

Isavia ohf.

Condensed Consolidated Interim Financial Report

1.1 - 30.06 2022

The Condensed Consolidated Interim Financial Report are translated from the original which is in Icelandic. Should there be discrepancies between the two versions, the Icelandic version will take priority over the translated version.

Isavia ohf.
Dalshraun 3
220 Hafnarfjörður
id.no. 550210-0370

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1.1 - 30.06 2022

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Statement by the Board of Directors and Managing Director

Isavia ohf. (“the consolidated company”) is a state-owned limited company and operates on the basis of Act No. 2/1995 on limited companies. Its domicile and venue are in Hafnarfjörður.

The purpose of the Isavia Group is aviation-related service activities and the operation and development of the country's airports. The Consolidated Financial Statements of Isavia ohf. includes, in addition to the parent company, the subsidiaries Isavia ANS ehf., Isavia Innanlandsflugvöllir ehf. and Fríhöfnin ehf. Isavia ANS ehf. owns the subsidiaries Tern Systems ehf. and Suluk ApS and Tern Systems ehf. owns the subsidiary Tern Branch Hungary.

The consolidated accounts are drawn up in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union as well as with supplementary requirements in the Annual Accounts Act. The Condensed Consolidated Financial Statements are presented in Icelandic krona (ISK), which is the functional currency of the Consolidation. All amounts are in ISK thousands, unless stated otherwise.

Operations in 2022

According to the statement of income and expenditure of Isavia ohf., total operating income for the period amounted to ISK 15.813 million (1.1-30.6 2021: ISK 6.281 million). The profit for the year amounted to ISK 501 million (1.1-30.6 2021: ISK 3.514 million loss). The positive exchange rate difference amounted to ISK 2.154 million (1.1-30.6 2021: ISK 2.230 million). Wages and other staff costs amounted to ISK 9.639 million (1.1-30.6 2021: ISK 7.172 million). The average number of staff for the period was 1.146 (1.1-30.6 2021: 930,3).

On June 30th 2022, the total assets of the consolidated group amounted to ISK 87.961 million (31.12.2021: ISK 88.107 million). Total equity at June 30th 2022 amounted to ISK 37.078 million (31.12.2021: ISK 36.579 million) and the equity ratio for the consolidated group on June 30th 2022 was 42,15% (31.12.2021: 41,52%).

Attention is called to the write-down of claims, including the write-down due to the collapse of WOW air in 2019. Reference is made to note 11 to the annual accounts regarding this issue.

Share capital

The share capital on June 30th 2022 amounted to ISK 18.559 million (31.12.2021: ISK 18.559 million). The National Treasury is the sole shareholder in the company.

Future prospects

Passengers are returning to Iceland faster than planned with increased frequency of flights and better seat utilization in planes. The recovery is therefore paying off faster and airlines see opportunities in Iceland as a destination and connection point.

At the end of February 2022, after the lifting of all official quarantine measures due to the covid epidemic, traffic through Keflavík Airport increased steadily and has somewhat exceeded Isavia's plans for the year 2022. The total number of passengers through Keflavík Airport in the first half of the year amounted to almost 2,3 million, which is around 820 % increase from the same period the previous year and around 66% of the number of passengers in 2019. Income increase due to increased activity amounted to over 9,5 billion ISK, but the largest part of it is due to increased activity at Keflavík Airport or about 94% of the group's total increase in income.

The group's operating expenses increased by ISK 5,4 billion, but most of that increase is due to increased activity. Labour costs increased by 2,5 billion ISK year-on-year, and Cost of goods sold at the Duty Free increased by 2,2 billion ISK.

Statement by the Board of Directors and Managing Director

The company's managements are therefore very optimistic about the coming winter and, among other things, it is expected that 20 airlines will fly to Iceland during the winter season, which is the largest number of airlines during the winter season since the beginning.

Isavia's ohf. owner made a decision to increase the company's share capital and almost 15 billion ISK of new share capital have been paid in since the Covid epidemic started to partially cover the damage that occurred and to support the company's ability to continue developing the infrastructure of Keflavík Airport's services and capacity.

Last July, the share capital was increased by ISK 2 billion to support the ongoing infrastructure development of Keflavík Airport.

The statement of the Board and Managing Director

In the opinion of the Board and the Managing Director of Isavia ohf., the accounting rules of the company are appropriate and the Consolidated Interim Financial Accounts give a clear overview of the development and achievements of the company, its risk management and the main areas of uncertainty in its environment.

The Board and Managing Director have reviewed and approved the Consolidated Interim Financial Accounts of the company for the period January 1 st and ends June 30th 2022 with their signatures and propose that the Annual General Meeting of the company approve the consolidated accounts.

Hafnarfjörður, September 20th 2022

Board of Directors

Kristján Þór Júlíusson
chairman of the Board

Hólmfríður Árnadóttir

Jón Steindór Valdimarsson

Matthías Páll Imsland

Nanna Margrét Gunnlaugsdóttir

Managing Director

Sveinbjörn Indriðason

Review Report on Interim Financial Information

To the Board of Directors and shareholders of Isavia ohf.

We have reviewed the accompanying Condensed Consolidated Interim Financial Statements of Isavia ohf. for the period January 1st to June 30th 2022, which comprise the Statement of the Board of Directors, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the Consolidated Interim Financial Statements in accordance with International Financial Reporting Standards IAS 34 for Interim Financial Reporting as adopted by the European Union.

Auditor's Responsibility

Our responsibility is to express a conclusion on these Consolidated Interim Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements, ISRE 2410. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Consolidated Interim Financial Statements does not give a true and fair view of the financial position of the entity as at June 30th 2022, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards for Interim Financial Reporting IAS 34 as adopted by the European Union.

The Icelandic National Audit Office, September 20th, 2022

Hinrik Þór Harðarson

State Authorized Public Accountant

Consolidated Statements of Comprehensive Income 1.1- 30.06 2022

	Notes	Consolidation	
		1.1 - 30.06.2022	1.1 - 30.06.2021
Operating revenues	4	15.812.785	6.280.926
Cost of goods sold		(2.503.827)	(340.380)
Salaries and related expenses	5	(9.639.037)	(7.171.510)
Administrative expenses		(269.599)	(119.030)
Other operating expenses		(2.432.813)	(1.853.646)
		<u>(14.845.276)</u>	<u>(9.484.567)</u>
Operating profit (loss) before depreciation and amortization		967.509	(3.203.641)
Depreciation and amortization	7,8,9	(1.952.830)	(1.925.153)
Operating loss		<u>(985.321)</u>	<u>(5.128.794)</u>
Financial income	6	166.100	29.325
Financial expenses	6	(701.312)	(663.969)
Net exchange rate differences	6	2.153.926	2.229.769
		<u>633.394</u>	<u>(3.533.669)</u>
Profit (loss) before taxes		633.394	(3.533.669)
Income tax		(132.480)	19.632
		<u>(132.480)</u>	<u>19.632</u>
Total comprehensive income for the period		<u><u>500.914</u></u>	<u><u>(3.514.037)</u></u>

Consolidated Statements of Financial Position June 30th 2022

Assets	Notes	Consolidation	
		30.06.2022	31.12.2021
Non-current assets			
Property, plant and equipment	7	64.341.058	59.636.877
Intangible assets	8	4.206.491	4.355.599
Right of use asset	9	328.415	361.213
Shares in other companies		5.000	0
Bonds and long-term assets		1.986.215	1.994.507
Deferred tax asset	14	1.046.077	1.178.092
		<u>71.913.256</u>	<u>67.526.288</u>
Current assets			
Inventories		549.815	416.507
Accounts receivables	11	4.197.022	3.172.511
Current maturities of bonds and long-term assets		513.448	527.503
Other receivables	11	2.269.835	1.781.052
Bank balances and cash		8.517.556	14.682.766
		<u>16.047.676</u>	<u>20.580.337</u>
Total assets		<u>87.960.932</u>	<u>88.106.625</u>
Equity and liabilities			
Equity			
Share capital	12	18.559.063	18.559.063
Statutory reserves		2.483.798	2.483.798
Revaluation reserves		39.050	39.712
Retained earnings		15.996.284	15.496.253
		<u>37.078.195</u>	<u>36.578.827</u>
Non-current liabilities			
Loans from credit institutions	13	40.190.841	42.617.951
Lease agreements	9	237.941	276.036
		<u>40.428.782</u>	<u>42.893.988</u>
Current liabilities			
Accounts payable	15	4.920.254	3.800.969
Current maturities of loans from credit institutions	13	1.367.967	1.829.083
Current maturities of lease agreements	9	103.063	94.606
Current tax liabilities	14	135	740
Other current liabilities	15	4.062.535	2.908.413
		<u>10.453.955</u>	<u>8.633.811</u>
Liabilities		<u>50.882.737</u>	<u>51.527.798</u>
Total equity and liabilities		<u>87.960.932</u>	<u>88.106.625</u>

Consolidated Statement of Changes in Equity 1.1.- 30.06.2022

	Share Capital	Statutory Reserves	Revaluation-Reserves	Retained earnings	Total Equity
Opening balance at January 1st, 2021	9.559.063	2.483.798	41.036	15.175.455	27.259.353
New share capital	3.000.000	0	0	0	3.000.000
Depreciation of revaluation	0	0	(662)	662	0
Translation differences	0	0	0	(1.672)	(1.672)
Comprehensive income	0	0	0	(3.514.037)	(3.514.037)
Balance at June 30th, 2021	12.559.063	2.483.798	40.374	11.660.409	26.743.644
Opening balance at January 1st, 2022	18.559.063	2.483.798	39.712	15.496.253	36.578.827
Depreciation of revaluation	0	0	(662)	662	0
Translation difference	0	0	0	(1.546)	(1.546)
Comprehensive income	0	0	0	500.914	500.914
Balance at June 30th, 2022	18.559.063	2.483.798	39.050	15.996.284	37.078.195

No dividends were paid to shareholders for the period. All shares have been fully paid.

Consolidated Statement of Cash Flows 1.1 - 30.06.2022

	Notes	Consolidation	
		1.1.-30.06.2022	1.1.-30.06.2021
Cash flows from operating activities			
Operating loss		(985.321)	(5.128.794)
Depreciation and amortization	7,8,9	1.952.830	1.925.153
Short term assets - change of provision		(69.933)	(78.258)
Profit (Loss) on disposal of assets		(376)	434
Operating cash flow before transfer from (to) working capital		<u>897.200</u>	<u>(3.281.465)</u>
Changes in inventories		(140.835)	(42.309)
Changes in operating assets		(1.281.854)	(2.198.571)
Changes in operating liabilities		2.391.722	3.136.526
Cash generated from (to) operations		<u>1.866.232</u>	<u>(2.385.818)</u>
Interest received		79.405	22.589
Finance costs and foreign exchange rates paid		(884.297)	(458.306)
Net cash generated from (to) operating activities		<u>1.061.341</u>	<u>(2.821.536)</u>
Investing activities			
Investments of property, plant and equipment	7,8	(6.457.059)	(1.863.311)
Installments on bonds		27.270	26.505
Purchased shares in other companies		(5.000)	0
Investing activities		<u>(6.434.788)</u>	<u>(1.836.806)</u>
Financing activities			
Paid-in share capital		0	3.000.000
New bank loans raised		0	183.024
Instalments of long-term debt		(649.194)	(218.158)
Installments of leases		(47.611)	(46.045)
Financing activities		<u>(696.805)</u>	<u>2.918.820</u>
Net change in cash and cash equivalents		(6.070.253)	(1.739.522)
Cash and cash equivalents at the beginning of the period		14.682.766	9.372.336
Effect of foreign exchange rates on cash and cash equivalents		(94.957)	(252.107)
Cash and cash equivalents at the end of the period		<u>8.517.556</u>	<u>7.380.708</u>

Notes

1. General information

Isavia ohf. is a government owned private limited company and complies with the Icelandic limited companies law No. 2/1995. The Company's domicile and venue are Hafnarfjörður.

Isavia, along with its subsidiaries, operates and maintains all airports in Iceland, and it also operates air traffic control in the Icelandic aviation area. On 1 January 2020, Isavia ohf. was divided up, whereby the operation of air traffic control and domestic airports was transferred to separate companies. The air traffic control part was transferred to the subsidiary Isavia ANS ehf., and the domestic airport part was moved to the subsidiary Isavia Innanlandsflugvöllir ehf.

The Condensed Consolidated Financial Interim Statements of Isavia ohf. consist of the Parent Company and its subsidiaries. Companies within the consolidation are in addition to Isavia ohf., Isavia ANS ehf., Isavia Innanlandsflugvöllir ehf., Duty Free Store ehf., Tern Systems ehf., Tern Hungary and Suluk ApS in Greenland.

2. Summary of Significant Accounting Policies

Statement of compliance

The Condensed Consolidated Interim Financial Statements for the period of January 1st to June 30th, 2022 have been prepared in accordance with IAS 34, as adopted by the European Union. The Condensed Consolidated Interim Financial Statements does not include all the information required in the final financial statements and should be read in conjunction with the Consolidated Financial Statement for the year 2021.

The Interim Financial Statements has been prepared according to the same accounting principles as in the previous year. The financial statements can be accessed from the company headquarters or on its website; www.isavia.is.

The fundamental accounting principles

The Consolidated Interim Financial Statements are presented in Icelandic krona (ISK), which is the functional currency of the Company. The Condensed Consolidated Interim Financial Statements are prepared on a basis of cost, except certain fixed asset is valued according to the revaluation method.

3. Significant accounting judgements and key sources of estimation uncertainty

In preparing of the Consolidated Financial Statements, managers must, in accordance with International Financial Reporting Standard IAS 34, as adopted by the European Union, make decisions, assess and draw conclusions that affect assets and liabilities on the accounting date, disclosure information and income and expenses. The assessment and conclusions are based on experience and various other factors that are considered relevant and form the basis of the decisions made on the book value of assets and liabilities that are not otherwise available.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Administrators have made assumptions and accounting estimates on the following items that have significant impact on the financial statement.

- Property, plant, and equipment
- Intangible assets
- Inventories
- Accounts receivables
- Deferred tax liabilities and deferred tax assets

4. Revenues

The consolidated composition of revenues, is specified as follows:

	1.1.-30.06.2022	1.1.-30.06.2021
Revenue from air navigation.....	3.539.041	3.022.684
Revenue from domestic airports.....	1.311.402	1.258.848
Revenue from Keflavik airport.....	5.573.055	1.055.051
Revenue from other functionals.....	157.218	173.025
Revenue from sales.....	5.232.068	771.317
	<u>15.812.785</u>	<u>6.280.926</u>

Notes

5. Salaries and related expenses

	1.1.-30.06.2022	1.1.-30.06.2021
Salaries	7.382.867	5.580.070
Salary-related expenses	1.823.244	1.400.067
Other salary- and employee expenses	432.926	191.373
	<u>9.639.037</u>	<u>7.171.510</u>

6. Financial income and expenses

Financial income

	1.1.-30.06.2022	1.1.-30.06.2021
Interest on bank deposits	138.395	4.543
Interest revenue on investments held to maturity	4.563	3.530
Other interest revenue	23.143	21.252
	<u>166.100</u>	<u>29.325</u>

Financial expenses

	1.1.-30.06.2022	1.1.-30.06.2021
Interest expense and indexation	(611.965)	(632.316)
Other interest expenses	(89.347)	(31.653)
	<u>(701.312)</u>	<u>(663.969)</u>

Net exchange rate differences

	1.1.-30.06.2022	1.1.-30.06.2021
Net exchange rate differences	2.153.926	2.229.769

7. Property, plant and equipment

	Buildings and artwork	Loading bridges and car parks	Fixtures and machinery	Other assets	Total
Cost					
Balance at beginning of period	40.209.619	22.862.265	2.744.931	16.058.597	81.875.413
Reclassified	0	(1.082.652)	656.046	955.986	529.380
Additions	2.876.894	1.658.902	38.018	1.843.275	6.417.089
Disposals	0	0	(12.969)	(220.785)	(233.754)
Sold	0	0	0	(2.841)	(2.841)
Balance at end of period	<u>43.086.513</u>	<u>23.438.515</u>	<u>3.426.027</u>	<u>18.634.232</u>	<u>88.585.287</u>
Accumulated depreciation					
Balance at beginning of period	9.581.911	5.131.971	1.264.560	6.260.094	22.238.537
Reclassified	0	(1.082.652)	656.046	955.986	529.380
Depreciation	544.913	397.374	145.576	624.759	1.712.622
Disposals	0	0	(12.969)	(220.785)	(233.754)
Sold	0	0	0	(2.557)	(2.557)
Balance at end of period	<u>10.126.824</u>	<u>4.446.693</u>	<u>2.053.214</u>	<u>7.617.498</u>	<u>24.244.229</u>
Book value					
Book value at beginning of period	30.627.708	17.730.294	1.480.371	9.798.503	59.636.875
Book value at end of period	<u>32.959.689</u>	<u>18.991.822</u>	<u>1.372.813</u>	<u>11.016.734</u>	<u>64.341.058</u>
Depreciation rates	0-14%	2-20%	5-33%	5-33%	

Construction is underway at Leif Eiríksson Airport due to expansion of the terminal and changes in spaces well as construction in the airport area. In the period from January 1 to June 30, 2022, around ISK 6.417 million was capitalized due to construction and other changes. In the future, there is ongoing construction due to the expansion of the terminal and changes in spaces, as well as ongoing construction in the airport area. On June 30, 2022, there were commitments due to contracts that belong to the projects ahead, amounting to ISK 8.779 million.

Notes

8. Intangible assets and amortization

	Usage agreement on facilities	Usage agreement on runways	Software and Development cost	Total
Cost				
Balance at beginning of period	477.035	5.706.000	1.452.253	7.635.288
Additions	0	0	40.550	40.550
Disposals	0	0	(215.721)	(215.721)
Balance at end of period	477.035	5.706.000	1.277.083	7.460.118
Amortization				
Balance at beginning of period	206.752	2.473.036	599.900	3.279.688
Depreciation	7.950	95.087	86.623	189.660
Disposals	0	0	(215.721)	(215.721)
Balance at end of period	214.701	2.568.124	470.802	3.253.627
Book value				
Book value at beginning of period	270.283	3.232.964	852.353	4.355.600
Book value at end of period	262.334	3.137.876	806.281	4.206.491
Depreciation rates	3,3%	3,3%	0-10%	

Development costs in the amount of ISK 62,5 million due to work on the development of software intended for sale on the world market were capitalized in the years 2012 to 2015. This is a capitalization of one of the company's products called Polaris. The software is used by customers around the world. Development costs are recognized at cost as intangible assets with an indefinite useful life and are tested for impairment at least annually. The conclusion is that the recoverable value of the equipment exceeds the company's book value and it is the management's opinion that development costs have not decreased in the period January to June 2022.

According to an agreement between Keflavik International Airport ohf., now Isavia ohf. and The Icelandic Defence Agency, now the Icelandic Coast Guard, signed on April 22nd, 2009, the Consolidation would take over certain NATO inventory airport facilities and equipment at Keflavik from the beginning of 2009 for the next 30 years. No fees will be charged for the usage, but the Consolidation must cover all costs of daily operations and maintenance expenses, to ensure the conditions are in accordance with the regulated standards by The International Civil Aviation Organization. On behalf of NATO inventory, the Icelandic Coast Guard has the right to use these facilities of which the usage rights are recognized proportionately over the lease term.

9. Leases

Right-of-use assets	Property	
Balance at beginning of period	361.213	
Adjustments for indexed leases	17.750	
Depreciation	(50.548)	
Balance at end of period	328.415	
Amounts recognised in income statement	1.1-30.6 2022	1.1-30.6 2021
Depreciation expense from right-of-use assets	50.548	49.072
Interest expense on lease liabilities	9.685	8.024
Total amount recognised in income statement	60.233	57.096
Lease liabilities		
Lease liabilities, long-term	237.941	276.036
Lease liabilities, installments in the next 12 months among short-term debts	103.063	94.606
	341.004	370.642
Lease liabilities		
Maturity analysis, undiscounted lease payments	30.6 2022	31.12 2021
Not later than 1 year	116.713	110.168
Later than 1 year and not later than 5 years	224.317	258.512
Later than 5 year	81.717	79.763
	422.747	448.443

Notes

10. The Consolidation

The Consolidated Financial Statements of Isavia Ltd. consists of the following companies:

Shares in subsidiaries:	Ownership%	Nominal amount	Principal activity
Subsidiaries of Isavia ohf.			
Duty Free Store ehf., Keflavik Airport	100,0%	50.000	Retail and commerce
Isavia ANS ehf., Reykjavik Airport	100,0%	310.500	Air traffic control services
Isavia Innanlandsflugvelliir ehf., Reykjavik Airport	100,0%	52.350	Domestic airport operations
Subsidiaries of Isavia ANS ehf.			
Suluk ApS, Greenland	100,0%	1.999	Services of air traffic controllers
Tern Systems ehf., Kopavogur	100,0%	80.000	Software and consulting
Subsidiaries of Tern Systems ehf.			
Tern Branch, Hungary	100,0%	16.877	Software and consulting

11. Other financial assets

Accounts receivables

	30.06.2022	31.12.2021
Domestic receivables	3.869.617	3.263.762
Foreign receivables	716.308	400.766
Allowances for doubtful accounts	(2.187.436)	(2.254.744)
Receivables joint finance agreement	1.798.534	1.762.726
	4.197.022	3.172.511

Allowance has been made for doubtful accounts. This allowance is based on management's estimates, previous years experience and economic outlook at the reporting date. Value of allowance for doubtful accounts are valued in accordance with IFRS 9.

The Consolidation assesses the allowance for doubtful accounts based on the likelihood of default occurring any time during the life of the receivables. Accounts receivables are divided into age groups and impairment loss estimated for each age group that is based on experience of previous years, management estimates and future prospects in the client's economic environment. It is the opinion of the Consolidation's management that the carrying amount of accounts receivables and other receivables reflects their fair value.

The Consolidation is of the opinion that objective evidence of impairment is present if the information from the Consolidation or outside parties indicate that the debtor is in financial difficulties or if receivables are more than 90 days past due.

On March 28, 2019, Isavia exercised its authority to ground an aircraft operated by WOW air due to unpaid user fees for the operation of the airline at Keflavik Airport. The owner of the aircraft filed a lawsuit before the Reykjanes District Court, which overturned the grounding of the aircraft, despite clear provisions of law authorizing the suspension in the company's opinion. Due to this ruling of the Reykjanes District Court, it was considered appropriate to write down a fee claim in the amount of ISK 2.063 million in the group's books, despite the group's opinion that this was a wrong ruling.

Isavia sued the aircraft owner and the Treasury for damages caused by the installation. The District Court's judgment of December 22nd 2021 (Case E-1085/2020) agreed to all of Isavia's claims in addition to the payment of legal costs. The case has been appealed by the defendant.

Notes

11. Other financial assets (continued)

Analysis of aging and allowance for doubtful accounts at the balance sheet date were as follows:

Past-Due status	30.6.2022			
	Expected credit loss	Gross amount	Allowance	Book value
Receivables not yet due	0,8%	2.171.867	16.732	2.155.136
Receivables, past-due 1-90 days	10,0%	163.450	16.405	147.045
Receivables, past-due 91-180 days	15,1%	21.719	3.277	18.442
Receivables, past-due 181-270 days	21,2%	14.392	3.057	11.335
Receivables, past-due 271 days and older	97,0%	2.214.496	2.147.965	66.530
Total		4.585.924	2.187.436	2.398.489

Past-Due status	31.12.2021			
	Expected credit loss	Gross amount	Allowance	Book value
Receivables not yet due	0,7%	1.048.828	7.360	1.041.469
Receivables, past-due 1-90 days	9,4%	236.512	22.338	214.174
Receivables, past-due 91-180 days	9,6%	35.794	3.429	32.365
Receivables, past-due 181-270 days	15,6%	9.516	1.489	8.027
Receivables, past-due 271 days and older	95,1%	2.333.878	2.220.128	113.750
Total		3.664.528	2.254.744	1.409.784

Other receivables

	30.06.2022	31.12.2021
Value added tax	727.099	451.418
Prepaid expenses	318.233	126.632
Capital income tax	646.787	616.933
Accrued interest	79.352	0
Prepaid salaries	0	38.409
Other receivables	498.364	547.660
	2.269.835	1.781.052

12. Equity

Share capital is specified as follows:

	Shares	Ratio	Amount
Total share capital at end of period	18.559.063	100,0%	18.559.063

Each share of one ISK carries one vote. The Ministry of Finance carries the voting rights on behalf of the Icelandic Treasury. In July 2022, there was a capital increase of ISK 2 billion from the Icelandic Treasury. All shares have been paid in full.

Notes

13. Long term borrowings

	Loans from credit institutions	
	30.06.2022	31.12.2021
Debts in EUR	36.040.696	38.810.565
Debts in ISK	5.518.113	5.636.469
	41.558.808	44.447.034
Amount due for settlement within 12 months	(1.367.967)	(1.829.083)
	40.190.841	42.617.951
Non-current liabilities at end of period		
Installments of non-current liabilities are specified as follows:		
	Loans from credit institutions	
	30.06.2022	31.12.2021
Installments 1.7.2022 - 30.6.2023 / 1.1.2022 - 31.12.2022	1.367.967	1.829.083
Installments 1.7.2023 - 30.6.2024 / 1.1.2023 - 31.12.2023	1.908.105	2.118.586
Installments 1.7.2024 - 30.6.2025 / 1.1.2024 - 31.12.2024	2.089.915	2.406.661
Installments 1.7.2025 - 30.6.2026 / 1.1.2025 - 31.12.2025	2.271.856	2.790.083
Installments 1.7.2026 - 30.6.2027 / 1.1.2026 - 31.12.2026	6.756.358	14.174.447
Installments later	27.164.608	21.128.175
	41.558.808	44.447.034

Loans amounting to ISK 40.694 are subject to terms related to the equity ratio. Of this amount, loans amounting to ISK 36.464 million are also subject to terms related to the ratio of net interest-bearing debt to EBITDA. The financial terms are reviewed periodically, the terms of the ratio of net interest-bearing debt to EBITDA was dropped at the end of June 2022. All the creditors of the company had at the end of the year formally confirmed that they would not activate the financial terms for the time being.

14. Deferred tax assets

	Deferred tax assets	
	30.6.2022	31.12.2021
Opening balance at beginning of period	1.178.092	(299.665)
Calculated income tax for the period	(132.480)	1.476.997
Income tax payable for the period	135	740
Translation exchange difference	329	20
Balance at end of period	1.046.077	1.178.092

Deferred tax assets consist of the following account balances:

	Deferred tax assets	
	30.6.2022	31.12.2021
Property, plant, and equipment	(2.207.679)	(2.345.065)
Current assets	416.545	430.559
Exchange differences	(418.754)	(7.296)
Other items	5.159	(932)
Tax loss carried forward	3.250.805	3.100.825
	1.046.077	1.178.092

Tax loss carry forward can be used to deduct future tax profit as follows:

	30.6.2022	31.12.2021
Usable until the year 2030	10.740.253	11.165.417
Usable until the year 2031	4.453.227	4.338.709
Usable until the year 2032	1.060.546	0
	16.254.027	15.504.126

Notes

15. Other financial liabilities

Accounts payable

	30.06 2022	31.12 2021
Domestic accounts payable	2.512.663	1.623.488
Domestic accounts payable - due to construction plan	1.703.441	1.931.502
Foreign accounts payable	704.150	245.979
	4.920.254	3.800.969

Other current liabilities

	30.06 2022	31.12 2021
Value added tax, payable	24.890	38.369
Salaries and related expenses payable	1.604.319	689.498
Accrued additional contribution to pension fund	2.052.950	1.644.597
Accrued interest, payable	114.982	307.136
Unfinished contracts	8.659	3.363
Deferred income	182.746	172.749
Other liabilities	73.990	52.701
	4.062.535	2.908.413

Current maturities of long-term liabilities

	30.06 2022	31.12 2021
Loans from credit institutions	1.367.967	1.829.083
	1.367.967	1.829.083

16. The effect of COVID-19 pandemic on Isavia operation

At the end of February, after the lifting of all official quarantine measures due to the Covid epidemic, traffic at Keflavík Airport increased steadily and has somewhat exceeded Isavia's plans for the year 2022. The total number of passengers at Keflavík Airport in the first half of the year amounted to almost 2,3 million, which is around 820% an increase from the same period the previous year and around 66% of the number of passengers in 2019.

Last July, the share capital was increased by ISK 2 billion to support the ongoing infrastructure development of Keflavík Airport.

17. Approval of financial interim statements

The Condensed Consolidated Interim Financial Statements were approved by the Board of Directors on September 20th, 2022.