



Annual Report 2024

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P/F Reg.
no.: 1223

Financial year:
01.01.2024 – 31.12.2024

Chairman of AGM:
Christian F. Andreasen

Annual report was adopted at annual
general meeting on 24 april 2025

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Photo: Nicolás Vera-Ortiz

The board of directors and the executive management have today presented the group and annual report of P/F Atlantic Airways for the financial year 1 January to 31 December 2024.

The group consolidated annual report has been presented in accordance with the Faroese Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the group accounts and annual accounts provide a true and fair view of the group's and company's assets and liabilities and its financial position as on 31 December 2024 and of the company's results of its activities in the financial year 1 January to 31 December 2024.

The management's report contains, in our opinion, a fair account of the circumstances described in the report.

The group consolidated annual report is recommended for approval at the general meeting.

Sørvágur, on the 2 April 2025

EXECUTIVE MANAGEMENT

Jóhanna á Bergi
CEO

Marius Davidsen
CFO

BOARD OF DIRECTORS

Niels Mortensen
Chairman

Kaj Johannessen
Vice-chairman

Esther Dahl

Annika Larsen Black

Tommy Adrian H. Andreasen

Jens Eystein í Løðu



Photo: Nicolás Vera-Ortiz

To the shareholders of P/F Atlantic Airways

REPORT ON THE ANNUAL ACCOUNTS

We have audited the consolidated annual accounts of P/F Atlantic Airways for the financial year 1 January – 31 December 2024, which comprise accounting policies used, profit and loss account, balance sheet, statement of change in equity, cash flow statement and notes. The consolidated annual accounts are prepared in accordance with the Faroese Financial Statements Act.

In our opinion, the consolidated annual accounts and the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2024 and of the results of the company's operations and cash flows for the financial year 1 January to 31 December 2024 in accordance with the Faroese Financial Statements Act.

BASIS FOR OPINION

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in the Faroe Islands. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the consolidated annual accounts and the annual accounts." We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the consolidated annual accounts and the annual accounts

The management is responsible for the preparation of consolidated annual accounts and annual accounts that give a true and fair view in accordance with the Faroese Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of consolidated annual accounts and annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts and the annual accounts, the management is responsible for evaluating the group's and the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis

of accounting when preparing the consolidated annual accounts and the annual accounts, unless the management either intends to liquidate the group or the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated annual accounts and the annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts and the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in the Faroe Islands will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the consolidated annual accounts and the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in the Faroe Islands, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- | Identify and assess the risks of material misstatement in the consolidated annual accounts and the annual accounts, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- | Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- | Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- | Conclude on the appropriateness of the management's preparation of the consolidated annual accounts and the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts and the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.
- | Evaluate the overall presentation, structure and contents of the consolidated annual accounts and the annual accounts, including the disclosures in the notes, and whether the consolidated annual accounts and the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.
- | Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

STATEMENT ON THE MANAGEMENT'S REVIEW

The management is responsible for the management's review.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Faroese Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the consolidated annual accounts or the annual accounts and that it has been prepared in accordance with the requirements of the Faroese Financial Statement Acts. We did not find any material misstatement in the management's review.

Tórshavn, on the 2 April 2025

P/F Januar

State Authorized Public Accountants

Hans Laksá

State Authorized Public Accountant

THE COMPANY

Atlantic Airways P/F
Vággar Airport
FO 380 Sørvágur

Tel.: +298 341000
Website: www.atlantic.fo
Reg. no.: 1223
Vat-no: 379778
Fiscal year: 1 January – 31 December

THE BOARD

Niels Heini Mortensen, chairman
Kaj Johannessen, vice-chairman
Esther Dahl
Annika Larsen Black
Tommy Adrian Helmar Andreasen
Jens Eystein í Løðu

MANAGEMENT

Jóhanna á Bergi, CEO
Marius Eyðun Davidsen, CFO

AUDITOR

P/F Januar, State Authorized Public Accountants
Óðinshædd 13, PO-box 30, FO-110 Tórshavn

Tel.: 31 47 00
Telefax: 35 17 01
Email: januar@januar.fo
Website: www.januar.fo

SUBSIDIARY

P/F Hotel Atlantic, P/F,
Flogvøllurin, 380 Sørvágur

P/F Ognarfelagið matr. nr. 406b, P/F,
Flogvøllurin, 380 Sørvágur

ASSOCIATED COMPANIES

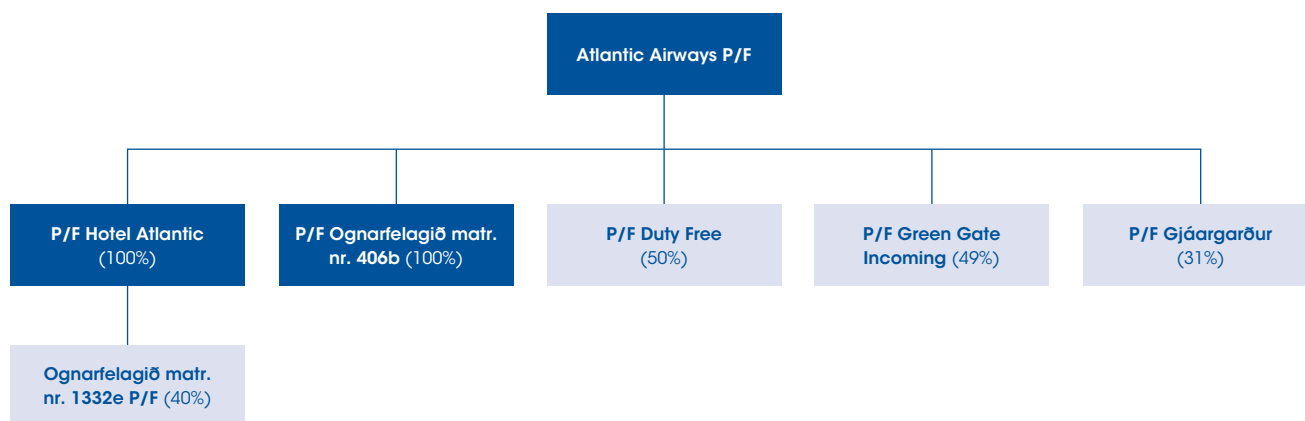
P/F Duty Free,
Flogvøllurin, 380 Sørvágur

P/F Greengate Incoming,
Niels Winthersgøta 5, 100 Tórshavn

P/F Gjáargarður,
Dalavegur 20, 476 Gjógv

P/F Ognarfelagið matr. Nr. 1332e,
Kopargøta 1, 100 Tórshavn

GROUP OVERVIEW



INCOME STATEMENT	2023 (THOU.)	2022 (THOU.)	2021 (THOU.)	2020 (THOU.)	2019 (THOU.)
Net sales	921,343	885,015	740,135	446,822	292,818
Result before financial items	24,759	36,554	27,939	-2,612	-115,268
Net financial items	5,044	2,852	-2,668	-8,639	-12,907
Result after tax	27,295	35,845	20,991	-9,616	-104,571
BALANCE SHEET					
Total assets	870,417	756,239	714,414	742,520	764,939
Equity	337,284	313,905	278,852	254,876	245,734
CASH FLOWS					
Net cash flow from operating activities	42,682	80,121	90,464	53,678	-72,912
Net cash flow used in investing activities	-147,985	-120,005	28,378	-7,683	-35,461
Net cash flow from financing activities	83,673	-22,560	-77,990	-31,096	127,000
Cash flows for the period	-21,630	-62,444	40,852	14,899	18,627
EMPLOYEES					
Number of full-time employees in average	280	257	226	184	160
FINANCIAL RATIOS IN %					
EBIT margin	2.7	4.1	3.8	-0.6	-39.4
Current ratio	118.2	117.8	163.2	165.0	157.4
Solvency ratio (%)	38.7	41.5	39.0	34.3	32.1
Return on equity (%)	8.4	12.0	7.9	-3.8	-41.5

The Key Figures and ratios have mainly been calculated in accordance with recommendations from the Danish Society of Investment Professional and only deviate on a few counts.

EBIT margin	$\frac{(\text{EBIT}) \times 100}{\text{Net sales}}$
Current ratio	$\frac{\text{Total current assets} \times 100}{\text{Total current liabilities}}$
Solvency ratio	$\frac{\text{Total current liabilities} \times 100}{\text{Total assets, end of period}}$
Return on equity	$\frac{\text{Net result} \times 100}{\text{Average equity}}$



Atlantic Airways in brief

OUR ORIGIN AND OBJECTIVE

Atlantic Airways was established in order to develop the Faroese airline industry and airline services, and through this establish a competent aviation environment in the Faroe Islands.

Since the company's establishment in 1987, it has grown from a small company with one aircraft and limited capabilities to a company, which operates several aircraft and helicopters. At year-end 2024, Atlantic Airways operated 4 aircraft and 2 helicopters and had 280 full time equivalent employees.

Atlantic Airways exists to connect the Faroe Islands to the world, to tie the islands closer together and for safety. Atlantic Airways operates a regular, flexible and diverse route network from the Faroe Islands with competitive prices. The airline uses state of the art technology and equipment, and it uses fully modern communication services. The customer is at the centre of all our activities. We work closely with customers and the community to better our services and experiences.

For Atlantic Airways safety comes first, regularity is a constant goal, the customer is at the centre of all matters, the employees are skilled and service-minded, and the results create value. The company's field of activities is scheduled flights and helicopter flights with the Faroe Islands as our cornerstone, as well as charter flights using excess capacity. In addition, the field of activities are developed from the airline's core competences and we participate in the development of the tourism industry, cargo transportation and other forms of transportation.

The scheduled flights are divided into Denmark, NORTH and SUN routes, in addition to a new route to Paris and London. The number of low price tickets has increased significantly both to Denmark and the NORTH-routes. The NORTH routes have improved connection between the Faroe Islands and the neighbouring countries of Iceland, Norway and Scotland significantly. Helicopter rescue services and scheduled services are today conducted with modern helicopters, which has increased the service level significantly for the remoter parts of the islands, health services, sailors and other travellers.

Atlantic Airways also prioritizes being a valued and respected member of our local society, creating value, competences and jobs for the Faroese community.

THE HISTORY OF ATLANTIC AIRWAYS IN BRIEF

Atlantic Airways was formed in 1987 and has continually developed airline travel to and from the Faroe Islands since the first operation in 1988 on 28 March. The number of departures to Copenhagen has increased to five per day, both morning and evening. Since 1995, the company has stepwise established flight connections to the neighbouring countries Norway, Iceland and UK and France as well as connections to southern Europe. The company has been at the forefront in promoting the Faroe Islands abroad as a tourist destination, as well as in developing local tourism.

The company has provided domestic helicopter services in the Faroe Islands since 1994 and Search and Rescue (SAR/HEMS) since 2001. In addition, Atlantic Airways has assisted all oil companies involved in oil exploration in Faroese waters.

Since the airline began its operations, it has emphasized training local workforce in the Faroe Islands to undertake a range of jobs within the aviation industry. Over the years, Atlantic Airways has trained several hundred people as mechanics, pilots, flight attendants, and a host of other positions within the aviation industry.

Management's Review

OPERATIONS 2024

The full-year result for Atlantic Airways was a profit of DKK 27.3 million after tax, compared to a profit of DKK 35.8 million in 2023. The pre-tax result was a profit of DKK 31.1 million in 2024 compared to a profit of DKK 40.7 million in 2023. Earnings before interest, depreciation and amortization (EBITDA) was a profit of DKK 66,6 million compared to a profit of DKK 76,7 million in 2023. Total revenue for the year was DKK 859,5 million, compared to DKK 832,3 million in 2023. The strike by the Faroese Workers' Union, which lasted for approximately a month during the lead-up to the high season, had a significant impact on passenger numbers and consequently also on the financial results for 2024. It is estimated that the strike also had a certain effect on summer ticket sales.

In September 2024, the manufacturer recalled two of the company's aircraft for engine overhauls. This had financial consequences, as the recall required Atlantic Airways to lease aircraft and make adjustments to the flight schedule.

The Group result after tax was also a profit of DKK 27.3 million in 2024 compared to a profit of DKK 35.8 million in 2023. The Group earnings before interest, depreciation and amortization (EBITDA) was a profit of DKK 65.8 million compared to a profit of DKK 73.7 million in 2023.

ONLY AIRBUS A320NEO IN 2030

Atlantic Airways currently operates four Airbus A320 aircraft and two AW139 helicopters. Two of the aircraft are Airbus A320neo models, which are the most fuel-efficient of their kind. All aircraft are equipped with RNP AR 0.1 navigation technology.

The biggest initiative towards sustainability is the selection of the right aircraft, as the company aims to have all aircraft be of the Airbus A320neo type by 2030.

READY FOR FUTURE GROWTH IN THE TOURISM INDUSTRY

Interest in the Faroe Islands as a travel destination is great and it is expected that more travellers will arrive in the coming years, especially foreign travellers. That is why it is important all the time to ensure competitiveness and to make the necessary adjustments. Atlantic Airways has laid a course for the coming years, and work is underway to develop destinations and measure that will improve the airline's operations.

EMPHASISING SUSTAINABILITY

Atlantic Airways emphasises sustainability and its goal is to fly as environmentally sustainable as possible. Sustainability is on the agenda in all the airline's departments, which are working diligently and continuously along the sustainable line.

Ever since 2008, the CO₂-emission for each seat on the airline's route network has dropped by 44%, because of the new and improved larger and more environmentally friendly aircraft. Atlantic Airways also undertook new campaigns to reduce fuel consumption and CO₂-emissions. The airline is encompassed by three initiatives concerning CO₂-emission in aviation: the EU ETS – quotas for aviation within the EU and EFTA countries, CORSIA (*Carbon Offsetting and Reduction Scheme for International Aviation*), as well as the UK ETS quota initiative for Britain.

Atlantic Airways has initiated a process to register ESG metrics (*key figures in the areas of sustainability, society, and governance*).

Our goal is to fly with zero net emissions by 2050, a target approved by the International Air Transport Association (IATA), and we support IATA's long-term plan titled "Net Zero Roadmaps," detailing measures to achieve the goal of zero net emissions by 2050.

SVEIGGJ TICKETS FOR YOUTH AND STUDENTS

With its SVEIGGJ tickets, Atlantic Airways offers special fares to students and young people. This initiative makes it easier and more affordable to 'swing' between their country of study and their homeland. Atlantic Airways considers this an important contribution to strengthening the connection between Faroese students and youth living abroad and the Faroe Islands. By maintaining these ties, the program may also help counteract emigration, which is once again reflected in recent statistics.

SVEIGGJ also supports making it more attractive for young Faroese to live and pursue education in the Faroe Islands, as it enables affordable travel abroad – whether for leisure, study trips, or short-term educational programs. In 2024, more than 24,000 SVEIGG tickets were sold across the company's route network.

ATLANTIC AIRWAYS AVIATION ACADEMY

In December 2024, the Danish Transport Authority (*Trafikstyrelsen*) approved the AW139 simulator for commercial training, enabling the opening of the brand-new simulator center. In January 2025, Trafikstyrelsen also approved the A320 simulator.

With this new centre, the company will offer first-class simulator training, both to its own pilots and to pilots from around the world.

The building that will house both the helicopter and flight simulators is currently under construction and will be completed in the spring of 2025.

CODESHARE CO-OPERATION

Atlantic Airways and KLM and Air France entered into a codeshare agreement, which means that several of Atlantic Airways' main scheduled flights also carry the KLM and Air France flight numbers, enabling travellers to travel all the way to the Faroe Islands, and it entails that the Faroe Islands make the list of all KLM and Air France travel destinations around the world. In 2025, Atlantic Airways will have three weekly scheduled flights to Paris from April to October.

In October 2024, an agreement was reached with Icelandair on a codeshare partnership, set to take effect in the first quarter of 2025. At the same time, an interline agreement was signed with Air Greenland, which will also come into effect in 2025.

Atlantic Airways is working to strengthen co-operation with other airlines intends to make more such codeshare agreements in the future.

HOTEL ACTIVITIES

In the spring of 2023, a subsidiary of Atlantic Airways, P/F Ognarfelagið matr. nr. 406b, purchased Hotel Vágur. The hotel has undergone major renovations and modernization and it opened in the second half of 2024. The subsidiary, P/F Hotel Atlantic, which already operates the Hilton Garden Inn in Tórshavn, also manages Hotel Vágur Vágur.

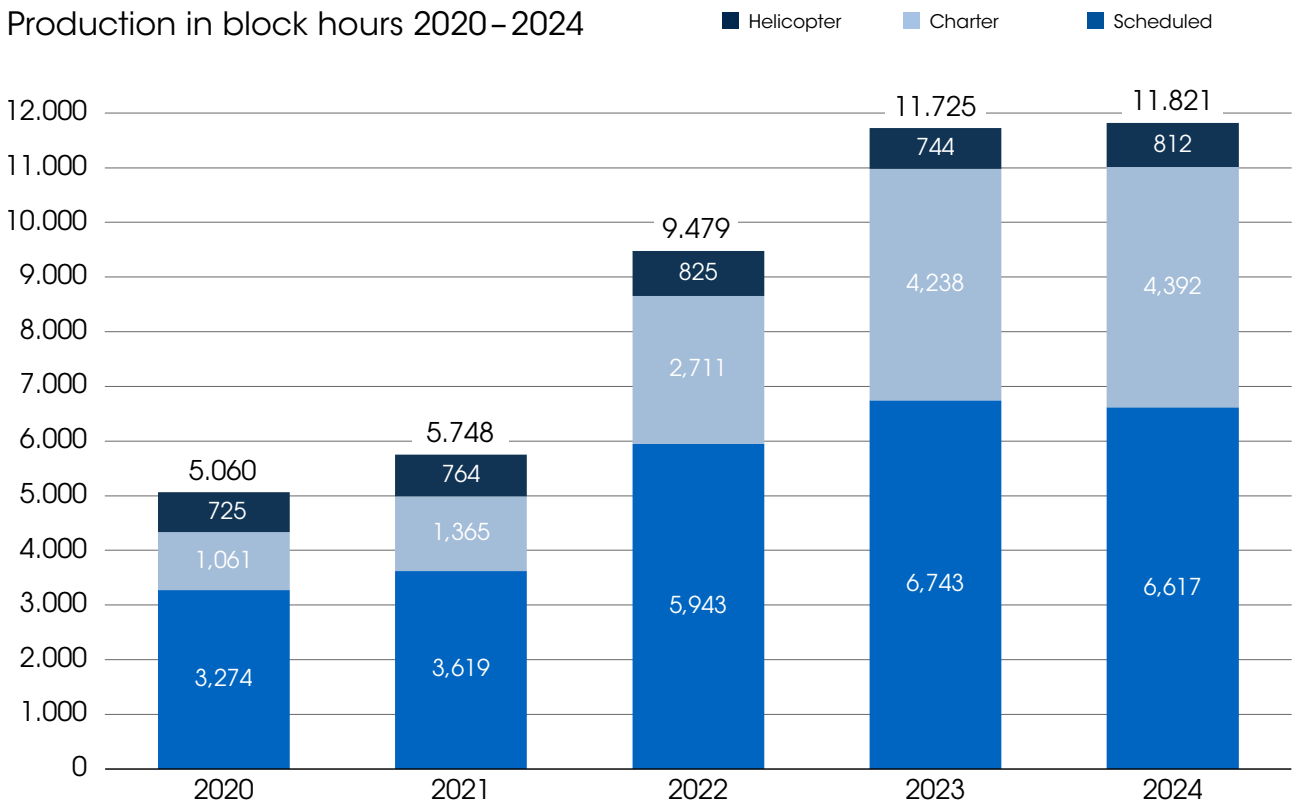
The Hilton Garden Inn has 130 rooms and five meeting and conference rooms, while Hotel Vágur features 25 rooms and two meeting rooms, in addition to a dining area that can also be used for parties and conferences. The hotel building on Staravegur in Tórshavn is leased by P/F Hotel Atlantic from P/F Ognarfelagið matr. nr. 1332e, which the company owns 40% of, along with the pension fund LÍV, which owns 60%.

Occupancy in Faroese hotels increased by 4% in 2023. However, it is expected that occupancies in Faroese hotels will increase in the coming years.

Operational Review

A total of 368,696 passengers flew on the company's scheduled flights in 2024, which is 1,086 fewer than in 2023. The aircraft logged a total of 11,009 block hours in 2024, compared to 10,980 block hours in 2023. Combined, aircraft and helicopters were in operation for 11,821 block hours in 2024, compared to 11,725 block hours in 2023 — an increase of 96 hours.

Production in block hours 2020–2024



PASSENGERS	2024	2023	CHANGE	CHANGE %
Scheduled service	368,696	369,782	-1,086	0%
Helicopter	10,973	12,117	-1,144	-9%
Charter	173,795	160,137	13,658	9%

BLOCK HOURS	HOURS	HOURS	HOURS	%
Scheduled service	6,617	6,743	-126	-2%
Charter	4,392	4,238	155	4%

Total aircraft	11,009	10,980	29	0%
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Helicopter	812	744	67	9%
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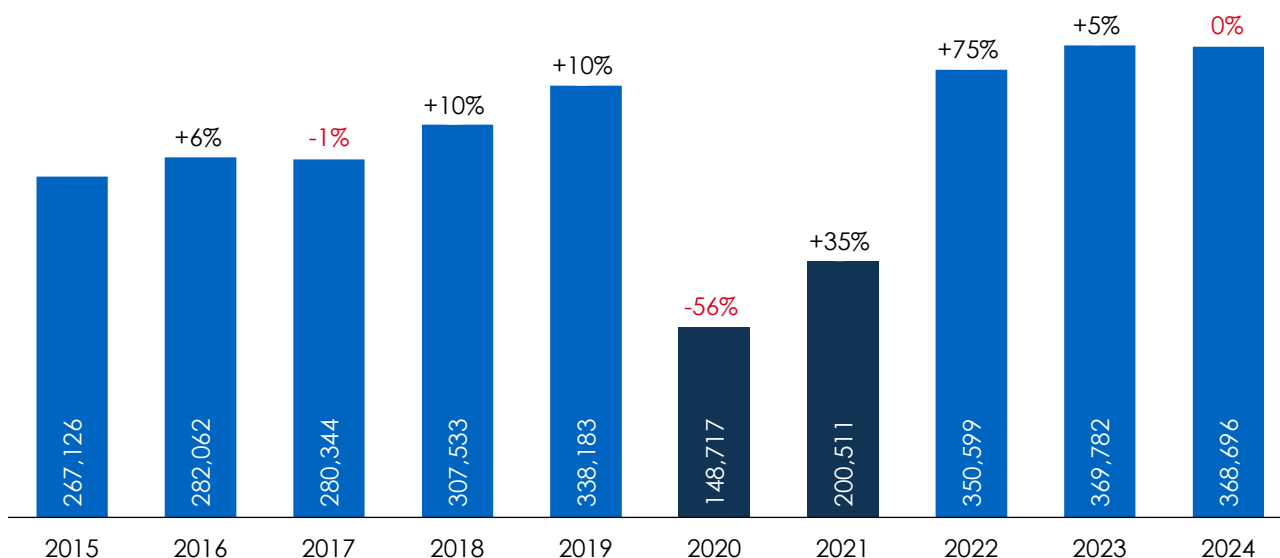
Total block hours	11,821	11,725	96	1%
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SCHEDULED SERVICES

The number of passengers on scheduled flights in 2024 was 368,696 – a decrease of 1,086 compared to 2023, when 369,782 passengers traveled with the airline. In 2024, flights were operated to 14 destinations, up from 11 in 2023. New destinations included London, Tenerife, and Berlin..

The seasonal fluctuations in scheduled traffic are usually high. Frequencies to Danish airports vary from 15 per week during the traditionally low-activity winter season to 35 per week during high season in the summer season.

Passenger numbers 2015 – 2024

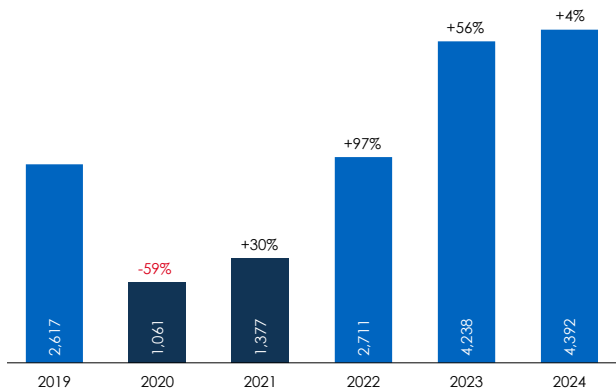


CHARTER OPERATIONS

The number of charter hours in 2024 was slightly higher than in 2023. The aircraft logged 4,392 charter hours in 2024, compared to 4,238 in 2023.

The airline leases out excess capacity not needed for scheduled services is sold to Charter/ACMI activity in order to improve profitability. In 2024, the airline provided services such as charter series for various tour operators in Denmark and ad hoc flights in Europe.

Block hours

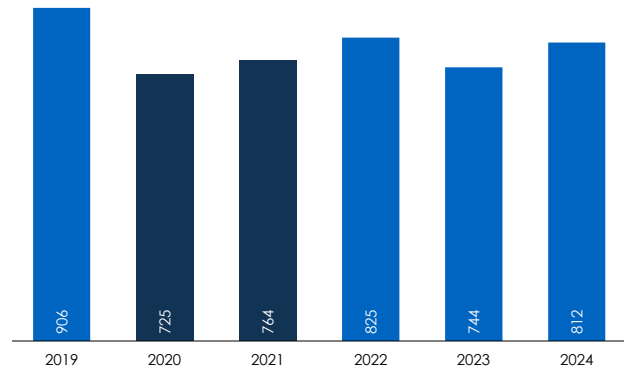


HELICOPTER OPERATIONS

In 2024, helicopter operations were predominantly Search-and-Rescue (SAR) on behalf of the Faroese Ministry of Fishery and domestic transport to the most remote islands on behalf of SSL, the National Faroese Transport Company using two modern AW139 helicopters. The helicopters have been prepared for Search-and-Rescue (SAR) coverage 24 hours a day all year. The company's helicopters were airborne for 812 block hours in 2024 compared to 744 block hours in 2023. block hours in 2022. The contribution in this segment is primarily reflected in the level of provided helicopter capacity agreements in terms of search and rescue and domestic flights.

There is a ten-year contract with the Faroese Ministry of Fishery and the Ministry of Foreign Affairs and Trade to provide helicopter Search and Rescue (SAR) and domestic transport to the most remote islands. The contract is in effect from 2016–2025. The service has improved significantly with these two new AW139 helicopters, which can reach the 200 nautical mile limit of Faroese territorial waters, where they can perform rescue operations for 30 minutes. The helicopters have 14 seats, compared with 9 seats on the old Bell 412 helicopters.

Block hours – helicopter



The SAR service was called out on 54 occasions in 2024 compared to 44 occasions in 2023. The airline has provided domestic helicopter services in the Faroe Islands since 1994 and SAR operations since 2001.

OTHER INCOME

Together with Vágur Airport, Atlantic Airways co-owns the company P/F Duty Free, which operates the duty-free shop and café at Vágur Airport. Atlantic Airways also owns the subsidiary P/F Hotel Atlantic, which operates the Hilton Garden Inn Faroe Islands in Tórshavn in partnership with the international hotel chain Hilton, as well as Hotel Vágur, which opened in spring 2024.

Atlantic Airways also operates cargo and mail transportation between the Faroe Islands and the world on its scheduled flights.

THE FLEET

At the end of 2024, the fleet consisted of four aircraft: two Airbus A320neo and two Airbus A320.

The company owns one of the aircraft and leases three on long-term agreements, including two A320neo aircraft, which have at least 15% lower fuel consumption and CO₂ emissions compared to other Airbus aircraft of the same size. The average age of the fleet is approximately eight years.

An agreement has also been made with the Airbus factory for the delivery of two new Airbus A320neo aircraft, expected to join the fleet in summer 2027 and autumn 2028, respectively. Originally, these aircraft were scheduled for delivery in 2023 and 2024, but the handover was delayed due to the global pandemic.

Atlantic Airways flies the most advanced airspace technology in Europe, according to manufacturer Airbus. As the first airline in the world, the company has since 2014 operated the world's first RNP AR 0.1 approach combined with ILS. Atlantic Airways is using this advanced navigation technology at Vágar Airport with all the aircraft and as a result Atlantic Airways can land safely in Vágar airport in significantly poorer weather conditions than before. The RNP AR 0.1 procedures have enabled significantly higher on-time performance and flight regularity compared to the previous years.

Fleet end of year	No	Own	Prod. year
A320neo	2	0	2019-2020
A320	2	1	2012-2016
AW139	2	2	2015-2016

At the end of 2024, the helicopter fleet consisted of two Leonardo AW139 helicopters. The average age of the helicopter fleet is approximately nine years.



OY-RCK (INGÁLVUR) S/N 8918
Type: Airbus 320-251N



OY-RCL (TITA) S/N 10006
Type: Airbus 320-251N



OY-RCJ (WILLIAM) S/N 7465
Type: Airbus 320-214



OY-RCM (ELINBORG) S/N 05084
Type: Airbus 320-214



OY-HIH (RUTH) SN: 31718
Type: Agusta Westland 139



OY-HIL (SÁMAL) SN: 31722
Type: Agusta Westland 139

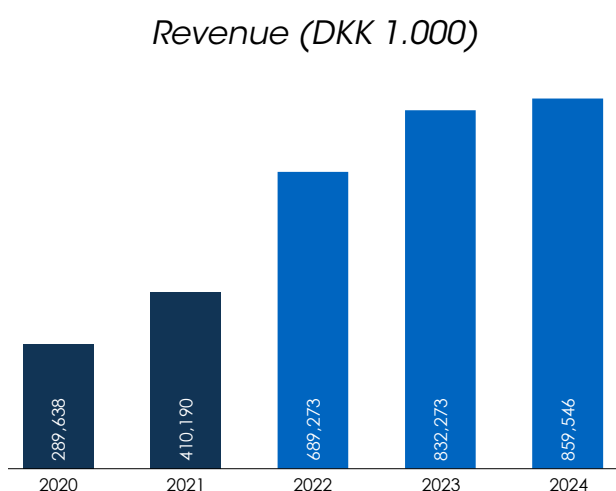


Financial Review

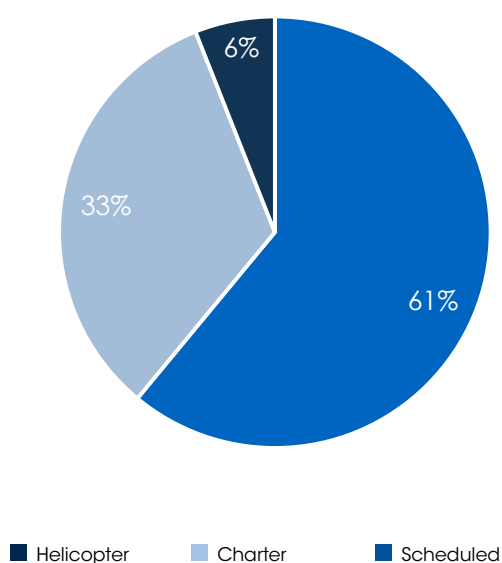
FINANCIAL STATEMENT, 1 JANUARY - 31 DECEMBER 2024

Revenue

Atlantic Airways recorded total revenue of DKK 859.5 million in 2024, compared to DKK 832.3 million in 2023. The increase of DKK 36 million is partly attributable to higher charter income.



Distribution



Operating expenses

Operating expenses for the parent company increased by DKK 25.9 million in 2024, reaching DKK 639.2 million compared to 2023. One of the largest cost components in the aviation industry is fuel. In 2024, total fuel expenses, including the purchase of CO₂ quotas, amounted to DKK 168 million. The company has partially hedged its fuel consumption.

Employee expenses

Employee expenses amounted to DKK 153.7 million in 2024, compared to DKK 142.3 million in 2023. The number of full-time equivalents was 214 in 2024, compared to 204 in 2023.

Depreciations

Depreciation and impairment amounted to DKK 35.9 million in 2024, compared to DKK 32.8 million in 2023.

Financial items

Net financial items, including results from associated companies, amounted to DKK -0.4 million in 2024, compared to DKK -3.2 million in 2023.

Profit before tax in 2024 amounted to DKK 31.1 million, compared to DKK 40.7 million in 2023.

The net profit after tax was DKK 27.3 million, down from DKK 35.8 million in 2023.

Return on equity after tax was 8.1 percent in 2024, compared to 11.4 percent in 2023.

BALANCE SHEET

Assets

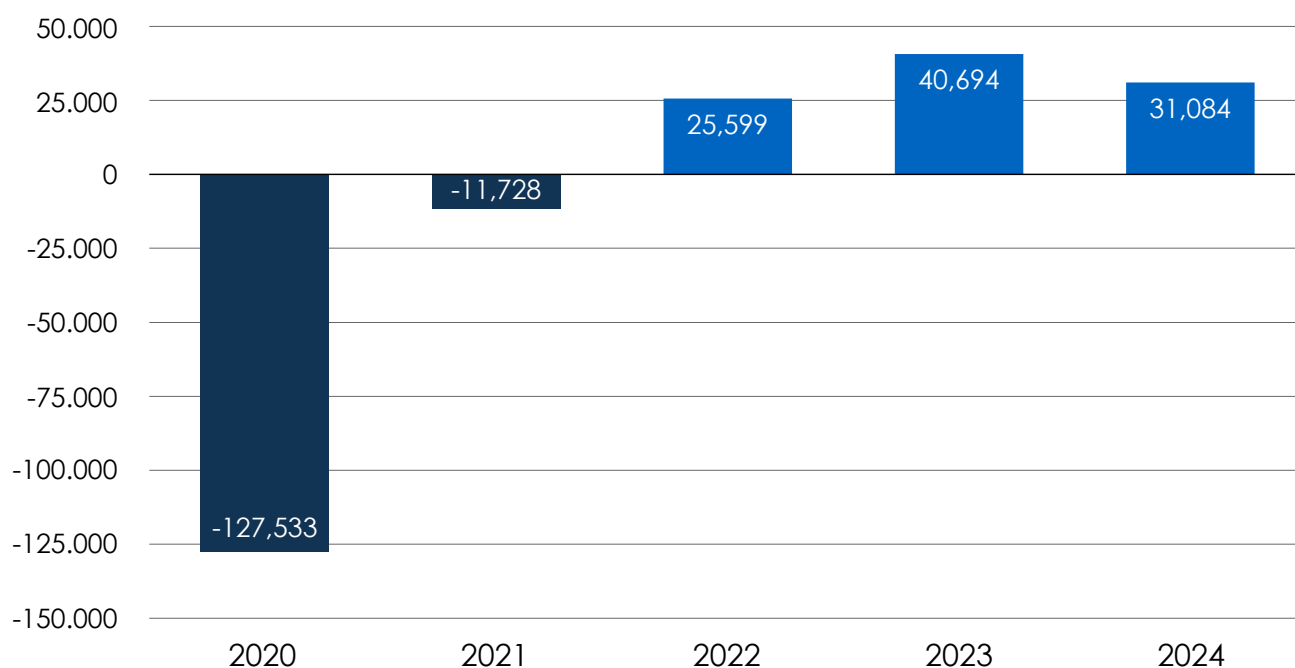
The company's fixed assets increased from DKK 468.4 million to DKK 562.2 million in 2024. The main reason for this change was the investment in the simulator project.

Current assets increased by DKK 8 million in 2024, rising from DKK 253.5 million at the beginning of the year to DKK 261.5 million at year-end.

The company's cash and cash equivalents amounted to DKK 138.0 million at the end of 2024, compared to DKK 161.0 million at the beginning of the year.

For the group as a whole, cash and cash equivalents were DKK 141.2 million at year-end 2024, compared to DKK 163.0 million at the beginning of the year.

Result before tax (DKK 1,000)



Equity

At year-end, the company's equity amounted to DKK 337.3 million, and the solvency ratio was 40.9%. Compared to the beginning of the year, equity increased by DKK 23.4 million, while the solvency ratio decreased by 2.6 percentage points.

Liabilities

At year-end, the company's total liabilities amounted to DKK 451.0 million, compared to DKK 375.1 million at the end of the previous year. Long-term debt increased from DKK 201.3 million to DKK 267.6 million at the end of 2024. The company has taken out a loan of DKK 90 million to finance the simulator project.

Balance sheet

The balance sheet total as of 31 December 2024 was DKK 823,7 million, which is DKK 101,8 million higher than the previous year.

Going concern disclosure

The Board of Directors and the Executive Management have in connection with the financial reporting process assessed whether it is justified that the going concern assumption be upheld. The Board of Directors and the Executive Management have concluded that on the reporting date there are no factors that give rise to doubts as to whether the company can or will continue operations until at least the next balance sheet date. Therefore, the financial report has been prepared in the reality of continued operations.

Allocation of profit/loss

The recommendation regarding the allocation of net profit/loss is shown in the income statement.

Events after the End of the Financial Year

There have been no events from the balance sheet date until today that might affect the true and fair view of the annual report.

Outlook for 2025

AVIATION INDUSTRY AND THE GLOBAL ECONOMY

According to the International Air Transport Association (IATA), global air travel increased by 13.6% in 2024 compared to 2023. The aviation industry is expected to continue its positive trajectory in 2025.

In general, developments in the aviation industry are closely linked to the economic trends in the countries from which passengers originate. In its latest report, the International Monetary Fund (IMF) projects that the global economy will grow by 3.3% in both 2025 and 2026.

FAROESE ECONOMY

The Faroese Economic Council estimates that the Faroese gross domestic product (GDP) at current prices increased by 4.7% in 2024, compared to 5.6% in 2023. The majority of the growth in 2024 is attributed to inflation. The economy has been characterized by low unemployment and rising living costs.

The latest consumer confidence index from Statistics Faroe Islands shows a slight increase in household confidence, which is also reflected in improved indicators within both the retail and service sectors.

SCHEDULED SERVICE

In 2025, Atlantic Airways will offer direct scheduled flights between the Faroe Islands and 12 destinations: Copenhagen, Billund, Aalborg, Oslo, Reykjavik, Edinburgh, London, Paris, Barcelona, Mallorca, Gran Canaria, and Tenerife.

A certain increase in passenger numbers is expected in 2025 compared to 2024. Interest in the Faroe Islands as a travel destination remains strong, and passenger numbers are anticipated to gradually rise over the coming years.

CHARTER OPERATIONS

The company's charter operations are based on utilizing available capacity that is not needed for scheduled flights, thereby enhancing profitability. Charter activity in 2025 is expected to remain at approximately the same level as in 2024. The majority of the charter operations are out of Denmark, serving Danish travel agencies with flights to various southern destinations.

HELICOPTER OPERATIONS

Atlantic Airways connects the islands through scheduled flights to the outlying islands and provides security with a modern helicopter preparedness service. Based on a 10-year agreement with the Faroese Government, which expires at the end of the year, two modern AW139 helicopters operate domestic flights and are available for search and rescue (SAR) and emergency medical services (HEMS) around the clock, every day of the year. Activity levels in 2025 are expected to remain approximately the same as in 2024.

SIMULATOR OPERATIONS

Full operations at the new international training center for flight simulations, Atlantic Airways Aviation Academy, will commence in spring 2025. The center will offer AW139 helicopter simulator training, including an integrated HOIST trainer, as well as Airbus A320 flight training. Over time, this activity is expected to develop into a new business area that will strengthen the company's financial position.

FINANCIAL FORECAST 2025

Atlantic Airways expects a certain increase in passenger numbers and approximately the same level of charter activity in 2025 compared to 2024. Operating results for 2025 are anticipated to be somewhat higher than in the previous year. The engine overhauls, initiated by the manufacturer in 2024, will also lead to financial costs in 2025. However, the exact amount is currently unknown and will be determined once the overhauls are completed.

Operating results may also be affected by risks such as a potential economic downturn in the Faroe Islands and Europe, competitive pressure, fuel price fluctuations, currency exchange rate changes, continued high inflation, global conditions, environmental regulations, and other risks as outlined in the annual report under risk management.



Ownership

SHARE CAPITAL

The share capital remains unchanged at DKK 104,500,000. The share capital consists of one class of shares distributed over 1,045,000 shares. All shares have the same rights. There is one vote per share.

SHAREHOLDER

The Faroese Government (*Ministry of Foreign Affairs and Trade*) owns 67% of the shares and 33% are the company's own shares.

DIVIDEND

The Board of Directors propose to the company's Annual General Meeting, to be held in April 2025, that no dividend be distributed to the shareholders of Atlantic Airways. No dividend was distributed in 2024 for the 2023 financial year. The Board intends to develop a formal dividend policy during the coming year.

CAPITAL AND SHARE STRUCTURE

The Board of Directors considers that the company's capital and share structures, its strategy and long-term value creation are in the best interest of the shareholder and the company.

Corporate Governance

In this part is the statement on corporate governance. This statement forms part of the management's review in Atlantic Airways' Annual Report for the period 1 January – 31 December 2024.

Atlantic Airways was delisted from the stock exchanges in Copenhagen and Reykjavik in 2014, which meant that the company is no longer subject to any recommendations on Corporate Governance. However, Atlantic Airways has nonetheless chosen to follow the Danish Recommendations on Corporate Governance and to comply with the recommendations where possible. A comprehensible table overview of the company's compliance with the Danish Recommendations, as well as explanations of departures, is provided on the company's website www.atlanticairways.com/en/about-us/organization/

The Danish Recommendations on Corporate Governance were last updated in December 2020 and are valid from the fiscal year 2021. The full version of the Danish Recommendations on Corporate Governance can be found on the website www.corporategovernance.dk

The following subsections address main aspects of corporate governance in Atlantic Airways.

ANNUAL GENERAL MEETING

The Annual General Meeting represents the supreme authority in the affairs of the company, within the limits established by the Articles of Association. The Annual General Meeting of Atlantic Airways shall be held before the end of April each year. Shareholders and their advisors may attend the Annual General Meeting, and the meetings are open to representatives of the press.

BOARD OF DIRECTORS

The Board ensures a prudent organization of the company's business and manages the company's general affairs as well as ensures that the best interests of the company's shareholders are guarded. The Board seeks to promote the long-term development of the company and endeavours to keep the organization and operations consistent with the company's mission and strategy.

The Board of Directors consists of 6 members. Two of the members are elected by the employees. Election of board members among the staff is conducted every four years in accordance with relevant legislation. The other 4 board members are elected at the Annual General Meeting.

All persons elected to the Board of Directors must be properly qualified and be able to devote the time required by the duties involved. The specific requirements for the skills of board members should ideally take keen notice of the following preferred skills, competencies and characteristics: experience within the aviation industry or other related fields of transport, relevant commercial experience, personal management experience relevant to the company's scope and size, governmental relations and issues, financial management and investor relations, performance and cost management, legislative insight and/or professional experience and strategic expertise and/or change management experience. The listed skills are not only relevant skills and competencies of various members but are also listed to ensure that the Board of Directors represents a diversity of relevant skills and knowledge.

The Chairman's role is to organize and chair the meetings, to act as a contact person to the executive management, prepare the meeting agenda and ensure timely release of meeting material to members before the meetings, ensure notice to the entire Board of meetings, ensure that the most significant issues of the company are addressed, ensure that legal requirements of the Board are met and to act as an external spokesman.

The main duty of the deputy chairman is to step in as acting Chairman of the Board, should this become necessary, in addition to being an active partner to the chairman.

The Board of Directors appoints the CEO and other members of the Executive Management.

The Board of Directors convene when the Chairman deems it necessary or when one of the members or the management requests it.

The Board of Directors has held 10 meetings in 2024.

Niels Mortensen, Chairman of the Board

Born: 28 October 1966 (male)

Address: Traðavegur 12, FO-100 Tórshavn, Faroe Islands

Joined the Board: March 2013

Special skills: Commercial experience

Chief Occupation: CEO of SMS P/F and NM Holding

Experience: Danske Bank 1987–1992, P/F SMS 1992–

Other board duties: P/F Hotel Atlantic (Chairman), P/F Ognarfelagið matr. nr. 1332e (CEO and board member), P/F Ognarfelagið matr. nr. 406b, Sørvágur and P/F Duty Free

Education: Niels Brock Business School, Danske Bank

Expiry of the current election period: April 2024

Considered dependent of the Company

Kaj Johannessen, Vice-chairman of the Board

Chairman of the Board 1 January – 8 March 2013

Vice-chairman 2009–2012, and from 14 May 2013

Chairman of the Nomination Committee 2013

Chairman of the Audit Committee

Born: 8 November 1960 (male)

Address: Inni á Fløtum 13, FO-180 Kaldbak, Faroe Islands

Joined the Board: April 2009

Special skills: Expertise in financial and accounting matters, Governmental matters

Chief Occupation: CEO of P/F Farcod, P/F Enniberg og P/F Ametyst and P/F Havborg.

Experience: CEO of P/F Enniberg since 2016. Advisor in the Ministry of Transport, Infrastructure and Labour 2015–2016. Advisor in the Ministry of Finance 2013–2015. Advisor in the Ministry of the Interior 2008–2013. Senior Bank clerk in Føroya Banki (Bank Nordik) 2000–2008. Member of the chairmanship of the Faroese Council of Economic Advisers 2006–2009. Economist at Landsbanki Føroya 1993–2000 and Managing Director of Menningargrunnur Ídnaðarins 1990–1993. Examiner in economics at the Faroese University (Fróðskaparsetur Føroya) since 2001. Examiner in managerial economics at the Faroese Business College since 2009–2013. Previously on the board of directors of Norriq Holding A/S, Investeringsselskabet af 5. oktober 2012 Aps og P/F Atlantic Petroleum.

Other board duties: P/F Enniberg, P/F Farcod, P/F Havborg, and P/F Necto.

Education: Mr. Johannessen has a MSc in Economics and Business Administration from Copenhagen Business School 1990, specializing in Financing, International Business and Management Accounting

Expiry of the current election period: April 2024

Considered dependent of the Company

Esther Dahl, Member of the Board

Born: 20 September 1970 (female)

Address: Hornavegur 27, FO-450 Oyri, Faroe Islands

Joined the Board: May 2020

Special skills: Commercial experience, experience concerning the labour market

Chief Occupation: HR- & HTU- and communication manager, Faroe Ship

Experience: HR- & HTU- manager, Klaksvíkar sleipistöð, 2019–2022. Advisor in the Faroese Employer's Association 2005–2019 (particularly labour market, contract negotiations and shipping). Ad head of section, the Prime Minister's Office (foreign affairs) 2000–2005. Faroese ambassador to Bruxelles 1998–2000.

Other board duties: Member of the Council on working environment (since 2006).

Education: Cand. negot

Expiry of the current election period: April 2024

Considered independent of the Company

Annika Larsen Black, Member of the Board

Born: 11 June 1963 (female)

Address: Grønallíð 9, FO-100 Tórshavn, Faroe Islands

Joined the Board: April 2021

Special skills: Commercial experience in sales and marketing and project management, tourism

Chief Occupation: Project manager, Granskingar- og Framtakseindin, Fróðskaparsetur Føroya

Experience: Cordinator, Sernám 2023–2024, Cordinator, Yrkisdepinilín, 2021–2022, education co-ordinator Vestmanna upper secondary school 2017–2021, MICE Faroe Islands 2016–2020, sales manager, Smyril Line 2009–2013, sale and service 62N 2007–2008, sales and marketing manager Flogfelag Føroya 1995–2007.

Other board duties: None

Education: Master's degree in Project Management and Process Optimization, Academy Programme in Leadership, and trained as an Industrial Laboratory Technician

Expiry of the current election period: April 2024

Considered dependent of the Company as employee representative

Tommy Andreassen, Member of the Board

Born: 9. November 1985 (male)

Address: Ryggstøta 13, FO-160 Argir

Joined the Board: April 2023

Special skills: Atlantic Airways employee

Chief Occupation: Pilot

Experience: Employee of Atlantic Airways

Other board duties: None

Education: Pilot

Expiry of the current election period: April 2027

Considered dependent of the Company as employee representative

Eystein í Løðu, Member of the Board

Born: 5 July 1973 (male)

Address: Smiðjuvegur 14, FO-386 Bøur

Joined the Board: April 2019

Special skills: Employee of Atlantic Airways

Chief Occupation: Safety Manager

Experience: Employee of Atlantic Airways since 1994, except 2000–2001.

Other board duties: None

Education: Flight mechanic and psychotherapist

Expiry of the current election period: April 2023

Considered dependent of the Company as employee representative

AUDIT COMMITTEE

The Board has not formed a separate Audit Committee. The Board of Directors decided at a board meeting in March 2010 in accordance with Article 29 of the Faroese Audit Act that the Board executes the activity of the Audit Committee. Kaj Johannesen is chairman of the audit committee.

EXECUTIVE MANAGEMENT

The Executive Management of Atlantic Airways is made up of the Chief Executive Officer and the Chief Financial Officer, who are responsible for the daily operations of the company. The CEO is also "Accountable Manager" for the airline and as such has the ultimate responsibility to comply with the standards and requirements set by the aviation authorities. On 1 May 2025, Hogni Olsen will become new CFO of Atlantic Airways.

Jóhanna á Bergi, CEO

Born: 29 September 1970

Address: Traðagøta 18, FO-700 Klaksvík, Faroe Islands

Experience: Mrs. Á Bergi has been CEO of Atlantic Airways since September 2015. CEO of Faroe Ship P/F 2006–2015, Sales and Marketing Director of JFK 1998–2006 and Sales Manager at Faroe Seafood 1994–1998.

Other board duties: P/F Hotel Atlantic, Visit Faroe Islands P/F, Føroya Grunnurin, Norðoya Íløgufelag, P/F Norðoyatunnilin av board member P/F Ognarfelagið matr. nr. 406b, Sørvágur.

Education: Mrs. Á Bergi has a MSc in Management from Robert Gordon University 2004. Export and Marketing from the Danish School of Export and Marketing 1994

Marius Davidsen, CFO

Born: 31 July 1958

Address: Í Fornanum 3, FO-380 Sørvágur, Faroe Islands

Experience: Mr. Davidsen has been CFO of Atlantic Airways since January 2005. Mr. Davidsen has been involved with Atlantic Airways since it commenced operations in 1987/88. Financial manager since 1988 and deputy for the CEO since June 1993. Mr. Davidsen was also CEO of Duty Free P/F from 2014–2018

Other board duties: P/F Hotel Atlantic, P/F Ognarfelagið matr. nr. 406b, Sørvágur, P/F Greengate Incoming and P/F Gjáargarður.

Education: Mr. Davidsen is educated from Business School in Tórshavn

AUTHORIZED SIGNATORIES

The company is bound by the joint signature of a Chief Executive Officer and the Chairman of the Board, or by the joint signatures of two members of the Board of Directors.

REMUNERATION OF BOARD AND MANAGEMENT

The remuneration of the Board and Management are in accordance with the company's remuneration policy, available on the company's website. The remuneration policy was adopted by the Board of Directors and the General Meeting in April 2012.

The purpose of P/F Atlantic Airways' remuneration policy is to ensure appropriate corporate governance in the company and fulfil the long-term value creation for the company's shareholders.

The Board of Directors is remunerated with a fixed fee. The remuneration is not included in any sort of incentive or performance-related pay. The remuneration is set at DKK 120,000 a year. The chairman of the Board of Directors receives double the basic remuneration and the deputy chairman receives one and a half of the basic remuneration. Remuneration for the Auditing Committee is set at DKK 20,000 a year. The chairman of the auditing committee receives triple remuneration. If a board member assumes certain ad hoc tasks beyond the duty as board member, then the board sets a fixed remuneration for such tasks.

The remuneration reflects the competences, responsibility and efforts of the board members, the activity of the company, the scope of the workload and the number of board meetings.

Executive Management is contractually employed. The remuneration is reviewed and evaluated regularly. All adjustments to existing management contracts are made in writing and adopted by the Board of Directors.

Decisive to the remuneration to Executive Management is the objective to ensure the company's continued possibilities to attract and maintain the best qualified members of Executive Management. The details in the total remuneration to the Executive Management are comprised in consideration of market practice and the company's specific needs.

Remuneration of Executive Management may be comprised of fixed pay, value-based bonus and pension. The total level for the non-variable elements in the remuneration is established in consideration of market level, as e.g. the company's size and course of development are taken under consideration. Remuneration to Executive Management is currently only comprised of fixed pay and pension, corresponding to a pre-defined part of the fixed remuneration.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM RELATING TO FINANCIAL REPORTING

The Board and Executive Management have the overall responsibility for the company's risk management and internal control procedures in connection with the financial reporting process, including the adherence to legal and other requirements for presentation. The company's control and risk management systems are intended to effectively identify, manage and minimize the risk of error in the financial reporting process, and provides an adequate degree of certainty; though not complete certainty, that erroneous use of assets, losses and/or material errors and omissions in connection with the presentation of the accounts are avoided.

The Board and the Executive Management set out and approve overall policy, procedures, and control on important areas in connection with the presentation of accounts.

The Executive Management has the daily responsibility for legal and other requirements being adhered to as regarding the presentation of accounts, and regularly informs the Board on this matter.

The Board of Directors annually, and when it is deemed needed, reviews and discusses the applied accounting policies and changes in these, as well as significant estimates relating to the financial reporting.

The Board of Directors performs an annual assessment of the company's risk management and internal control procedures, including an overall assessment of risk in connection with presentation of accounts. Part of this assessment is to determine the risk of fraud, and possible changes required to reduce and/or eliminate such risk.

A reporting process has been established under which monthly reports are made to the Board of Directors, explaining deviations from the expected results and key figures for the business segments.

Risk management

Atlantic Airways is exposed to a number of significant risks, which may affect the business, financial results and long-term objectives. Both the Board of Directors and Executive Management incorporate the identification and management of risks as an integral part of their activities. By identifying substantial areas of risk, as well as areas of opportunity, at an early point, Atlantic Airways is able to act accordingly and take due measures in its operations. The Executive Management currently reports to the Board of Directors on the development within the most important areas of risk and compliance with adopted policies.

GENERAL AND SPECIFIC RISKS

The profit and loss account can be affected by the economic conditions in the Faroese and international markets. In addition, the profit and loss account and the balance sheet can be affected by increased competition, changes in oil prices, changes in the price of carbon emission permits, changes in the European Emissions Trading Scheme, demand for airline travel, demand for fixed-wing and rotor-wing charter operations, the general level of cost, the weather and traffic disruption, volcanic ash, operations and accidents, regulation, technology, financial risk, credit risk, and currency risk.

The airline industry has relatively high fixed costs in connection with each flight. These expenses are not directly influenced by the number of passengers carried on each flight, and thus changes in load factor influence the profitability of the company. Atlantic Airways monitors the load factor closely to ensure prudent operation of flights.

FUEL

As an essential and highly consumable resource in our operations, fuel is a material cost to the company. The volatility in the jet fuel price can significantly impact fuel costs and the operating results. Jet fuel costs represented a quarter of the operating expenses and fuel is settled in USD. Historically, there have been significant changes in fuel prices and operations are affected differently from year to year.

In order to manage the risk exposure of fuel price volatility, and subsequent impacts on the company's expenses, the Board has approved a policy to hedge fuel in DKK. Use of hedging means that the fuel cost per period is not as low as the spot-based price when prices decrease, however when spot prices increase the fuel cost also rises more slowly.

CO₂ EMISSIONS

Since 2012, airlines have been part of the European carbon emissions trading system, the European Emission Trading Scheme (*EU ETS*). Flights to and from the Faroe Islands are currently not covered by the scheme, while the company's flights within and between EU and EFTA countries – primarily charter flights – are subject to EU ETS regulations. As of January 1, 2024, flights between EU/EFTA countries and destinations such as the Canary Islands, Madeira, and similar territories are also included in the EU quota system.

The company is required to purchase CO₂ allowances – known as emission permits – for flights within EU and EFTA countries. A limited number of free allowances are also granted based on historical entitlements. However, the EU has decided that the system of free allowances will gradually be phased out over the next two years. The market for CO₂ allowances has historically been volatile. Over the past five years, the price of CO₂ allowances has increased from approximately EUR 8 per tonne of CO₂ to around EUR 80–90 per tonne.

The company is also subject to the UK ETS carbon emissions scheme, which covers flights from the United Kingdom to EU and EFTA countries, as well as CORSIA (*Carbon Offsetting and Reduction Scheme for International Aviation*), a global market-based mechanism for CO₂ emissions from international aviation. Under the CORSIA scheme, growth in emissions from international aviation from 2021 onward must be offset through the purchase of so-called “carbon offsets.” According to the CORSIA framework, Atlantic Airways is required to purchase offset credits from 2021 through 2029 to the extent that the international aviation sector's emissions exceed those of the baseline year 2019. The offsetting obligation is calculated based on the company's own emissions in the baseline year, multiplied by the percentage growth in total international aviation emissions compared to 2019. From 2029 onward, the scheme will also take into account each airline's individual emissions growth. Starting in 2025, the company will also be subject to the new EU fuel regulation (*RFEUA*).

DELAYS AND CANCELLATIONS

The company's operations may be affected by adverse weather conditions (*such as crosswinds, turbulence, fog, frost, and snow*), volcanic ash, and delays. In particular, the Faroese weather can impact flight operations to and from the Faroe Islands. In 2024, the company incurred expenses of DKK 15.9 million due to cancellations, delays, and passenger compensation (*EU261*), compared to DKK 13.2 million in 2023.

In recent years, the company's modern RNP AR 0.1 navigation system has significantly improved operational regularity and punctuality, contributing to a reduction in costs related to delays and cancellations.

CURRENCY RISK

Changes in exchange rates, especially changes between the Danish krone and the US dollar, can affect the economic performance of the company. Expenses for the purchase and lease of aircraft and insurance, as well as the majority of maintenance costs, are primarily in US dollars. The company assesses the currency risk regularly, especially between the Danish krone and the US dollar.

The company has a hedging policy that limits the risk associated with the use of US dollars for the leasing of aircraft.

INTEREST RATE RISK

The group is exposed to interest rate risks through investments and financing. As of 31 December 2024, the company had DKK 292 million in interest-bearing liabilities. The group equity ratio was 40.6 at year-end.

LIQUIDITY RISK

The company aims to always maintain sufficient liquidity. As of 31 December 2024, the parent company's liquidity amounted to DKK 138 million, and DKK 141 million at the group level. In addition, the company has access to a credit facility of up to DKK 30 million. This credit facility was unused as of 31 December 2024. Liquidity is considered satisfactory. Cash holdings are typically subject to seasonal fluctuations.

MARKET COMPETITION

The company's main source of revenue is scheduled flights between the Faroe Islands and Copenhagen. In recent years, the competitive landscape – particularly due to excess capacity and price competition – has impacted the company's revenues and results, as a result of intense competition from three major airlines during the high season. A continued negative effect on profitability due to competitive pressure is also expected in 2025.

Knowledge and Human Resources

Atlantic Airways' knowledge resources, here in particular human resources, are vital for the competitiveness of the company. The company considers relevant knowledge and

work experience of great importance in all core areas of airline activity. Our objective is to develop and retain our qualified personnel and to be the company of first choice among the best people on the Faroese job market.

The company is the only one of its kind in the Faroe Islands, and therefore places great emphasis on educating and training local workforce.

Beyond the company's own internal regulations and requirements on employees' abilities and qualifications, the company also has to comply with strict demands from the authorities to train and maintain the skills of its personnel, such as those performing flight operations, maintenance and ground-handling in addition to other staff with direct responsibilities towards the aviation authorities.

In addition to a high level of expertise on the production side, the company also emphasizes skills and skill development within administration and management of airline operations, such as in quality, safety, sales, service, organization, and planning.

Corporate Social Responsibility (CSR)

CSR IN ATLANTIC AIRWAYS 2024

Atlantic Airways aims to operate responsibly and transparently, striving to provide the Faroese society and its passengers with competitive services while also taking social and environmental considerations into account.

It is the company's policy that all operations are conducted in a way that balances commercial, social, and environmental factors. For this reason, we have highlighted three main focus areas in this report:

- | *Business operations:* Health & safety, environment, safety / compliance management
- | *Workplace:* Employee satisfaction, well-being, education and competence development
- | *Community:* Together we develop the Faroe Islands, sponsorships and donations

Business operations

ENVIRONMENT

The company places great emphasis on sustainability across all areas and is working systematically and continuously to pursue a sustainable course. Several initiatives have already been implemented, and further efforts are ongoing. Atlantic Airways is committed to adopting the greenest solutions possible wherever feasible.

With a relatively new fleet, fuel consumption per flight hour and per passenger has decreased compared to earlier levels. The aircraft generally burn less fuel, produce less noise, and through the use of advanced satellite navigation technology (RNP AR 0.1), operational regularity has improved, thereby also reducing the environmental footprint.

Onboard catering packaging is made entirely from environmentally friendly materials, and passengers have the option to pre-order meals before departure. This helps reduce food overproduction and minimizes waste onboard the aircraft.

Additionally, many processes have been transitioned to digital platforms, such as boarding passes and the Sula loyalty system, eliminating the need for printed boarding passes and discontinuing the production of unnecessary plastic cards.

Atlantic Airways has initiated a process to register ESG key figures (*environmental, social, and governance indicators*).

Our goal is to achieve net-zero emissions by 2050, in alignment with the target set by the International Air Transport Association (IATA). We also support IATA's long-term strategy, "Net Zero Roadmaps," which outlines the actions needed to reach the goal of net-zero emissions by 2050.

The most significant initiative for sustainable aviation is the selection of the right aircraft. The company aims for all its

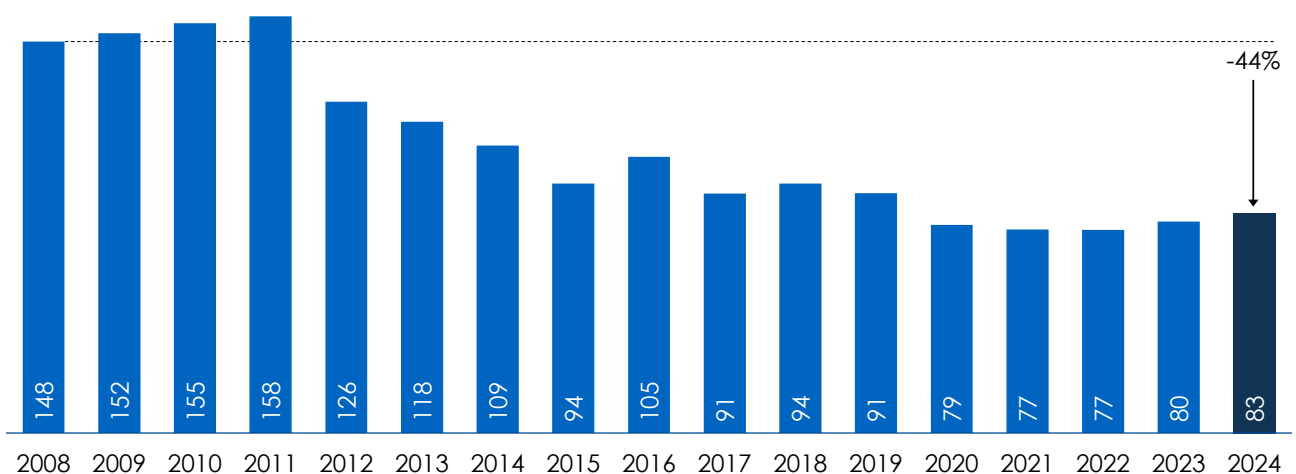
aircraft to be of the Airbus A320neo type, which are the most energy-efficient of their kind, by 2030. Two new Airbus A320neo aircraft will join the fleet in 2027 and 2028.

The airline industry relies heavily on fuel and consequently causes CO₂ emissions, which are believed to be the main cause of climate change. With increasing fuel costs, it makes sense business-wise and for the environment to do what we can to reduce our fuel consumption and CO₂ emissions.

The company has two new Airbus A320neo aircraft, which are the most energy-efficient of their kind, with at least 15% lower fuel consumption and CO₂ emissions than other Airbus aircraft of the same size. In 2024, the average CO₂ emission per seat on scheduled flights was 65 kilograms lower compared to the average CO₂ emission in scheduled flights in 2008. This reduction of 44% is related to the fleet being renewed over the last few years with larger and more environmentally friendly aircraft. In 2024, the total CO₂ emissions from Atlantic Airways' scheduled flights were 45,042, which is 3% higher than the total emissions from the company's scheduled flights in 2008, while the number of passengers increased by 72%. In 2023, the emissions were 43,421 tons. Measures have also been implemented with the aim of reducing fuel consumption on each individual trip. In response to environmental regulations from EU authorities, Atlantic Airways has been recording all fuel consumption and CO₂ emissions from its aircraft since 2010.

Finally, we are aware of our environmental impact in regard to the use of chemicals and toxic substances. These are required by aircraft manufacturers for maintenance, but we are very conscious of limiting our use to as little as possible. Also, we have procedures in place for the disposal of toxic materials. Waste is sorted between burning materials, nonburning materials, paper, fuel, lubricants and organic waste, and these are recycled or disposed in a controlled manner in order to minimize harm to the environment.

Fuel burn per seat 2008 – 2024



HEALTH AND SAFETY

It is central for our license to operate that we are in compliance with relevant legal and industry requirements in regard to health and safety issues. In addition, we are concerned about our employees, and do our utmost to ensure that they have a safe work environment. We are regularly conducting training in health & safety for our employees. Each work-related accident or incident will be evaluated and mitigating measures will be taken to avoid repetition of any such occurrences.

SAFETY MANAGEMENT

Safety management is a structured approach to manage identified hazards and eliminate/mitigate associated risks in both the operational, ground and technical environment. This proactive approach to safety is implemented in the company in addition to the system reactive approach, where reported events are investigated to a level, where possible non-compliances are identified, and control measures put in place to eliminate the risk of their reoccurrence. The goal is to identify all hazards, report all occurrences, assess associated risks, and mitigate to a level as low as reasonably practicable (ALARP).

In addition to encouraging every employee to report all incidents and potential hazards, the system includes a just safety culture, “Just Safety Culture,” which ensures that the reporter or another person is not penalized for something that would not otherwise have come to light.

In addition to the operational reporting system, Flight Data Monitoring (FDM) is essential for the fixed-wing fleet. From FDM data, we are able to identify possible hazards, which are not within operating procedures. From statistical and trend data, we are able to identify and predict where to increase our focus.

Within the technical environment, there is a strong focus to learn from mistakes and reduce human error events, which compromise the safety of the operating environment. This is systemized through the Maintenance Error Management System (MEMS), which encourages and facilitates incident reporting and investigation, utilizing human error events as learning tools.

Based on several years of reporting and investigation, the company has identified five Key Behaviours for Line and Base maintenance work, which is being fostered within the maintenance and inspection work processes to reduce mishaps and maintain safety.

These Key Behaviours are:

- | Review maintenance instructions (before starting the work)
- | Document job status (to ensure the next shift knows exactly, what has been done)
- | Separate inspection (after critical tasks have been performed)
- | A last set of eyes (after the job is done, just to make completely sure that the aircraft is left airworthy)
- | Take a moment to focus (before undertaking a critical or demanding task)

COMPLIANCE MANAGEMENT

Compliance management is the company’s exercise to ensure that the outcome of the activities in operations and maintenance meets the regulatory, customer and company requirements. The quality policy is the foundation under the compliance management.

The performance of the compliance management system is evaluated 3 times per year by senior management. The evaluation is based on Key Performance Indicators from all departments, as well as the independent compliance monitoring reports from both internal and external (e.g. the aviation authorities) audits.

Workplace

EMPLOYEE SATISFACTION AND WELL-BEING

Atlantic Airways places great emphasis on employee satisfaction and well-being. It is recognized that satisfied and motivated employees are more engaged and effective in their daily work. In 2024, a comprehensive workplace survey was conducted across all departments, covering both the psychosocial working environment and physical workplace conditions. The results showed that overall employee satisfaction is high. Based on the findings, plans are being developed to improve key areas where enhancements are deemed necessary.

EDUCATION AND COMPETENCE DEVELOPMENT

As the only company of its kind in the Faroe Islands, Atlantic Airways places strong emphasis on educating and developing the local workforce while ensuring long-term access to skilled labor. We view it as a core responsibility to cultivate new talent in the Faroese labor market. Therefore, we offer a range of internal training opportunities and actively collaborate with Faroese students.

We place great importance on the professional development of our employees. Our goal is to train and retain our talented staff and to be the employer of choice for the most qualified individuals in the Faroese labor market. Competence development ensures the ongoing growth of each employee and has a positive impact on overall job satisfaction.

Our training and development program consists of mandatory education and skill maintenance, as well as additional training tailored to specific roles within the company. In 2024, the company invested DKK 8.4 million in both required and additional staff development.

Community

DEVELOPING THE FAROE ISLANDS TOGETHER

As an active company in the Faroese community, Atlantic Airways exists to connect the Faroe Islands to the surrounding world and to tie the islands closer together and for safety. Atlantic Airways operates a regular, flexible and diverse route network from the Faroe Islands with competitive prices. We work closely with customers and the community to better our services and experiences. The reliable scheduled services allow our passengers, young & old, strong & weak, people & cargo to travel for purposes of business & culture, fun & serious and in joy & sadness. For us, it is of the utmost importance that The Faroe Islands is a good place to live and work. This is why we stay in regular contact with local interest groups to find solutions and ideas as to how we may improve our services and products.

In addition, we are engaged with the broader development of business and the business community through the Faroese Employers' Association. A strong Faroese working market provides economic activity and jobs for people on the islands – and eventually business for us.

Finally, we are naturally engaged with tourism development and the international branding of the Faroe Islands abroad, as tourism is another potential growth opportunity for our business at the same time as it provides economic opportunity for the community.

SPONSORSHIPS AND DONATIONS

Atlantic Airways strives to be an active contributor to Faroese society and supports a wide range of areas, including sports, culture, entrepreneurship, and more. For many years, the company has worked closely with elite sports organizations to ensure that national teams have strong opportunities to compete internationally. Atlantic Airways supports the Faroese Confederation of Sports and Olympic Committee (*ÍSF*), Parasport, and most national sports federations, as well as national teams in football, handball, volleyball, swimming, and chess.

Of particular note in this 2024 annual report is the long-standing partnership with the Faroese Handball Federation. This close collaboration reached a new milestone when the men's national handball team competed in the European Championship finals in Berlin in January. Atlantic Airways provided an air bridge to the German capital, operating several fully booked flights – carrying not only the national team but also enthusiastic Faroese fans, creating a once-in-a-lifetime experience. The airline also flew the women's national handball team to and from Basel for their participation in the European Championship in December.

In the cultural sphere, Atlantic Airways has for many years been part of the "Loftbrúgv" (*Air Bridge*) partnership with the Nordic House, Tórshavn Municipality, and the Ministry of Social Affairs and Culture. The Loftbrúgv program provides flights for Faroese artists traveling abroad for performances, exhibitions, and similar artistic activities.

In 2016, the company also established its own support program, Listaflog, aimed at financially supporting Faroese art – either through direct funding or by providing airline tickets on the company's route network in connection with artistic work or specific art projects. In 2024, the annual support was increased from DKK 100,000 to DKK 125,000. The grant is awarded once a year, on 28 March – the date Atlantic Airways took its first flight.

Other socially beneficial partnerships include collaboration with Megd on the travel companion program, medical transport services for the National Hospital, the Sveiggj youth fare program, and support for the 2027 Island Games, among others. In addition to major partnerships in sports and culture, Atlantic Airways also supports a variety of individual projects across different fields.

Atlantic Airways was also the first Faroese company – and the first Nordic airline – to become a member of the Sunflower Scheme in 2022. This initiative aims to improve travel experiences for individuals with invisible disabilities.



Photo: Sverri Egholm

RECOGNITION AND MEASUREMENT IN GENERAL

Income is recognized in the profit and loss account on currently with its realization, including the recognition of value adjustments of financial assets and liabilities. Similarly, all costs, these including depreciation, amortisation, write-downs, provisions, and reversals which are due to changes in estimated amounts previously recognized in the profit and loss account are recognized in the profit and loss account.

Assets are recognised in the balance sheet when the group is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the group is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual accounting item.

At recognition and valuation, considerations are made for expected losses and risk that may appear before the annual report is completed and which concern circumstances that were present at the end of the accounting year.

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated to the functional currency of the company at exchange rates at the dates of the transactions. Foreign currency differences arising on retranslation are recognised in the income statement.

Receivables, liabilities and other financial items in foreign currency that have not been settled at the end of the accounting period are recognised at currency rate at the end of the accounting period. The difference between the currency rate at the end of the accounting period and the rate, which was current at the acquisition date is recognised in the income statement under financial items.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Positive and negative current value is recognised in assets and liabilities, respectively.

Changes in current value of the derivative financial instruments that are intended for at fulfil the requirements of hedging the current value of a recognised asset or liability are recognised in the income statement together with any changes in current value of the hedged asset or liability.

The annual report of Atlantic Airways P/F for the period 1 of January to 31 of December 2024 has been prepared in

accordance with the Faroese Financial Statements Act, Class C large.

The annual report is prepared according to the same accounting principles as the previous year and in Danish Kroner (DKK).

Figures in the income statement, balance sheet and notes etc. are rounded off to whole figures and comparative figures from the previous year are rounded off to whole thousands. Because the figures are rounded separately, there may be differences between the additions and the sum of the underlying figures.

RECOGNITION AND VALUATION IN GENERAL

Changes in fair value of the derivative financial instruments that are intended for at fulfil the requirements of hedging future assets and liabilities are recognised in the receivables or liabilities and the equity.

Should future transactions end in recognition of either asset or liability, figures that are recognised in the equity, will be transferred from the equity and will be recognised at fair value for either the asset or liability. If future transactions end in income or expenses, the figures that are recognised in the equity, will be transferred to the income statement for the period when the hedging affects the income statement.

For any derivative financial instruments that do not meet the requirements to be treated as hedged instruments, changes in current value will be recognised are the incur in the income statement.

Changes in current value of derivative financial instruments that are used to hedge net investment in independent foreign subsidiaries or associated companies, are recognised directly in the equity.

CONSOLIDATION

The consolidated financial statements include the parent company, Atlantic Airways P/F, and affiliated companies in which Atlantic Airways P/F directly or indirectly holds more than 50% of the voting rights or otherwise has controlling influence. Companies in which the Group holds between 20% and 50% of the voting rights and has significant, but not controlling influence, are classified as associated companies. See the Group overview for details.

The consolidated financial statements combine the financial statements of the parent and the individual subsidiaries in accordance with the Group's accounting policies, in which invoice and costs, shareholdings, balances and dividends as well as realised and unrealised gains and losses on intra-group transactions have been eliminated.

The assets of acquired subsidiaries, including identifiable intangible assets, as well as liabilities and contingent liabilities, are recognised at the date of the acquisition at fair value in accordance with the acquisition method.

Acquired or newly established companies are recognised from the day of procurement. Sold or divested companies are recognised up until the divestment date. Comparative figures are not corrected in relation to the acquired, sold or divested companies.

In connection with the acquisition of new enterprises, the acquisition method is applied, by which the acquirees' identifiable assets and liabilities are measured at fair value at the time of acquisition. Costs for restructuring which are recognised in the acquiree before the acquisition date and which have not been agreed upon as part of the acquisition, are recognised in the preacquisition balance sheet and thereby forms part of the measurement of goodwill. Restructuring decided by the acquiree is recognised in the profit and loss account. The tax effect of the revaluations carried out is taken into consideration.

Positive balances (*goodwill*) between cost and fair value of the acquired, identifiable assets and liabilities, including provisions for restructuring, are recognised under intangible fixed assets and in accordance with an individual evaluation allocated on a systematic basis over their useful lives in the profit and loss account. Negative balances (*negative goodwill*) is recognised as income in the profit and loss account at the date of acquisition when the general requirements for recognition of income are met.

The profit and loss account

NET TURNOVER

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

COST VALUE

Encompasses purchase of raw material and other material, discount and storage facilities deducted in the year.

OTHER OPERATING INCOME

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise.

OPERATING COSTS

Operating costs comprise purchase of raw material and other material, discount and storage facilities deducted in the year, in addition to cost for, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs

STAFF COSTS

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

DEPRECIATION, AMORTISATION AND WRITE-DOWN

Depreciation, amortisation and write-down comprise depreciation on, amortisation of and write down relating to intangible and tangible fixed assets respectively.

NET FINANCIALS

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concern the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

RESULTS FROM EQUITY INVESTMENTS IN GROUP ENTERPRISE AND ASSOCIATE

In the parent company's income statement, the proportionate share of the post-tax results of each affiliated company is recognized, after elimination of internal gains or losses and deduction of amortization of group goodwill.

In both the consolidated and the parent company's income statements, the proportionate share of the post-tax results of each associated company is recognized, after elimination of internal gains or losses and deduction of amortization of group goodwill.

TAX OF THE ANNUAL RESULT

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company has chosen to be jointly-taxed with associated companies. The company fulfils the conditions in the Faroese tax regulations concerning joint taxation of parent company and its subsidiaries.

The tax value of group taxation is distributed to the companies within the group in proportion to their taxable income or loss. Companies within the group taxation that utilize losses from others in the group are required to pay an amount to the parent company corresponding to the tax value of the utilized losses, and the parent company is obligated to pay a corresponding amount to the companies that have provided losses for the purpose of group taxation. Subsidiaries whose income tax is paid by the parent company are required to pay an amount corresponding to the income tax to the parent company.

The Balance Sheet

INTANGIBLE ASSETS

Development projects, patents, and licences

Intangible assets that is software are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the income statement on a straight-line basis over 3–5 years.

TANGIBLE ASSETS

Land and buildings are measured at cost with addition of revaluations and with deduction of accrued depreciation and write-down. Land is not depreciated.

Land and buildings are revaluated on the basis of regular, independent evaluation of the fair value. The net revaluation at fair value adjustment is recognised directly on the equity after deduction of deferred tax and tied up in a particular revaluation reserve. Net impairment at fair value adjustments is recognised in the profit and loss account.

The basis of depreciation is cost with the addition of revaluations at fair value and with the deduction of expected residual value after the end of the useful life of the asset. The depreciation period is fixed at the acquisition date and re-evaluated annually. If the residual value exceeds the book value of the asset, the depreciation expires.

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and write-down.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	Useful life	Resid. value
Buildings	5–25 years	19,8 mDKK
Aircraft and helicopters	15–17 years	0
Other machinery, material and furniture	3–15 years	0

Minor assets with an expected useful life of less than 1 year are recognized as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

LEASING CONTRACTS

Leases are regarded as operating leases. Payments in connection with operating leases and other rental agreements are recognised in the profit and loss account over the term of the contract. The group's total liabilities concerning operating leases and rental agreements are recognised under contingencies etc.

WRITE-DOWN OF FIXED ASSETS

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Write-down takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets

Previously recognised write-down is reversed when the condition for the write-down no longer exist. Write-down relating to goodwill is not reversed.

DERIVATIVE FINANCIAL INSTRUMENT

The fair value of currency hedges is based on the market price, if available. If no market price is available, the fair value is estimated by discounting the difference between the

forward price under the hedge contract and the current forward market price for the remaining amount, using a risk-free interest rate based on government bond.

FINANCIAL FIXED ASSETS

Equity investments in group enterprise and associate

Equity investments in group enterprise and associate recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprise and associate are transferred to the reserves under the equity for net revaluation as per the equity method. Dividend from group enterprise expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprise and associate.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprise and associate are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Positive differences (*goodwill*) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under

equity investments in group enterprise and associate, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

OTHER SECURITIES AND EQUITY INVESTMENTS

Securities and equity investments classified as fixed assets include bonds and shares listed on a stock exchange, which are measured at fair value at the balance sheet date. Listed securities are valued at their quoted market price.

Other securities and equity investments not listed on a stock exchange are recognized at cost. If the recoverable amount is lower than the cost, the asset is written down to its lower value.

INVENTORIES

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, write-down takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

DEBTORS

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, write-down takes place at the net realisable value.

ACCRUED INCOME AND DEFERRED EXPENSES

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

SECURITIES AND EQUITY INVESTMENTS

Securities and equity investments recognised as current assets are measured at fair value on the balance sheet date.

AVAILABLE FUNDS

Available funds comprise cash at bank and in hand.

EQUITY**Revaluation reserves**

Revaluations of land and buildings with deduction of deferred tax are recognised under revaluation reserves. The reserves are reduced when the value of revalued buildings is reduced due to depreciation. The reserves are dissolved partly or totally in case of sale of land and buildings and reduced in case of write-down of land and property.

RESERVES FOR NET REVALUATION AS PER THE EQUITY METHOD

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

CORPORATE TAX AND DEFERRED TAX

Current tax liabilities are recognized in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus. This is settled based on the expected use of the asset or how the liability is expected to be repaid.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Possible deferred net tax assets are taken into account at net realizable value.

Deferred tax is valued based on the tax rules and tax rates that are applicable at the end of the fiscal period.

LIABILITIES

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

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

ACCRUALS

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

The cash flow statement

The cash flow statement shows the cash flow of the group for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

CASH FLOW FROM INVESTMENT ACTIVITIES

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Segment information

Information on activity and geographical markets is provided. The segment information follows the consolidated accounting policies, risks and internal financial control systems.



Photo: Kåre Johannesen

Note	(DKK 1,000)	GROUP		ATLANTIC AIRWAYS	
		2024	2023	2024	2023
1	Net sales	921,343	885,015	859,545	832,273
	Operating expenses	-674,769	-648,117	-639,235	-613,288
3	Employee expenditures	-180,728	-163,154	-153,741	-142,296
	Result before depreciation amort. and impairment (EBITDA)	65,846	73,744	66,569	76,689
	Depreciations, amort. and impairment	-41,087	-37,190	-35,886	-32,757
	Result before financial items (EBIT)	24,759	36,554	30,683	43,932
4	Other financial income	4,759	2,594	3,017	2,515
5	Other financial expenses	-11,300	-12,240	-8,984	-11,636
	Income from capital shares in associates	0	0	-3,115	-4,322
	Income from capital shares in associates	11,585	12,498	9,483	10,205
	Result before taxes (EBT)	29,803	39,406	31,084	40,694
6	Tax of result	-2,509	-3,561	-3,789	-4,849
	Annual result	27,295	35,845	27,295	35,845
	PROPOSED DISTRIBUTION OF THE RESULT:				
	Result of the year brought forward			27,295	35,845
	Total			27,295	35,845

Note	Assets	(DKK 1,000)	GROUP		ATLANTIC AIRWAYS	
			2024	2023	2024	2023
	Intangible assets					
7	Software		1,771	828	1,228	399
	Total intangible asset		1,771	828	1,228	399
8	Aircraft and maintenance		237,358	265,571	237,357	265,570
9	Hangar, buildings and land		108,464	57,243	62,128	27,041
10	Operating equipment		236,067	48,893	204,809	17,782
11	Prepayments		16,567	120,739	16,568	120,739
12	Spare parts		1,116	1,456	1,116	1,456
	Total tangible assets		599,572	493,902	521,978	432,588
13	Investment in subsidiaries		0	0	24,981	21,096
14	Investment in associates		24,648	22,756	14,056	14,267
15	Subordinated loan		12,800	12,800	0	0
	Total financial assets		37,448	35,556	39,037	35,363
	Total non-current assets		638,791	530,286	562,243	468,350

Note	Assets	(DKK 1,000)	GROUP		ATLANTIC AIRWAYS	
			2024	2023	2024	2023
	Current assets					
	Inventories		855	547	143	187
	Inventories in total		855	547	143	187
	Trade receivables		23,783	19,417	18,944	17,084
	Receivables subsidiaries		0	0	45,769	42,088
	Receivables associates		983	255	697	255
17	Deferred income tax		3,243	2,137	0	174
	Other receivables		42,895	38,320	39,463	30,449
18	Derivatives		18,654	2,434	18,639	2,254
	Total receivables		89,558	62,563	123,512	92,304
	Other shares		27	27	27	27
	Shares in total		27	27	27	27
	Cash and cash equivalents		141,186	162,815	137,971	161,012
	Total current assets		231,626	225,952	261,653	253,530
	TOTAL ASSETS		870,417	756,238	823,896	721,880

Note	Liabilities	(DKK 1,000)	GROUP		ATLANTIC AIRWAYS	
			2024	2023	2024	2023
	Equity					
19	Share capital		104,500	104,500	104,500	104,500
	Revaluation reserve		1,640	1,640	1,640	1,640
	Reserve for net. val. acc- to the equity method		11,955	12,472	11,955	12,472
	Value adjustm. of cash flow hedges		-5,143	-1,227	-5,143	-1,227
	Retained earnings		224,332	196,520	224,332	196,520
	Total equity		337,284	313,905	337,284	313,905
	Provisions					
20	Deferred income tax liabilities		35,604	32,849	35,604	32,849
	Total provisions		35,604	32,849	35,604	32,849
	Debt					
	Mortgage loans		301,539	217,662	267,628	201,271
21	Total long-term debt		301,539	217,662	267,628	201,271
21	Short-term portion of long-term debt		29,847	28,055	24,865	23,096
	Debt to financial institutions		46,829	57,689	43,669	49,985
	Goods and services debt		0	0	847	77
	Debt to subsidiaries		13	0	13	0
	Other debt		52,659	42,456	47,344	37,075
23	Deferred income and accruals		60,370	60,130	60,370	60,130
22	Derivatives		6,272	3,492	6,272	3,492
	Total short-term debt		195,990	191,822	183,380	173,855
	Total liabilities		497,529	409,484	451,008	375,126
	TOTAL EQUITY AND LIABILITIES		870,417	756,238	823,896	721,880
2	Auditor's remuneration					
24	Mortgaging and contingent liabilities etc					

STATEMENT OF CHANGES IN EQUITY

	GROUP					
(DKK 1,000)	Share capital	Revaluation reserves	Reserve for net. val. acc. to the equity method	Hedging reserve	Retained earnings	Total
Equity 1 January 2023	104,500	1,640	10,267	-435	162,880	278,852
Result for the period	0	0	0	0	35,845	35,845
Part of result	0	0	10,205	0	-10,205	0
Dividend	0	0	-8,000	0	8,000	0
Value adjustm. of cash flow hedges	0	0	0	-792	0	-792
Equity 1 January 2024	104,500	1,640	12,472	-1,227	196,520	313,905
Deferred result	0	0	0	0	27,294	27,294
Part of annual result	0	0	9,483	0	-9,483	0
Dividend	0	0	-10,000	0	10,000	0
Value adjustm. of derivatives	0	0	0	-3,916	0	-3,916
	104,500	1,640	11,955	-5,143	224,332	337,284

	ATLANTIC AIRWAYS					
(DKK 1,000)	Share capital	Revaluation reserves	Reserve for net. val. acc. to the equity method	Hedging reserve	Retained earnings	Total
Equity as at 1 Jan 2023	104,500	1,640	10,267	-435	162,880	278,852
Result for the period	0	0	0	0	35,845	35,845
Part of annual result	0	0	10,205	0	-10,205	0
Dividend	0	0	-8,000	0	8,000	0
Value adjustm. of cash flow hedges	0	0	0	-792	0	-792
Equity 1 January 2024	104,500	1,640	12,472	-1,227	196,520	313,905
Result of the year	0	0	0	0	27,295	27,295
Part of annual result	0	0	9,483	0	-9,483	0
Dividend	0	0	-10,000	0	10,000	0
Value adjustm. of cash flow hedges	0	0	0	-3,916	0	-3,916
	104,500	1,640	11,955	-5,143	224,332	337,284

Note (DKK 1,000)	GROUP	
	2024	2023
Annual Result	27,294	35,845
25 Adjustments	42,186	36,079
26 Changes in operating assets and liabilities	-26,798	8,197
Cash flows from operating activities before financial items	42,682	80,121
Cash flow ordinary operations	42,682	80,121
Cash flow ordinary operations	42,682	80,121
Purchase of intangible assets	-1,274	-456
Purchase of tangible assets	-147,296	-120,479
Sale of tangible assets	890	930
Purchase of tangible assets	-305	0
Cash flows from investing activities	-147,985	-120,005
Raising of long-term debt	111,726	0
Installments on long-term debt	-28,053	-22,560
Cash flows from financing activities	83,673	-22,560
Change in cash flow	-21,630	-62,444
Cash and cash equivalents at the beginning of the period	162,816	225,259
Cash and cash equivalents at the end of the period	141,186	162,815
Cash and cash equivalents		
Cash and cash equivalents	141,186	162,815
Cash and cash equivalents at the end of the period	141,186	162,815

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1, SEGMENT INFORMATION - GROUP	AIRCRAFT		HELICOPTER		HOSPITALITY		GROUP IN TOTAL	
(DKK 1,000)	2024	2023	2024	2023	2024	2023	2024	2023
Net sales	810,975	781,475	48,570	50,798	61,798	52,742	921,343	885,015
Operating result	777,573	737,737	51,289	50,604	67,722	60,120	896,584	848,461
Result before tax	40,006	47,033	-5,857	-2,769	-4,346	-4,857	29,803	39,406
Income tax	-4,831	-5,347	1,042	499	1,280	1,287	-2,509	-3,561
Profit	35,175	41,686	-4,815	-2,271	-3,066	-3,570	27,295	35,845
GEOGRAPHICAL SEGMENTS	FAROE ISLANDS		EUROPE				TOTAL	
<i>Net revenue comprises the following markets:</i>	2024	2023	2024	2023			2024	2023
Total revenue	660,119	647,315	261,224	237,700			921,343	885,015

Income from Europe comprises from activity, which is not registered as activity in or with the Faroe Islands as destinations (Charter activity),

1, SEGMENT INFORMATION - ATLANTIC AIRWAYS	AIRCRAFT		HELICOPTER		ATLANTIC AIRWAYS	
(DKK 1,000)	2024	2023	2024	2023	2024	2023
Net sales	810,975	781,475	48,570	50,798	859,545	832,273
Operating result	777,573	737,737	51,289	50,604	828,862	788,341
Result before tax	40,006	43,463	-5,857	-2,769	31,084	40,694
Income tax	-4,831	-5,348	1,042	499	-3,789	-4,849
Profit	35,175	38,116	-4,815	-2,271	27,295	35,845
GEOGRAPHICAL SEGMENTS	FAROE ISLANDS		EUROPE		TOTAL	
<i>Net revenue comprises the following markets:</i>	2024	2023	2024	2023	2024	2023
Total revenue	598,321	594,573	261,224	237,700	859,545	832,273

	ATLANTIC AIRWAYS	
<i>Specification of numbers of passengers</i>	2024	2023
Passengers, scheduled services	368,696	369,782
Passengers, ACMI/charter operations	173,696	160,137
Passengers, fixed wing	542,392	529,919
Passengers, helicopter	10,973	12,117
Total passengers	553,365	542,036
Block hours		
Block hours, scheduled services	6,617	6,743
Block hours, ACMI/charter operations	4,392	4,238
Block hours, fixed wing	11,009	10,981
Block hours, helicopter	812	744
Total block hours	11,821	11,725

	GROUP		ATLANTIC AIRWAYS	
<i>(DKK 1,000)</i>	2024	2023	2024	2023
2 Auditors' remuneration				
Total remuneration to P/F Januar, State Authorized Public Accountants	365	382	289	330
Remuneration reg. the compulsory audit	201	177	125	125
Other services	164	205	164	205
	365	382	289	330
3 Employee expenses				
Wages	156,680	141,663	133,454	123,752
Pensions	16,797	14,860	14,152	12,812
Other employee expenditures	7,251	6,631	6,135	5,732
	180,728	163,154	153,741	142,296
Management	3,013	2,898	3,013	2,898
Board	1,060	1,300	1,060	1,060
	4,073	3,958	4,073	3,958
Employees in average	280	257	214	204

Remuneration of the Management comprises two executives.

	GROUP		ATLANTIC AIRWAYS	
	2024	2023	2024	2023
(DKK 1,000)				
4 Other financial income				
Other financial income	4,746	2,594	2,025	1,667
Foreign exchange differences	13	0	13	0
Interest, associates	0	0	979	848
	4,759	2,594	3,017	2,515
5 Other financial expenses				
Other financial expenses	11,300	12,240	8,984	11,636
	11,300	12,240	8,984	11,636
6 Income tax				
Changes in deferred taxes	2,509	3,561	3,789	4,849
	2,509	3,561	3,789	4,849
7 Software				
Acquisition value as of Jan 1 st	21,960	21,504	21,356	21,015
Additions during the period	1,274	456	1,034	341
Acquisition value as 31 December	23,234	21,960	22,390	21,356
Amortisations as of Jan 1 st	-21,132	-20,267	-20,957	-20,161
Amortisations during the period	-331	-865	-205	-796
Amortisations 31 December	-21,463	-21,132	-21,162	-20,957
Book value 31 December 2024	1,771	828	1,228	399

(DKK 1,000)	GROUP		ATLANTIC AIRWAYS	
	2024	2023	2024	2023
8 Aircraft and maintenance				
Acquisition value as of Jan 1 st	477,038	471,107	477,038	471,107
Additions during the period	1,841	5,931	1,841	5,931
Acquisition value 31 December	478,879	477,038	478,879	477,038
Depreciations and impairments as of Jan 1 st	-211,467	-182,566	-211,468	-182,567
Depreciations and impairments during the period	-30,054	-28,901	-30,054	-28,901
Depreciations and impairments 31 December	-241,521	-211,467	-241,522	-211,468
Book value on December 31st	237,358	265,571	237,357	265,570
	31/12 2024	31/12 2023	31/12 2024	31/12 2023
9 Book value as of December				
Acquisition value as of Jan 1 st	82,378	50,384	52,177	50,384
Additions during the period	36,798	32,501	20,142	2,300
Disposal during the period	0	-507	0	-507
Transfers	15,341	0	15,341	0
Acquisition value 31 December	134,517	82,378	87,660	52,177
Revaluations as of Jan 1 st	2,000	2,000	2,000	2,000
Revaluations 31 December	2,000	2,000	2,000	2,000
Depreciations and impairments during the period	-27,135	-29,001	-27,136	-29,002
Depreciations and impairments of disposal	-918	-57	-396	-57
Transfers	0	1,923	0	1,923
Depreciations and impairments as of December 31st	-28,053	-27,135	-27,532	-27,136
Book value on December 31st	108,464	57,243	62,128	27,041

	GROUP		ATLANTIC AIRWAYS	
	2024	2023	2024	2023
(DKK 1,000)				
10 Other equipment, operating tools, and furnishings				
Acquisition value as of Jan 1 st	98,179	90,031	54,179	49,071
Additions during the period	100,481	10,111	95,781	7,071
Disposal during the period	-1,893	-1,963	-1,893	-1,963
Transfers	97,006	0	97,006	0
Acquisition value 31 December	293,773	98,179	245,073	54,179
Depreciations and impairments as of Jan 1 st	-49,286	-41,727	-36,397	-33,203
Depreciations and impairments during the period	-9,423	-9,099	-4,870	-4,734
Depreciations and impairments of disposal	1,003	1,540	1,003	1,540
Depreciations and impairments as of December 31st	-57,706	-49,286	-40,264	-36,397
Book value on December 31st	236,067	48,893	204,809	17,782
	31/12 2024	31/12 2023	31/12 2024	31/12 2023
11 Pre-paid aircraft acquisitions				
Acquisition value as of Jan 1 st	120,739	49,392	120,739	49,392
Additions during the period	8,175	71,347	8,176	71,347
Transfers	-112,347	0	-112,347	0
Acquisition value 31 December	16,567	120,739	16,568	120,739
Book value on December 31st	16,567	120,739	16,568	120,739
Prepayments in 2024 in the financial position relate to the purchase of two Airbus A320neo aircraft, which are scheduled for delivery in 2027 and 2028				
12 Spare parts				
Acquisition value as of Jan 1 st	3,944	3,354	3,944	3,354
Additions during the period	0	590	0	590
Acquisition value 31 December	3,944	3,944	3,944	3,944
Amortisations as of Jan 1 st	-2,488	-2,295	-2,488	-2,295
Amortisations during the period	-340	-193	-340	-193
Depreciations and impairments as of December 31st	-2,828	-2,488	-2,828	-2,488
Book value on December 31st	1,116	1,456	1,116	1,456

(DKK 1,000)	GROUP		ATLANTIC AIRWAYS	
	31/12 2024	31/12 2023	31/12 2024	31/12 2023
13 Investment in subsidiaries				
Acquisition value as of Jan 1 st	0	0	25,500	25,000
Additions during the period	0	0	7,000	500
Acquisition value 31 December	0	0	32,500	25,500
Revaluations as of Jan 1 st	0	0	-4,404	-82
Share of result before amortisations of goodwill	0	0	-3,115	-4,322
Revaluations 31 December	0	0	-7,519	-4,404
Book value on December 31st	0	0	24,981	21,096

Financials highlights of the subsidiaries according to the latest approved annual reports

(DKK 1,000)	Equity portion	Equity	Result	Book value in Atlantic Airways P/F
P/F Hotel Atlantic, Flogvöllurin, 380 Sörvágur	100 %	18,688	-2,660	18,688
P/F Ognarfélagið matr nr. 406b, Flogvöllurin, 380 Sörvágur	100 %	6,293	-455	6,293
		24,981	-3,115	24,981

	GROUP		ATLANTIC AIRWAYS	
	31/12 2024	31/12 2023	31/12 2024	31/12 2023
(DKK 1,000)				
14 Investment in associates				
Acquisition value as of Jan 1 st	4,995	4,995	1,795	1,795
Additions during the period	306	0	306	0
Acquisition value 31 December	5,301	4,995	2,101	1,795
Revaluations as of Jan 1 st	17,761	13,263	12,472	10,267
Annual result	11,586	12,498	9,483	10,205
Dividends	-10,000	-8,000	-10,000	-8,000
Revaluations as of December 31	19,347	17,761	11,955	12,472
Book value on December 31st	24,648	22,756	14,056	14,267

Financials highlights of the associates according to the latest approved annual reports

(DKK 1,000)	Equity portion	Equity	Result	Book value in Atlantic Airways P/F
P/F Duty Free, Flogvöllurin, 380 Sørvágur	50%	24,617	20,729	12,308
P/F Greengate Incomming, Niels Winthersgøta 5, 100 Tórshavn	49%	2,550	-475	1,250
P/F Gjáargarður, Dalavegur 20, 476 Gjógv	30,5%	1,632	-1,127	498
		28,799	19,127	14,056

	GROUP		ATLANTIC AIRWAYS	
	31/12 2024	31/12 2023	31/12 2024	31/12 2023
(DKK 1,000)				
15 Subordinated loan				
Acquisition value as of Jan 1 st	12,800	12,800	0	0
Acquisition value as of Jan 1st	12,800	12,800	0	0
Book value on December 31st	12,800	12,800	0	0
The loan has no principal payments until 2035 Distribution:				
Asset P/F Ognarfelagið matr.nr. 1332e	12,800	12,800	0	0
	12,800	12,800	0	0

	GROUP		ATLANTIC AIRWAYS	
	31/12 2024	31/12 2023	31/12 2024	31/12 2023
<i>(DKK 1,000)</i>				
16 Investment in other shares				
Acquisition value as of Jan 1 st	1,000	1,213	1,000	1,213
Disposal during the period	0	-213	0	-213
Acquisition 31 December	1,000	1,000	1,000	1,000
Depreciation at beginning of year	-1,000	-1,000	-1,000	-1,000
Depreciation at end of year	-1,000	-1,000	-1,000	-1,000
Book value on December 31st	0	0	0	0
17 Deferred income tax				
Deferred income tax as of Jan 1 st	2,137	676	174	0
Deferred income tax in the period	1,280	1,287	0	0
Deferred income tax booked directly to equity	-174	174	-174	174
	3,243	2,137	0	174
18 Derivatives				
Other derivatives	18,654	2,434	18,639	2,254
	18,654	2,434	18,639	2,254
19 Share capital				
Share capital as of Jan 1 st	104,500	104,500	104,500	104,500
	104,500	104,500	104,500	104,500

The share capital with the total of DKK 104,500,000 consists of one class of 1,045,000 shares with the same rights.

Changes in share capital during the last five years:

2020: Increase of DKK 1,000,000.

	GROUP		ATLANTIC AIRWAYS	
	31/12 2024	31/12 2023	31/12 2024	31/12 2023
(DKK 1,000)				
20 Deferred income tax liabilities				
Deferred income tax liabilities as of Jan 1st	32,849	28,000	32,849	28,000
Deferred income tax in the period	3,789	4,849	3,789	4,849
Income tax recognized in equity	-1,034	0	-1,034	0
	35,604	32,849	35,604	32,849

	Total liability 31/12 2024	Short term part of long term debt	Long-term debt 31/12 2024	Due for payment after 5 years	
					GROUP
21 Long-term debt					
Mortgage loans	331,386	29,847	301,539	160,188	
	331,386	29,847	301,539	160,188	
	ATLANTIC AIRWAYS				
Mortgage loans	292,493	24,865	267,628	150,764	
	292,493	24,865	267,628	150,764	

	GROUP		ATLANTIC AIRWAYS	
	31/12 2024	31/12 2023	31/12 2024	31/12 2023
(DKK 1,000)				
22 Derivative financial instruments, liabilities				
Jet fuel swap transactions	6,272	3,492	6,272	3,492
	6,272	3,492	6,272	3,492

	GROUP		ATLANTIC AIRWAYS	
	31/12 2024	31/12 2023	31/12 2024	31/12 2023
23 Prepayments				
Prepayments, ticket fares	60,370	60,130	60,370	60,130
	60,370	60,130	60,370	60,130

24 Collateral and Guarantees

ATLANTIC AIRWAYS

Aircraft and helicopters with a book value of DKK 238 million as of 31 December 2024 have been pledged as security for DKK 507 million.

The company has three operational lease agreements, covering two A320neo aircraft and one A320.

The leasing obligations are:

In 2025: DKK 62.3 million

After 5 years: DKK 0 million

The company has provided assurance to the lenders of an associated company that the operations and liquidity of the subsidiary will be sufficient to maintain its activities for six years from 01.01.2021.

The company has provided guarantees amounting to DKK 2.1 million.

Of cash at hand DKK 2,5 million is guaranteed.

The company has rented administration facilities from Vagar Airport in the new Terminal building. The yearly payment is 0.8 million.

The company has made an agreement with the Airbus factory concerning the purchase of two A320 neo aircraft. The first will arrive in 2027 and the second in 2028.

As security for debt to a lending institution, the company has pledged property no. 422ab Sørvágur with a nominal value of DKK 100 million, and an accounting value of DKK 41.5 million as of 31.12.2024.

The company is the parent company in joint-taxation and is responsible for tax demands and interest in the jointly-taxed companies.

GROUP

P/F Hotel Atlantic has a rental agreement with Ognarfelagið matr. nr. 1332e, regarding a building in Torshavn. The rental agreement can be terminated by written notice with a time limit for 24 months, but not before 20 years after, the rental agreement takes place, expected in 2020.

As security for debt to a lending institution, P/F Hotel Atlantic has provided a business pledge of a nominal value of DKK 30 million. The business pledge covers trade receivables, inventories, operating equipment, tools, and licenses, with an accounting value of DKK 31,534 thousand as of 31.12.2024.

(DKK 1,000)	GROUP	
	2024	2023
25 Adjustments		
Depreciation, amortisation and write-down of tangible and intangible assets	41,087	37,190
Income from equity investment in associate	-11,585	-12,498
Dividend from associate	10,000	8,000
Deferred tax	2,684	3,387
	42,186	36,079
26 Changes in working capital		
Change in inventories	-308	143
Change in receivables	-25,890	-15,851
Change in trade and service payables and other liabilities	-405	24,483
Other changes in working capital	-195	-578
	-26,798	8,197

