

# Annual Report 2018





The Group's key figures and ratios	(million DKK)	2014	2015	2016	2017	2018
Turnover		1,171.7	1,225.6	1,307.1	1,304.8	1,370.1
Profit or loss before financial items		82,6	90,5	35,6	75,8	79,1
Profit before tax		80,7	90,3	40,8	71,1	80,8
Profit or loss for the year		52,7	60,0	25,6	44,9	52,1
Tangible fixed assets		865,0	865,0	745,4	764,3	737,2
Equity		784,8	903,6	683,6	700,7	717,9
Balance sheet total		1,356.9	1,379.3	1,121.7	1,170.2	1,244.1
Dividends for the financial year		30,0	274,0	37,0	22,5	-
Investments in tangible fixed assets		101,8	129,9	78,7	148,0	126,2
Number of employees (year-end)		635	634	621	614	631
Profit margin		7.0%	7.4%	2.7%	5.8%	5.8%
Return on invested capital after tax incl. goodwill		8.0%	10.0%	4.1%	9.4%	10.8%
Financial gearing		-0.2	-0.2	-0.2	-0.2	-0.4
Return on equity		6.9%	7.1%	3.2%	6.5%	7.3%
Equity ratio		57.8%	65.5%	60.9%	59.9%	57.7%

Statistical information	Unit of measurement	2014	2015	2016	2017	2018
Route network length	Km	17,709	16,879	18,340	17,603	17,603
Number of towns serviced	Towns	22	22	22	16	16
Flown km in regular traffic	1000	5,511	5,620	6,025	5,903	6,201
Flying hours in the air, total	Hours	22,230	22,693	23,176	23,189	23,486
Flying hours in the air, regular	Hours	12,826	13,191	13,911	12,648	13,064
Offered tonne-km, regular traffic	1000	73,923	75,318	81,369	85,233	91,793
Sold tonne-km, regular traffic	1000	46,943	50,514	54,713	56,922	58,971
Total load factor, regular traffic	Percent	63.5%	67.1%	67.2%	66.8%	64.2%
Number of passengers	1000	381	395	426	419	431
Offered seats-km, regular traffic	1000	585,625	600,859	650,059	678,174	733,328
Sold seats-km, regular traffic	1000	443,325	482,002	523,656	548,252	568,316
Cabin factor, regular traffic	Percent	75.7%	80.2%	80.6%	80.8%	77.5%
Average travel distance for regular traffic	Km	1,163	1,221	1,229	1,310	1,319

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# About the Company

## The Company

Air Greenland A/S  
A/S Reg. Nr. 30672

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## Endorsements

We have today presented the annual report of Air Greenland A/S for the period January 1<sup>st</sup> – December 31<sup>st</sup> 2018.

The annual report has been prepared in accordance with the Greenlandic Financial Statements Act. We deem the accounting policies employed to be

appropriate, accurately reflecting the Group’s and the Parent Company’s assets and liabilities, financial position, profit and loss and cash flows.

The annual report is recommended for adoption at the general meeting.

Kangerlussuaq, March 11<sup>th</sup>, 2018

**Management**    **Jacob Nitter Sørensen**  
Chief Executive Officer

**Board of Directors**    **Kjeld Zacho Jørgensen**  
Chairman of the Board

**Bodil Marie Damgaard**

**Claus Holstein**  
Vice Chair

**Bjarne Eklund**

**Leif Rasmussen**

**John Dueholm**

**Henrik Maule Steinbacher**

**Claus Motzfeldt**

**Sam Grønvold**



# Independent auditor's report

## Conclusion

It is our opinion that the consolidated financial statements and annual accounts give an accurate and fair picture of the Group's and the company's assets, liabilities and financial position as of 31 December 2018, as well as the result of the Group's and the company's activities and cash flows for the 1 January – 31 December 2018 financial year, are in accordance with the Greenlandic Financial Statements Act.

We have audited the consolidated financial statements and annual accounts of Air Greenland A/S for the financial year 1 January - 31 December 2018, which includes the income statement, balance sheet, statement of changes in equity, notes, including accounting practices and cash flow statement, both for the Group as the company ("financial statements").

## Basis for the conclusion

We have carried our audit in accordance with international standards on auditing and the additional requirements applicable in Greenland. Our responsibilities in accordance with those standards and requirements are detailed in the auditor's report under the section "The auditor's responsibility for auditing the financial statements". We are independent of the company in accordance with the International Code of Ethics for Accountants (IESBA Code of Ethics) and the additional requirements applicable in Greenland, and we have met our other ethical obligations under these rules and requirements. It is our understanding that the audit evidence obtained is sufficient and suitable as the basis for our conclusion.

## Opinion on the management report

Management is responsible for the management report.

Our conclusion on the financial statements does not include the management report, and we do not express any form of conclusion on the certainty of the management report.

In connection with our audit of the financial statements, it is our responsibility to read the manage-

ment report and in this connection to consider whether the management report is materially inconsistent with the financial statements or our knowledge gained by the audit or otherwise appears to be materially misstated.

Our responsibility is also to consider whether the management report contains the information required in accordance with the Greenlandic Financial Statements Act.

Based on the work carried out, it is our opinion that the management report is in accordance with the consolidated financial statements and annual accounts, and they are prepared in accordance with the requirements of the Greenlandic Financial Statements Act. We have not found significant misinformation in the management report.

## Management's responsibility for the financial statements

Management is responsible for preparing the consolidated accounts and annual accounts, and that they give an accurate and fair picture in accordance with the Greenlandic Financial Statements Act. Furthermore, management has the responsibility for the internal controls that management considers to be necessary to prepare the financial statements without significant misinformation, regardless of whether it is due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue operations, to provide information on aspects of continuing operations, where applicable, and to prepare financial statements based on the accounting principle of continuing operations, unless management intends to liquidate the company, cease trading, or has no realistic alternative but to do this.

## The auditors' responsibility for auditing the financial statements

Our aim is to obtain reasonable assurance of whether the financial statements, as a whole, are free from

material misstatement, whether it is due to fraud or error, and to issue an auditor's report with a conclusion. A high degree of certainty is a high level of certainty, but it is not a guarantee that an audit that is carried out in accordance with international standards on auditing and the additional requirements applicable in Greenland, will always uncover significant misinformation when such is found. Misinformation can occur as a result of fraud or errors and can be regarded as significant if it can reasonably be expected that they individually or collectively have a bearing on the financial decisions that the users take on the basis of the financial statements.

As part of an audit, in accordance with international standards on auditing and the additional requirements applicable in Greenland, we carry out professional assessments and maintain professional scepticism during the audit. In addition:

- We identify and assess the risk of significant misinformation in the financial statements, regardless of whether it is due to fraud or error, design and perform audit procedures in response to these risks, as well as obtaining audit evidence that is sufficient and appropriate to provide a basis for our conclusion. The risk of not detecting significant misinformation caused by fraud is higher than for significant misinformation caused by error because fraud can include conspiracies, falsifying documents, deliberate omission, misrepresentation or breach of internal checks.
- We gain an understanding of the internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of the Group's and company's internal controls.
- We will take a position on whether the accounting policies, which are used by management, are adequate and whether the accounting estimates and associated information, which the management has prepared, is reasonable.
- We conclude on whether management's preparation of the financial statements based on the accounting principles of continuing operations is appropriate, as well as whether on the basis of the audit evidence obtained, there is significant uncertainty related to events or conditions that can create substantial doubt about the Group's and compa-

ny's ability to continue operations. If we conclude that there is significant uncertainty in our audit report, we will draw attention to the information in the financial statements on this or, if such information is not sufficient, modify our conclusion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. Future events or circumstances may require that the group and company can no longer continue operating.

- We will take a position on the overall presentation, structure and content of the financial statements, including the note information, as well as whether the financial statements reflect the underlying transactions and events in such a way as to give an accurate and fair picture thereof.
- We achieve sufficient and appropriate audit evidence of the financial information on businesses or business activities of the group to use to express a conclusion on the consolidated financial statements. We are responsible for directing, overseeing, and performing the group audit. We have the sole responsibility for our audit conclusion.

We communicate with senior management about, among other things, the planned scope and the time of the audit, as well as substantial audit related observations, including any significant deficiencies in internal checks that we identify during the audit.

Kangerlussuaq, 11<sup>th</sup> March 2019

## PricewaterhouseCoopers

State Authorised Public Accountants  
Central Business Register (CVR) no. 33 77 12 31

Grønlands Revisionskontor A/S  
State Authorised Public Accountants  
Company Reg. No. (CVR): 12 24 49 67

## Thomas Wraae Holm

State Authorised Public Accountant  
mne40141

## Per Jansen

State Authorised Public Accountant  
mne21323



# Management Report

## Group profile

**Safety Always** – is true to how Air Greenland prioritises safety. We must provide excellent service and excellent products to our customers, but our foundation is a business that works systematically and proactively with safety, where the outside world has full confidence that to fly with Air Greenland is safe and professional.

**Employees** – Air Greenland takes employee satisfaction seriously, and continually puts the good working environment and desired behavior on the agenda. Employee satisfaction surveys, leader and employee development interviews ensure that we as a company have provided all employees with frameworks, tools and competencies to fulfill their role and responsibility.

**Customer focus** - Air Greenland's ambition is to be customers' first choice for travel in and to Greenland. It requires that we deliver to our customers – every time, which means that when weather and technology challenge our ambition, we must quickly and professionally inform our customers.

In 2018, we worked on our level of service at check-in and baggage reclaim, shortened our response time to customer complaints, improved our SMS and e-mail system about changes to the journey and used [www.airgreenland.gl](http://www.airgreenland.gl) for major operational disruptions. Customer service was tested in earnest when things do not go as planned, so we are particularly pleased that our customer satisfaction for handling delays and cancellations developed positively in 2018.

**Growth focus** must ensure that Air Greenland and Greenland stand strong together. We must associate Greenland with fantastic fares and attract tourists with unique travel experiences. In 2018, 4% more passengers chose competitive routes to travel with us over the high season, and so 2018 was yet another record year for passenger numbers for Air Greenland.

**Sustainability** has been a natural part of Air Greenland's activities for the nearly 60 years that the company has existed. Over the years, we have worked with the UN's 4<sup>th</sup> Global Goal – quality education. As a traineeship, work placement and training company, more than 1000 young people have received their education and training through Air Greenland over the years. It is a position we are proud and which we will maintain and develop.

Competitive routes refer to all route flights with A330-200 and the Dash 8 fleet, except from the routes between Upernavik and Qaanaaq, which are service contract routes. See Air Greenland's route map on page 60.







# Highlights 2018

- In 2018, Air Greenland’s overall activities resulted in a revenue record of DKK 1,370.1 million and a profit for the year on DKK 80.8 million.
- The revenue record is reflected in passenger numbers; 4% more passengers travelled on competitive routes with Air Greenland in 2018 than in 2017, and so 2018 is a record year with a total of 430,738 passengers who chose to fly with us. July and August, which are the company’s busiest months, also delivered record passenger numbers for the fourth year in a row.
- Despite yet another record year, the growth in passenger numbers was lower than budgeted. Several factors come into play, but particularly the competitive situation within Arctic destinations is fierce, and the tourist segment is very price sensitive. The figures are reflected in the occupancy rates at Greenland hotels, which declined in 2018. In that way, 2018 is a good learning year for us players in the tourism industry – continued growth requires focused and coordinated collaboration.
- 2018 was a superb year for contracts. In August, Air Greenland won the U.S. Air Force’s contract to operate Thule Air Base. In October, the Greenlandic Health Service and Air Greenland entered into a 3-year agreement on medical evacuations, and in November, the Danish Ministry of Defence Acquisition and Logistics Organisation (DALO) announced that Air Greenland had won the Search and Rescue tender for 2019-20. At Air Greenland, we are delighted to be able to continue and renew collaboration and are proud of the trust our customers have shown us.
- In November, Visit Greenland and Air Greenland hosted the largest nationwide tourism conference ever with 137 participants from all over Greenland. The focus of the conference was on responsible tourism development, growth and innovation, and it resulted in 11 clear recommendations for tourism development in Greenland.

- Participation in travel fairs is crucial to maintain and develop markets, and in 2018, Air Greenland was represented in many places in the world; ITB in Berlin, Vestnorden Travel Mart (VNTM) in Akureyri, 5 Country Workshop in London, Mid Atlantic in Reykjavik and the Government of Greenland’s trade promotion in China.
- In 2018, we saw a greater-than-expected growth in the charter market, which is a really positive development after many years of stagnation. The level of activity has increased in mineral exploration, as well as for business projects, and it is satisfying that we have been able to meet the increased demand and provide helicopter capability for our customers including the necessary backup capacity, which is necessary for operations in Greenland.
- Air Greenland has a clear goal of streamlining the company with a focus on an improved customer experience. In 2017, we selected Lean as the management tool to support organisational development, and in 2018, Lean was implemented in earnest throughout the organisation. Managers and employees have all welcomed the new system, and customer satisfaction – especially the positive development in handling disruptions – can be traced back to our work with Lean.
- The public debate about Greenland’s airport structure also had a strong presence in 2018, with the culmination in November of the framework conditions for the future infrastructure being politically approved. Throughout the years, Air Greenland has participated in the debate with facts and analyses. Now that the airport construction is about to enter the construction phase, we see it as our primary role to ensure stable operating conditions while construction is underway, so the impact on Greenland’s residents is minimal, and the positive development can continue.

Lean is a systematic working method that removes redundant tasks in our processes. The goal of lean is to improve safety, quality, deliveries and reduce costs. Air Greenland has a strategic goal of streamlining the company and improving the customer experience so that the company is strong in relation to competitors. The goal with Lean in Air Greenland is:

- Deliver a stable operation and a good customer experience in a difficult operating environment
- Ensuring continuous improvement becomes a central part of the company’s culture
- Supports Air Greenland’s safekeeping culture





## Financial development



Profit for the year is DKK 80.8 million, which is on par with expectations for the year. The growth has been lower than expected, which has resulted in increased costs, but together with increased charter activity and efficient adaptation of production, we have achieved a satisfactory result.

### Fuel

Air Greenland's fuel costs have increased by about DKK 20 million on the Atlantic route since 2016, and in 2018, fuel prices increased further, and it is expected that the cost in 2019 will be increased by an additional DKK 8 million. During this period, ticket prices did not increase accordingly. Therefore in October, a fuel surcharge of DKK 300 was introduced for a return trip between Kangerlussuaq/Narsarsuaq and Copenhagen regardless of ticket type. The amount of the fuel surcharge will follow developments on the world market and is not permanent. The surcharge will no longer apply once fuel prices are again at a 2016 level.

### Technical maintenance

Air Greenland's operation with a small fleet is vulnerable to unplanned maintenance. In 2018, both our domestic operation and Atlantic route between Kangerlussuaq and Copenhagen suffered and, unfortunately, over the high season, our options for the timely arrival of affected passengers was reduced significantly. The recent year's records in passenger numbers were possible to achieve with the existing fleet through streamlining. It is extremely positive, but especially over the high season, it means that we have little available aircraft capacity to deploy when

the schedule changes due to delays and cancellations. The same applies to the companies we hire replacement aircraft from, and so it may take a few days before our schedule gets back to normal again. This issue is a priority Lean initiative, and we expect that the efforts will lead to a reduction in unplanned maintenance, and so fewer changes for customers.

### Pilot costs

It has been necessary to increase the number of pilots, and thereby the total pilot costs with 14%, partly as a result of the expected increased demand, and partly as a result of new requirements from the Danish Transport, Construction and Housing Authority regarding the amended rules for night flights with helicopters in Greenland. The latter has increased costs to more pilots by about DKK 13 million. The increased demand in route traffic along with a focus on a more robust traffic flow has led to an increase in pilot costs of almost DKK 9 million which, in turn, has created the possibility of further passenger growth.

### Subsidiaries

All companies in the Group delivered a positive result in 2018 with excellent utilisation and attractive offers. Investments in Greenland's reception apparatus is a high priority at Air Greenland because it is vital to our collective future as a tourist destination.

### Greenland Travel

Greenland Travel's profit for the year was DKK 9.2 million before tax and DKK 6.7 million after tax. The profit for 2018 is very satisfactory in the wake of the growth strategies that Greenland Travel has been





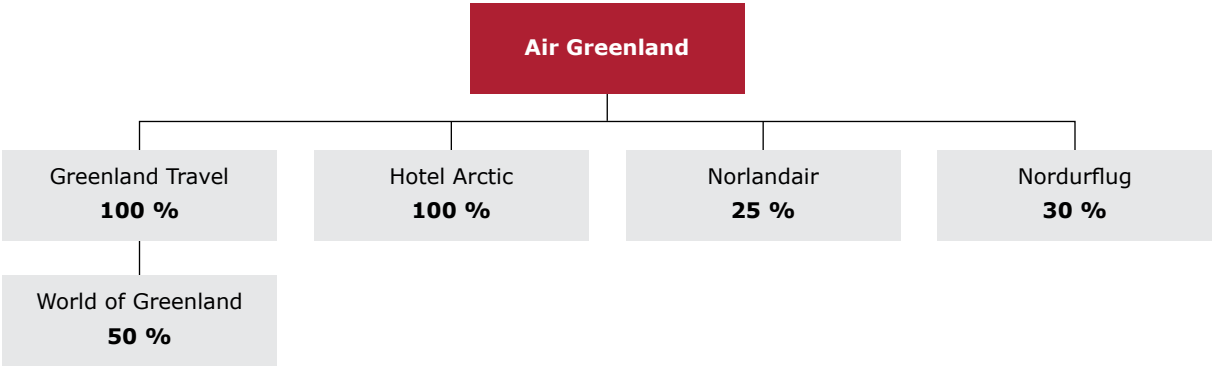
working on for the past year. Greenland Travel continues its growth of recent years and in 2018 had an activity increase of 8% compared to 2017.

The main activity in leisure is the production and sale of tourism-based products primarily for Greenland. Greenland Travel sells both directly to customers and through agents. We experienced lower growth in the peak season than expected, but this is offset by better sales in shoulder seasons, and overall the leisure segment grew by 4%.

Greenland Travel owns 50% of World of Greenland, which in 2018 also delivered a satisfactory profit. The profit was DKK 1,329,000 after tax. World of Greenland's principal activity is Glacier Lodge Eqi, north of Ilulissat and Ilimanaq Lodge, south of Ilulissat. World of Greenland wants to continue to invest further in the Lodge concepts and has a finished project to expand and improve Glacier Lodge Eqi.

**Hotel Arctic**  
Hotel Arctic ended the year with a profit of DKK 6.1 million before tax, which is considered to be satisfactory. Profit after tax was DKK 4.2 million, and despite slightly fewer guests than expected and some increased costs during the year, the company has managed to deliver a satisfactory result and with a firm foundation to continue to be one of Greenland's leading hotels.

**Norlandair and Nordurflug**  
Air Greenland has had a good working relationship with our partner companies Nordurflug, where we own 30% and Norlandair where we own 25%. Norlandair has achieved a satisfactory result share of DKK 1.0 million, while Nordurflug has achieved a slightly unsatisfactory result.







## Risk management

### Centrally located in a dynamic market

#### Strategic risks

The new infrastructure with, amongst other things, extended runways in 2023 will be a historic milestone for Greenland and Air Greenland. In the period up to 2023, a business plan is needed for Air Greenland in a new infrastructure, and the competition situation must be identified. This includes not only the restructuring of the fleet but also a reorganisation of schedules, products and the adaptation of the organisation. We assess that the Air Greenland is well positioned in a new infrastructure, and as a basis for the big strategic decisions to be taken in the years ahead, comprehensive analysis work will begin in 2019.

#### Financial risks

Air Greenland handles, among other things, the economic risks by realising our market potential with the least possible costs. Through Revenue Management, there is an ongoing focus on developing employee competencies for capacity and price management. By proactively ensuring the correct match in supply and demand, we provide excellent customer experiences across all customer segments, while ensuring profitable sales.

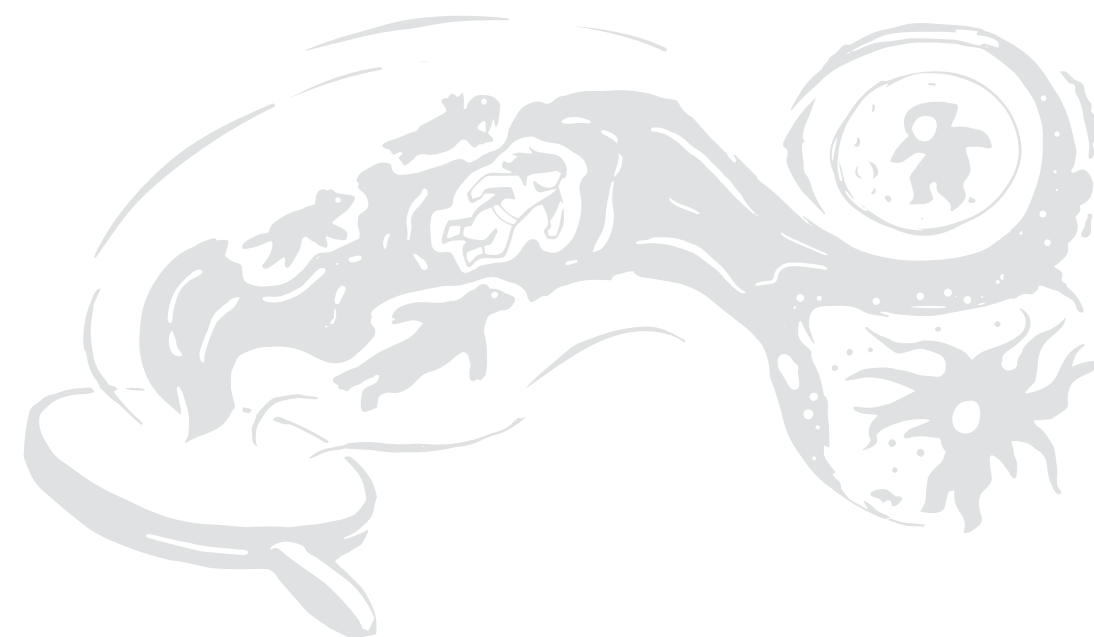
The company exercises a hedging policy, where on an annual basis the Company is protected against price and exchange rate increases on fuel, which is a crucial tool in controlling costs.

#### Operational risks

In Greenland, which internationally means having the right skills at the right time, is a vital competitive parameter, which means that the company is agile and can quickly adapt to new market conditions. Air Greenland has consistently focused on retaining and attracting skilled staff through a strong corporate culture, as well as ongoing training and skills development.

In a dynamic market, an efficient decision-making process is essential for a company's timely development, which requires rigorous and efficient processes across the company, and at Air Greenland, we have chosen Lean as the management tool to support an effective organisational structure.

Air Greenland's operations will be affected during the construction phase of the new runways in Nuuk and Ilulissat, particularly in Nuuk, where the existing runway is to be expanded and extended. A working group has been formed that aims to ensure that inconvenience to passengers in Greenland is reduced as far as possible.





## Growth and development

### Working on the excellent customer experience

#### More ways into Greenland

In 2018, Air Greenland's passenger numbers increased by 4% on competitive routes. 87% of the growth in foreign traffic comes from Copenhagen and 13% via Iceland. So, Copenhagen remains both the domestic market and tourists' favourite port into Greenland.

In 2018, we increased our flights to Iceland with summer routes between Ilulissat, Kangerlussuaq and Reykjavik, as well as year-round flights between Nuuk and Reykjavik. Overall, we carried 29% more passengers between Greenland and Iceland in 2018 than in 2017. So, it has been a satisfying year, where passenger numbers have been retained between Nuuk and Reykjavik, and we won a market share between Ilulissat and Reykjavik, where passenger numbers have nearly quadrupled.

#### Cruise changes – a crucial market gain

In 2018, we again entered into an agreement on passenger changes for travel agents Albatros and the Hurtigruten's cruise ships in Kangerlussuaq. It is a significant market share we have gained from competitors, which in addition to strengthening our overall business basis, it also provides the basis for the route between Kangerlussuaq and Keflavik with our A330-200 during the high season.

#### Thanks for the feedback in 2018

As Greenland's national airline and as the sole operator of many several routes, Air Greenland has a considerable responsibility to provide high-quality customer service in all points of contact from booking the ticket to baggage reclaim. Customer satisfaction with our service on board is high, which is a great tribute to our cabin crew and pilots. Our customer feedback instead points to improvement potentials for check-in, baggage reclaim and information levels for delays and cancellations.

In 2018, the check-in flow and baggage reclaim in Copenhagen was reviewed to identify focus areas with our handling agent and us. This has resulted in faster and easier check-in for our customers through

simple measures like better signage, better management of the counters and self-service terminals to use at the bagdrop counter.

In 2018, we made great efforts to improve our level of information in the event of delays and cancellations. Our messaging system via SMS and e-mail are quality and stress tested with improvements to follow. Our website was also brought into use as an information channel in the event of major operational disruptions.

We have not reached the finish line yet, but we are well on the way, and we would like to thank our customers for the constructive feedback – it helps us to develop ourselves as a company.

Baggage reclaim is an on-going focus area that we will be working on in 2019. The challenge is particularly in ensuring fast times for baggage reclaim in the winter when Norsaq takes off later than planned from Kangerlussuaq to wait for passenger from towns with bad weather.

#### Customer events in many towns

To increase the knowledge of our customers, and vice versa, and to get the opportunity to raise awareness of Air Greenland with our customers, we have introduced customer events in the company. They are events where we invite customers to everything from music, theatre, and face painting, and where at the same time we tell about our trips, promotions, and opportunities for education, training and jobs.

In 2018, we met our customers in Nuuk, Ilulissat and Sisimiut, and we would like to say thank you for the great experiences and the many ideas we have received. We look forward to continuing our customer journey in 2019.

#### Towards more Tourism

In November 2018, the Towards More Tourism conference was hosted by Visit Greenland and Air Greenland. 137 players and stakeholders from across the

country attended the conference with speakers from home and abroad. The outcome of the conference was 11 concrete recommendations as to how the tourism industry works with responsible tourism, growth and innovation.

***"As a Group, we have a strong interest in helping to create sustainable and positive tourism development in Greenland. We see a growing demand for Greenland as a destination, and we believe that growth in passenger numbers in the future will primarily be driven by tourism. The main challenges are to ensure a better spread of tourism growth geographically and throughout the year, and so create responsible and sustainable tourism in Greenland."***

Commercial Director Maliina Abelsen

#### Servise contracts

The Danish Transport, Construction and Housing Authority's stricter rules for night flights shortens the time during the days that helicopters can operate, and again reduces flexibility when bad weather or technical issues postpone helicopter operation. They are challenging conditions, but the new rules for night flights are here to stay. But we assure our customers that we do everything we can to fly the scheduled program every day.







## Charter in a league of its own

### A historic 2018

In 2018, Air Greenland can again present the best revenue in charter business in the company's history, which was mainly due to increased activity in the construction sector and mineral research.

However, 2018 was also the year when Air Greenland entered into important contracts for the coming years.

#### 2018 – the year of charter contracts

In August, it was announced that Air Greenland had regained the U.S. Air Force's tender to operate Thule Air Base. The US Air Force is a vital customer for Air Greenland, and professional collaboration has been built up over the years. Therefore, we are pleased to continue to provide the service until 31 December 2023, which includes over 14 flights with our A330-200 and 26 flights with Dash 8-200 each year.

In October, Air Greenland and the Greenland Healthcare Service signed a new 3-year agreement on transporting residents needing medical evacuation. The new agreement makes it possible for us to invest in a brand new Super King Air, and so increase the level of service to our customer, the Healthcare Service, and so for the people of Greenland. We are really looking forward to welcoming the new Super King Air to Air Greenland's fleet in September 2019.

In November, it was announced that Air Greenland had won a contract for the Ministry of Defence's tender for Search and Rescue (SAR) in Greenland. The SAR contract is for 2019 and 2020 and includes our S61 helicopter stationed in Kangerlussuaq and one of our Bell 212 helicopters stationed in Qaqortoq. It is a great accolade to our pilots, hoist operators and mechanics, who are specialised for the task and provide a high-quality Arctic SAR preparedness. The contract for 2021-2023 comes out for tender again, and we look forward to the forthcoming tender documents.

***"Every contract we win shows that Air Greenland is competitive on safety, price and product, which is key for us as a company. Moreover, a big thanks go to our employees – they ensure a high level of service and a safe operation, which helps to give the company a vital competitive advantage."***

CEO Jacob Nitter Sørensen

#### When mail and cargo is a social matter

Shipping cargo is a crucial task in Greenlandic society. In addition to mail and fresh ingredients, we also carry vital shipments like medicine, blood samples and spare parts for the business community. Many shipments require special handling, and it requires plenty of logistics to redistribute the cargo from our A330-200 to the Dash 8 fleet, and sometimes on to the Bell 212-fleet, and often under challenging conditions.





## Aviation in the Arctic

### High demands on professionalism

Conditions for aviation in Greenland are changeable. We are not only affected by the general development within aviation, but also the conditions that will we operate under are changeable and can change from hour to hour. Many of our pilots and mechanics are also alone in their daily work, where both sparring and spare parts may be far away. This is the case our mechanics and pilots stationed in North and East Greenland and in the camps that are constructed over the high season with regards to mineral exploration or scientific studies. It is a major logistical task to distribute the mechanic and pilot resources from Qaanaaq in North Greenland to Tasiilaq in East Greenland, and it places high demands on training and continuing education to continue to deliver a high level within Arctic aviation.

#### Operational quality stamp

As already mentioned, 2018 was a busy year for invitations to tender and contracts, and for each submitted quote our operational departments have quality checked supplies and stress tested the setup. For the Search and Rescue tender, the Flight Operations Department assessed the helicopter's performance regarding the tender requirements, as well as the resource and training needs of pilots, while the Engineering Department evaluated the resource draw on mechanics and hoist operators in the desired setup. Alternatively, when ordering the new Super King Air, where the Operational Departments assessed what functionalities must be a priority for the new aircraft in the best possible way to service the Healthcare Service and the people of Greenland.

Many airlines currently outsource technical functions. We have outsourced Base maintenance on Dash 8, but at Air Greenland, we see it as a clear competitive advantage to have both the aircraft engineering and aeronautical skills in-house.

#### Safety Always

The foundation of Air Greenland's business is a systematic and proactive approach to safety, in which the outside world has full confidence that it is safe and professional to fly with Air Greenland.

That means we:

- accepts that safety is a key responsibility for all managers, who through active leadership, good procedures, effective training and good communication owns safety management.
- comply with legislation, meet all relevant standards and continuously consider an even higher level.
- Strives for a safety culture that promotes open reporting at all levels.
- Strives for a structured approach to security with a view to managing the risks involved in many of our activities.

#### Lean improves efficiency

In the autumn of 2018, Lean was implemented in the Engineering Department. This has resulted in training for managers, team leaders and employees, and the first concrete projects will begin in 2019. Aversion to change is a natural reaction and is to be particularly expected in an older company such as Air Greenland. That is why we are proud of the positive interest – not only from the Engineering Department but from the overall organisation – towards Lean as a management tool, and we look forward to telling you about the results of the 2019 efforts.







## HR and CSR

### With a focus on training, education and innovation

Air Greenland is an integral part of the Greenlandic society by virtue of us linking the country together, and the employer of 2.5% of the employed labour force. With this comes great responsibility in terms of working environment and well-being, and engagement in society.

#### Education and training create change

Air Greenland's is a training company for aircraft engineers, traffic candidates, applicants, cargo assistants and cabin crews, and we also have a number of trainee places. Currently, we have students such as IT engineers, data technicians, graphic artists, terminal workers, catering staff and Academy Profession Programmes within sales, marketing, HR and finance. Every year we take on an average of 34 students and trainees, and in 2018, 41 people were fully-qualified from Air Greenland.

Our students and trainees contribute with new knowledge and new angles, and it challenges the old familiar problems and habits. They help to ensure that we as a company do not stand still, but instead, we continuously develop.

#### Lean – tools and training

In 2018, Lean was rolled out in earnest within the organisation with extensive training sessions which included: broad induction training for all managers and employees, and a specific Lean training course for the employees who first received Lean tools in their daily lives.

In parallel with the training, we have been developed scoreboards and KPI's for the cross-disciplinary value stream in the company, which is the planning and executing of traffic, as well as for all business areas. Each week the KPI's with deviation explanations are followed up. For many, this will seem like a control system, but Lean is a tool for behavioural change. It has been a great upheaval, and it still is, but Lean has brought the facts to the table, and it optimises operation and qualifies the strategic decisions.

A value stream is a chain of transversal processes in the company. In Air Greenland one value stream is planning and executing the traffic program.

#### The Foundation for Entrepreneurship Kalaallit Nunaat

Air Greenland has entered into a partnership with the Foundation for Entrepreneurship Kalaallit Nunaat (FFE KN) with the objective to promote entrepreneurship in Greenland and invest in tomorrow's talents. It happens, among other things, through continuing education of teachers and teaching for trainees and students.

The partnership has made it possible to train 100 teachers in entrepreneurship in Nuuk, Maniitsoq, Kangerlussuaq and Sisimiut, and over the last two years over 500 trainees and students have received entrepreneurship teaching.

In 2018, students from Qinguata Atuarfia in Kangerlussuaq won with Project Edison: the idea of developing a food waste app. The winners participated in the annual entrepreneurship final Arsarnerit Inuusuttai – Young Northern Lights in Nuuk, where they also won.

#### Culture Night with Ramasjang Mysteriet

Air Greenland opened their doors again this year for Culture Night with a total of 3,839 guests, and 100 of our staff were volunteers on the evening in Nuuk. The main attraction for the children in 2018 was Kristian from Ramasjang Mystery, who entertained both children and adults in Nuuk. Culture Night also provides an opportunity to learn about our fleet, Air Greenland's training programmes, our products and sponsorships and much more. The doors were also opened in Kangerlussuaq and Ilulissat, and it made Culture Night a big event, where we meet our customers – once again thank you for a lovely evening!

#### With care for the environment

Aviation is an industry that leaves a CO<sub>2</sub> footprint, and we are very conscious of that at Air Greenland. Fleet replacement to more fuel-friendly planes and helicopters will have a positive impact, and it is a part of the present strategy work. Until then, we will focus on fuel-friendly flying through our Go-Green Fuel Saving policies for Norsaq and the Dash 8 fleet, where power settings, flight routes and altitudes together produce a reduction in fuel consumption for the most environmentally damaging part of the fleet.



# CSR Indicators

The good working life	2014	2015	2016	2017	2018
Resources used on courses (in DKK millions)	15,9	12, 4	14.9	16,0	17,3
- Mandatory courses	2,5	1,5	1,8	2,7	2,3
- Simulator	8,7	6,9	7,6	7,4	10,3
- Non-mandatory courses	4,6	4,0	5,4	5,9	4,7
Professional and personal development/ Learning and development (2017) - from employee satisfaction survey	67	65	74	73	75
Daily work/Job content (2017) - from employee satisfaction survey	76	75	81	79	82
Internal recruitment for management positions	100%	57,1%	0,0 %	50 %	4 %
Employee turnover	10,6%	9,47%	9,1 %	9 %	12,44 %
Proportion of trainees in the workforce	4,5%	4,7%	4,9 %	6,2 %	6,6%
Sick leave	2,8%	3,6%	3,7%	3,7%	3,7%
Accidents at work	5	9	12	9	19
The enviromentally conscious operation	2014	2015	2016	2017	2018
CO <sub>2</sub> emissions	76.832 ton	81.021 ton	85.380 ton	86.997 ton	88.315 ton
Total parent company - Total (only aircraft)	69.143 ton	71.881 ton	76.936 ton	78.841 ton	80.316 ton
CO <sub>2</sub> emissions vehicles and ground equipment	304 ton	259 ton	275 ton	375 ton	366 ton
CO <sub>2</sub> emissions buildings	2.656 ton	2.694 ton	2.485 ton	2.535 ton	2.532 ton
Hotel Arctic CO <sub>2</sub> emissions	279 ton	302 ton	329 ton	261,8 ton	261,6 ton
Greenland Travel CO <sub>2</sub> emissions	55 ton	56 ton	55,9 ton	40,5 ton	48,9 ton
The committed company	2014	2015	2016	2017	2018
Sponsorships	3,4	2,0	2,4	1,7	2,5
Number of students in internship or similar	6	10	11	7	4







## Expectations for 2019

### Yet another flying year in waiting

Our activities and goals for 2019:

- We expect scheduled flight activities in 2019 to maintain 2018 passenger numbers. The reason is especially fuel increases combined with capacity limits over the high season in the tourism sector which is estimated to affect demand.
- In 2019, the strategy for Air Greenland until the new runway opens will be drawn up. It will be a strategy that both must provide direction for continued development of the market in the years during the construction phase, but also relate to what company Air Greenland will be in a new infrastructure, since product and fleet development, as well as organisational restructuring must be implemented up until 2023.
- In 2019, Lean efforts should really stand their test of strength through breakthrough projects in the Operational Departments. This is where we have to show that Lean is more than words and systems, and it can both improve the customer experience, as well as have a positive effect on the economy through a better organisation of scheduled traffic.
- We are still working to gain a market share on flights between Greenland and Iceland, and thereby strengthen the company's position as the tourists' preferred airline.
- There is expected to be growth within the Charter area since many exploration licences have been granted and the level of activity within climate research is also increasing.
- In March, Air Greenland participated in a major Greenland-Denmark trade promotion centred around the mining conference PDAC in Toronto, Canada. This year, his Royal Highness Crown Prince Frederik was the head of the delegation, which will put Greenland on the map as a mining destination.
- In March we launched our new customer club, which in addition to member benefits, it also collects travel information, offers and useful knowledge about travelling by Air Greenland. It has been an exciting job developing the customer club, and we are looking forward to receiving feedback from our customers.

- In 2019, we will continue to travel out into the country with our customer events, and in 2019, we will visit Qaqortoq, Tasiilaq and Aasiaat with music, experiences and exciting competitions.
- In 2019, we are looking forward to presenting a new entertainment system aboard Norsaq, our A330-200. We look forward to being able to present newer and more films, as well as a larger entertainment universe for children.
- In 2019, we expect the Danish Ministry of Defence to put Search and Rescue in Greenland from 2021 out to tender, and we look forward to once again bidding on it.
- In September 2019, we are looking forward to welcoming the company's new Super King Air specially equipped for medevac and operations in the Arctic.
- Air Greenland is again planning to continue our substantial engagement in Greenlandic society through sponsorships and CSR initiatives. The partnership with the Foundation for Entrepre-

neurship Kalaallit Nunaat (FFE KN) will continue, where students from Kangerlussuaq will participate in the Entrepreneurship for the Danish Realm Championships in April 2019, which takes place in Denmark. In 2019, FFE KN will also reach South and North Greenland, and continue to give children and young people in Greenland the opportunity to meet other innovative and entrepreneurial young people in the North Atlantic through the various entrepreneurship championships.

- In 2019, Air Greenland will continue to sponsor Katuaq – Greenland's Culture House, Arctic Circle Race, Avannaata Qimussersua, Sports Confederation of Greenland and The National Theatre of Greenland. We are also having talks about sponsorships of many exciting projects – follow us on our website, Facebook and Instagram to get the latest updates.

Air Greenland expects a pre-tax profit of around DKK 75-85 million in 2019



## Corporate Social Responsibility

The company's Board holds six ordinary meetings a year, which are evenly distributed and agreed for one year at a time – which ensures ongoing dialogue between the Board and management. If need be, extraordinary meetings can be held.

The Board and management review the company's capital structure, which, along with a number of other factors, such as fiscal policy, insurance issues and strategies are discussed at least once a year.

### Air Greenland and the stakeholders

Air Greenland take an active part in social responsibility, which is reflected in, among other things, the company's mission, where it is declared that "we are aware of our social responsibility and take it seriously." The company's stakeholder policy supports this focus on building and maintaining the company's relationships.

### Openness and transparency

Air Greenland attaches importance to openness and transparency through the website and other appropriate means, including annual reports, newsletters, press releases, social media, etc., to ensure public access to relevant information about the company, including information about the board members and management competencies. The board has furthermore initiated the work of establishing a whistleblower system, which will be launched in 2017.

### The Board's duties, responsibilities and work

The Board has organised itself with a chairman, who, according to the company's Articles of Association, is elected at the constituent meeting. I.e. the Board's rules of procedures the Board organise itself further with a vice chairman.

The duties and responsibilities of the Board appear in the company's rules of procedure. In addition to the issues which have to be dealt with, the Board works based on a range of established themes that are dealt with each year, including:

- Develop and/or revise strategies.
- Relate to the company's capital structure, fiscal policy, insurance.
- Evaluate collaboration frameworks and skills, and take possible corrective measures, including a review of the rules of procedure, Articles of Association and management instructions, evaluation of the Board and management.
- Determine and evaluate economic frameworks and results, including the budget, annual accounts, audits, long-term budget, finance policy, risk assessment and insurance policy.

### Risk management, internal control and audit

Management regularly reports to the Board on the development in key areas of risk, and ensures that the Board is informed of any business-related risks and while corrective measures are underway. Furthermore, regular dialogue and exchange of information is ensured with the accountant, partly through audit reports and partly through the accountant's annual participation at the board meeting in March/April.

## Accounting practices

This annual report has been prepared in accordance with the provisions of the Greenlandic Financial Statements Act governing reporting class C enterprises (large).

The accounting policies are unchanged compared to 2017.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Group, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Group, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement after initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year, including depreciation, amortisation, impairment losses and provisions, as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

### The consolidated financial statements

The consolidated financial statements comprise Air Greenland A/S (Parent) and the Group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising a

controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not a controlling influence, are regarded as associated companies.

### Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Air Greenland A/S and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends, as well as profits and losses on transactions between the consolidated enterprises, are eliminated. The financial statements used for consolidation have been prepared to apply the Group's accounting policies.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Newly acquired or newly established subsidiaries are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up subsidiaries are recognised in the consolidated income statement up to the time of their divestment or winding-up.

### Foreign currency translation

Danish kroner (DKK) is used as the presentation currency. All other currencies are regarded as a foreign currency.

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial items. Fixed tangible assets, intangible







assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates. If the exchange positions are considered to safeguard future cash flows, the value adjustments are recognised directly in equity.

When recognising foreign associated companies, the share of the profit is translated using the average exchange rate for the year, and the share of the book value is translated using the currency exchange rate at the balance sheet date. Exchange rate differences resulting from the conversion of the book value at the beginning of the year to the balance sheet date exchange rate, as well as for the conversion of the share of the profit from the average rate to the exchange rate on the balance sheet date are recognised directly on equity.

**Derivative financial instruments**

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables and other payables.

Changes in the fair value of derivative financial instruments classified as and complying with, the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recorded directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of the cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial items.

**Segment information on net revenue**

The Group has divided its income into various business segments. Reference is made to the division in the note for net revenue.



# Income Statement

**Net revenue**

Net revenue from the sale of tickets, cargo, mail and charter traffic is recognised in the income statement when the transport has taken place.

Passenger taxes on domestic flights in Greenland collected from passengers on behalf of third parties are not included in income.

Tickets sold that are not used before they are out-dated are recognised as income.

Service contracts are recognised as income in the period covered by the contract payment.

**Other operating income and expenses**

Other operating income comprises income of a secondary nature viewed in relation to the Group's primary activities, including rental of business premises, handling income, etc.

**Other external expenses**

Other external expenditure comprises expenses for aircraft maintenance, fuel, purchase of capacity, provision to agents, taxes and costs in connection with passenger accommodation, premises, administration, sales and marketing, etc.

**Staff costs**

Staff costs include costs for salaries and wages and social contributions, pensions, etc., for the company's employees.

**Financial income and expenses**

Financial items include interest income and expenses, the interest portion of financial lease instalments, exchange rate gains and losses, amortisation charges and deductions on mortgage debt, etc.

**Income taxes**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

In Greenland, tax deductibility is allowed for dividends paid during the year. The tax value of allocated dividends in the annual report is therefore recorded directly in equity, in accordance with the above.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax is measured based on the tax regulations and tax rates of the relevant countries that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to be triggered as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.



Balance

Tangible fixed assets

Buildings, aircraft including essential components, other aircraft components, as well as other equipment, vehicles and inventory are measured at cost price less accumulated depreciation and impairment losses.

Cost includes purchase price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be taken into use. For Group-manufactured assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and the present value of future lease payments.

Interest expenses on loans for financing the manufacture of tangible fixed assets are included in cost if they relate to the manufacturing period. All other financing costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of estimated useful lives and scrap values of the assets, see however below for essential aircraft components.

The value of Air Greenland's aircraft can be separated into partly the aircraft/helicopter itself and partly essential components. The aircraft/helicopter is depreciated on a straight-line basis according to the principles mentioned above.

The essential components are depreciated at the rate in which they are used, up to the next maintenance check. When a component is sent for a maintenance

check, it will be written off, and costs of the maintenance check will be activated and amortised up to the next maintenance check. This method ensures that maintenance costs are accrued at the same rate as the components are used.

Assets with a cost of less than DKK 50,000 are recorded as expenses in the income statement at the time of purchase. IT purchases are, regardless of cost, capitalised and depreciated over 3 years.

Tangible fixed assets are written down to the lower of recoverable value and book value.

Profits and losses from the sale of tangible fixed assets are calculated as the difference between the selling price less selling costs and book value at the time of sale. Profits or losses are recognised in the income statement as an adjustment to depreciation and impairment losses, or under other operating income if the selling price exceeds the original cost.

**Investments in subsidiaries and associated companies**

Investments in subsidiaries and associated companies are recorded and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or less unamortised positive, or negative, goodwill plus or less unrealised intra-group profits or losses.

The Parent's share of the enterprises' profits or losses after elimination of unrealised intra-group profits and losses and less or plus amortisation of positive, or negative, goodwill is recognised in the income statement.

	Depreciation period	Scrap value
Buildings	20-35 years	0-25 %
Aircraft/helicopters	6-12 years	0-25 %
Other components	6-12 years	20 %
Other equipment, vehicles and inventory	3-10 years	0 %

Upon distribution of profit or loss, net revaluation of investments in subsidiaries and associated companies is transferred to reserve for net revaluation according to the equity method under equity.

**Inventories**

Inventories are measured at cost using the FIFO method or net realisable value when this is lower.

Cost of spare parts comprises the purchase price with the addition of delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute the sale.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less provisions for bad debts.

**Prepayments (assets)**

Prepayments recognised under assets comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

**Mortgage debt**

At the time of borrowing, mortgage debt is measured at cost which corresponds to the proceeds received less transaction costs incurred. The mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

**Lease**

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as

liabilities and, at the time of inception of the lease, measured at the present value of the future lease payments. After initial recognition, lease commitments are measured at amortised cost. The difference between the present value and the nominal value of the lease payments are recognised in the profit and loss statement over the term of the contract as a financial cost.

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**Other financial liabilities**

Other financial liabilities are recognised at amortised cost which usually corresponds to the nominal value.

**Deferred income (liabilities)**

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

**Cash flow statement**

The cash flow statement of the Parent Company and the Group is presented using the indirect method and shows cash flows from operating, investing and financing activities, as well as the Parent Company and the Group's cash and cash equivalents at the beginning and end of the financial year.

The cash flow impact of the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the cash flow statement, group cash flows from acquired companies are recognised from the date of acquisition, and cash flows from sold companies are recognised until the time of sale.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flow from investing activities comprise payments in connection with acquisition and divestment



of enterprises, activities and fixed asset investments, as well as purchase, development, improvement and sale, etc., of intangible assets and tangible fixed assets.

Cash flow from financing activities comprises changes in the size or composition of the Parent’s share capital and related costs, as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash less short-term bank debt.

Financial highlights

Key figures are drawn up on the basis of CFA Society Denmark’s “Recommendations & Key Figures 2015”.

NOPLAT (Net Operating Profit Less Adjusted Taxes) is defined as the profit/loss before interest (EBIT) adjusted for operational leasing costs, cf. note 4, less calculated depreciation of operational leased aircraft less 31.8% tax.

Financial highlights	Calculation formula	Key figures express
Profit margin (EBIT-margin) (%)	$\frac{\text{Operating result (EBIT)}}{\text{Revenue}}$	The company’s operational profitability
Return on invested capital after tax including goodwill (%)	$\frac{\text{NOPLAT}}{\text{Average invested capital including goodwill}}$	The return the company generates from investors’ funds
Financial gearing	$\frac{\text{Net interest-bearing debt}}{\text{Equity}}$	The company’s financial leverage
Return on equity (%)	$\frac{\text{Profit or loss for the year}}{\text{Average equity}}$	The company’s rate of return on the capital the owners have invested in the company
Equity ratio (%)	$\frac{\text{Equity}}{\text{Total assets}}$	The company’s financial strength

Invested capital including goodwill is defined as equity plus net interest-bearing debt.

Net interest-bearing debt is defined as interest-bearing liabilities, net of interest-bearing assets, including cash and income tax receivable. Operational leasing is included in net interest-bearing debts by a factor 7 times the year’s operational leasing costs.





# Annual Report

## Income statement for January 1<sup>st</sup> to December 31<sup>st</sup>

(in 1.000 DKK)	Parent company		Note	The Group	
	2018	2017		2018	2017
Net revenue	1.268.226	1.205.563	1	1.370.079	1.304.832
Other external costs	(647.524)	(614.714)	2	(684.715)	(650.759)
Staff costs	(416.201)	(397.526)	3	(460.882)	(436.857)
Depreciation and amortisation	(141.422)	(136.337)	4	(145.367)	(141.454)
Profit or loss before financial items	63.079	56.986		79.115	75.762
Income from equity holdings in subsidiaries	10.858	11.367	10	-	-
Income from equity holdings in associated companies	(32)	565	10	646	(317)
Other financial income	3.992	207	5	4.420	712
Financial expenses	(1.536)	(3.238)	6	(3.396)	(5.106)
Profit before tax	76.361	65.887		80.786	71.051
Tax on the year's profit	(24.283)	(20.953)	7	(28.708)	(26.117)
Profit or loss for the year	52.078	44.934		52.078	44.934
Proposal for profit allocation:					
Dividends for the financial year	-	22.500			
Assigned to reserve for net appreciation according to book value method	10.528	(2.762)			
Transferred to next year	41.550	25.196			
	52.078	44.934			

## Balance at December 31<sup>st</sup>

(in 1.000 DKK)	Parent company		Note	The Group	
	2018	2017		2018	2017
Software	-	816		-	816
Intangible fixed assets	-	816	8	-	816
Buildings	144.794	148.859		229.257	234.562
Aircraft equipment incl. essential aircraft components	457.868	480.375		457.868	480.375
Other aircraft components	24.425	27.967		24.425	27.967
Other plant, operating equipment and inventory	15.877	15.376		23.626	21.021
Prepayments for tangible fixed assets	-	-		2.056	370
Tangible fixed assets	642.964	672.577	9	737.233	764.295
Equity holdings in subsidiaries	103.483	92.625	10	-	-
Equity holdings in associated companies	17.449	18.961	10	23.080	23.913
Receivables with subsidiaries	-	3.051	10	-	-
Receivables with associated companies	-	-	10	1.575	1.387
Other securities and equity holdings	-	-	10	36	42
Other receivables	1.179	1.173	10	1.568	1.564
Deferred tax assets	-	-	14	168	212
Financial fixed assets	122.111	115.810		26.427	27.118
Fixed assets	765.075	789.203		763.660	792.229
Inventories	31.984	33.480	11	35.614	38.752
Receivables from sales and services	73.813	78.971		91.894	97.457
Receivables with subsidiaries	757	543		-	-
Receivables with associated companies	-	187		-	277
Other receivables	9.274	10.586	12	10.663	11.239
Accruals and deferred income	8.300	15.708		9.680	16.353
Receivables	92.144	105.995		112.237	125.326
Cash and cash equivalents	274.462	161.781		332.548	213.939
Total current assets	398.590	301.256		480.399	378.017
Assets	1.163.665	1.090.459		1.244.059	1.170.246



Balance at 31<sup>st</sup> December (contd.)

	Parent company		Note	The Group	
	2018	2017		2018	2017
Share capital	24.000	24.000	13	24.000	24.000
Reserve for net appreciation of equity holdings to book value method	69.197	59.851		9.223	10.939
Profit carried over	624.655	594.365		684.629	643.277
Dividends for the financial year	-	22.500		-	22.500
Equity	717.852	700.716		717.852	700.716
Deferred tax liabilities	132.438	142.866	14	147.173	155.653
Accrued obligations	132.438	142.866		147.173	155.653
Mortgage debt	6.320	5.385		7.167	6.652
Bank debt	-	-		21.786	23.719
Long-term debt obligations	6.320	5.385	15	28.953	30.371
Short-term share of long-term debt obligations	-	-	15	2.061	2.061
Supplier debts	68.572	50.019		89.452	68.071
Debts to subsidiaries	570	519		-	-
Debts to associated companies	14	23		188	224
Corporation tax	28.909	-		31.341	2.572
Other liabilities	124.376	111.419	16	130.585	130.700
Accruals and deferred income	84.614	79.512		96.455	79.878
Short-term debt obligations	307.055	241.492		350.081	283.506
Debt obligations	313.375	246.877		379.034	313.877
Liability	1.163.665	1.090.459		1.244.059	1.170.246
Mortgages and contingent liabilities, etc.		17-18			
Other notes		19-22			

Statement of changes in equity as of 31<sup>st</sup> December 2018

	Parent company				
	Share capital	Reserve for net appreciation of equity holdings to book value method	Profit carried over	Dividends for the financial year	Total
Equity 01.01.2017	24.000	63.262	559.377	37.000	683.639
Dividend paid to shareholders				(37.000)	(37.000)
Appreciation derivative financial instruments			3.867		3.867
Profit or loss for the year		(2.762)	25.196	22.500	44.934
Exchange rate adjustment of foreign associated company		(952)			(952)
Deferred tax on the year's dividends			7.155		7.155
Tax on equity		303	(1.230)		(927)
Equity 31.12.2017	24.000	59.851	594.365	22.500	700.716
Dividend paid to shareholders				(22.500)	(22.500)
Appreciation derivative financial instruments			(17.062)		(17.062)
Profit or loss for the year		10.152	41.926		52.078
Exchange rate adjustment of foreign associated company		(1.182)			(1.182)
Deferred tax on the year's dividends					
Tax on equity		376	5.426		5.802
Equity 31.12.2018	24.000	69.197	624.655	-	717.852
	The Group				
	Share capital	Reserve for net appreciation of equity holdings to book value method	Profit carried over	Dividends for the financial year	Total
Equity 01.01.2017	24.000	10.691	611.948	37.000	683.639
Dividend paid to shareholders				(37.000)	(37.000)
Appreciation derivative financial instruments			3.867		3.867
Profit or loss for the year		897	21.537	22.500	44.934
Exchange rate adjustment of foreign associated company		(952)			(952)
Deferred tax on the year's dividends			7.155		7.155
Tax on equity		303	(1.230)		(927)
Equity 31.12.2017	24.000	10.939	643.277	22.500	700.716
Dividend paid to shareholders				(22.500)	(22.500)
Appreciation derivative financial instruments			(17.062)		(17.062)
Profit or loss for the year		(910)	52.988		52.078
Exchange rate adjustment of foreign associated company		(1.182)			(1.182)
Tax on equity		376	5.426		5.802
Equity 31.12.2018	24.000	9.223	684.629	-	717.852



## Cash flow statement

(in 1.000 DKK)	Parent company		Note	The Group	
	2018	2017		2018	2017
Profit or loss before financial items	63.079	56.986		79.115	75.762
Depreciation and amortisation	141.422	136.336		145.367	141.454
Change in working capital	34.939	7.966	19	36.973	6.389
	239.440	201.288		261.455	223.605
Received financial income	3.992	207		4.420	712
Paid financial expenses	(1.536)	(3.238)		(3.396)	(5.106)
Tax paid	-	-		(2.572)	(1.342)
Cash flows regarding operation	241.896	198.257		259.908	217.869
Addition of tangible fixed assets	(121.310)	(162.875)		(127.641)	(165.797)
Sale of tangible fixed assets	10.317	10.580		10.147	8.881
Addition of fixed asset investments	(6)	-		(194)	(1.457)
Sale of fixed asset investments	3.051	2.428		8	39
Cash flows regarding investments	(107.948)	(149.867)		(117.680)	(158.334)
Taking on long-term debt obligations	935	-		935	-
Instalments on long-term debt obligations	-	-		(2.353)	(2.018)
Received dividends from subsidiaries	298	15.314		298	314
Dividend paid	(22.500)	(37.000)		(22.500)	(37.000)
Cash flows regarding financing	(21.267)	(21.686)		(23.620)	(38.704)
Change in cash and cash equivalents	112.681	26.704		118.608	20.831
Cash January 1 <sup>st</sup>	161.781	135.077		213.940	193.109
Cash December 31 <sup>st</sup>	274.462	161.781		332.548	213.940

## Notes to the Annual Report

(in 1.000 DKK)	Parent company		The Group	
	2018	2017	2018	2017
<b>1. Net revenue</b>				
Passenger income	723.036	687.460	723.036	687.459
Charter income	284.075	265.989	284.075	265.989
Cargo income	80.537	77.415	80.537	77.415
Mail income	25.009	24.879	25.009	24.879
Payment for service contracts	72.856	71.544	72.856	71.544
Income from hotel operations	-	-	56.102	57.384
Income from ticket sales	4.010	3.914	49.341	45.380
Other traffic income	67.126	64.419	67.126	64.419
Other operational income	11.577	9.943	11.997	10.363
	1.268.226	1.205.563	1.370.079	1.304.832
<b>2. Other external costs</b>				
As a result of operating in Greenland:				
- Fees to third parties in connection with air traffic	131.835	127.694	131.835	127.694
- Distribution costs	16.855	16.016	16.855	16.016
- Taxes charged to passengers	(64.971)	(63.341)	(64.971)	(63.341)
	83.719	80.369	83.719	80.369



(contd.)

(in 1.000 DKK)	Parent company		The Group	
	2018	2017	2018	2017
<b>3. Staff costs</b>				
Wages and salaries	360.675	348.159	401.185	385.139
Pension costs	13.930	13.005	15.381	13.761
Other social costs	41.596	36.362	44.315	37.957
	416.201	397.526	460.882	436.857
Of this total remuneration to the parent company:				
- Executive Board	3.025	10.325		
- Board of Directors	1.400	1.400		
	4.425	11.725		
Average number of employees	553	544	656	637
The Executive Board shall be remunerated pursuant to the contract with a fixed monthly salary incl. pension, as well as accommodation and company car in accordance with the applicable rules.				
The employment relationship may be terminated by either party with 12 months' notice.				
If the company terminates the Executive Board without justification of a violation, an agreement has been entered into with the Executive Board of severance pay of 12 months salary.				
The annual remuneration of the Executive Board of the parent company can be specified as follows:				
	2018	2017		
Fixed salary	2.790	2.788		
Resignation pay and severance pay	235	7.370		
Bonus	-	167		
	3.025	10.325		
No incentive schemes have been setup for the company's Board of Directors.				

(contd.)

(in 1.000 DKK)	Parent company		The Group	
	2018	2017	2018	2017
<b>4. Depreciation and amortisation</b>				
Software	816	3.463	816	3.463
Buildings	8.443	8.020	12.036	11.391
Aircraft equipment incl. essential aircraft components	109.429	87.032	109.429	87.032
Other aircraft components	12.065	8.308	12.065	8.308
Other equipment, vehicles and inventory	6.608	7.001	8.283	8.756
Profit from the sale of tangible fixed assets	4.061	22.513	2.738	22.505
	141.422	136.337	145.367	141.454
<b>5. Other financial income</b>				
Interest on bank deposits	-	3	405	180
Debts to subsidiaries	62	85	-	-
Debts to associated companies	-	-	55	57
Currency gains	3.882	-	3.912	-
Interest in general	48	119	48	475
	3.992	207	4.420	712
<b>6. Financial expenses</b>				
Interest on bank debt	1.402	1.252	1.971	1.648
Interest and amortisation of mortgage debt	-	-	1.285	1.360
Exchange rate losses	-	1.885	6	1.908
Interest in general	134	101	134	190
	1.536	3.238	3.396	5.106
<b>7. Tax on the year's profit</b>				
Current tax	28.909	-	31.342	2.572
Deferred tax on the year's profit	(4.626)	20.953	(2.634)	23.545
	24.283	20.953	28.708	26.117



(contd.)

(in 1.000 DKK)

	Parent company		The Group	
	Software	Total	Software	Total
<b>8. Intangible fixed assets</b>				
Cost 01.01.2018	39.012	39.012	39.012	39.012
Cost 31.12.2018	39.012	39.012	39.012	39.012
Depreciation and amortisation 01.01.2018	38.196	38.196	38.196	38.196
Depreciation for the year	816	816	816	816
Depreciation and amortisation 31.12.2018	39.012	39.012	39.012	39.012
Book value 31.12.2018	-	-	-	-

(contd.)

(in 1.000 DKK)

(in 1.000 DKK)		Parent company				
	Buildings	Aircraft equipment and aircraft components	Other aircraft components	Other equip-ment, vehicles and inventory	Total	
9. Tangible fixed assets						
Cost 01.01.2018	355.203	1.028.675	86.705	110.126	1.580.709	
Additions	5.243	96.385	8.524	7.108	117.260	
Departure	(1.500)	(27.294)	-	(996)	(29.790)	
Cost 31.12.2018	358.946	1.097.766	95.229	116.238	1.668.179	
Depreciation and amortisation 01.01.2018	206.344	548.300	58.739	94.749	908.132	
Depreciation for the year	8.443	109.429	12.065	6.608	136.545	
Transferred to other entries		4.072			4.072	
“Reversed depreciation pertaining to the year-end”	(635)	(21.903)		(996)	(23.534)	
Depreciation and amortisation 31.12.2018	214.152	639.898	70.804	100.361	1.025.215	
Book value 31.12.2018	144.794	457.868	24.425	15.877	642.964	
(in 1.000 DKK)		The Group				
	Buildings	Aircraft equipment and aircraft components	Over aircraft components	Other equip-ment, vehicles and inventory	Tangible fixed assets under construction	Total
9. Tangible fixed assets						
Cost 01.01.2018	489.043	1.028.675	86.705	159.167	370	1.763.960
Additions	8.379	96.385	8.524	10.892	2.056	126.237
Departure	(3.369)	(27.294)	-	(2.128)	(370)	(33.161)
Cost 31.12.2018	494.054	1.097.766	95.229	167.931	2.056	1.857.036
Depreciation and amortisation 01.01.2018	254.481	548.300	58.739	138.145	-	999.665
Depreciation for the year	12.036	109.429	12.065	8.288	-	141.818
Transferred to other entries	-	4.072	-	-	-	4.072
“Reversed depreciation pertaining to the year-end”	(1.721)	(21.903)	-	(2.128)	-	(25.752)
Depreciation and amortisation 31.12.2018	264.796	639.898	70.804	144.305	-	1.119.803
Book value 31.12.2018	229.257	457.868	24.425	23.626	2.056	737.233



(contd.)

(in 1.000 DKK)

Parent company					
	Equity holdings in subsidiaries	Equity holdings in associated companies	Receivables with subsidiaries	Other receivables	Total
<b>10. Financial fixed assets</b>					
Cost 01.01.2018	38.851	12.884	3.051	1.173	55.959
Additions				6	6
Departure			(3.051)		(3.051)
Cost 31.12.2018	38.851	12.884	-	1.179	52.914
Net appreciation 01.01.2018	53.774	6.077	-	-	59.851
Exchange rate adjustment	-	(1.182)			(1.182)
Share of the year's profit	10.858	(32)			10.826
Dividend paid to parent	-	(298)			(298)
Net appreciation 31.12.2018	64.632	4.565	-	-	69.197
Book value 31.12.2018	103.483	17.449	-	1.179	122.111

	percent	Nominal value	Equity
<b>Affiliated and associated companies (parent + group):</b>			
A/S Hotel Arctic, Ilulissat	100%	30.000	67.589
Greenland Travel A/S, Copenhagen	100%	1.500	35.414
Air Greenland ATO A/S, Copenhagen	100%	500	478
Nordurflug ehf., Reykjavik	30%	5.342	17.709
Norlandair ehf., Akureyri	25%	9.146	49.550
World of Greenland	50%	2.000	11.619

	2018	2017
Result of subsidiaries is made up as follows:		
Profit before tax A/S ATO, Copenhagen	(29)	(1)
Profit before tax A/S Hotel Arctic, Ilulissat	6.125	8.073
Profit before tax Greenland Travel A/S	9.187	8.459
Result of associated companies before tax	15.283	16.531
Tax in subsidiaries	(4.425)	(5.164)
Profit of associated companies after tax	10.858	11.367

(contd.)

(in 1.000 DKK)

The Group					
	Equity holdings in associated subsidiaries	Receivable with associated companies	Other securities and equity holdings	Other receivables	Total
<b>10. Financial fixed assets (continued)</b>					
Cost 01.01.2018	13.884	1.387	15	1.564	16.850
Additions		188		6	194
Departure			(6)	(2)	(8)
Cost 31.12.2018	13.884	1.575	9	1.568	17.036
Net appreciation 01.01.2018	10.939	-	27	-	10.966
Exchange rate adjustment	(1.182)				(1.182)
Share of the year's profit	(263)				(263)
Dividend paid to parent	(298)				(298)
Net appreciation 31.12.2018	9.196	-	27	-	9.223
Book value 31.12.2018	23.080	1.575	36	1.568	26.259

	Parent company		The Group	
	2018	2017	2018	2017
<b>11. Inventories</b>				
Spare parts stock	31.875	33.239	31.875	33.239
Other stocks	109	241	3.739	5.513
	31.984	33.480	35.614	38.752

<b>12. Other receivables</b>				
Positive fair value hedging instruments	1.838	5.470	1.838	5.470
Deposit item purchases	119	523	119	523
Other receivables	7.317	4.593	8.705	5.246
	9.274	10.586	10.663	11.239

**13. Share capital**

The share capital of DKK 24 million consists of 40 shares of DKK 500,000, 384 shares of DKK 10,000 and 160 shares of DKK 1,000.

The shares are not divided into classes with special rights. Each share of DKK 1,000 has 1 vote.

There has been no change in the share capital the past 5 years.



(contd.)

(in 1.000 DKK)	Parent company		The Group	
	2018	2017	2018	2017
<b>14. Deferred tax</b>				
Provision for deferred tax is based on the following items:				
Intangible fixed assets	-	259	-	259
Tangible fixed assets	117.460	128.015	132.387	141.033
Financial fixed assets	22.005	17.412	22.005	17.412
Total current assets	(1.602)	(1.406)	(1.761)	(1.565)
Short-term liabilities	(5.425)	-	(5.606)	(284)
Tax losses carried forward	-	-	(20)	-
Allocated dividend	-	(1.414)	-	(1.414)
	132.438	142.866	147.005	155.441
Net asset value is recognised in the balance sheet:				
Deferred tax assets	-	-	(168)	(212)
Deferred tax liabilities	132.438	142.866	147.173	155.653
	132.438	142.866	147.005	155.441
This year's movement can be specified as follows:				
Deferred tax January 1 <sup>st</sup>	142.866	128.141	155.441	138.125
Deferred tax on the year's profit	(4.626)	20.953	(2.634)	23.544
Tax value of the allocated dividend	-	(7.155)	-	(7.155)
Tax on equity	(5.802)	927	(5.802)	927
Deferred tax December 31 <sup>st</sup>	132.438	142.866	147.005	155.441

(contd.)

(in 1.000 DKK)	Parent company			
	Due within 1 year	Due 2- 5 years	Due after 5 years	Nominal liabilities, total
<b>15. Long-term debt obligations</b>				
Mortgage debt	-	-	6.320	6.320
Long-term debt obligations 31.12.2018	-	-	6.320	6.320
<b>The Group</b>				
	Due within 1 year	Due 2- 5 years	Due after 5 years	Nominal liabilities, total
Mortgage debt	420	427	6.320	7.167
Bank debt	1.641	20.145	-	21.786
Long-term debt obligations 31.12.2018	2.061	20.572	6.320	28.953
<b>(in 1.000 DKK)</b>				
	Parent company		The Group	
	2018	2017	2018	2017
<b>16. Other liabilities</b>				
Salaries due, social security contributions, etc.	10.893	15.945	12.147	18.677
Holiday payment obligations	29.299	24.008	33.737	27.811
Other expenses due	70.754	71.466	71.271	84.212
Negative fair value hedging instruments	13.430	-	13.430	-
	124.376	111.419	130.585	130.700
<b>17. Mortgaging</b>				
Mortgage loans are secured by mortgages on real estate.				
As security for bank debt and mortgage debt, there are owner's mortgages deposited in properties for nom.	92.570	91.635	92.600	91.665
Book value of mortgaged real estate	84.354	84.290	168.816	164.687
Cash and cash equivalents deposited for the benefit of Travel Guarantee Fund and supplier credits in general.	1.200	1.200	2.789	2.789

(contd.)

	Parent company		The Group	
	2018	2017	2018	2017
<b>18. Lease obligations</b>				
For the years 2018-2021 where operational lease agreements have been entered into for aircraft				
Of this due within 1 year	7.291	7.928	7.291	7.928
	4.023	4.304	4.023	4.304
Other operational leasing agreements				
Of this due within 1 year	-	-	1.215	1.284
	-	-	144	-
<b>19. Change in working capital</b>				
Change in inventories	1.496	3.068	3.138	1.589
Change in receivables	10.219	(14.598)	9.459	(10.856)
Change in supplier debt, etc.	23.224	19.496	24.376	15.656
Change in working capital, total	34.939	7.966	36.973	6.389
<b>20. Fee to the annual general meeting auditor</b>				
Fees to parent company's annual general meeting elected auditor for the financial year:				
Statutory audit	667	761	898	1.073
Other declarations of security	1.134	-	1.142	-
Other services	99	1.091	154	1.245
	1.900	1.852	2.193	2.318

(contd.)

(in 1.000 DKK)				
<b>21. Closely related parties</b>				
Related parties with a controlling interest in the Air Greenland Group:				
- None				
Other related parties that the Air Greenland Group has had transactions with in 2018:				
- Government of Greenland, shareholder				
- SAS, Kastrup, shareholder				
- The Danish State				
- Board of Directors and Executive Board				
Transactions between other related parties and the Air Greenland Group in 2018:				
- Government of Greenland: Service contracts (see the management report), patient transport for the Healthcare Service, the sale of tickets, settlement of traffic charges, as well as the operation of heliports/airports by Mittarfeqarfiit, etc.				
- SAS: Settlement of tickets, handling and maintenance in Kastrup by Airbus 330-200, etc.				
- The Danish State: SAR-contract (see the management report)				
- Intragroup transactions.				
<b>22. Shareholder relations</b>				
The following shareholders own more than 5% of the company's share capital:				
- Government of Greenland (37.5%)				
- Scandinavian Airlines System A/S, 2700 Kastrup (37.5%)				
- The Danish State (25%)				



# The Board and Skills



**Kjeld Zacho Jørgensen**

Member of the Board since 2018, appointed by The Government of Greenland.

**Educational background**

MA in Danish literature and physical education; Aarhus and Copenhagen Universities (1986).

**Career path**

2010-2018: CEO Billund Airport, 2007-2010: CEO Region of Southern Denmark, 2001-2007: Various directorships in Vejle County and Region of Southern Denmark, 1996-2001: Municipal Director, Jelling Municipality, 1986-1996: Various senior management posts in the public sector.

**Board positions**

Chairman of the Board Travel Guarantee Fund, Board Member MedicoTrust A/S, Board Member Niras A/S.

**Skills and experience**

Management, strategy, business development, project development, coaching, aviation, health, public sector.



**Bodil Marie Damgaard**

Member of the Board since 2016, appointed by the Government of Greenland.

**Educational background**

Bachelor degree in Company Studies and Master of Arts in Communication Studies from Roskilde University. Since completed educations and courses within project management, communication, leadership and HR.

**Career path**

Consultant at Sirius partner, followed by a position as Project Coordinator at Nakuusa. Worked as s Marketing Coordinator, and then HR Development Consultant at Air Greenland. Started as HR Manager in Nukissiorfiit in 2016, and subsequently switched to Mittarfeqarfiit, where she today disputes the position as HR Director.

**Board positions**

Former Board member of the Greenlandic House in Copenhagen, and former Board member and Vice Chair in Katuaq’s Board.

**Skills and experience**

Communication, HR strategy and management.



**Bjarne Eklund**

Member of the board (appointed by the Danish State) since 2012.

**Education**

Graduated as a forwarding agent and shipper in 1960.

**Career**

From 1967 to 1995 Bjarne held a number of positions at Varig Brazilian Airlines, the most recent as European Director based in London. From 1995 to 2001 he was CEO of the Danish Tourist Board, after which he held the post of Chairman of the Danish Tourist Board until 2003.

**Competences**

Strategy, leadership (including international), organisation, tourism, aviation.

**Seats on boards**

Bjarne is the Chairman of the The Sports Travel Agency and he has had several trusts within DBU and DIF. In the period from 2008 to 2011, he served as a self-appointed member of Air Greenland’s Board of Directors. Furthermore, for a period of more than 10 years Bjarne served on the board of Visit Greenland, as both Chairman and board member.



**Claus Holstein**

Board of the Board since 2015 (appointed by the Danish state).

**Education**

Cand. merc. organization and strategy, Aalborg University (2004)

**Career**

Since 2007 he’s been the managing director of the group Port of Aalborg A / S.

**Competences**

Strategy and management systems.

**Seats on boards**

Aalborg Stevedore Company A / S (Chairman) Board Danske Havne and AMU Aalborg (nominated by the Danish Industry).

**Trust**

Claus Holstein are in addition to his directorships also assigned the following positions of trust – Adjunct Fellow Institute of Economics and Management, Aalborg University, Chairman Advisory Board Center for Logistics (CELOG), Aalborg University, Member of the advisory board of Jura, Aalborg University and Chairman of the Board of TallShips Aalborg / training ship LOA, Chairman Springereren, Maritimt Oplevelsescenter Aalborg and Chairman in business association Aalborg Waterfront.



#### **Leif Rasmussen**

Board Member since 2012, appointed by SAS.

#### **Educational background**

Read Graduate Diploma in Financial and Management Accounting at Copenhagen Business School (CBS), as well as Accounting and Finance at Niels Brocks in Copenhagen. Single subjects at Cornell University, Hospitality in Financial Management, Properties Management, Human Resources and Service Management. SAS Leadership Programme.

#### **Career**

Long career within SAS Hotels and CEO of many SAS hotels from 1983. 1991-99 employed in SAS Airline Denmark as Sales and Marketing Director, respectively, Vice President. 2000-09 registered Director and COO of Copenhagen Airports, later as CEO and Country Manager for Carlson Wagonlit Travel. 2009 to present President & CEO of SAS Cargo Group A/S.

#### **Competencies**

Strategy and management, administration, finance, organisation and development, sales and marketing, communication, and industry experience within aviation and hospitality.

#### **Board positions**

Since 2009 he has sat on the Board of Directors, Chairman 2013-2015, and again from 2017-19, for Malmö Freight Terminal and from 2009-11 as Chairman of Spirit Air Cargo Handling Group AB. From 1994-97 he represented SAS Airline on the Board of Directors of former Grønlandsfly.



#### **John Dueholm**

Board Member since 2018, appointed by SAS.

#### **Educational background**

MSc in Economics and Business Administration from Copenhagen Business School (CBS), specialising in financial planning, accounting and budgeting, operational analysis, as well as traffic and tourist finance.

#### **Career**

Has concentrated on the financial industry, aviation and logistics, as well as the service industry. Was previously the Group CEO and served on the Executive Board of Topdanmark A/S, ISS Nordic A/S, Group-4Falck A/S and SAS Group AB (Deputy Group CEO). Today John Dueholm is exclusively involved with Board work.

#### **Competencies**

Management and strategy, transformation, and internationalisation of companies, operations, sales and commercial development, as well as strategic and commercial use of IT.

#### **Board positions**

Chairman of the Board of BWBP Fund, Holmriss A/S, Hydratech Industries A/S, InterMail A/S, Jetpak AB, SSG A/S, SSG Group A/S and SSG Partners A/S. Board Member of Globus Wine A/S and Scandinavian Brake Systems A/S.



#### **Henrik Maule Steinbacher**

Employee elected board representative 2013.

#### **Education**

Henrik studied engineering at AUC (Aalborg University) from 1992 to 1995. He graduated as a pilot in 1997, and he has studied strategy and management as a single subject at Nuuk.

#### **Career**

Henrik started as a pilot at Grønlandsfly in 1997, and became a flight instructor at Air Greenland in 2004.

#### **Competences**

Leadership and strategy, aviation, engineering.

#### **Trust positions and seats on boards**

Henrik has been involved in union politics as treasurer and steward of the Pilots' Union (FFG) in the period from 2001-2011.



#### **Claus Motzfeldt**

Employee-elected board member since 2017.

#### **Educational**

Student at Midtgrønlands Gymnasium and Flight Mechanic graduated letter at the Civil Aviation School in Dragør.

#### **Career**

Mechanic in Air Greenland since 1993, Type Certified on 3 helicopter types 93-96, Lead mechanic with different titles since 1996.

#### **Previous Posts**

Vice Chairman at Flyteknikerne in Air Greenland 1996-2008, Board member Dansk Metal Department 16 2007-09, Employee-elected Board Member Air Greenland A / S 2005-14.

#### **Competences**

Technology, aviation, management, charter segment.





**Sam Grønvold**

Employee-elected board member since 2017.

**Educational background**

Plumber, Traffic assistant.

**Career**

Craftsman, employed by Mittarfeqarfiit's port office in Kangerlussuaq where he was rented to SAS as a traffic assistant, Since 2009 traffic assistant at Air Greenland, representative for working environment for HK for the station service in Greenland. Together with his wife Vivi, they own and run a souvenir shop in Kangerlussuaq.

**Competences**

Management, Coordination, Strategy, Aviation.



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Photos: Page 2-3, 10-11, 28-29, 37 Lars Frederik Kleeman-Andersen, other Emil Stach

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# Fleet



**Airbus 330-200**  
 Number: 1  
 Seats: 278  
 Average speed: 870 km/t  
 Max altitude: 13,666 m  
 Engines: 2 x Pratt & Whitney  
 Total Engine power: 68,000 hp



**Dash 8-200**  
 Number: 5  
 Seats: 37  
 Average speed: 537 km/t  
 Max altitude: 7,620 m  
 Engines: 2 x Pratt & Whitney, type PW123D  
 Total Engine power: 2x2150hp. 4,300 hp



**Beech Super King Air B200**  
 Number: 1  
 Seats: 8  
 Average speed: 480 km/t  
 Max altitude: 10,670 m  
 Engines: 2 x Pratt & Whitney type PT6A-41  
 Total Engine power: 1,700 hp



**Sikorsky S-61N**  
 Number: 2  
 Seats: 25  
 Average speed: 220 km/t  
 Max altitude: 3,650 m  
 Engines: 2 x 2 x General Electric CT58-140-2  
 Total Engine power: 3,000 hp



**Bell 212**  
 Number: 7  
 Seats: 13  
 Average speed: 185 km/t  
 Max altitude: 3,000 m  
 Engines: 2 x Pratt & Whitney type PT6T-3B  
 Total Engine power: 1,800 hp



**AS 350 B2 Ecureuil**  
 Number: 9  
 Seats: 5  
 Average sptetd: 234 km/t  
 Max altitude: 7,000 m  
 Engines: 1 x Turbomeca Arriel 2B1  
 Total Engine power: 732/847hp



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