents amount to DKK 504.0 million at the end of June 2021, which is an increase of DKK 314.1 million compared to the end of 2020. The increased liquidity is partly due to increased debt, but also a short-term delay of up to 6 months related to investment in new helicopters.

The planned fleet renewal continues, which during the period has resulted in fixed asset investments of DKK 222.2 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 2021

Air Greenland A/S expects to deliver a Group result in 2021 of DKK 60-80 million, which is better than previously expected for the year. Based on the continued Covid-19 restrictions imposed by the authorities, there is a restriction on the amount of capacity offered for sale. This limitation leads to a high utilisation of capacity at a higher average price, at the same time as a positive development in passenger demand. The previously implemented cost savings have also meant that the Group as a whole is expected to be able to deliver a satisfactory result, which corresponds to the fleet renewal that Air Greenland has initiated.

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-year accounts are still affected by Covid-19, where an increase in infection was found in the spring of 2021. This has led to continued restrictions on air traffic, where for a longer period there has now been a restriction of 1,000 people per week entering Greenland, including with quarantine requirements.

The restrictions have led to a continuing need for emergency preparedness, which has ensured that all towns and villages have continued to be able to be connected by flights. In addition to maintaining connections between towns, settlements and abroad, Air Greenland has assisted the Health Authorities in ensuring that travellers to Greenland had the required tests and documents. Developments in the pandemic have led to the changes, which usually had to be implemented in the short term. Air Greenland, together with the Health Authorities, have got these changes to work satisfactorily under the given conditions.

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

Income statement for 1 January to 30 June 2021

(in 1,000 DKK)	1H 2021	1H 2020	2020
Net revenue	519.566	551.839	1.129.493
Other external expenses	(264.410)	(278.492)	(526.127)
Staff costs	(202.881)	(223.004)	(430.611)
Depreciation and amortisation	(60.823)	(73.008)	(127.572)
Profit or loss before financial items	(8.548)	(22.665)	45.184
Income from equity holdings in associated companies	(726)	(895)	(2.774)
Other financial income	1.211	25	218
Financial expenses	(6.072)	(6.968)	(10.054)
Profit before tax	(14.135)	(30.503)	32.573
Tax on profit for the period	3.534	7.626	(1.966)
Profit for the period	(10.601)	(22.877)	30.607



Balance per 30 June 2021

(in 1,000 DKK)	The group		
	30 June 2021	30 June 2020	2020
Software	2.637	152	1.738
Intangible fixed assets	2.637	152	1.738
Buildings	182.407	192.863	186.470
Aircraft equipment incl. essential aircraft components	497.056	389.539	536.700
Other aircraft components	24.054	22.344	20.609
Other equipment, vehicles and inventory	19.855	27.793	22.242
Prepayments and tangible fixed assets	262.602	106.095	58.704
Tangible fixed assets	985.974	738.634	824.725
Equity holdings in associated companies	14.759	22.973	18.797
Receivables with associated companies	-	1.087	-
Other securities and equity holdings	39	36	39
Other receivables	1.498	1.563	1.490
Deferred tax assets	1.891	133	1.898
Financial fixed assets	18.187	25.792	22.224
Fixed assets	1.006.798	764.578	848.687
Inventories	32.735	33.088	32.333
Receivables from sales and services	107.033	63.744	94.583
Receivables with associated companies	18	-	33
Other receivables	7.686	13.407	8.016
Accruals and deferred income	1.077	1.736	4.001
Receivables	115.814	78.887	106.633
Cash and cash equivalents	504.000	317.781	189.917
Total current assets	652.549	429.756	328.883
Assets	1.659.347	1.194.334	1.177.571

Balance per 30 June 2021 (continued)

(in 1,000 DKK)	The group		
	30 June 2021	30 June 2020	2020
Share capital	24.000	24.000	24.000
Reserve for net appreciation of equity holdings to the book value method	5.509	9.308	5.741
Reserve for hedging transactions	4.305		(10.290)
Profit carried over	477.432	431.930	487.307
Equity	511.246	465.238	506.758
Deferred tax liabilities	60.998	52.022	58.247
Accrued obligations	60.998	52.022	58.247
Debt to credit institutions	-	162.523	130.567
Bond debt	612.900	-	-
Other liabilities	-	3.644	-
Bank debt	19.644	21.524	18.197
Long-term debt obligations	632.544	187.691	148.764
Short-term share of long-term debt obligations	37.418	65.000	67.478
Other bank debt	-	100.000	100.000
Supplier debts	134.158	84.603	74.440
Debts to associated companies	-	67	44
Corporation tax	698	1.028	698
Other liabilities	84.585	117.157	139.531
Accruals and deferred income	197.702	121.528	81.611
Short-term debt obligations	456.975	489.383	463.802
Debt obligations	1.089.518	677.074	612.566
Liability	1.659.347	1.194.334	1.177.571

Statement of changes in equity as of 30 June 2021

(in 1,000 DKK)	The group				Total
	Share capital	Reserve for net appreciation of equity holdings to book value method	Profit carried over	Reserve for hedging transactions	
Equity 01.01.2020	24.000	10.203	453.926	694	488.823
Appreciation derivative financial instruments				(14.694)	(14.694)
Profit or loss for the year		(2.774)	33.381		30.607
Exchange rate adjustment of foreign associated company		(2.297)			(2.297)
Tax on equity		609		3.710	4.319
Equity 31.12.2020	24.000	5.741	487.307	(10.290)	506.758
Appreciation derivative financial instruments				19.460	19.460
Profit for the period		(726)	(9.875)		(10.601)
Tax on equity		494		(4.865)	(4.371)
Equity 30.06.2021	24.000	5.509	477.432	4.305	511.246

Cash flow statement

(in 1,000 DKK)	The group		
	1H 2021	1H 2020	2020
Profit or loss before financial items	(8.548)	(22.665)	45.184
Depreciation and amortisation	60.823	73.008	127.572
Change in working capital	128.200	70.880	(887)
	180.475	121.223	171.869
Received financial income	1.211	25	218
Paid financial expenses	(6.072)	(6.968)	(10.054)
Tax paid	0	0	(1.169)
Cash flows regarding operation	175.614	114.280	160.863
Addition of intangible fixed assets	(899)	(152)	(1.763)
Addition of tangible fixed assets	(222.172)	(123.267)	(289.453)
Sale of tangible fixed assets	100	-	25.556
Change in financial fixed assets	3.308	47	1.301
Cash flows regarding investments	(219.663)	(123.372)	(264.359)
Taking on long-term debt obligations	655.000	100.000	100.000
Instalments on long-term debt obligations	(296.868)	(33.302)	(66.762)
Cash flows regarding financing	358.132	66.698	33.238
Change in cash and cash equivalents	314.083	57.606	(70.258)
Cash and cash equivalents 1 January	189.917	260.175	260.175
Cash and cash equivalents 30 June	504.000	317.781	189.917