

Icelandair Group hf.

Condensed Consolidated Interim Financial Statements

2

1 January – 30 June 2021

Contents

Endorsement and Statement by the Board of Directors and the CEO	3
Consolidated Statement of Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
1. Reporting entity	9
2. Basis of accounting	9
3. Use of judgements and estimates	9
4. Changes in accounting policies	9
5. Operating segments	10
6. Assets held for sale	14
7. Operating income	15
8. Operating expenses	15
9. Depreciation and amortisation	15
10. Finance income and finance costs	16
11. Equity	16
12. Loans and borrowings	16
13. Lease liabilities	17
14. Warrants liabilities	18
15. Deferred income	19
16. Financial instruments and fair values	19
17. Capital commitments	19
18. Group entities	20
19. Investment in associates	20
20. Ratios	21
21. General government measures	21
22. Events after reporting period	21
Appendix:	
Alternative performance measures	22

Endorsement and Statement by the Board of Directors and the CEO

The Condensed Consolidated Interim Financial Statements of Icelandair Group hf. for the period from 1 January to 30 June 2021 have been prepared in accordance with International Financial Reporting Standards (IFRSs) for Interim Financial Statements (IAS 34). The Interim Financial Statements comprise the Consolidated Interim Financial Statements of Icelandair Group hf. (the "Company") and its subsidiaries together referred to as the "Group". All amounts are stated in thousands of USD.

According to the Consolidated Statement of Comprehensive Income, loss for the period from 1 January to 30 June 2021 amounted to USD 85.0 million. Total comprehensive loss for the period was USD 69.0 million. Equity at 30 June 2021 amounted to USD 163.8 million, including share capital in the amount of USD 213.0 million, according to the Consolidated Statement of Financial Position. Reference is made to the Consolidated Statement of Changes in Equity regarding information on changes in equity.

Statement by the Board of Directors and the CEO

The Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Icelandic disclosure requirements for Consolidated Financial Statements of listed companies. The Condensed Consolidated Interim Financial Statements have neither been audited nor reviewed by the Company's independent auditors.

The second quarter of 2021 showed the first signs of a turnaround in international passenger travel although the increase in production is starting later than projected at the beginning of the year. This is explained by vaccination delays, a surge in virus cases in certain markets, that have led to delays in the easing of border and social restrictions, and new variants of the virus. Nonetheless May and June saw a meaningful increase in the flight schedule with both destinations and frequency being added weekly. Icelandair's flight schedule in the second quarter translated to 15% of ASK compared to Q2 2019.

Despite clear signs of a turnaround Icelandair continues to be committed to safeguarding its strong financial and liquidity position. The Group's total liquidity, including assets held for sale and revolving credit facilities, amounted to USD 362 million at 30 June 2021. The prioritization of a strong liquidity and financial position throughout the pandemic has been instrumental in the Company's ability to effectively and efficiently ramp up production as demand has picked up. The Group will continue to closely monitor its cash burn and overall liquidity as markets continue to gradually recover.

The opening of the Icelandic borders to vaccinated travelers from both within and outside Schengen continued to have a positive impact on Icelandair's passenger booking inflow in the quarter. Thus far the recovery is most heavily felt in the TO and FROM segments as the US borders are still closed with poor visibility as to when they might open. While the opening of many European borders to vaccinated US travelers has translated to VIA bookings from the US side the trend suggests that Europeans wishing to travel to the US are opting to hold off on booking their tickets until the opening is announced. Icelandair expects to accelerate its ramp-up in the third quarter and based on current status of the COVID pandemic in key markets and demand, Icelandair expects the capacity in the fourth quarter 2021 to reach 70-80% of the company's 2019 production. Decisions to increase capacity will only be made giving due consideration of the development of the pandemic and changes in travel restrictions in the Company's markets. The flight schedule is thus subject to continuous iteration.

As part of the share offering completed on 17 September 2020 the Company issued warrants to investors that purchased shares. The warrants, which have been listed on the Nasdaq Iceland main market, are in three classes the first of which will be exercisable in August 2021. If all warrant holders in the ICEAIRW130821 warrant class opt to exercise their warrants the total amount of shares subsequently issued would be 1,916,666,667 and the total proceeds to the Company would be ISK 2,165,833,334.

The Company took delivery of three Boeing 737 MAX ("the MAX aircraft") in the quarter and thus has a total of nine MAX aircraft in its fleet, seven of which are in service with the two remaining ones expected to enter service by late August. The aircraft is even more technically reliable and fuel efficient than originally anticipated with a payload range exceeding prior expectations making its suitability for Icelandair's route network outstanding. The aircraft moreover supports the Group's environmental strategy, which is focused on reducing carbon emissions, ensuring responsible environmental management, and driving sustainable procurement. The Group will take delivery of three additional MAX aircraft in winter 2021/2022. Favorable post-COVID market conditions may result in further additions to the fleet the feasibility of which is currently being explored.

Endorsement and Statement by the Board of Directors and the CEO, contd.:

Statement by the Board of Directors and the CEO, contd.:

As part of its fleet renewal strategy the Group announced a sale of three of its Boeing 757-200 aircraft (“the 757 aircraft”) in Q4 2020 two of which were delivered to its new owner in the second quarter.

On 24 June 2021 the Company announced that it had entered a binding agreement with Bain Capital whereby the Blue Issuer Designated Activity Company (“BIDAC”) on Bain Capital’s behalf, will acquire 5,659,094,470 new shares in the Company for a total consideration of ISK 8,092,505,092 which will represent a 16.6% stake in the Company. The transaction is subject to a Shareholders’ Meeting approval and further conditioned upon BIDAC’s representative being elected to the Board of Directors. A Shareholders’ Meeting has been called for 23 July 2021. Úlfar Steindórsson, the Chairman of the Board of Icelandair Group, has announced that he will step down as a Board Member at the Shareholders’ Meeting subject to the transaction being approved. BIDAC’s holdings are subject to a 180-day lock-up period that will commence on the date that the new shares are admitted to trading.

In addition to the new shares, BIDAC will receive a warrant for subscription rights amounting to 25% of the number of new shares now purchased. The warrant will be exercisable during a ten-day period immediately following the publishing of the Company’s Q2 2022 results. The warrant allows BIDAC to purchase new ordinary shares in the Company at a price equaling the price per share of the new shares plus 15% annual interest.

On 11 June 2021 the Company signed a share purchase agreement with Nordic Visitor for the latter’s acquisition of Iceland Travel, the Company’s inbound travel operator. The enterprise value of Iceland Travel amounts to ISK 1,400 million of which ISK 350 million are subject to certain performance metrics over the years 2022 and 2023. The sale is subject to general conditions, among them approval of the Icelandic Competition Authority. The shares will be delivered against payment once all conditions precedent have been fulfilled.

The Company reached an agreement in February 2021 with its co-owner Berjaya Property Ireland Limited on the sale of its remaining 25% equity share in Icelandair Hotels. Delivery of the shares is expected in Q3 2021 following fulfillment of all conditions precedent.

The decision to sell these two entities is in line with the Group’s strategy to focus on its core business, aviation and related services.

According to our best knowledge it is our opinion that the Condensed Consolidated Interim Financial Statements give a true and fair view of the financial performance of the Group for the six month period ended 30 June 2021, its assets, liabilities and consolidated financial position as at 30 June 2021 and its consolidated cash flows for the period then ended.

Further, in our opinion, the Condensed Consolidated Interim Financial Statements and the Endorsement of the Board of Directors and the CEO give a fair view of the development and performance of the Group’s operations and its position and describes the principal risks and uncertainties faced by the Group.

The Board of Directors and the CEO have today discussed the Condensed Consolidated Interim Financial Statements of Icelandair Group hf. for the period from 1 January to 30 June 2021 and confirm them by means of their signatures.

Reykjavík, 22 July 2021.

Board of Directors:

Úlfar Steindórsson, Chairman of the Board
Svafa Grönfeldt
John F. Thomas
Nina Jonsson
Guðmundur Hafsteinsson

CEO:

Bogi Nils Bogason

Consolidated Income Statement and other Comprehensive Income for the period from 1 January to 30 June 2021

	Notes	2021 Q2	2020 Q2	2021 YTD	2020 YTD
Operating income					
Transport revenue	7	55,008	27,612	90,564	171,618
Aircraft and aircrew lease		7,804	26,893	18,813	53,588
Other operating revenue	7	14,712	6,302	25,475	44,582
		<u>77,524</u>	<u>60,807</u>	<u>134,852</u>	<u>269,788</u>
Operating expenses					
Salaries and salary related expenses		52,503	52,233	87,793	132,758
Aviation expenses		39,027	31,584	60,422	122,165
Other operating expenses		22,934	14,514	41,629	100,993
	8	<u>114,464</u>	<u>98,331</u>	<u>189,844</u>	<u>355,916</u>
Operating loss before depreciation and amortisation (EBITDA)					
		(36,940)	(37,524)	(54,992)	(86,128)
Depreciation and amortisation	9	(25,292)	(60,232)	(53,449)	(103,946)
Impairment		0	0	0	(116,158)
		<u>(62,232)</u>	<u>(97,756)</u>	<u>(108,442)</u>	<u>(306,232)</u>
Operating loss (EBIT)					
Finance income		5,290	(2,003)	7,404	12,016
Finance costs		(4,183)	(5,789)	(8,383)	(25,380)
Fair value changes		(5,626)	3,560	3,973	(47,447)
Gain on sale of a subsidiary		0	22,454	0	22,454
	10	<u>(4,519)</u>	<u>18,222</u>	<u>2,994</u>	<u>(38,357)</u>
Share of loss of associates, net of tax	19	(1,181)	(12,333)	(2,645)	(11,635)
		<u>(67,932)</u>	<u>(91,867)</u>	<u>(108,093)</u>	<u>(356,224)</u>
Loss before tax (EBT)					
Income tax		12,993	1,046	23,055	25,178
		<u>(54,939)</u>	<u>(90,821)</u>	<u>(85,038)</u>	<u>(331,046)</u>
Other comprehensive profit (loss):					
Currency translation differences		1,609	(2,200)	1,701	(28,962)
Net profit (loss) on hedge of investment, net of tax		1,096	10,059	1,166	(1,441)
Cash flow hedges - effective portion of changes in fair value, net of tax		6,958	10,153	13,189	(2,632)
		<u>9,663</u>	<u>18,012</u>	<u>16,056</u>	<u>(33,035)</u>
Other comprehensive profit (loss) for the period					
		<u>(45,276)</u>	<u>(72,809)</u>	<u>(68,982)</u>	<u>(364,081)</u>
Total comprehensive loss for the period					
Loss attributable to:					
Owners of the Company		(54,907)	(90,474)	(84,967)	(322,010)
Non-controlling interest		(32)	(347)	(71)	(9,036)
		<u>(54,939)</u>	<u>(90,821)</u>	<u>(85,038)</u>	<u>(331,046)</u>
Loss for the period					
Total comprehensive loss attributable to:					
Owners of the Company		(45,243)	(80,974)	(68,911)	(363,571)
Non-controlling interest		(32)	8,164	(72)	(511)
		<u>(45,275)</u>	<u>(72,810)</u>	<u>(68,982)</u>	<u>(364,081)</u>
Total comprehensive loss for the period					
Earnings per share:					
Basic earnings per share in US cent per share		(0.19)	(1.70)	(0.29)	(6.12)
Diluted earnings per share in US cent per share		(0.19)	(1.70)	(0.29)	(6.12)

The notes on pages 9 to 21 are an integral part of these Interim Consolidation Financial Statements.

Consolidated Statement of Financial Position as at 30 June 2021

	Notes	30.6.2021	31.12.2020
Assets			
Operating assets		440,712	498,438
Right-of-use assets		235,640	119,790
Intangible assets and goodwill		56,468	60,261
Investments in associates	19	8,898	9,603
Deferred cost		3,327	3,537
Receivables and deposits		20,430	21,686
Deferred tax asset		59,111	38,836
Non-current assets		824,585	752,151
Inventories		22,569	23,383
Trade and other receivables		142,711	99,334
Assets held for sale	6	7,849	0
Marketable securities		32,413	41,713
Cash and cash equivalents		155,500	117,657
Current assets		361,041	282,087
Total assets		1,185,626	1,034,238
Equity			
Share capital		212,969	212,969
Share premium		13,208	13,208
Reserves	11	26,340	8,373
Accumulated deficit		(86,877)	0
Equity attributable to equity holders of the Company		165,640	234,550
Non-controlling interest		(1,813)	(1,741)
Total equity		163,827	232,809
Liabilities			
Loans and borrowings	12	247,950	239,575
Lease liabilities	13	228,709	119,707
Payables		19,134	17,087
Derivatives used for hedging		0	5,958
Warrants	14	9,022	18,635
Non-current liabilities		504,815	400,962
Loans and borrowings	12	23,019	24,013
Lease liabilities	13	35,479	26,890
Warrants	14	15,231	9,129
Derivatives used for hedging		1,871	11,333
Liabilities held for sale	6	7,320	0
Trade and other payables		132,842	141,700
Deferred income	15	301,222	187,402
Current liabilities		516,984	400,467
Total liabilities		1,021,799	801,429
Total equity and liabilities		1,185,626	1,034,238

The notes on pages 9 to 21 are an integral part of these Interim Consolidation Financial Statements.

Consolidated Statement of Changes in Equity for the period from 1 January to 30 June 2021

Attributable to equity holders of the Company

	Share capital	Share premium	Reserves*	Accumulated deficit	Total	Non-con- trolling interest	Total equity
1 January to 30 June 2020							
Equity 1 January 2020	44,199	174,299	45,449	219,132	483,079	(601)	482,478
Total comprehensive loss			(41,561)	(322,010)	(363,571)	(511)	(364,082)
Effects of profit or loss and dividend from subsidiaries			(3,412)	3,412	0		0
Equity 30 June 2020	44,199	174,299	476	(99,465)	119,509	(1,112)	118,397
1 January to 30 June 2021							
Equity 1 January 2021	212,969	13,208	8,373	0	234,550	(1,741)	232,809
Total comprehensive loss			16,056	(84,967)	(68,911)	(72)	(68,982)
Effects of profit or loss of subsidiaries			1,912	(1,912)	0		0
Equity 30 June 2021	212,969	13,208	26,340	(86,877)	165,640	(1,813)	163,827

* See further in note 11.

The notes on pages 9 to 21 are an integral part of these Interim Consolidation Financial Statements.

Consolidated Statement of Cash Flows for the six months ended 30 June 2021

	Notes	2021 Q2	2020 Q2	2021 YTD	2020 YTD
Cash flows from (to) operating activities					
Loss for the period		(54,939)	(90,821)	(85,038)	(331,046)
Adjustments for:					
Depreciation and amortisation		25,292	60,232	53,449	103,946
Impairment		0	0	0	116,158
Expensed deferred cost		3,415	3,891	5,851	6,731
Finance (income) cost		(1,107)	7,792	979	13,364
Changes in fair value		5,626	(3,560)	(3,973)	47,447
Gain on sale of operating assets		(3,800)	(2)	(6,296)	(2)
Gain on sale of a subsidiary		0	(22,454)	0	(22,454)
Share in loss of associates	19	1,181	12,333	2,645	11,635
Deferred income tax		(12,993)	(1,046)	(23,055)	(25,178)
		(37,325)	(33,635)	(55,438)	(79,399)
Changes in:					
Inventories		552	(666)	1,535	734
Trade and other receivables		(30,123)	(36,704)	(47,661)	9,309
Trade and other payables		32,654	(130,377)	10,987	96,941
Deferred income		104,045	109,342	118,948	(34,672)
		107,128	(58,405)	83,809	72,312
Interest received		133	287	283	663
Interest paid		(4,911)	(5,036)	(8,923)	(12,985)
Net cash from (used in) operating activities		65,025	(96,789)	19,731	(19,409)
Cash flows from investing activities:					
Acquisition of operating assets		(151,457)	(3,280)	(157,840)	(27,319)
Proceeds from sale of operating assets		169,563	8	181,360	8
Deferred cost		(500)	(1,781)	(2,485)	(5,380)
Acquisition of intangible assets		(206)	(7,368)	(237)	(7,709)
Proceeds from sale of a subsidiary		0	45,312	0	45,312
Investment in associates	19	(1,759)	0	(1,759)	0
Non-current receivables, change		6,324	12,373	6,533	10,520
Cash attributable to assets held for sale	6	(2,128)	0	(2,579)	(4,920)
Marketable securities, change		25,018	0	10,911	0
Net cash from investing activities		44,855	45,264	33,904	10,512
Cash flows used in financing activities:					
Proceeds from non-current borrowings		0	0	3,229	0
Repayment of non-current borrowings		(3,689)	(3,980)	(10,438)	(12,609)
Repayment of lease liabilities		(4,575)	(5,700)	(8,934)	(14,556)
Repayment of short term borrowings		0	0	0	(42,258)
Net cash used in financing activities		(8,264)	(9,680)	(16,143)	(69,423)
Change in cash and cash equivalents		101,616	(61,205)	37,492	(78,320)
Effect of exchange rate fluctuations on cash held		418	1,211	351	(3,128)
Cash and cash equivalents at beginning of the period ..		53,466	213,619	117,657	235,073
Cash and cash equivalents at 30 June		155,500	153,625	155,500	153,625
Investment and financing without cash flow effect:					
Acquisition of right-of-use assets		(132,373)	(357)	(132,399)	(5,295)
New or renewed leases	13	134,675	357	134,701	5,295
Gain on sale of operating assets		(2,302)	0	(2,302)	0
Loans and borrowings		16,492	0	16,492	0
Trade and other payables		(16,492)	0	(16,492)	0

The notes on pages 9 to 21 are an integral part of these Interim Consolidation Financial Statements.

Notes

1. Reporting entity

Icelandair Group hf. (the "Company") is a public limited liability company incorporated and domiciled in Iceland. The Condensed Consolidated Interim Financial Statements of the Company as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries, together referred to as the "Group" and individually as "Group entities" and the Group's interests in associates. The Group primarily operates in the airline and tourism sectors. The Company is listed on the Nasdaq Main Market Iceland.

The Group's audited Consolidated Financial Statements as at and for the year ended 31 December 2020 are available upon request from the Company's registered office at Reykjavíkurlugvöllur in Reykjavík, Iceland or at its website address, www.icelandairgroup.is and at The Icelandic Stock Exchange website address, <http://www.nasdaqomxnordic.com>.

2. Basis of accounting

The Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2021 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and additional Icelandic disclosure requirements for Consolidated Financial Statements of listed companies. These Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting. The Condensed Consolidated Interim Financial Statements have been prepared under the historical cost convention, except for financial assets and liabilities, which are valued at fair value through other Comprehensive Income. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual Consolidated Financial Statements as at and for the year ended 31 December 2020.

The accounting policies and methods of computation applied in these Condensed Consolidated Interim Financial Statements are the same as those applied by the Group in its Consolidated Financial Statements as at and for the year ended 31 December 2020.

These Condensed Consolidated Interim Financial Statements are presented in U.S. dollars (USD), which is the Group's functional currency. All financial information presented in USD has been rounded to the nearest thousand, except when otherwise indicated.

These Condensed Consolidated Interim Financial Statements were approved for issue by the Board of Directors on 22 July 2021.

These Condensed Consolidated Interim Financial Statements are prepared on a going concern basis. Despite substantial uncertainty the Board of Directors believes that it is appropriate to prepare these Condensed Consolidated Interim Financial Statements on a going concern basis given actions already taken to strengthen the Group's financial standing and liquidity.

3. Use of judgements and estimates

In preparing these Condensed Consolidated Interim Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. Due to COVID-19, the aviation and travel industries continue to face uncertainty. Travel and/or social restrictions are still in place in many of the Group's important geographical segments. Uncertainty further remains as to when demand for travel will return to more normal levels, i.e. as they were prior to COVID-19. In preparation of the Condensed Consolidated Interim Financial Statements, management adjusted its estimations and assumptions towards the current circumstances.

The remaining significant judgements made by management in applying the Group's accounting policies and the key sources of estimations of uncertainty were the same as those that applied to the audited Consolidated Financial Statements as at and for the year ended 31 December 2020.

4. Changes in accounting policies

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these Condensed Consolidated Interim Financial Statements and they are not considered to have significant impact on the Condensed Consolidated Interim Financial Statements.

Notes, contd.:

5. Operating segments

Segment information is presented in the Condensed Consolidated Interim Financial Statements in respect of the Group's business segments, which are the primary basis of segment reporting.

The business segment reporting format reflects the Group's management and internal reporting structure. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment pricing is determined on an arm's length basis.

Each entity operates as a single business unit and the management of Icelandair Group assesses performance based on measures including operating profit, and makes resource allocation decisions for the entities based on various performance metrics. The objective in making resource allocation decisions is to optimize consolidated financial results.

Passenger and cargo operations

The largest entity of the Group, the international and domestic passenger airline Icelandair ehf., including its subsidiary Icelandair Cargo, has been identified for financial reporting purposes as a reportable operating segment. Iceland's unique geographical position provides Icelandair with significant strategic advantages. This is encapsulated in Icelandair's ability to serve four markets simultaneously (to, from, via and within Iceland). Icelandair Cargo offers freight services by utilizing the capacity within the aircraft of the Icelandair passenger network as well as with their own freighters.

The parent, Icelandair Group hf., is listed on the Nasdaq Iceland stock exchange and is the holding company. Iceeignir, a real estate company that holds the real estate of Icelandair Group, IceCap, a captive insurance company and A320, a dormant, are platform functions of the business that primarily support the Group entities in this segment and are therefore classified within this segment.

Other group entities

Lofleidir Icelandic, which offers aircraft leasing and consulting services to international passenger airlines and tour operators and FERIA, which operates under the name VITA as an outgoing tour operator are also operating segments but do not exceed the quantitative thresholds to be reportable and management has concluded that there are currently no other reasons why they should be separately disclosed.

Iceland Travel is classified as an asset held for sale. A share purchase agreement has been signed that awaits the approval of the Icelandic Competition Authority. Once that along with other conditions precedent have been fulfilled the shares will be delivered against payment.

In Q1 2020 Icelandair Hotels was also classified within this segment. From 3 April 2020, remaining 25% equity of Icelandair Hotels are classified as an investment in associates.

Notes, contd.:

5. Operating segments, contd.:

Reportable segments for the six months ended 30 June 2021

	Passenger and cargo operations	Other group entities	Total
External revenue	110,904	23,948	134,852
Inter-segment revenue	20,391	88	20,479
Segment revenue	131,295	24,036	155,331
Depreciation and amortisation	(47,042)	(6,407)	(53,449)
Segment EBIT	(106,426)	(2,016)	(108,442)
Finance income	14,836	326	15,162
Finance costs	(15,779)	(362)	(16,141)
Fair value change	3,973	0	3,973
Share of loss of equity accounted investees	(2,645)	0	(2,645)
Reportable segment loss before tax	(106,041)	(2,052)	(108,093)
Reportable segment assets	1,393,535	73,754	1,467,289
Capital expenditure	155,082	5,480	160,562
Liabilities	1,397,224	62,961	1,460,185

Reportable segments for the six months ended 30 June 2020

External revenue	189,380	80,408	269,788
Inter-segment revenue	44,208	906	45,114
Segment revenue	233,588	81,314	314,902
Depreciation and amortisation	(95,083)	(8,863)	(103,946)
Impairment	(82,859)	(33,299)	(116,158)
Segment EBIT	(266,611)	(39,621)	(306,232)
Finance income	17,367	811	18,178
Finance costs	(23,221)	(8,321)	(31,542)
Gain on sale of a subsidiary	0	22,454	22,454
Fair value change	(47,447)	0	(47,447)
Share of loss of equity accounted investees	(4,321)	(7,314)	(11,635)
Reportable segment loss before tax	(324,233)	(31,991)	(356,224)
Reportable segment assets	1,292,450	95,613	1,388,063
Capital expenditure	38,933	1,475	40,408
Liabilities	1,219,480	71,454	1,290,934

Notes, contd.:

5. Operating segments, contd.:

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities, and other material items

	2021 YTD	2020 YTD
Revenue		
Total revenue for reportable segments	155,331	314,902
Elimination of inter-segment revenue	(20,479)	(45,114)
Consolidated revenue	134,852	269,788
Profit or loss		
Consolidated loss before tax	(108,093)	(356,224)
Assets		
Total assets for reportable segments	1,467,289	1,388,063
Investments in associates	8,898	23,520
Elimination of inter-segment assets	(290,561)	(320,846)
Consolidated total assets	1,185,626	1,090,737
Liabilities		
Total liabilities for reportable segments	1,460,185	1,290,934
Elimination of inter-segment liabilities	(438,386)	(318,594)
Consolidated total liabilities	1,021,799	972,340

Other material items

	Reportable segment totals	Adjust- ments	Consoli- dated totals
1.1.-30.6.2021			
Segment EBIT	(108,442)		(108,442)
Finance income	15,162	(7,758)	7,404
Finance costs	(16,141)	7,758	(8,383)
Depreciation and amortisation	(53,449)		(53,449)
Share of loss of associates	(2,645)		(2,645)
Capital expenditure	160,562		160,562
1.1.-30.6.2020			
Segment EBIT	(306,232)		(306,232)
Finance income	18,178	(6,162)	12,016
Finance costs	(31,542)	6,162	(25,380)
Depreciation and amortisation	(103,946)		(103,946)
Share of loss of associates	(11,635)		(11,635)
Capital expenditure	40,408		40,408

Notes, contd.:

5. Operating segments, contd.:

Geographic information

The geographic information analyses the Group's revenue as the majority of the Group's clients are outside of Iceland. The vast majority of the Group's non-current assets are located in Iceland. In presenting the following information the Group's revenues have been based on geographic location of customers.

Due to the COVID-19 pandemic and the associated wide-ranging travel restriction and decrease in travel demand, the numbers for YTD 2021 are not directly comparable to the numbers for YTD 2020.

<i>Revenue</i>	2021 YTD	2020 YTD
North America	16%	26%
Iceland	51%	32%
West Continental Europe	15%	20%
Scandinavia	4%	5%
United Kingdom	2%	5%
Other	12%	12%
Total revenue	100%	100%
Available Seat Kilometers (ASK'000) International flights	872,938	2,436,938
Available Seat Kilometers (ASK'000) Domestic flights	40,611	26,531
Freight Tonn Kilometer (FTK'000) Icelandair Cargo	67,852	57,096
Sold Block Hours Loftleidir Icelandic	6,719	10,528

Notes, contd.:

6. Assets held for sale

On 11 June 2021 the Company signed a share purchase agreement regarding the sale of Iceland Travel, the Group's inbound tour operator. The transaction currently awaits the approval of the Icelandic Competition Authority. As a result Iceland Travel continues to be classified as an asset held for sale.

Impacts on the Condensed Consolidated Interim Financial Statements

(i) Comprehensive income (loss)

	2021 Q2	2021 YTD
Revenue	1,553	1,672
Elimination of inter-segment revenue	0	0
External revenue	1,553	1,672
Expenses	2,411	3,297
Elimination of expenses of inter-segment sales	(57)	0
External expenses	2,354	3,297
Loss from operating activities	(801)	(1,625)
Net finance cost	38	(31)
Share of profit of associates	0	0
	(763)	(1,656)
Income tax	153	331
Loss, net of tax	(610)	(1,325)

(ii) Balance Sheet

	30.6.2021
Operating assets	23
Right-of-use assets	812
Intangible assets and goodwill	2,556
Deferred tax assets	189
Trade and other receivables	1,690
Cash and cash equivalents	2,579
Total assets	7,849
Loans and borrowings	148
Lease liabilities	560
Trade and other payables	4,016
Deferred income	2,596
Total liabilities	7,320
Net assets and liabilities	529

(iii) Cash flows from (used in)

	2021 Q2	2021 YTD
Net cash to operating activities	2,223	1,407
Net cash used in investing activities	(13)	(17)
Net cash from financing activities	(50)	(10)
Net cash flows for the period	2,160	1,380

Notes, contd.:

7. Operating income

	2021 Q2	2020 Q2	2021 YTD	2020 YTD
Transport revenue is specified as follows:				
Passengers	29,140	9,407	40,335	125,939
Passenger ancillary revenue	4,543	2,435	7,109	16,618
Cargo	21,325	15,770	43,120	29,061
Total transport revenue	55,008	27,612	90,564	171,618
Other operating revenue is specified as follows:				
Sale in airport and hotels	799	164	1,058	12,340
Revenue from tourism	3,305	26	4,292	14,957
Aircraft and cargo handling services	4,561	3,243	8,304	8,437
Maintenance revenue	1,387	133	2,193	898
Gain on sale of operating assets	3,800	2	6,296	2
Other operating revenue	860	2,734	3,332	7,948
Total other operating revenue	14,712	6,302	25,475	44,582

8. Operating expenses

	2021 Q2	2020 Q2	2021 YTD	2020 YTD
Salaries and salary related expenses are specified as follows:				
Salaries	39,864	44,116	68,726	108,268
Contributions to pension funds	6,259	5,507	11,323	15,173
Other salary-related expenses	6,380	2,610	7,744	9,317
Total salaries and salary related expenses	52,503	52,233	87,793	132,758
Aviation expenses are specified as follows:				
Aircraft fuel	19,451	8,822	27,299	60,379
Aircraft lease	322	3,659	513	4,083
Aircraft handling, landing and communication	9,562	8,206	14,030	28,943
Aircraft maintenance expenses	9,692	10,897	18,580	28,760
Total aviation expenses	39,027	31,584	60,422	122,165
Other operating expenses are specified as follows:				
Operating cost of real estate and fixtures	1,005	1,386	2,155	4,729
Communication	4,511	3,800	8,581	10,465
Advertising	3,765	907	5,657	5,305
Booking fees and commission expenses	863	(1,327)	1,357	19,316
Cost of goods sold	322	134	514	2,124
Customer services	1,464	1,840	2,530	13,957
Travel and other employee expenses	4,658	3,282	6,760	13,544
Tourism expenses	1,709	568	1,731	6,516
Allowance for bad debt	(774)	(1,056)	270	11,238
Other operating expenses	5,411	4,980	12,074	13,799
Total other operating expenses	22,934	14,514	41,629	100,993

9. Depreciation and amortisation

	2021 Q2	2020 Q2	2021 YTD	2020 YTD
The depreciation and amortisation charge in profit or loss is specified as follows:				
Depreciation of operating assets	20,550	55,038	43,337	90,298
Depreciation of right-of-use assets	4,167	4,602	8,731	11,811
Amortisation of intangible assets	575	592	1,381	1,837
Depreciation and amortisation	25,292	60,232	53,449	103,946

Notes, contd.:

10. Finance income and finance costs

	2021 Q2	2020 Q2	2021 YTD	2020 YTD
Finance income and finance costs are specified as follows:				
Interest income on cash and cash equivalents	5	262	168	445
Interest income on lease receivables	11	36	107	227
Other interest income, see note 12	3,245	633	3,405	1,309
Net currency exchange gain (loss)	2,029	(2,934)	3,724	10,035
Finance income total	5,290	(2,003)	7,404	12,016
Interest expenses on loans and borrowings	1,894	2,150	4,271	5,366
Interest on lease liabilities	1,095	1,559	2,527	5,084
Interest on Pre Delivery Payments for aircraft (PDP) ..	0	1,713	0	14,255
Other interest expenses	1,194	367	1,585	675
Finance costs total	4,183	5,789	8,383	25,380
Changes in fair value of warrants, see note 14	(5,626)	0	3,973	0
Changes in fair value of derivatives	0	3,560	0	(47,447)
Fair value changes	(5,626)	3,560	3,973	(47,447)
Gain on sale of a subsidiary	0	22,454	0	22,454
Net finance costs	(4,519)	18,222	2,994	(38,357)

11. Equity

	Hedging reserve	Translation reserve	Other reserves	Total reserves
Reserves are specified as follows:				
Reserves 1 January 2020	(28)	24,346	21,131	45,449
Changes during the period	(57,544)	(31,464)	(3,412)	(92,420)
Recognized loss in the income statement	47,447	0	0	47,447
Reserves 30 June 2020	(10,125)	(7,118)	17,719	476
Reserves 1 January 2021	(31,999)	23,679	16,693	8,373
Changes during the period	14,355	1,701	1,912	17,968
Reserves 30 June 2021	(17,644)	25,380	18,605	26,340

12. Loans and borrowings

This note provides information on the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortized cost, and changes during the year.

	30.6.2021	31.12.2020
Non-current loans and borrowings:		
Secured bank loans	251,658	263,588
Unsecured loans	19,311	0
Total loans and borrowings	270,969	263,588
Current maturities	(23,019)	(24,013)
Total non-current loans and borrowings	247,950	239,575
Current loans and borrowings:		
Current maturities	23,019	24,013
Total current loans and borrowings	23,019	24,013
Total loans and borrowings	270,969	263,588

Notes, contd.:

12. Loans and borrowings, contd.:

Terms and debt repayment schedule:	Currency	Nominal interest rates	Year of maturity	Total remaining balance	
				30.6.2021	31.12.2020
Secured bank loans	USD	3.2%	2024-2028	186,422	164,404
Secured bank loans	EUR	0.9%	2028	65,236	67,559
Secured bank loans	ISK		2026	0	31,625
Unsecured loans	ISK	5.2%	2026	19,311	0
Total interest-bearing liabilities				270,969	263,588

On 2 July 2019 the Company entered a long-term loan agreement with a local bank for two loans, a long-term loan in ISK (Facility A) and a revolving credit line in USD (Facility B). On 30 June 2021 the Company entered an agreement whereby Facility A was converted from ISK to USD at a value of approx. USD 26 million. The interest rate will be the same for both facilities after the conversion. Facility B was undrawn at 30 June 2021. No other changes, nor additional costs, were implemented in relation to the conversion. The loan's payment profile and maturity further stay the same.

Included in Unsecured loans are deferred payroll tax payments that formed a part of general government measures to mitigate the negative effects of Covid-19. The loans carry zero interest and are measured at net present value. The calculated interest revenue USD 2.9 million is included in Other interest income. See note 10.

As at 30 June 2021, the Company had undrawn committed commercial credit lines with local banks in the amount of USD 52 million.

Additionally, the Company has access to a government guaranteed credit facility in the amount of USD 120 million. The facility is arranged through two local commercial banks and is 90% guaranteed by the government. The facility was undrawn at 30 June 2021.

Repayments of loans and borrowings are specified as follows:

	30.6.2021	31.12.2020
Repayments in 2021 (6 months)(2020: 12 months)	11,058	24,013
Repayments in 2022	36,697	33,450
Repayments in 2023	47,688	44,080
Repayments in 2024	58,162	46,908
Repayments in 2025	34,550	28,120
Subsequent repayments	82,814	87,017
Total loans and borrowings	270,969	263,588

According to the Company's restructured financial covenants, that took affect at the end of Q3 2020, the Company's equity ratio shall be a minimum of 8-10% in terms of loan agreements with lenders and a minimum of 2% in terms of the government guaranteed credit facility. The Company was not in breach of the covenants at 30 June 2021.

13. Lease liabilities

This note provides information of the Group's lease liabilities, which are measured at amortized cost, and changes during the year.

	Currency	Interest rates	Year of maturity	Total remaining balance	
				30.6.2021	31.12.2020
Lease liabilities	USD	3.7%	2021-2030	249,798	131,294
Lease liabilities indexed	ISK	4.0%	2021-2038	12,580	13,217
Lease liabilities	GBP	2.2%	2021-2025	1,123	1,237
Lease liabilities	other	2.9%	2021-2028	687	849
Current maturity				(35,479)	(26,890)
Total lease liabilities				228,709	119,707

Notes, contd.:

13. Lease liabilities, contd.:

Repayments of lease liabilities are specified as follows:

Repayments in 2021 (6 months)(2020: 12 months)	16,288	26,890
Repayments in 2022	30,689	22,223
Repayments in 2023	31,307	21,649
Repayments in 2024	28,662	18,542
Repayments in 2025	27,893	17,426
Subsequent repayments	129,349	39,867
Total loans and borrowings	264,188	146,597

The Group made sale and leaseback agreements for three aircraft that was delivered in Q2 2021. The lease liability amounted to USD 124.6 million.

14. Warrants liabilities

Warrants liabilities are specified as followed:

Assumptions	ICEAIRW 130821	ICEAIRW 180222	ICEAIRW 120822
Issue date	18.9.2020	18.9.2020	18.9.2020
Exercise period end date	13.8.2021	18.2.2022	12.8.2022
Share price (ISK) at issue date	1.00	1.00	1.00
Share price (ISK) at reporting date	1.67	1.67	1.67
Exercise price (ISK)	1.13	1.22	1.30
Interest rate (annual)	15.0%	15.0%	15.0%
First interest date	23.9.2020	23.9.2020	23.9.2020
Volatility (annual)	72.8%	79.5%	79.5%
Risk free rate	2.2%	2.2%	2.2%
Time to maturity (Years)	0.12	0.63	1.12
Fair value per warrant (ISK) at reporting date	0.46	0.53	0.58

The warrants outstanding and the fair value (USD) of each class of warrants on the respective exercise dates are as follows:

Warrants liabilities	ICEAIRW 130821	ICEAIRW 180222	ICEAIRW 120822	Total
Fair value at issuance date	5,168	5,255	5,774	16,197
Loss on change in fair value of warrant liability	3,605	3,385	3,462	10,452
Foreign exchanges difference	355	361	398	1,114
Fair value at 31.12.2020	9,129	9,001	9,634	27,764
Gain on change in fair value of warrant liability	(2,195)	(1,002)	(776)	(3,973)
Foreign exchanges difference	148	149	165	462
Fair value as of period ending	7,083	8,148	9,022	24,253
Non-current warrants liabilities	0	0	9,022	9,022
Current warrants liabilities	7,083	8,148	0	15,231

The fair value of the warrants at issue date, amounting to USD 16.2 million was recognized through retained earnings and as a liability. During the period from the issue date until 30 June 2021 the Company recognized loss on changes in fair value of its warrants liabilities in the amount of USD 6.5 million.

The warrants liabilities are considered Level 2 liabilities on the fair value hierarchy as the determination of fair value includes various assumptions about the future activities and the Company's share price and historical volatility as inputs. No warrants were exercised during the period ending 30 June 2021.

Notes, contd.:

15. Deferred income

Sold unused tickets, fair value of unutilized frequent flyer points and other prepayments are presented as deferred income in the Consolidated Statement of Financial Position.

Deferred income is specified as follows:	30.6.2021	31.12.2020
Sold unused tickets and vouchers	257,387	157,753
Frequent flyer points	22,063	20,641
Other prepayments	21,772	9,008
Total deferred income	301,222	187,402

The amount allocated to sold unused tickets and vouchers is the book value of fares and fuel surcharges that the Group has collected and is liable for to passengers. Thereof sold tickets with known future travel dates amounted to USD 168.4 million and vouchers amounted to USD 89.0 million. The vouchers are generally valid for 3 years from the date of issuance.

The amount allocated to frequent flyer points is estimated by reference to the fair value of the discounted services for which they could be redeemed, since the fair value of the points themselves is not directly observable. The fair value of the discounted services for which the points, granted through a customer loyalty program, can be redeemed takes into account the expected redemption rate and the timing of such expected redemptions. That amount is recognized as deferred income.

16. Financial instruments and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows. The table does not include fair value information for financial assets and liabilities measured at fair value if the carrying amount is a reasonable approximation of fair value:

	30.6.2021		31.12.2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Derivatives used for hedging	(1,871)	(1,871)	(17,291)	(17,291)
Unsecured bond issue	(19,311)	(19,305)	0	0
Secured loans	(251,658)	(289,146)	(263,588)	(279,654)
Warrants	(24,253)	(24,253)	(27,764)	(27,764)
Lease liabilities	(264,188)	(264,188)	(146,597)	(146,597)
Total	(561,281)	(598,763)	(455,240)	(471,306)

17. Capital commitments

In 2013, the Group and the Boeing Company signed an agreement for the purchase of sixteen Boeing 737 MAX8 / MAX9 aircraft with an option to purchase an additional eight aircraft. The Group has taken delivery of nine aircraft.

In December 2018 the Group secured a Pre-Delivery Payment (PDP) financing agreement with BOC Aviation (BOCA) for eleven undelivered B737 MAX aircraft. The agreement with BOCA secured financing of PDP's for all undelivered aircraft under the Boeing agreement, as well as a sale and leaseback of two aircraft, which have both been delivered.

In August 2020, the Group reached a settlement with Boeing on compensation for the damages caused by the 22 month long MAX grounding. The total number of aircraft under the purchase agreement from 2013 was reduced from sixteen to twelve, of which three aircraft remain undelivered. The PDP financing agreement with BOCA was amended accordingly and furthermore provides a backstop financing option in the form of sale and leaseback for the remaining unfinanced aircraft.

Notes, contd.:

17. Capital commitments, contd.:

The remaining deliveries of Boeing 737 MAX aircraft to the Group are scheduled as follows:

	Q4 2021	Q1 2022	Total
Boeing 737 MAX8	1	1	2
Boeing 737 MAX9	1	0	1
Total	2	1	3

The Group is currently in process of financing the three remaining aircraft scheduled for delivery in Q4 2021 and Q1 2022. However, backstop financing option with BOCA remains in place for the three remaining aircraft.

18. Group entities

The Company held seven subsidiaries at the end of June 2021.

	Share
Passenger and cargo operations	
A320 ehf.	100%
IceCap Insurance PCC Ltd.	100%
Iceignir ehf.	100%
Icelandair ehf. *	100%
Other Group entities	
Loftleiðir - Icelandic ehf.	100%
FERIA ehf. (VITA)	100%
Iceland Travel ehf. **	100%

* Icelandair Cargo ehf. is a subsidiary of Icelandair ehf.

** See note 6.

The subsidiaries further own ten subsidiaries that are also included in the Condensed Consolidated Interim Financial Statements. Three of those have non-controlling shareholders.

19. Investment in associates

The Group has interests in a number of associates. The carrying amount and share of profit of the associates is as follows:

	Ownership	Share of		Share of	
		Carrying amount	profit/loss in associates	Carrying amount	profit/loss in associates
		30.6.2021	1.1.-30.6.2021	31.12.2020	1.1.-30.6.2020
Cabo Verde Airlines	36%	0	0	0	0
EBK ehf.	25%	1,117	(143)	1,230	124
ITF 1 slhf.	29%	6,861	(64)	6,291	(1,994)
Icelandair Hotels	25%	(2,511)	(2,455)	13	(9,755)
Lindarvatn ehf.	50%	3,250	18	1,893	(13)
Other investments		181	(1)	176	3
Total investments in associates		8,898	(2,645)	9,603	(11,635)

The book value of the Group's holding in Carbo Verde Airlines (TACV) was fully expensed in 2020 and reserves have been made against all receivables on TACV. The Group therefore has no exposure on TACV. See further note 22.

EBK ehf. operates jet fuel tank storage facilities, serving fuel to suppliers and airlines at Keflavík airport.

ITF 1 slhf. is a fund managed by Landsbréf. The Fund's purpose is to invest in Icelandic companies focusing on entertainment and leisure activities for foreign tourists. The main focus is on full-year projects which contribute to the better utilization of the infrastructure in the Icelandic Tourism industry.

Notes, contd.:

19. Investment in associates, contd.:

The Group's 25% share in Icelandair Hotels is classified as an investment in associates as of 3 April 2020 when 75% of shares in the entity were delivered to the buyer, Berjaya Land Berhad (Berjaya). On 11 February 2021, the Group reached an agreement with Berjaya regarding a sale of its remaining 25% share in the hotel company for a total consideration of USD 3.4 million which will be payable on delivery when all conditions precedent of the agreement have been fulfilled.

In its capacity as co-owner of Icelandair Hotels, the Company has issued guarantees on certain obligations for Icelandair Hotels. The guarantees were provided in solidum however the Company has an agreement in place with the hotel company's 75% owner that stipulates that any claims on the guarantees will be split along ownership stakes.

Lindarvatn ehf. is the owner of a property at Thorvaldsensstræti in downtown Reykjavík and other properties located near Austurvöllur which are being rebuilt as a hotel.

20. Ratios

The Group's primary ratios are specified as follows:

	30.6.2021	31.12.2020
Current ratio	0.70	0.70
Equity ratio	0.14	0.23
Equity ratio without warrants	0.16	0.25
Intrinsic value of share capital	0.77	1.09

21. General government measures

Changes in legislation benefiting the Group are as follows:

Some entities within the Group are eligible for and have applied for Income Loss Grants. The total amount available to the Group as a whole under this measure is USD 1.0 million of which USD 0.6 million have already been received.

At the outset of the COVID-19 pandemic the Group and the Icelandic Government entered into agreements whereby Icelandair committed to maintain a certain number of international flights per week to ensure minimum passenger flight transportation to and from North America. Under these agreements, the Group received payments from the Icelandic Government which have been accounted for as other revenue of USD 0.6 million.

As part of its COVID relief efforts the government offered deferral of up to three months' payroll tax payments in the spring of 2020. This was a general relief measure available to all companies in Iceland that met the associated criteria. The payments were initially deferred until January 2021 with a first extension granted until summer 2021. The deferred obligations amount to USD 16.5 million now due in 48 equal instalments starting on 1 July 2022. The obligations carry zero interest and are classified as loans and borrowings.

22. Events after reporting period

On 9 July 2021 the government of Cabo Verde nationalized Cabo Verde Airlines (TACV). The book value of the Group's 36% holding in TACV has already been expensed and reserves have been made against all receivables on TACV. The Company's subsidiary Loftleiðir Icelandic is the owner of two aircraft leased to TACV. These aircraft are expected to be relocated and assigned to other lessees in the coming months.

Alternative performance measures (APMs)

Traffic

APM	Definitions
ASK	Available seat kilometers, which is the total number of seats available on scheduled flights multiplied by the number of kilometers these seats were flown
RASK	Total revenues on a given flight divided by the ASK on that same flight
CASK	Total operational cost per available seat kilometer is calculated by dividing total operational cost on a given flight by available seat kilometers (ASK) on that flight
RPK	Revenue passenger kilometers, the number of revenue passengers carried on scheduled flights multiplied by the number of kilometers those seats were flown
PAX - Passenger	Each passenger is counted by the number of flight coupons his journey requires. A passenger flying KEF-CPH is counted as one passenger, a passenger flying NYC-KEF-CPH is counted as two passengers
OTP	Arrival on time performance, a measure of flights arriving within 15 minutes of scheduled arrival time. OTP is calculated by dividing the number of arrivals that arrive within 15 minutes of scheduled arrival time with the total number of arrivals
Passenger flights	Flight flown by an airline for the purpose of carrying passengers, freight and mail according to a published timetable for which it receives commercial remuneration
LF	Passenger load factor, calculated by dividing RPK by ASK
BH	Block hours - the time computed from the moment the blocks are removed from the wheels of the aircraft until they are replaced at the next point of landing
FTK	The number of tonnes of freight carried, obtained by counting each tonne of freight on a particular flight (with one flight number)
Passenger mix:	
To	The tourist market with Iceland as the destination
From	The Icelandic domestic market where Iceland is the point of departure
VIA	The interantional market between Europe and North America
Within	The domestic operation within Iceland

Capital sturcture

APM	Definitions
Total cash and marketable securities	Cash and cash equivalents (including cash from assets held for sale) and marketable securities
Liquidity	Total cash and cash equivalents (including cash from assets held for sale), marketable securities and undrawn revolving facilities
Net interest-bearing debt	Loans and borrowings, net of total cash and marketable securities
Net lease liabilities	Lease liabilities (including assets held for sale), net of lease receivables
Current ratio	Indicates how many times over current assets can cover current liabilities and is calculated by dividing current assets with current liabilities
Equity ratio	Indicates the ratio of how leveraged the Company is and is calculated by dividing total equity with total equity and liabilities
Equity ratio without warrants	As warrants are reversable over retained earnings (if used or not) we adjust the equity ratio for warrants. This is calculated by dividing total equity and warrants with total equity and liabilities less warrants
Intrinsic value of share capital	Indicates the book value of each share and is calculated by dividing total equity with share capital

Other

APM	Definitions
Fuel cost	Fuel cost of jet fuel and surcharges, including de-icing, hedging results and emissions trading costs
Effective fuel price	Cost of jet fuel and surcharges, including hedging results, but excluding de-icing and emissions trading cost (pr. tonn)
CAPEX	Capital expenditure of operating assets, intangible assets and deferred cost
FTE	Average full time employee equivalent

Alternative performance measures (APMs), contd.:

	2021 Q2	2020 Q2	2021 YTD	2020 YTD
Traffic				
ASK ('000)	718,136	145,928	913,549	2,463,469
RASK (USD cent)	5.60	9.00	5.90	6.00
CASK (USD cent)	15.20	85.90	18.90	14.40
RPK ('000)	339,476	59,023	407,258	1,713,758
PAX	154,885	43,133	221,116	646,872
OTP	92.0%	90.0%	91.0%	82.0%
Passenger flights	1,240	489	1,998	3,041
LF	47.3%	40.4%	44.6%	69.6%
BH	3,495	3,470	6,719	10,528
FTK ('000)	34,158	27,013	67,852	57,096
Passenger mix				
To	65,008	14,452	77,931	315,980
From	21,269	8,730	32,081	109,463
Via	16,550	191	17,347	157,806
Within	52,058	19,760	93,757	63,623
	2021 30.6	2020 31.12	2020 30.6	
Capital structure				
Total cash and marketable securities (USD '000)	190,492	159,370	153,625	
Liquidity (USD '000)	362,492	331,370	153,625	
Net interest-bearing debt (USD '000)	80,625	104,218	108,972	
Net lease liabilities (USD '000)	254,584	133,894	149,063	
Current ratio	0.70	0.70	0.43	
Equity ratio	0.14	0.23	0.11	
Equity ratio without warrants	0.16	0.25	0.11	
Intrinsic value of share capital	0.77	1.09	2.68	
	2021 Q2	2020 Q2	2021 YTD	2020 YTD
Other				
Effective fuel price (USD pr. Metric tonn)	700	1,159	665	1,005
CAPEX	152,163	12,429	160,562	40,408
FTE	1,783	2,619	1,648	2,929

