



AIR TAHITI NUI

Annual report 2022





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Editorial

Dear reader,
la Orana e Maeva,

After a year of major internal reorganization in 2021, the past year has seen brighter skies ahead. Despite increased competition on our main routes and our service to Japan still awaiting reopening, our business has regained momentum.

The relaunch of our Auckland route at the beginning of May marked the start of various commercial successes to follow. The subsequent vigorous upturn in flights in the second quarter proved that we made the right decision in opting for an ambitious flight program. This enabled us to maintain our leading position, particularly on the Paris route. The launch of our new service to Seattle, orchestrated in a record time of less than eight months, was finally THE great success of the second half of the year; it had been 18 years since Air Tahiti Nui last expanded its horizons with new routes.

We are emerging from a difficult period, and our commitment to accelerating the recovery and development of our country's tourism sector, with this new service and its international media coverage, has put us back in the spotlight at a time when we need visibility more than ever.

Seattle provides us with new ground to explore in our primary source market. Furthermore, all the economic stakeholders, partners, and suppliers that we have met in the process have expressed full confidence in the new link and its promise of success.

Seattle is one of the most dynamic hubs in North America, combining the best of the city, with an exceptional natural environment. Thanks to our partnership with Alaska Airlines, Seattle-Tacoma airport now enables us to reach the whole of central United States, giving us better access to the East coast, while offering our passengers outstanding comfort.

This new destination aims to position us alongside our partners as the main reference airline in the Pacific region on the North American market.

The competitive environment has provided no respite, but this new momentum has reasserted our resilience and bolstered our position as market leader in Polynesia.

The historic overcapacity in Polynesian skies, further exacerbated by the increase in Air France and United Airlines frequencies from three to five times a week and Delta's plan to open three weekly services from Los Angeles as of December 2022, has an impact on our business and profitability.

And yet, despite this fierce competition with a +30% rise in seat availability to the USA, a later than planned return of flights to Auckland, the closure of Japan, and a first quarter of 2022 still suffering from travel restrictions and the pandemic in the USA, Air Tahiti Nui managed to record an increase in sales, putting it in fifth place among the country's businesses in terms of revenue, almost returning to its pre-crisis level (96% in 2019). The Tahiti-Paris route, freight activity, and the growth in sales of ancillary products contributed significantly to this performance. Costs continued to be kept under control throughout the year, despite record inflation driven by rising fuel prices in an international context alongside geopolitical tension. Without these impacts, we would have been within reach of operating break-even.

We would like to congratulate all the staff of our fine company for all these achievements. Two years after the voluntary redundancy plan, with almost 20% fewer employees, our personnel have once again rallied round and demonstrated their expertise, addressing new ambitions while maintaining a high quality of service which has been confirmed by our various accolades. Their commitment is the true driving force behind our Tahitian Dreamliners.

We hope to have the pleasure of welcoming you on our routes soon and to continue helping you discover the world aboard our airline.

In the meantime, happy reading!
Te Aroha la Rahi.

Michel MONVOISIN
Chairman of the Board of Directors
and Chief Executive Officer

CSR approach

Our approach to corporate social responsibility

Air Tahiti Nui was one of the first Polynesian companies to commit to a CSR approach in 2015. The very heart of the company's mission is to "ensure the provision of a highly consistent long-term service alongside the development of the tourist industry in French Polynesia, while also maintaining the high standards of operational safety."

Following the publication of two sustainable development reports for 2016 and 2018, the company has continued to communicate its CSR efforts in a consolidated annual report alongside the business activity results, financial data and non-financial performance (with no change in compliance with the GRI G4 reference framework -cf.p.59).

Despite fierce competition and a difficult international context in 2022, Air Tahiti Nui strengthened its mission as standard bearer for Polynesia abroad and contributed positively to the economic and social development of the country, in particular thanks to the opening of our new route to Seattle. At the same time the airline continued efforts to reduce its carbon footprint, through a series of initiatives such as supporting voluntary carbon compensation and a working group to reduce and replace onboard plastic.

The corporate social responsibility policy initiated and undertaken by Air Tahiti Nui is involved in various aspects of its business and at all levels of the organization, and can be consulted as an integral part of this document, through the indicators and key figures related to the 4 focus areas and 10 progress commitments (ISO 26 000 standard) which define it according to the themes covered in these chapters.

By being voluntarily and publicly committed through this process, Air Tahiti Nui is primarily contributing to three of the 17 Sustainable Development Goals (SDGs) laid down by Member States of the United Nations collated in the 2030 Agenda: good health and well-being (SDG 3), decent work and economic growth (SDG 8), measures concerning climate change (SDG 13).

Our flagship initiatives in 2022

Air Tahiti Nui continues to strengthen its attachment to its CSR by initiating three major projects in 2022 in favor of its stakeholders:

For customers

In line with its environmental policy, Air Tahiti Nui continued efforts to reduce greenhouse gases throughout the year.

111 eco-responsible passengers (having compensated since June 2021)

Thanks to its eco-responsible carbon offset service implemented in partnership with the New Zealand start-up [carbonclick](#), and for which it won a prize in the Pacific Asia Travel Association Awards (PATA) 2021, the Tiare airline encouraged passengers to compensate their emissions. During the Blue Climate Summit held in May in Tahiti, for which it was an official sponsor, the airline launched a support scheme aimed at covering 50% of the cost of offsetting customers' CO₂ emissions. By offsetting their emissions, passengers are thus ensuring the funding of certified eco-projects to capture or avoid carbon emissions. The offer was extended until the end of 2022 across all the company's markets to incentivize this contribution to carbon neutrality.

For employees

In keeping with its commitment to the "Company actively engaged in employee health" charter, since 2015, Air Tahiti Nui continues to organize regular events and activities for its employees to promote sport, nutrition, and well-being.

In 2022, three conferences and two cookery workshops were hosted by a dietician and expert in nutrition.

Health program of 5 conferences and workshops

For the company and its partners

In 2022, efforts were focused on training pursers and chief pursers to support the company's CSR approach and give meaning and visibility to the policy to reduce greenhouse gas emissions. As primary ambassadors of the airline to our passengers, they learnt about sustainable development issues and challenges, and were informed of the initiatives undertaken or co-developed by Air Tahiti Nui and their outcomes.

94% of pursers/ chief pursers made aware of the company's CSR approach



FOCUS AREA 1 : maintain the responsible operations of our flights

#1: guarantee flight safety and comply with regulations.

#2: maintain sustainable relations with our stakeholders.



FOCUS AREA 2: reduce our environmental footprint

#3: reduce our emissions and participate in the fight against climate change.

#4: mitigate the impact of our activity on the ground.

#5: contribute to the preservation and biodiversity of Tahiti as a tourist destination.



FOCUS AREA 3: be a committed employer

#6: share a common vision and maintain trust-based relations.

#7: ensure health, safety, and well-being at work.

#8: develop skills and support employee personal development.



FOCUS AREA 4: support the development of French Polynesia

#9: integrate sustainable development into our activity and business culture.

#10: support and promote social and economic development projects in the country.

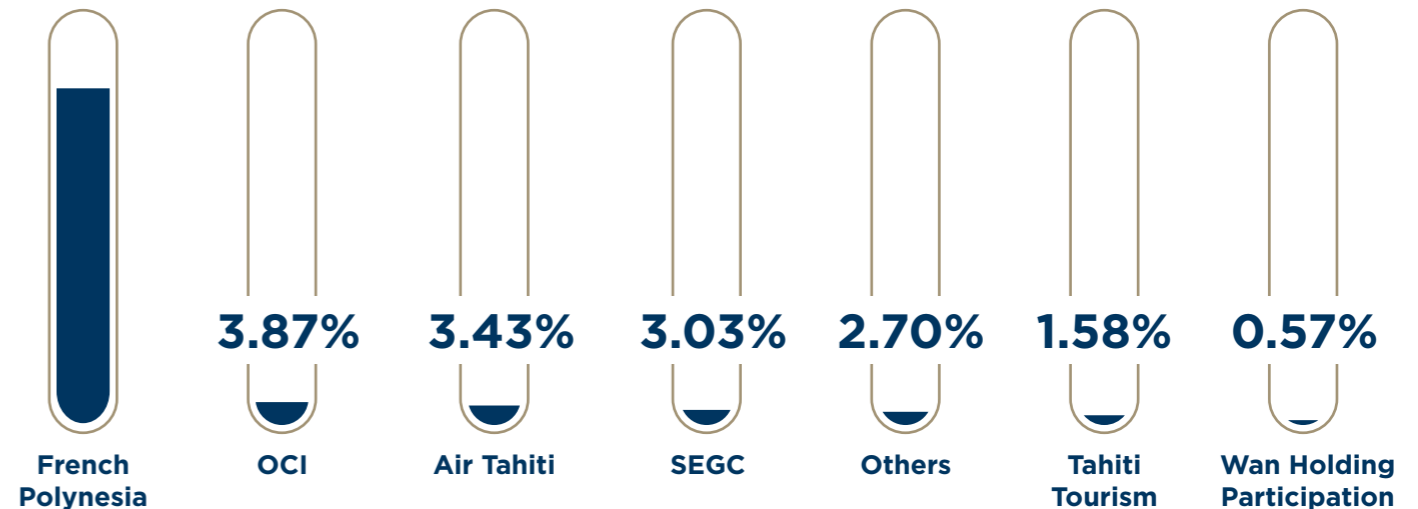
Legal status and capital

Distribution of capital

In September 2001, Air Tahiti Nui's legal status evolved from Public Limited Company to Local Mixed Economy Company (SAEML) in order to meet statutory rules when French Polynesia became the majority equity holder in the company. Since November 22nd 2011, capital amounts to 1 622 956 875 XPF and was distributed as follows on December 31st 2022:

Shares in capital on 31/12/2022

84.82%



Members of the board

As a local mixed economy company, Air Tahiti Nui has a board of directors composed of 15 members, distributed since August 29th 2022, as follows:

Public administrators representing French Polynesia, appointed by the Council of Ministers

- Mr. Edouard FRITCH, President of the Government of French Polynesia, in charge of tourism territorial equality and international relations;
- Mr. Jean-Christophe BOUISSOU, Vice President and Minister for Housing, Development and Urbanization, in charge of inter-island transport;
- Mr. Yvonnick RAFFIN, Minister of Economy and Finance, in charge of energy, generalized social welfare and coordination of government action;
- Mr Jean-Marc MOCELLIN, Chief Executive Officer of *Tahiti Tourisme*;
- Mr. Michel BUIILLARD, Representative of the Assembly of French Polynesia;
- Mr. Antonio PEREZ, Representative of the Assembly of French Polynesia;
- Mr. Claude PERIOU, Advisor to the President of French Polynesia;
- Mr. Michel MONVOISIN, Air Tahiti Nui CEO and Chairman of the Board of Directors;
- Mr. Eric REICHART, Air Tahiti Nui Staff Representative.

Private Administrators representing the private sector

- Mr. Vincent LAW, 1st Vice President of ATN Board of Directors, Representative of *la Société d'Etudes et de Gestion Commerciale*;
- Mr. Jean-Pierre FOURCADE, Representative of *la Financière Hôtelière Polynésienne*;
- Mr. Bruno WAN, Representative of Civil Society Wan Holding Participation;
- Mr. Matahiarii BROTHERS, President of the simplified joint-stock company *Océanienne de Capital Investissement*;
- Mr. James ESTALL, Representative of Air Tahiti;
- Mr. Richard BAILEY, Representative of Tahiti Beachcomber Plc.

Statutory auditors

The statutory auditors for Air Tahiti Nui are SCP CHANGUES-MENARD-ALBERT-BOYER, represented by Mrs. Elisabeth ALBERT, and the limited liability company KPMG, represented by Mr. Jean-Louis PELLOUX.





654
employees
on December 31st, 2022



49
million XPF devoted
to training

Human resources

Company structure

GENERAL MANAGEMENT

 Michel MONVOISIN
Chairman Chief Executive
Officer

 Mathieu BECHONNET
Chief Operating Officer

SUPPORT MANAGEMENT

 Director of Finance
Pierre CHAMPION

 Director of Human
Resources
Manuarii MERVIN

 Director of Administration
and Organisation
Heifara MORIENNE


 Director of Information
Systems
Laurent HUSSON

 EXECUTIVE MANAGEMENT OF OPERATIONS
Raymond TOPIN - Responsible Manager

 Director of
Air Operations
Stanley DESCAMPS

 Director of Ground
Operations, Stations
and Freight
Céline CLAEYS

 Technical Director
Yannick MERMET

 Director of Management
Systems
Gilles BERNEDE

 Commercial Crew Manager
Éric DELCUVELLERIE

 EXECUTIVE MANAGEMENT OF SALES
Mathieu BECHONNET (acting director since 01/10/2020)

REGIONS

 Regional Director America
Caroline BORAWSKI

 Regional Director France Europe
Jean-Marc HASTINGS

 Regional Director Asia
Atsushi CHINO

 Regional Director Pacific
(NZ & AUS)
Daniel EGGENBERGER

 Regional Director Polynesia
& global freight
Yann MASINGUE

 Director RM, Pricing,
Schedule and Partnerships
Raimana CHAMPS

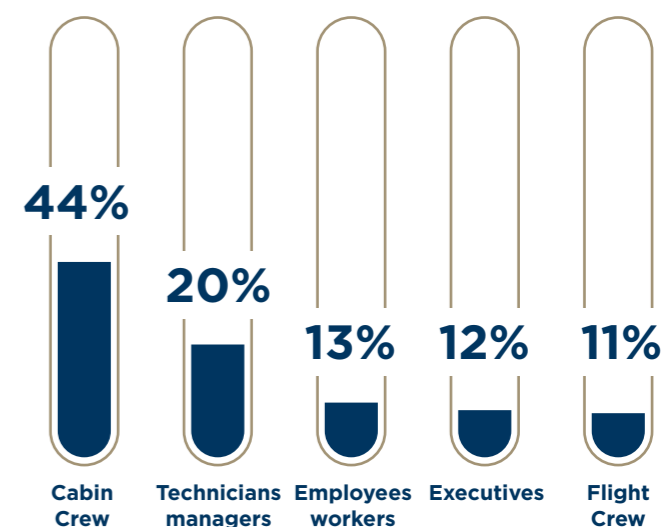
 Director
Customer experience
Vaitea KOHLER

 Director
Communication marketing
Torea COLAS

Distribution of human resources

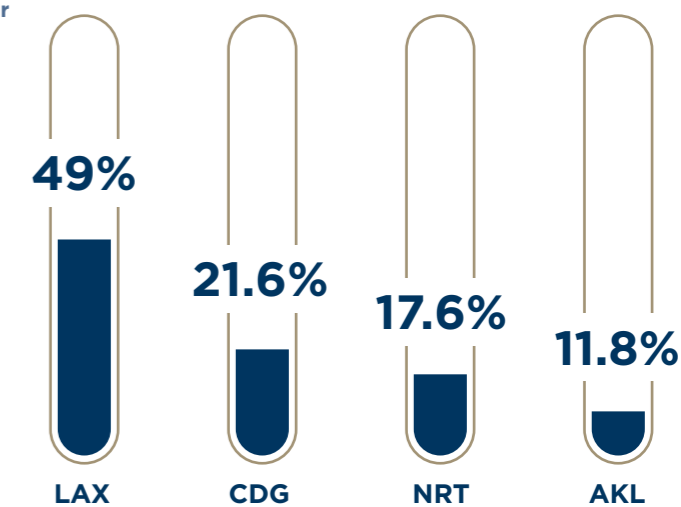
On December 31st, 2022, the company workforce consisted of 654 employees (compared with 608 on December 31st, 2021) divided into Tahiti ground personnel (273), flight crew (334; including 269 cabin crew and 65 technical crew) and agents of overseas offices and stations (47).

French Polynesia workforce by occupational category



Source: Social audit 2022 ATN

Workforce distribution in overseas stations



Source: DRH ATN





Distribution of Air Tahiti Nui workforce by gender

Workforce	2020	Distribution 2020	2021	Distribution 2021	2022	Distribution 2022
Men	292	47%	294	48%	321	49%
Women	329	53%	314	52%	333	51%
TOTAL	621	100%	608	100%	654	100%

Source: Social audits ATN



Parity

With 51% of female employees, the number of women working for Air Tahiti Nui has slightly decreased over the year (52% in 2021) due to major professional constraints in certain departments such as maintenance and flight operations.

There was, however, an increase in the proportion of female executives to 47%, (compared with 44% in 2021) while the percentage of female pilots remains at 8%.

Evolution of workforce in Polynesia

In light of the recovery in activity, the number of employees increased in 2022, with 31 staff recruited on permanent contracts and 25 on fixed-term contracts. Staff were hired externally after a two-year freeze due to the period of COVID-19. Priority was given to recruitment essential to the return of activity.

Global payroll

Global payroll came to 6,4 billion XPF in 2022, up from 2021 which was historically low, but still nearly 1 billion XPF less than in 2019.

With 77 less staff compared to the same period, the company has nevertheless managed to increase its productivity compared with 2019.



Indicators for Polynesia



Employment contracts:

30
departures
(of which, 5 resignations,
22 fixed-terms contract
terminations and 3 other
departures)

25
employees
on fixed-term
contracts

Absenteeism:

582
employees on
permanent
contracts

395
employees
promoted

7
work related
accidents
(with sick leave)

1 402
days of maternity
leave

Professional training

The HR department saw its training budget gradually increase in the wake of the health crisis and was able to deploy 88% of its training plan over the year.

367 participants were trained in administrative affairs (professional effectiveness and well-being, office automation/IT, sales/customer service, languages, management, health, and safety) for a budget of 11.8 million XPF (compared with 21 M XPF in 2019, 5 M XPF in 2020 and 10.2 M XPF in 2021).

At the same time freely available e-learning content was also deployed for employees as from 2021, on topics related to management, project management, well-being, professional effectiveness, etc. A total of 129 training sessions with this type of content were completed online in 2022.

37.2 million XPF was also allocated to regulatory training for crews.





CSR FOCUS AREA 3

Commitment #6

Sharing a common vision and maintaining the foundations of a trust-based relationship

Air Tahiti Nui became the 4th largest employer in Polynesia in 2022, in terms of workforce, and it employs 607 staff based in Papeete, with an average seniority of 14.8 years.

As social dialogue in the workplace and the development of human capital are important issues to the airline, the Employee Experience department was given the task of initiating projects throughout the year in support of employees with disabilities, young people, and the fight against exclusion. These included:

- recruitment of a disabled employee;
- several departments took part in “DuoDays”, welcoming 6 trainees with disabilities to spend a day learning about professions within the company;
- implementation of an e-learning program to raise awareness about disability in the workplace;
- participation in forums and visits to schools to introduce

students to the various professions in the airline industry and to simulate job interviews;

- job dating events with job seekers and welcoming school dropouts, in partnership with FACE Polynesia (project 5/5).

In accordance with the objectives set out in the company CSR policy, the ethics committee, led by the Chairman and CEO, with eleven permanent members, also met three times during the year, to ensure the application and promotion of the ethical guidelines and principles set out in Air Tahiti Nui’s CSR policy and to promote its corporate culture.

Following these meetings, both a code of conduct and an e-learning module were established concerning the receipt of gifts and invitations, aimed at raising employee awareness about the risk of corruption.



Commitment #7

Ensuring health, safety, and well-being in the workplace

After work to update the single document in 2021, there was a rise in the number of workplace accidents in 2022. These accidents mainly concerned slip and fall incidents and were directly related to the company’s return to activity.



Evolution of work related accidents resulting in sick leave [G4-LA6]

2020	16
2021	5
2022	7

Company actively engaged in employee health

As part of Air Tahiti Nui’s signature of the “Company actively engaged in employee health” charter, promoted by the Health Department of French Polynesia, the company health committee, made up of volunteers and representatives of the company works council, continued to promote health and wellbeing through physical activity and nutrition for a total sum of 3.7 million XPF.

Over the year, five nutrition conferences/workshops contributed to raising awareness among a group of over thirty employees.



Amount allocated to awareness raising activities related to sport and nutrition

2020	850 000 XPF
2021	1 750 000 XPF
2022	3 700 000 XPF

During the same period, the works council also continued to promote sporting activities, in particular during the annual “ATN Fun Games” day and through subsidies awarded to employees for gym membership and the dozen or so sports clubs within the company.

Commitment #8

Developing skills and supporting employees’ personal growth

As a service business, Air Tahiti Nui devoted over the year almost 1% of its Polynesian payroll to training its staff [G4-10].

The e-learning platform “Tāmau” remained a popular training tool throughout the year. Excluding the regulatory training component, 186 employees attended at least one face-to-face training course, and 47 followed courses online as part of the 2022 training plan.





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Governance, compliance and risk management

The organization's continuous improvement process covers all the company's operational and legislative compliance risks. Since September 2017, a compliance and risks committee has internally grouped together the 3 pillars of Air Tahiti Nui's risk management, which are the Management Systems Directorate, Internal Control, and Information Systems Security. They share common interests, in particular: risk control in different domains (MSD: security of flights; ICS: financial security; ISS: security of information systems) and the potential consequences if these risks go uncontrolled (air crash, operational accidents, financial losses, impact on company image and reputation, legal impact, etc.).

Management systems directorate (MSD)

The management system is a structured organization for managing security, uniting sectors including inflight, ground and maintenance operations.

Reporting to the responsible manager of the company, the Management Systems Directorate supervises all management system actions. It has four divisions:

- security: intended to establish the company's security programs in all countries that the airline has routes to, in accordance with the applicable regulations and directives, and to carry out security training for all personnel;
- Emergency Response Plan (ERP): whose goal is to establish an emergency plan in case of a company air disaster, allowing for a centralized, controlled and coordinated response to emergencies;
- safety: aimed at identifying and analyzing the risks related to all areas of operations and to implement appropriate corrective and preventive measures;

- compliance monitoring: guaranteeing compliance with the applicable regulatory specifications in addition to any further requirements.

The supervisory authorities (Directorate General of Civil Aviation [DGAC], State Civil Aviation Service [SEAC] and the Civil Aviation Safety Authority [OSAC]) ensure through audits that Air Tahiti Nui complies with EASA (European Aviation Safety Agency) regulations.

As guarantor of the organization's safety and security, the management systems directorate collaborates with various departments and directorates, and coordinates security audits to which Air Tahiti Nui must conform, especially those relative to the maintenance of the company's various certifications and the renewal of the company IOSA authorization (cf. Flight activity, p.18), in effect for two years from the end October 2021.



Evolution of ATN management system performance between 2021 and 2022 (DGAC/SEAC)

Criteria	2021 rating	2022 rating
Safety Culture	A	A
Risk analysis	A	A
SMS steering	A	A
Implementation of corrective measures	A	A
Continuous improvement and change management	C	A
Interface management	A	A
Documentation	A	A
Training and communication	A	A
Compliance rate	B	B
Capacity to obtain compliance	B	B

CSR FOCUS AREA 1



Commitment #1

The CORSIA scheme (Carbon Offsetting and Reduction Scheme for International Aviation) is a global regime in international aviation of compensation and reduction of CO₂ emissions, adopted in 2018 by the International Civil Aviation Organization (ICAO). It is the final element in the list of ICAO recommended measures to reduce the effects of aviation on the climate (which also include technological innovation, operational improvement, and the adoption of sustainable aviation fuels).

Since January 1st, 2019, all ICAO aircraft operator members emitting over 10 000 tons of CO₂ on their international flights must collect their CO₂ emissions data and report them to the relevant authority.

In order to take the impact of the Covid crisis into consideration, the ICAO has decided to count 85% of 2019 emis-

sions as a calculation basis starting in 2024.

Furthermore, between 2021 and 2026, the offsetting requirements will only apply to international flights between states who are willing to participate in the pilot phase of the plan (2021-2023) or the first phase (2024-2026).

For the 2021 financial period, Air Tahiti Nui was not accountable for any carbon offsetting because its CO₂ emissions remained inferior to those of 2019. From November 30th, 2023, the DGAC will inform Air Tahiti Nui of their carbon offsetting obligation for the 2022 financial period, if applicable. This obligation must be paid by 2024 and will be reassessed every three years.

This new requirement⁽¹⁾ to offset carbon emissions will be generalized to all airlines as from 2027.

(1) The CORSIA regime is strictly regulated by supervisory bodies and competent authorities. It differs from "voluntary carbon offsetting" proposed to passengers and customers wishing to contribute individually and voluntarily to the fight against global warming by supporting certified environmental projects of sequestration and/or reduction of greenhouse gases.



Internal control system (ICS)

The internal control department aims to continuously improve company management as well as optimize operational processes which are guarantors of an efficiently organized company. Reporting to General Management, it is composed of two staff and is entrusted with three main goals:

- to ensure the efficiency of risk management systems by performing audits while developing the internal control system, as well as promoting it and guaranteeing its implementation;
- to ensure the company conforms to the General Data Protection Regulation (GDPR);
- to ensure the Business Continuity Plan (BCP).

In terms of internal control, investigations are mainly conducted by documental analysis via the retrieval of files completed through meetings with the concerned parties. This work complies with professional standards and practices designed to verify compliance with procedures. These internal audits measure the level of risks incurred and verify compliance with procedures as well as the effectiveness and appropriate nature of the systems in force.

The internal control department also ensures compliance with legislative and regulatory provisions and professional standards and practices. It formulates recommendations to make improvements, to reinforce, safeguard and organize departments in accordance with the risks to which they are exposed.

In terms of the General Data Protection Regulation, the internal control department ensures, as a priority, the respect of individuals' rights and the responsibilities linked to the handling of personal data and also guarantees that the latter is handled in a transparent, ethical and responsible manner.

In terms of the Business Continuity Plan, internal control aims to identify, evaluate and manage potential risks and incidents that could compromise company continuity, guaranteeing the undertaking of appropriate measures to reduce any disruption.



FOCUS AREA 1 - Internal control plan

2022 objectives

- Completion of chosen audits validated during through the internal control committee based on a pre-defined audit.

2022 Key achievements

- Completion of four audits mainly covering customer service and human resources management.
- Monitoring of on-going recommendations.



FOCUS AREA 2 - Data privacy compliance

2022 objectives

- Completion of impact assessment.
- Contractual framework for business partners.

2022 Key achievements

- Recording of impact studies with participating relevant co-workers.
- Raising employee awareness of GDPR.



FOCUS AREA 3 - Business Continuity Plan

2022 objectives

- Documentary update.
- Drafting of a test schedule.

2022 Key achievements

- Supporting departments in identifying key events.
- Supporting departments in the design of a contingency plan.
- Implementation of a quarterly BCP committee.



Information systems security (ISS)

Data protection and cyber security have become key challenges in the aeronautical industry. Air Tahiti Nui is committed to maintaining a consistently high level of cyber security to protect customer information, ensure its operational continuity, and to navigate the digital landscape in complete safety.

By conforming to the highest standards in the industry and working with a team of specialized professionals, the company strives to build and maintain this high security digital environment.

The company's approach is to anticipate, detect, respond to, and recover from all IT threats that could compromise its activity.

To do this, the following are amongst the most significant achievements of 2022:

- the update of the company cyber security strategy to incorporate both recent threats as well as all the latest regulatory developments;
- the launch of a vast program dedicated to improving critical infrastructure security;
- the deployment of a monitored EDR system (Endpoint Detection and Response) so the company can detect threats in real time and respond quickly by ensuring continuous 24/7 surveillance of its infrastructures;
- the optimization of risk management thanks to the integration of a tool enabling evaluation and continuous risk monitoring in cooperation with other existing risk management systems within the company;
- work to ensure compliance with the latest cyber security regulations applicable in 2026.

During the coming year, Air Tahiti Nui aspires to further intensify its cyber security strategy through various initiatives such as:

- the increased control of company information system management;
- implementation of a cloud proxy (SWG), a significant step towards intensifying the security of communications and data transfer;
- continued harmonization and tightening of infrastructures in line with the most demanding international safety standards;
- cloud protection essential for anticipating and mitigating risks inherent in this environment;
- deployment of additional technologies to reinforce data protection;
- strengthening of cyber resiliency, improving the capacity to stand firm against, recover from and adapt to cyber threats;
- active continuation of compliance with applicable regulations.

In conjunction with these projects, the company intends to reinforce its cooperation with key industry stakeholders and regulatory authorities in order to adopt best practice in cyber security and to stay in line with professional standards.





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42

interline agreements



1 184

commercial flights in 2022
for 14 401 flight hours

Flight activity

Certificates and licences

To operate as a French international air carrier, Air Tahiti Nui holds:

- an air carrier license, December 2006 (Decree 1389 CM);
- an air carrier certificate (CTA) n°FR.AOC.OO83, Ed5 August 17th, 2020;
- a certificate of approval from the Continuing Airworthiness Management Organization FR.CAMO.0026 rev. 2 September 13th 2021;
- a certificate of approval of maintenance part 145 for the maintenance of aircraft FR 145.0423, rev. 6 December 22nd, 2022.

The different authorizations list all specific operational approvals in relation to the Boeing 787-9.

IOSA

The IOSA Certificate (IATA Operational Safety Audit) which is mandatory for all air carriers who are members of IATA (International Air Transport Association), is the audit program developed by the IATA, based on standards covering regulations such as those established by the ICAO (International Civil Aviation Organization), FAA (Federal Aviation Association) and EASA (European Aviation Safety Agency), etc.

The audit for the next IOSA authorization renewal (validity date: October 28th, 2023) is scheduled for June 2023 with ARGUS Prose.



The network

After more than two years closure of the New Zealand borders, the first PPT-AKL-PPT flight operated on May 4th, 2022, for Auckland.

A few months later, at the beginning of October, encouraged by the dynamic post pandemic recovery, the company inaugurated the opening of its Seattle route. Air Tahiti Nui teams obtained the roll out of this new destination in a record time of less than eight months, thanks to collaboration with Alaska Airlines.

As of December 2022, Air Tahiti Nui is positioned as the main airline serving French Polynesia. The airline operates over three continents (the Japan route remains closed) offering flights from Papeete to Los Angeles, Seattle, Auckland and Paris (via Los Angeles).

Air Tahiti Nui offers routes to a total of 87 airports via 128 routes thanks to its codeshare partners:

- **SNCF trains with the Train+Air program in France and Europe** offer a service departing daily from CDG to: Aix-en-Provence, Angers, Avignon, Bordeaux, Le Mans, Lille, Lyon, Marseille, Metz, Montpellier, Nantes, Nîmes, Poitiers, Reims, Rennes, Strasbourg, Tours, Valence and Brussels;



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- **American Airlines in North America** offers a service departing daily from Los Angeles to: Albuquerque, Atlanta, Austin, Boston, Charlotte, Chicago, Dallas, Denver, El Paso, Houston, Las Vegas, Miami, New York, New Orleans, Oklahoma City, Orlando, Philadelphia, Phoenix, Portland, Sacramento, St Louis, Salt Lake City, San Antonio, San Francisco, San Jose, Seattle, Tucson, Toronto, Vancouver and Washington;
- **Alaska Airlines in North America** offers a daily service departing from Los Angeles to: Anchorage, Austin, Boise, Dallas, Eugene, Fort Lauderdale, Fresno, Honolulu, Kahului, Kona, Las Vegas, Lihue, New York, Portland, Reno, Salt Lake City, San Francisco, San Jose, Santa Rosa, Seattle, Spokane et Washington ; and from Seattle : Albuquerque, Anchorage, Atlanta, Austin, Boise, Boston, Bozeman, Chicago, Columbus, Dallas, Denver, Detroit, Eugene, Fresno, Fort Lauderdale, Hayden, Houston, Kansas City, Las Vegas, Los Angeles, Miami, Milwaukee, Minneapolis, Nashville, New York, New Orleans, Oklahoma City, Orlando, Portland, Philadelphia, Phoenix, Raleigh Durham, Reno, Sacramento, St Louis, Salt Lake City, San Antonio, San Diego, San Francisco, San Jose, Spokane, Tampa, Tucson, Vancouver and Washington;
- **Qantas and Air Calin** complete the Air Tahiti Nui offer in the South Pacific to Sydney, Melbourne, Brisbane, and Nouméa;
- **Japan Airlines and Korean Air** operate services departing to Osaka, Fukuoka, Nagoya and Sapporo in Japan and Hong Kong and Seoul in Asia;
- **LATAM Airlines** in South America departs to Easter Island and Santiago, Chile.

At the same time, Air Tahiti Nui affixes its company code to Air New Zealand to increase the frequency of service between Tahiti and Auckland, bringing the number to five return flights a week on this route.

The following partners affix their company codes to flights operated by Air Tahiti Nui:

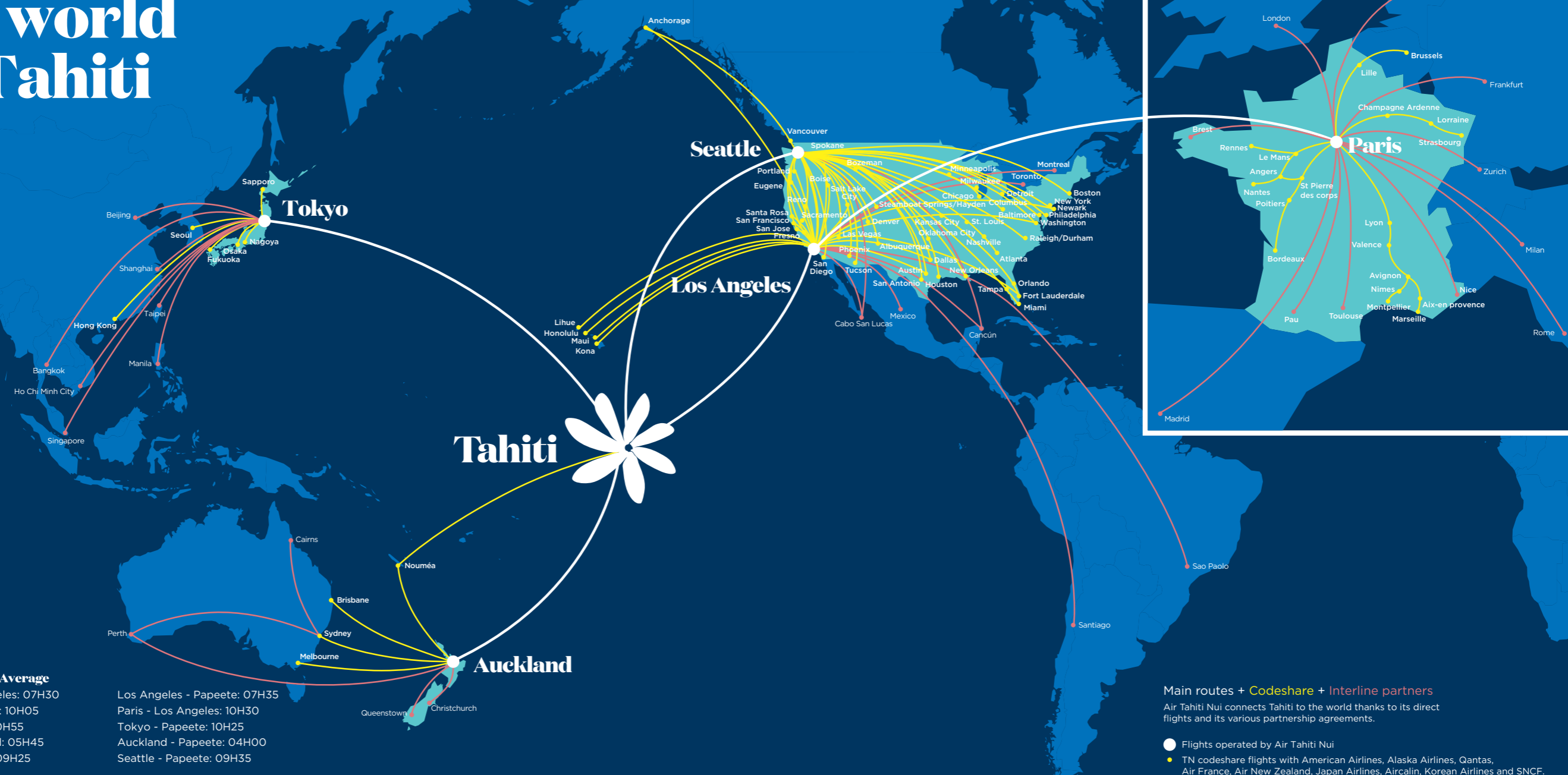
- American Airlines: PPT-LAX / LAX-CDG / PPT-SEA
- Alaska Airlines: PPT-LAX / LAX-CDG / PPT-SEA / PPT-AKL
- Qantas: PPT-AKL / PPT-LAX
- Air New Zealand: PPT-AKL / PPT-LAX
- Air Calin: PPT-AKL / PPT-LAX
- Japan Airlines: PPT-NRT
- Korean Air: PPT-NRT
- Air France: PPT-LAX
- LATAM Airlines: PPT-AKL

As of December 31st, 42 interline agreements are contractually settled with other transporters to offer a wider choice of destinations to customers.

N.B: In 2022, code sharing with LATAM Airlines, Air France, Japan Airlines and Korean Air were not reinstated.



Connecting the world to Tahiti



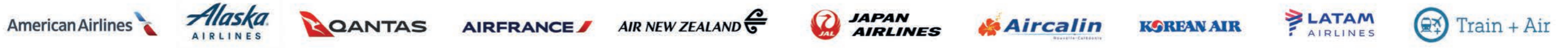
Flights Duration Average
 Papeete - Los Angeles: 07H30
 Los Angeles - Paris: 10H05
 Papeete - Tokyo: 10H55
 Papeete - Auckland: 05H45
 Papeete - Seattle: 09H25

Los Angeles - Papeete: 07H35
 Paris - Los Angeles: 10H30
 Tokyo - Papeete: 10H25
 Auckland - Papeete: 04H00
 Seattle - Papeete: 09H35

Flight times may vary due to seasonal winds.

Main routes + Codeshare + Interline partners
 Air Tahiti Nui connects Tahiti to the world thanks to its direct flights and its various partnership agreements.

- Flights operated by Air Tahiti Nui
- TN codeshare flights with American Airlines, Alaska Airlines, Qantas, Air France, Air New Zealand, Japan Airlines, Aircalin, Korean Airlines and SNCF.
- Destinations served by our interline partners



Flight schedule

As far as the increase in demand is concerned, competing airlines have increased their seat capacity (from February for United Airlines with 5 weekly frequencies, followed by Air France who did the same from April onwards). Air Tahiti Nui continued the development in Paris via the Los Angeles route adding extensions of LAX-CDG to their existing LAX flights, and thus taking advantage of the strong transatlantic demand.

Air Tahiti Nui was optimistic for the year ahead, proposing an ambitious program:

- in Paris, the company increased its offer by proposing 6 flights a week from the end of June to the end of October 2022, and 7 weekly frequencies during the summer vacation in July and August;
- in Los Angeles, Air Tahiti Nui offered 4 flights a week to customers;

- between January and April 2022, despite borders remaining closed, Air Tahiti Nui continued weekly cargo flights to New Zealand, operating within the framework of the MIAC contract (Maintaining International Air Connectivity) subsidized by the New Zealand Government;
- at the beginning of May when the New Zealand borders reopened, Air Tahiti Nui operated one flight a week to Auckland until the end of June. In July, the offer increased to 2, and even 3 flights a week;
- with Japanese borders remaining closed all year, no flights to Narita operated in 2022;
- the first Papeete-Seattle flight took place on October 4th, 2022, and since then, passengers have the choice of 2 weekly flights.

Frequency of Service per route

	Completed 2021	Completed 2022
Papeete - Paris via Vancouver	1 to 7 flights/wk.	NA
Papeete - Paris via Los Angeles	4 flights/wk. (Nov. to Dec.)	3 to 7 flights/wk.
Papeete - Los Angeles	2 to 5 flights/wk.	3 to 5 flights/wk.
Papeete - Narita	0 flights/wk.	0 flights/wk.
Papeete - Auckland	0 flights/wk.	1 to 2 flights/wk.
Papeete - Seattle	NA	2 flights/wk.

Annual number of flights per route

	2020	2021	2022
Papeete - Paris via Vancouver	228	327	-
Papeete - Paris via Los Angeles	75	54	553
Papeete - Los Angeles	253	303	441
Papeete - Narita	42	0	0
Papeete - Auckland	77	0	139
Papeete - Seattle	-	-	51
TOTAL	692	683	1 184

Frequency of weekly services by codeshare partner*

	Completed 2022
Air New Zealand (NZ) PPT - AKL - PPT	2 flights/wk. from July
Air France (AF) LAX - CDG - LAX	0 flights/wk.
Qantas (QF) AKL - SYD/MEL/BNE - AKL	Daily from May
Korean Air (KE) NRT - ICN - NRT	0 flights/wk.
Air Calin (SB) AKL - NOU - AKL PPT - NOU - PPT	2 flights/wk. from July then 3 flights/wk. from November 1 flight/wk.
LATAM Airlines (LA) SLC - IPC - PPT - IPC - SCL**	0 flights/wk.
Japan Airlines (JL) NRT - HKG NRT - ITM HND - ITM NRT - NGO HND - FUK HND - CTS	0 flights/wk.

* Except American Airlines, Alaska Airlines and SNCF who operate daily links.
** LATAM suspended its commercial flights to Easter Island from March 2020.



Flight activity in 2022 was running at 90% of the 2019 program, which is a good result considering it is post pandemic activity and the first service schedule with 4 aircraft over a whole year.

Punctuality

Company punctuality was impacted in 2022 by difficulties encountered during transit in Los Angeles (70.22% of flights left on time in July).

There was an increase during the second half of the year with a slight improvement on overall punctuality at the end of December, thanks to the opening of the new transit lounge in the Midfield Satellite Concourse, an extension of the Tom Bradley International Terminal in Los Angeles.

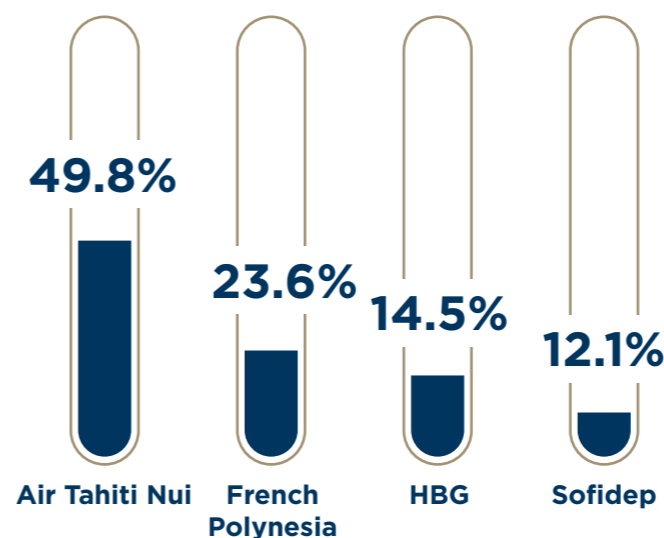
All Air Tahiti Nui flights have been operating from there since August 1st, 2022, avoiding the delays caused by congestion in immigration throughout the first half of the year, which, in turn, also had a knock-on effect of delays caused by subsequent late arrivals.



Tahiti Nui Helicopters

The simplified joint-stock company Tahiti Nui Helicopters is the first Air Tahiti Nui affiliate of which it is majority stakeholders.

From December 31st, 2022, TNH capital is apportioned as follows:



From July 2021 until October 31st, 2022, TNH operated an inter-island flight service, under a public service agreement, for the Marquesas Islands. In total, the company completed 711 flight hours for this service from July 2021.

On December 31st, 2022, Tahiti Nui Helicopters had completed 1 660 flight hours, which are apportioned as follows:

	Flight hours
Public service passenger transport (Marquesas Islands)	448
Bora Bora sightseeing	428
Medevac (Society Islands and Marquesas)	354
Transfers	125
Tahiti, Moorea and Marquesas Islands sightseeing	116
Aerial work	46
Technical flights	143
TOTAL	1 660

The company achieved revenue close to 750 M XPF, up by 24%, compared with the previous financial year 2021.

At the end of the financial year 2022, TNH had 28 employees.

The company operates five aircraft: 4 twin-engine helicopters Airbus H135 (two EC135T1 and two EC135T2), and one single engine helicopter Airbus H125 (AS350 B2).

TNH activity is structured around four main missions:

- on-demand passenger transport, for no-wait direct transportation of clients from international flights or connecting international flights on private jets;
- sightseeing tours around Tahiti, Moorea and the Leeward Islands;
- medical and emergency evacuations;
- helicopter operations (pylon equipment, etc.).

The affiliate began its commercial activity in July 2018 with two helicopters based in Tahiti, also serving Moorea and an aircraft stationed in Bora Bora.

On July 1st, 2020, a base was opened in Taiohae in the Marquesas islands to manage the medical evacuations (MEDEVAC) in the archipelago.





CSR FOCUS AREA 2

Commitment #3

Energy efficiency. Average fuel consumption per passenger/100km

2020	2021	2022
5.61 L	4.81 L	3.42 L

Between 2020 and 2022, the company energy efficiency significantly improved thanks to:

- an increase in RPK and the seat load on all of our routes;
- the optimization of fuel loads (necessary fuel load in accordance with the detailed analysis of fuel used per flight, while respecting safety margins, and regulatory reserves).



77%
average load factor



387 515
passengers transported in 2022



86 390
tourists were transported during the year by Air Tahiti Nui

Traffic and business revenue

ATN, Tahiti-bound traffic leader

In 2022, the total number of outgoing and incoming passengers to French Polynesia was 635 595 which was a strong recovery of activity (+160%). Seat availability followed the same trend (+115%) and was close to pre-Covid levels in 2019 (94%).

Over the year, Air Tahiti Nui remained the leader for Tahiti, handling 42.6% of international traffic.

United Airlines and Air France increased their flight programs to French Polynesia, and Delta Airlines opened the LAX-PPT service in December 2022.

Results & evolution of ATN fare-paying passengers by route

In 2022, Air Tahiti Nui transported 387 515 passengers, an increased figure (+109%) in comparison with 2021, and a capacity increase (+62% compared with 2021).

The recovery in tourism activity allowed for an increase in the average load factor of +18.1 points placing it at 77%.

In 2022, the company generated passenger traffic revenue of 26.752 billion XPF

Fare-paying passenger activity per route

	2021	2022	Variation
Average passenger load factor	58.9%	77%	+18.1 pts
Revenue (in Million XPF)	12 361	267 51.9	+116%

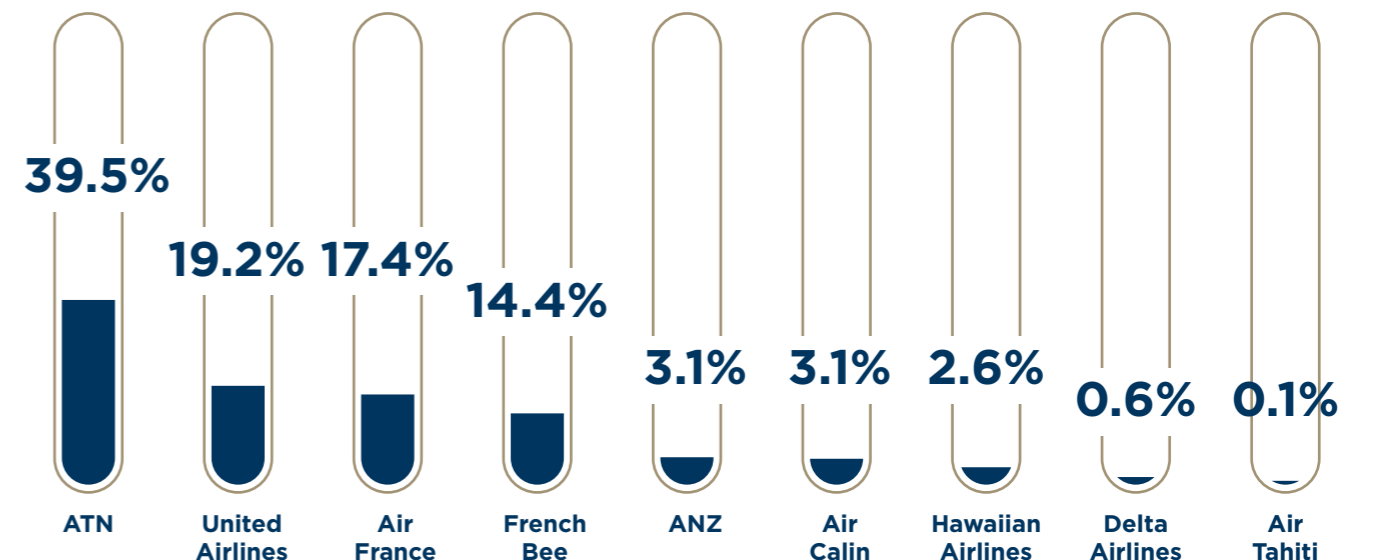
Source: Revenue Management - Air Tahiti Nui Financial Department

Tourist traffic

In 2022, 218 750 tourists visited the Islands of Tahiti, an increase of +136% compared with 2021. Tourist activity was close to that of 2019 (-7.6%) thanks to a steep rise in the American and French markets.

86 390 tourists were transported by Air Tahiti Nui over the year (+103.6%).

Tourist traffic market share by airline



Source: ISPF



8 131
tonnes of freight
transported for
3.3 billion XPF in revenue

132
million XPF revenue
generated in charter
flights in 2022

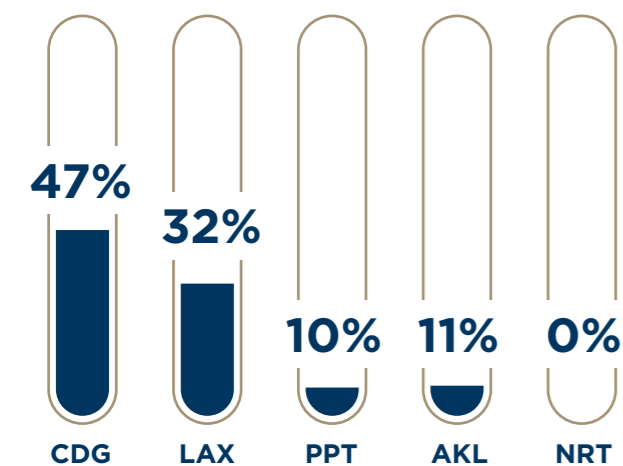
Freight revenue

Comparative table of freight revenue and tonnage in 2019, 2021 and 2022

	2019	2021	2022	Variation 19/22*	Variation %*
Revenue (in million XPF)	2 882	2 550	3 307	+425	+14.7%
Weight (in tonnes)	8 922	5 731	8 131	-791	-8.8%

Source: ATN Freight and Management Control Department
*2020 was not representative of the usual volume and revenue, and 2021 was not a full year, so variation is calculated using 2019 data as it was the most recent full year.

Distribution of tonnage transported by origin**



** Origin of freight departure.

The International Air Transport Association (IATA) indicated that throughout 2022 the demand for airfreight dropped compared with 2021 (-8%), approaching that of -1.6% in 2019.

Air Tahiti Nui's tonnage also took a downward trend at -8.8% in comparison with 2019*. Despite this, revenues increased to 3.3 billion XPF, +14.7% more than in 2019*.

- Export from Papeete in 2022 shows a decrease of -12% compared with 2019, the reason for this being the decrease in exports to the USA.
- The New Zealand base saw its revenue increase to +83% in comparison with 2019; this result is principally due to high demand, the lack of airlines operating to the USA in 2022, as well as increased yield mainly thanks to the support of weekly cargo shipments during the first four months of the year as part of the MIAC (cf. Flight activity, p.22).

- The Paris base shows an increase in revenue of +13% compared with 2019. Export volumes in Nouméa and Los Angeles contributed significantly to this performance.
- Los Angeles performed well with an increase in revenue of +36% in comparison with 2019. Strong demand to CDG and on a smaller scale to PPT contributed to these results.
- The Japanese market remained closed in 2022 but sales teams still managed to operate some exports via interline partners through LAX or CDG.



Charter activity

Comparative table of charter activity 2021 & 2022

	2021	2022	Variation
Full charter*	54	61	13%
Full cargo	9	0	NA
TOTAL NUMBER FLIGHT HOURS	63	61	-3%
Full charter	145	132	-9%
Full cargo	13	0	NA
TOTAL REVENUE (IN MILLION XPF)	158	132	-16%

* Full charter flights transport passengers only; full cargo flights transport freight only.

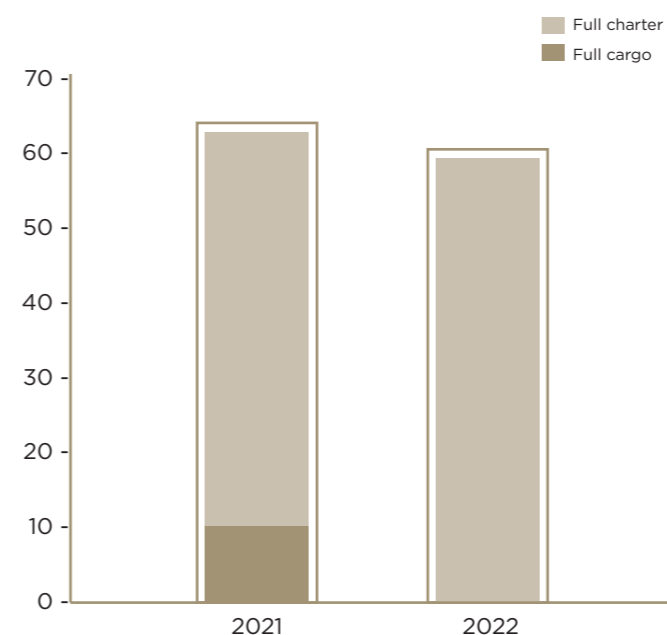
Charter activity remained limited in 2022 with only 61 hours of flights performed, a decrease of -3% in comparison with 2021.

In April, the US Order of Malta, completed its 7th consecutive pilgrimage to Lourdes with Air Tahiti Nui.

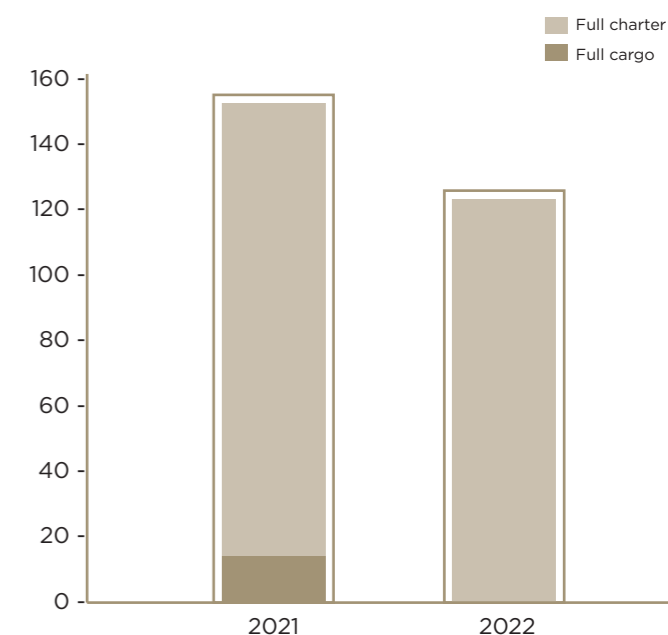
In June, the company transported Polynesian athletes to Saipan, in the Northern Mariana Islands for the Pacific Mini Games.

This activity generated 132 million XPF in revenue (compared with 158 million XPF in 2021, a decrease of -16%).

Number of flight hours



Revenue (M XPF)



ATN's active role in the development of French Polynesia

Given the geographical isolation of French Polynesia and the importance of the tourism industry in the country's economy, Air Tahiti Nui continued to play a vital economic and social role throughout the year by contributing significantly to the development of Tahiti and its islands.

A key partner for the community



Commitment #9

Including sustainable development in our business and corporate culture

By supporting cultural, societal, and environmental initiatives, the company contributes in a significant way to the sustainable development of French Polynesia, while strengthening its links with the local population.

As an integral part of the country's tourism development strategy over the next five years, named "Fari'ira'a Manihini 2027" (or FM27), which aims to position French Polynesia as a major inclusive and sustainable tourism destination, Air Tahiti Nui actively committed to preserving and promoting Polynesian cultural heritage. In 2022, the airline sponsored institutions such as the Museum of Tahiti and the islands-Te Fare lamanaha, the James Norman Hall Museum, as well as the associations *Mémoire polynésienne* and *Éditeurs de Tahiti et des Îles* (AETI).

With a history of strong involvement with local organizations, Air Tahiti Nui and its staff continue to give their support to initiatives helping the vulnerable in Polynesia. For example, the partnership with Papeete's UtilBus was extended, helping priority neighborhoods with mobility provision for their residents and associations. In addition, when new coins were introduced, the old ones were collected within the company in support of the "Tōta Tour" which is a fund-raising event organized every year since 2009, aiming to raise money for children, teenagers, and young adults with Down's syndrome.

Air Tahiti Nui also works alongside various local business networks such as the Act Against Exclusion Foundation (FACE) or the Eco-responsible Polynesian Businesses Club (CEPER) to encourage sustainable development, the development of human capital and the promotion of Polynesia abroad.

This support given to local associations and their cultural and/or charitable initiatives came to 9.09 million XPF in 2022 (compared with 5.9 million XPF in 2021).

A locally committed business



Commitment #10

Supporting and encouraging regional economic and social development projects

Positioned in 2022 as Polynesia's 4th largest company in terms of workforce and 5th in sales, the company employed a total of 607 employees in Tahiti on December 31st, 2022 (+31 new permanent staff hired), and welcomed 90 trainees over the course of the year.

It also works with several local suppliers and partners (35% in 2022, up 16 points compared to 2021), such as catering companies, hotels, travel agencies and other service providers, thus indirectly supporting the local economic ecosystem and economic resilience of Polynesia.

Air Tahiti Nui also plays a vital role in ensuring medical evacuations, thus demonstrating a constructive collaboration with the country's health authorities and medical services in support of local health and well-being. The airline is a trailblazer in the transport of oxygen kits and incubators aboard its Boeing Dreamliners. Such essential equipment means specific evacuation needs can be met. This vital contribution means that Air Tahiti Nui facilitates rapid access to necessary treatment for Polynesian patients, which in turn reinforces both solidarity and the management of medical care in Polynesia.



90%
of the territory's
medical evacuations
to France and
New Zealand are
conducted by ATN



Air Tahiti Nui's economic contribution in 2022 ⁽¹⁾

Accounting data 2022 in M XPF

Employment

4 499 M XPF
Employee costs
(employee salaries)
+18.6% compared to 2021

1 923 M XPF
Social security contributions
+26.4% compared to 2021

Taxes and duties



47 M XPF
(State and regional)
including corporate tax (IS)
and supplementary corporate
income tax (CSIS)
+18.7% compared to 2021

Operations

3 275 M XPF
Operational expenses
+90.1% compared to 2021

274 M XPF
Air traffic control
-3.8% compared to 2021

10 286 M XPF
Suppliers
(Fuel invoice)
+173% compared to 2021

11 722 M XPF
Suppliers (excluding
fuel, provisions and
depreciation)
+ 38.1% compared to 2021

Investments

1 152 M XPF
Amount attributed
to investments
+119.6% compared to 2021

2 482 M XPF
Repayment of debt
+11.1% compared to 2021

New borrowings and loans
NA

Taxes



1 983 M XPF
Passenger tax
+215.6% compared to 2021

Contribution

35%
Ratio of local suppliers
+16 pts compared to 2021

16.2 M XPF
Support of associations
(sponsorship, ticket
donations)
+78% compared to 2021

548 M XPF
Promotion of Tahiti
(media tours and
campaigns)
NA

90
Number of students
on internships
+221% compared to 2021

(1) Some values may have changed since the publication of the 2021 annual report due to updated indicators.

Loyalty program

The year 2022 marked a return to normal operations after two years of pandemic. The company's loyalty program was able to expand its list of partners to offer new opportunities for members of the network to earn and spend their miles.

The Club Tiare also continues to enhance the local entertainment scene through its support of cultural and musical productions. It hosted new gastronomic events during the year such as *Le dîner d'Epicure Escoffier*, the evening *Mets et Accords* hosted by Olivier Poussier, World's Best Sommelier 2000, who created the airline's onboard cellar, as well as master classes hosted by leading names in French gastronomy.

The company also actively supports Polynesian talent in national competitive events such as the Best Apprentices in France, for culinary arts and table service, and is proud to have contributed to the success of young students from the Hotel School in Tahiti who returned to the *Fenua* with no fewer than three gold medals. By supporting local youth, Air Tahiti Nui plays an essential role in the educational and economic fabric of Polynesia.

On December 31st, 2022, the Club Tiare had a total of 181 000 members (+12% compared with 2021).



Active role in the development of tourism

Following the lifting of border restrictions, international air traffic progressively increased throughout 2022 at Tahiti-Faa'a airport: as of July, passenger activity caught up with that of 2019, rising further up to the end of the year, and then increasing +2.8% in the second half of the year. In line with the recovery, competing airlines increased their frequency (cf. Trafic and business revenue, p.24).

This increase in competition created difficult circumstances for Air Tahiti Nui who slowly re-opened its Auckland line from May but was also confronted with the closure of Asia and the Tokyo route. Unexpectedly, administrative restrictions implemented by the Japanese government, as well as a weak demand from Japanese passengers, in an environment undergoing reconstruction, prevented the local company from relaunching its activity on the Papeete-Tokyo route in 2022. With the aim of sustaining its market shares on the major Tahiti-United States route and in response to the increasing competition, the new Seattle route was unveiled at the beginning of October.

Local promotional policies were adapted to the pace of recovery in each market. Revenues from third parties (consolidators, cruise operators, large retailers, tour operators/travel agents, interline partners, GSA, etc.) continued to represent the main overall revenue in 2022 (62%), despite a reduction of -13.69% compared with 2019. Company revenue for online channels increased by +16.30% compared to 2019 (and represent 16% in total revenue); revenue offline also increased slightly and represents 22% of overall revenue.

France and Europe

During 2022 the destination attracted strong interest from the French and European markets.

Overall direct sales (on and offline) on the European market both increased despite revenue from third parties remaining the major source of market revenue over the financial year.

In France, revenue growth was observed across all sales channels with an increase of +17.5% compared with 2019. Online revenue recorded a particularly significant increase of +66% (reaching a total of 28% of French revenue in 2022, compared with 20% in 2019). Offline turnover also saw an increase of nearly +30% (representing 11% of total French turnover in 2022, compared with 10% in 2019).

The company continued to ensure the brand's visibility at the heart of all activities close to its heart, and especially in preparation for the Paris 2024 Olympic Games.

Surfing was therefore given pride of place with the company committing to being the official transporter of the French surfing federation: Air Tahiti Nui will transport the athletes for regular French Team training periods on the Olympic wave in Teahupo'o until 2024, and the company also accompanied the French Para-surf team to the World Games in Los Angeles in 2022, returning victorious as world runners-up! Justine Dupont, who is multiple World Champion and the best big-wave surfer in the world, also became part of the company's ambassadors for France program.

ATN, partner of the exhibition "Teahupo'o, la déferlante 2024"



The audiovisual archive dedicated to surf culture, The International Surf Archive (TISA), invited the public to discover the Teahupo'o rip curl wave during a free exhibition, supported by Air Tahiti Nui, at the heart of the Paris capital during the Summer of 2022. "Teahupo'o, la déferlante 2024" brought together surfing, the new Olympic discipline, and photography. Through several exhibitions in parks and Paris metro stations of works by photographers Tim McKenna and the ambassador of Air Tahiti Nui, Ben Thouard, the event celebrated the wave that will be surfed during the Olympic Games in 2024.

The company also supported and participated in the development of the Globe40 - a double-handed round the world race for Class40 yachts in eight stages, with one stopover in Tahiti - by facilitating the travel for organizational purposes and the families of sailors.

The *Heiva i Paris* and *Vendée Va'a* were two successful events where the company's Tiare logo had pride of place; they are now inextricably linked with the company and were unmissable events once again this year.

Air Tahiti Nui re-established its link with tourism professionals by taking part in the tourism fair and over the year through a new professional partnership with *Trophée Assurever*. A challenge was set to find the top 40 travel insurance salespeople, who each won a return ticket to California aboard Air Tahiti Nui and which also publicized the company name across a large network of travel agents.

In partnership with Tahiti Tourisme, Air Tahiti Nui finally launched a new marketing campaign during the off-peak season. This campaign aims to inspire new interest in the destination throughout the year by highlighting other lesser-known attractions of French Polynesia's various archipelagoes.

Curieux Voyageurs L'OUEST AMÉRICAIN



The brand name also featured in social media by way of regular teaming up with travel specialist influencers. Families and the stopover in Los Angeles were promoted particularly on the French market with publications such as @mytraveldream, @nos-curieuxvoyageurs (which included a guide on Western America and in which Air Tahiti Nui had published a promotional code to incite travelers to make future bookings

for 2023), as well as @onmetlesvoiles and @hellotravelers. In the European market, Italian, German and Spanish influencers helped promote the brand within the LGBTQI+ community, for winter sports and the honeymooner market.

United States

Despite the American market caught up in the grip of soaring inflation rates, up to almost 7% globally in 2022, the demand for international travel from the United States increased (+16% in comparison with pre-pandemic figures), mostly thanks to the strengthening of the dollar which made the destination more affordable.

Third-party revenue still represents most of the total market income in 2022 (81%) but shows a decrease of -4% in comparison with 2019. Online revenue increased over the year (12% of total revenue in 2022) while the offline revenue decreased slightly by -3.5%.

The re-opening of New Zealand borders helped Air Tahiti Nui to capitalize on a double destination campaign over the third quarter 2022, and the launch of the new Seattle-Tahiti route in October, which was rapidly orchestrated in a record time of eight months, that mobilized the American branch during the year.



Promoting local exporters in Seattle

In addition to Air Tahiti Nui's mission to transport passengers, it also plays a predominant role in the transportation of merchandise in Polynesia. Thanks to its extensive expertise in this domain, the company offers freight solutions to meet logistical requirements for both the importation and exportation of local businesses.

When the new Seattle line opened, the company collaborated with the Tahitian Chamber of Commerce to accompany the economic partners of the *Fenua*. They were invited by the Polynesian Government and Air Tahiti Nui to promote their outstanding products such as Tahitian pearls, Monoi oil, rum and bluefin tuna, to economic stakeholders in the Seattle area.

The day after the opening night, Business France and the Franco-American Chamber of commerce helped ATN (through its trade name ATN cargo) to organize the

At the beginning of October, festivities between Seattle and Tahiti for the PPT-SEA and SEA-PPT inaugural flights unfurled; and it was in the United States that the program was at its busiest. After a welcoming ceremony with city officials at SEATAC airport on arrival, the Polynesian delegation present for the occasion alongside the representatives and managers of the host facilities and Air Tahiti Nui partners, attended an inaugural event to showcase the treasures of Polynesia (see box below) in the sumptuous surroundings of the Chihuly Garden and Glass Center at the foot of the Space Needle, on October 5th, 2022.

Seattle is one of the most influential hubs of North America, combining the best of a town and an exceptional natural environment. This new destination aims to place Tahiti alongside its partners, as the reference company for the Pacific region within the North American market.

Thanks to the code sharing with Alaska Airlines and a fully integrated loyalty program, company customers can use and earn Club Tiare air miles and Alaska Airlines passengers can also use their Mileage Plan air miles when traveling with Air Tahiti Nui.

In addition to the launch of the new Seattle service, over the year, US activity was focused on partnership development accompanying tourism recovery.

Thus, the emphasis was on chartered cruises, participation in trade shows and other conferences with Tahiti islands specialists to promote the Air Tahiti Nui brand. Such roadshows (or "promotional tours") were organized in July with tour operators and the North American branch of Tahiti Tourisme (TTNA) in Vancouver, Seattle and Portland.

Alongside the TTNA, Air Tahiti Nui also sponsored the marketing campaign for the 50th anniversary of the United States Tour Operators Association, which was created to promote integrity within the travel industry.

Lastly, and for the first time, the company launched promotion campaigns for flight+activity packages in the islands, in partnership with local travel agents.

Business forum Tahiti x Seattle, in Hyatt House, Seattle. The event took place in the form of speed-dating style business meetings with prospective clients from a new territory to conquer -Washington State- who were eager to discover the Polynesian treasures on display at the mini exhibition. It was an opportunity for participants to access new markets while boosting the visibility of Polynesian products and their international expansion.

This trade mission, organized under the guidance of the ATN Cargo Team, was followed the next day by a day of visits from American businesses operating locally.

A special edition magazine, "When Tahiti meets Seattle", presented the event philosophy and in a wider sense, the new opportunities which go hand in hand with the opening of this new line.

The Pacific New Zealand and Australia



The New Zealand market relies principally on third party channels, and these proportions decreased slightly between 2019 and 2022.

Online revenue for this region was up by +36% over the year.

The high point on the NZ market was the announcement by the New Zealand government of the re-opening of borders for countries who benefit from visa exemptions from May 2nd, 2022. Despite the very short period of seven weeks between the government announcement and the re-opening of borders, company teams managed to operate the flight just three days after the country re-opened. Thus, on Thursday May 5th, one year to the day that the company succeeded in gaining a freight subsidy from the New Zealand Minister for Transport, the first passengers landed at Auckland Airport.

Such success is the result of an efficient cooperation between program teams, operators, and sales agents. Thanks to Air Tahiti Nui's collaboration and responsiveness, the company was the only transporter able to offer a service between Tahiti and New Zealand for over eight weeks.

There were various stages of the relaunch: the hiring of an airport service official, negotiation of market incentives with all the largest travel groups in New Zealand, the publication of communications and the organization of conferences with the local press, poster campaigns in the Auckland catchment area and at the airport, and communication via newsletters and social media networks.

This first post-pandemic trip took place after two years of closed borders. To mark the occasion, our crews prepared a range of entertainment. On the big day, celebrations were organized both at check-in for departing passengers, with *ukulele* players and the distribution of French macarons in company colors, and passengers alighting on New Zealand soil were greeted by a *Maori Haka Powhiri* at the arrival gate.

On the Australian market, the implementation of sales incentives with two of the country's largest travel agencies was the milestone of the year. This was the first time that Air Tahiti Nui had been part of such a privileged partnership of this kind. In this way, the company was able to take part in the annual event "Helloworld" in November, alongside another 250 high-performance Magellan leisure agencies, which also helped develop its network.

Asia

Contrary to expectations at the end of 2022, the re-opening of Japan was postponed for year. When management from the company visited in Tokyo in February 2023, a press conference with trade media gave Air Tahiti Nui the opportunity to confirm the resumption of the link to Narita from Winter 2023.

As part of the preparation for re-opening, onsite marketing teams began to negotiate with Nippon tour operators of charter flights between Papeete and Easter Island, for the first quarter of Winter 2024.

French Polynesia

French Polynesia is the only market where online sales were lower in 2022 than in 2019 (showing a decrease from 20% to 13%). Offline revenues, however, increased +15% in comparison with 2019 and represent three quarters (73%) of revenue for 2022. Revenue from third parties decreased by nearly 12%, going from 17% of regional revenue in 2019 to 15% in 2022.

The company focused its commercial efforts during the year on supporting the relaunch of the Auckland route in May and the launch of the Seattle connection in October. For these events, check-in desks were opened with various entertainments (Polynesian song and dance performances, a photobooth, and an inaugural ceremony in the customs area for the first PPT-SEA flight).

Customer satisfaction policy



Commitment #2 [G4-PR5]

Maintaining lasting relations with our stakeholders

Number of registered complaints made

2020	2021	2022
3 419	1 539	2 742

Air Tahiti Nui attaches great importance to the satisfaction of its customers, particularly through the management of their complaints, which has been centralized in Tahiti since 2017 (except for the Japanese stopover).

With a closure rate of 65.86% at the end of June 2022 and an average timeframe of 5 days or less, the company remains committed to providing a transparent and appropriate reply, whatever the issue, and it considers such feedback as an opportunity for continuous improvement towards forming sustainable customer relations.

ATN now contactable via WhatsApp

On September 8th, 2022, the Air Tahiti Nui online service went one step further. The virtual company assistant can now be contacted via the WhatsApp app on the following number: +689 89 476 787. Travelers can now also ask a chat bot for information regarding products and services, conditions for entry into their destination country, flight timetables and other useful information to prepare their journey, irrespective of the time of day or night.

Awards 2022

Awards contribute to the reputation and notoriety of air carriers with travelers across the world and showcase airlines in various fields.

Air Tahiti Nui has made a name for itself over the years in a number of prestigious competitions and ratings on an international basis.

This year is no exception, and titles awarded thanks to passenger voting or professional judging are recognition of the company's teams and partners who work tirelessly every day to create an atmosphere of comfort, security and well-being for passengers, to ensure that every single journey onboard a *Tahitian Dreamliner* is a unique and immersive experience like no other.

For the fifth year running, Air Tahiti Nui had the honor of being designated in October "Five Star Major Airline" in the APEX Official Airline Ratings™.

Each year, the Airline Passenger Experience (APEX) awards its prizes to international companies for the quality

of their service and their facilities. This prestigious rating is formulated using certified opinions of passengers.

This year APEX collected ratings from nearly one million flights operated by almost 600 airlines across the world to determine a list of the top international companies in operation.

The Polynesian company also had the pleasure of being awarded the title of "Best airline in the South Pacific" 2022, by Global Traveler magazine. An award won for the fifth year running and for the 9th time since the well-known magazine created these trophies to establish a rating of best airline transporters, based on the opinion of travelers worldwide.

This prize is coupled with an outstanding 3rd place in the "Best Airlines in Australia and New Zealand" category.

On board services

After having won the award for "The most comfortable seats in the South Pacific" in 2020, this year Air Tahiti Nui were also awarded the "Best entertainment program" and "Best cabin service" for the South Pacific region, during the APEX Passengers' Choice Awards.

Lastly, the company wine list was recognized for its excellent selection during a prestigious ceremony in the "Cellars in the Sky" Awards, held by the Business Traveler magazine.

Consequently, in November, ATN won two Gold Medals in the "Sparkling wine" and "Rosé wine" in business class, for the Charles Heidsieck Brut Réserve NV Champagne, and the Château des Demoiselles-Côtes de Provence: all wines chosen in collaboration with Olivier Poussier, Head Sommelier.






e-kiosque



Digitization: continuing Air Tahiti Nui's digital transformation

After drafting a dynamic and collaborative roadmap for its digital transformation, the company launched several projects in 2022, aimed at digitizing these processes for customers and employees alike.

Ground handling digitization

Each time a Tahitian Dreamliner arrives at a stopover, the process involves a multitude of complex and coordinated operations both inside and outside the aircraft. Unloading, cleaning, re-fueling, inspection and preparation for departure, are all part of aircraft handling whilst on the ground. A mobile application is now available to all Air Tahiti Nui personnel and service providers. Every operation on the ground can be followed in real time, with alerts and notifications for any problems or delays, while also providing direct communication between all parties concerned. Dashboard overviews can be accessed, facilitating the close analysis of completed flights and in turn providing information to help further improve on future performance and efficiency, thus positively contributing to flight punctuality.

Virtual queuing in branches

Air Tahiti Nui's sales teams are keen to welcome customers in the best possible conditions. Thus, reception desks have been modernized in the Papeete branch. From this point forward, customers arriving in the agency are invited to select their choice of virtual queue corresponding to the reason for their visit. The tablet informs them of their number in the line and gives them an estimated waiting time. This solution also helps sales agents to optimize task allocation and reduces customer waiting time on the whole. Better still, customers can save time by using the JeFile® app remotely, as they receive a notification when their appointment slot is coming up, meaning they can then get to the agency a few minutes before it is their turn.



Digital media

The health crisis led to the suspension of all paper media services onboard Air Tahiti Nui aircraft (available in Poerava Business class). Company marketing and IT teams worked together to create and provide a digitized media service for all our passengers. The mobile application available to our Customers on Google Play and App Store, has been expanded to include a digital newspaper function. Air Tahiti Nui's e-kiosk catalogue presents 83 national, international, and Polynesian publications (22 dailies, 61 magazines, including 3 for children). All passengers with a ticket in any travel class are at liberty to download the titles of their choice up to 72 hours before their flight. An e-reader within the app allows access to all downloaded publications without internet connection. Even after the flight, all downloaded newspapers and magazines can still be viewed for an unlimited period. The e-kiosk is a step towards "zero paper" for Air Tahiti Nui and the reduction of its carbon footprint: the conversion of paper to digital media reduced the weight of paper inside the cabin, thus saving several tonnes of fuel throughout the year.

Digital safe

During the year, all Air Tahiti Nui employees were provided with a remotely accessible digital safe mobile app, functioning on all terminals. In practice, it is a highly secure digital storage space, whose access is limited to one user and the individuals that this person has authorized access to. Documents are stored in PDF format and certified for 50 years from the date they are first stored (this means they have the same validity as the original documents).

There are multiple advantages stemming from this new solution: easier document accessibility, streamlined production and distribution, cost reduction in paper and ink consumption, and improvement in data security and confi-



dentiality. In addition, employees also have additional space at their disposal to store their own documents in the digital safe (bank statements, proof of address...).

New website

As always, Air Tahiti Nui consistently strives to provide customers with services that best meet all expectations, and as such, 2022 saw the construction and development of a new website. Firstly, collaborative workshops gathered the services involved and studied the existing site to identify functions needing improvement, understand customer expectations, and design changes to be implemented. For example, flight searches will be entirely redesigned to facilitate finding the best fares more quickly and easily. The creation of interactive spaces will group together information and services regarding specific themes such as Club Tiare, cargo or the ambassadors. Finally, for the site to be more intuitive and user friendly, the interface was redesigned and there was in depth review of its ergonomics. One of the major project initiatives is the overall improvement in user experience, irrespective of the mobile device used to access the site. Implementation of the new website is expected mid-2023.

Digital workplace

2023 will also see the completion of a project initiated in 2022 destined to provide a Digital Workplace for all co-workers, on the ground, in the air, or in the other regions. This digital platform will group together an efficient intranet, contemporary publication tools, an electronic document management system (EDMS), collaborative spaces, a digitization process tool and a powerful indexing and research engine. The main aim is to improve employee experience by facilitating and improving efficiency in internal communication, collaborative work, as well as the editing and provision of content.

Environmental focus



CSR FOCUS AREA 2

Reduce the impact of our flight activity

Since its first carbon assessment in 2015, Air Tahiti Nui continues to monitor its greenhouse gas emissions and optimize its fuel consumption by implementing initiatives towards minimizing its carbon footprint (95% of the airline's emissions are directly linked to flights). These initiatives are structured around four key areas.

Commitment #3

Reduce our emissions and participate in the fight against climate change

1. Optimizing the carbon efficiency of our flights

Since the end of 2019, Air Tahiti Nui has operated an exclusive fleet of four Boeing B787-9 Dreamliners. These new generation twin-engine aircraft enable significant reductions in both greenhouse gas emissions and noise pollution (below 85 decibels during take-off and landing).

Meanwhile, Air Tahiti Nui has continued to apply operational procedures which aim to optimize daily fuel consumption (such as adjusting routes and fuel loads, flight tracking, good piloting practice and maintenance operations, etc.)

Plastic reduction on board

Implementing solutions to reduce the use of plastic in the cabin helps reduce the environmental footprint of air travel. Since Air Tahiti Nui is already committed to this process, a working group was launched at the end of September to identify and replace as many plastic items and materials with more environmentally friendly alternatives, whilst taking into consideration the numerous restrictions related to its activity (airline safety, security, and hygiene standards as well as local regulations, etc.)

Key initiatives adopted in 2022 include the replacement of plastic containers with paper cups (for cold drinks) and the use of kraft packaging for Poerava Business comfort kit accessories.



One step closer towards “paperless” operations

In accordance with its commitments to minimize its environmental footprint and the willingness to respect and support the new practices of its stakeholders (both clients and employees), Air Tahiti Nui continues to favor innovative paperless solutions and services wherever possible (cf. Digitization, p.34), such as:

- The e-kiosk digital press service, which allows access to over 83 publications on individual seat screens, downloadable free of charge before the flight and accessible offline.
- Tablets for pursers, and Electronic Flight Bags (EFBs) installed in cockpits, which significantly reduce the amount of printed documentation required by flight crews.

Commitment #4

Mitigate the impact of our activity on the ground

2. Reducing the impact of activity on the ground by involving employees

Hand in hand with efforts to reduce CO₂ related to flights, Air Tahiti Nui continues to raise awareness of everyday eco-friendly practices for employees on the ground and promotes energy efficiency on its premises.

Given that air-conditioning is the number one source of electricity consumption, particularly in tropical climates, particular attention was paid to setting parameters at the head office and several insulation improvements were carried out in the technical building. As a result, a slight reduction of -3.19% was achieved compared to 2021.

Energy consumption in the 4 buildings in Tahiti (in KW)

63% of consumption stems from the Tua Rata head office, representing +4000 m² and housing over 250 ground staff.

2020	2021	2022
850 581	866 794	839 875

In 2015, Air Tahiti Nui also committed to gradually replacing its service and company vehicles with a more sustainable fleet, investing as much as possible in electric utility vehicles and small cars.

This was achieved in 2022. Air Tahiti Nui's fleet is now 100% eco-responsible: it has 7 electric vehicles and 2 hybrid models (compared with 2 combustion-powered cars, 2 hybrids and 5 electric cars in 2021).

Promoting an internal environmental approach

During the year, the CSR unit focused on the issue of mobility by taking part in the “*assises de la mobilité*” (mobility conventions) organized by local authorities to promote alternative modes of transport internally. It also carried out a survey on the possibility of establishing a fleet of electrically assisted bicycles and organized information stands offering preferential rates with its partners E-bike Polynesia and Hello Scoot.

Meanwhile, since they have direct contact with passengers and are important company ambassadors, flight attendants took part in workshops providing information to raise awareness about sustainable development and company CSR policies, as well as rallying them around the company's CSR challenges and commitments.



Commitment #5

Contribute towards the preservation of Tahiti and its biodiversity

3. Raising passenger awareness about the company's environmental approach

Since June 2021, Air Tahiti Nui has relied on its partner Carbon Click and its voluntary carbon offset platform to enable climate-conscious customers to offset their carbon footprint, by proposing to finance certified environmental projects located in New Zealand, Great Britain, and the United States.

50%
of the carbon offset costs of its volunteer passengers paid by the company

4. Contribute to climate action through carbon offsetting

From a regulatory point of view, Air Tahiti Nui continues to comply with ICAO obligations, monitoring and reporting of its greenhouse gas emissions on an annual basis (see Governance, Compliance and Risk Management, p.15).

Apart from regulatory compensation, Air Tahiti Nui aims to do more to promote the good practice of voluntary carbon offsetting, by taking this approach a step further and committing to pay 50% of the carbon offset costs of those passengers who volunteer to take part in the program.

While the portfolio of certified projects selected by ATN with Carbon Click does not yet include any tree-planting initiatives in French Polynesia as the destination is not certified or registered on the voluntary carbon offset market, Air Tahiti Nui has reaffirmed its support for the many local actors committed to preserving the biodiversity of the islands.

These include organizations such as the Coral Gardeners (coral reef conservation), *Te Mana O Te Moana* (the protection of Polynesian marine life, and turtles in particular), *Mata Tohora* (the protection of marine mammals, especially whales), *Oceania* (for the study and protection of cetaceans in Moorea), *La Brigade Verte* (raising environmental awareness mostly in schools), Human Underwater Society (the study of humans in the underwater environment), *Vik'Ura Tahiti* (for the protection of the endemic Lori bird in Polynesia).

This support came to 7.180 million XPF over the year (compared with 3.1 million XPF in 2021).

7.180
million XPF allocated to local environmental initiatives in 2022

Financial statements

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DISCLAIMER:
The English version of this report is a translation of the original in French for information purposes only.
In case of a discrepancy, the French original will prevail.



Financial results

Gross assets balance sheet

In XPF	Gross	Amort. & prov.	Net 31/12/2022	Net 31/12/2021
UNCALLED SUBSCRIBED CAPITAL				
INTANGIBLE FIXED ASSETS				
Startup costs				4 701 891
Development costs	20 222 195	20 222 195		
Licenses, patents and similar rights	589 836 070	410 607 748	179 228 322	220 446 200
Goodwill				
Other intangible fixed assets	28 580 203		28 580 203	7 312 238
Advance payments on intangible fixed assets				
TOTAL intangible fixed assets:	638 638 468	430 829 943	207 808 525	232 460 329
TANGIBLE FIXED ASSETS				
Sites/lands				
Buildings	1 658 218 053	248 918 932	1 409 299 121	1 467 160 821
Technical installations, industrial equipment and tools	3 687 432 349	792 599 617	2 894 832 732	2 887 308 331
Other tangible fixed assets	815 296 473	560 467 339	254 829 134	263 005 240
Fixed assets in progress				10 921 661
Advances and prepayments				
TOTAL tangible fixed assets:	6 160 946 875	1 601 985 888	4 558 960 987	4 628 396 053
FINANCIAL FIXED ASSETS				
Investment valued using the equity method				
Other investments				
Receivables related to investments	556 598 684	556 598 684		
Other fixed equity	447 275 000	422 874 000	24 401 000	24 402 000
Loans	996 532	996 532		2 000 000
Other Financial fixed assets	2 075 840 928		2 075 840 928	2 012 129 339
TOTAL Financial fixed assets:	3 080 711 144	980 469 216	2 100 241 928	2 036 531 339
FIXED ASSETS	9 880 296 487	3 013 285 047	6 867 011 440	6 897 387 721
INVENTORIES & WORK IN PROGRESS				
Raw materials and supply	922 931 424	21 633 355	901 298 069	761 575 359
Inventories and production of goods in progress				
Inventories and production of services in progress				
Inventory of finished and semi-finished products				
Inventories of goods				
TOTAL inventories & work in progress:	922 931 424	21 633 355	901 298 069	761 575 359
RECEIVABLES				
Advances and prepayments on orders	22 768 829		22 768 829	37 369 647
Trade receivables and related accounts	1 171 340 579	5 954 265	1 165 386 314	1 169 477 927
Other receivables	26 802 142 171	167 127	26 801 975 044	36 294 237 716
Uncalled subscribed capital				
TOTAL receivables:	27 996 251 579	6 121 392	27 990 130 187	37 501 085 290
LIQUID ASSETS AND OTHER				
Marketable investment securities				
Liquid assets	21 864 197 959		21 864 197 959	15 367 773 162
Prepaid expenses	3 660 059 298		3 660 059 298	3 308 953 406
TOTAL liquid assets and other:	25 524 257 257		25 524 257 257	18 676 726 568
CURRENT ASSETS	54 443 440 260	27 754 747	54 415 685 513	56 939 387 217
Loan issue costs to amortize				
Bond redemption premiums				
Unrealized foreign exchange losses	443 227 803		443 227 803	36 479 989
GRAND TOTAL	64 766 964 550	3 041 039 794	61 725 924 756	63 873 254 927



Liabilities balance sheet

In XPF	Net 31/12/2022	Net 31/12/2021
NET FINANCIAL POSITION		
Social or individual capital	1 622 956 875	1 622 956 875
Issue, merger and contribution premiums	1 700 973 600	1 700 973 600
Revaluation variance		
Legal reserve	162 295 688	162 295 688
Statutory or contractual reserves		
Regulated reserves		
Other reserves		
Retained earnings	5 871 027 348	1 206 495 761
Annual result	(2 893 166 231)	4 664 531 587
TOTAL Net position:	6 464 087 280	9 357 253 511
INVESTMENT SUBSIDIES		
REGULATED PROVISIONS		
EQUITY	6 464 087 280	9 357 253 511
Provisions for contingencies	2 644 422 491	2 349 455 960
Provisions for charges	4 882 225 932	3 351 288 464
PROVISIONS FOR CONTIGENCIES & CHARGES	7 526 648 423	5 700 744 424
FINANCIAL LIABILITIES		
Convertible debenture loans		
Other debenture loans		
Loans and liabilities from credit institutions	32 017 241 193	34 471 529 038
Miscellaneous financial loans and debts	60 566 687	60 599 286
TOTAL financial liabilities:	32 077 807 880	34 532 128 324
ADVANCES AND DEPOSITS RECEIVED ON CURRENT ORDERS	48 114 886	49 031 711
MISCELLANEOUS LIABILITIES		
Trade creditors and related accounts	1 556 207 549	1 469 641 259
Tax and social security liabilities	1 897 922 641	2 171 590 747
Liabilities on fixed assets and related accounts	5 961 791	8 623 642
Other liabilities	1 853 531 353	1 975 468 799
TOTAL Other liabilities:	5 313 623 334	5 625 324 447
DEFERRED REVENUE	9 486 644 778	8 207 832 199
LIABILITIES	46 926 190 878	48 414 316 681
Currency translation adjustment- liabilities	808 998 175	400 940 311
GRAND TOTAL	61 725 924 756	63 873 254 927



Income statement

In XPF	Net 31/12/2022	Net 31/12/2021
Sale of merchandise		
Sale of products- goods		
Sale of products- services	30 662 345 550	15 299 785 552
Net revenue	30 662 345 550	15 299 785 552
Stored production		
Self-constructed assets		
Operations subsidies	165 666 031	3 836 926 491
Write-backs of provisions and transfers of expenditure	551 812 227	300 077 272
Other products	575 811	30 936 539
OPERATING INCOME	31 380 399 619	19 467 725 854
EXTERNAL EXPENSES		
Purchase of merchandise [and customs duties]		
Inventory change		
Purchase of raw materials and other supplies	11 132 401 594	4 090 694 486
Inventory change [raw material and supply of provisions]	(77 157 452)	(42 346 403)
Other purchases and external expenses	13 677 010 803	9 516 770 226
TOTAL external expenses:	24 732 254 945	13 565 118 309
TAXES, DUTIES AND SIMILAR LEVIES	43 340 269	35 885 015
STAFF COSTS		
Salaries and wages	4 498 890 932	3 793 753 547
Social costs	1 923 052 708	1 521 837 073
TOTAL staff costs:	6 421 943 640	5 315 590 620
OPERATIONAL PROVISIONS		
Depreciation allowance for amortization on fixed assets	339 483 722	355 907 252
Provisions for fixed assets		
Provisions for current assets	16 154 512	38 330 512
Provisions for risks and expenses	1 734 432 214	2 564 125 817
TOTAL operating provisions:	2 090 070 448	2 958 363 581
OTHER OPERATING COSTS	824 741 019	695 656 784
OPERATING COSTS	34 112 350 321	22 570 614 309
OPERATING RESULT	(2 731 950 702)	(3 102 888 455)



In XPF	Net 31/12/2022	Net 31/12/2021
OPERATING RESULT	(2 731 950 702)	(3 102 888 455)
Allocated gain or transferred loss		
Sustained loss or transferred gain		
FINANCIAL INCOME		
Financial income from investments		
Income from (transferable) securities and fixed asset receivables		
Other interest receivable and similar income	109 096 479	19 749 927
Write-backs of provisions and transfer of expenditure	706 330	
Exchange rate gains	1 368 877 482	753 789 734
Net income from sale of investment securities		
	1 478 680 291	773 539 661
FINANCIAL EXPENSES		
Financial allowance for depreciation and provisions	642 341 659	201 702 862
Interest and related expenses	479 916 307	487 707 871
Exchange rate losses	1 502 839 467	603 931 901
Net expenses from sale of investment securities		
	2 625 097 433	1 293 342 634
FINANCIAL RESULT	(1 146 417 142)	(519 802 973)
INCOME BEFORE TAX	(3 878 367 844)	(3 622 691 428)
EXTRAORDINARY INCOME		
Extraordinary income from management operations	1 150 453 386	8 402 962 405
Extraordinary income from capital transactions	141 815	11 777 652
Write-back of provisions and transfer of expenditure		17 303 096
	1 150 595 201	8 432 043 153
EXTRAORDINARY EXPENSES		
Extraordinary management operations expenses	160 349 730	129 905 434
Extraordinary capital transaction expenses	343 858	10 914 704
Extraordinary amortization and provision allowance	700 000	
	1 61 393 588	140 820 138
EXTRAORDINARY RESULT	989 201 613	8 291 223 015
Profit-sharing		
Income tax payable	4 000 000	4 000 000
TOTAL REVENUE	34 009 675 111	28 673 308 668
TOTAL EXPENSES	36 902 841 342	24 008 777 081
PROFIT OR LOSS	(2 893 166 231)	4 664 531 587



Cash flow statement

In XPF	2022	2021
NET INCOME	(2 893 166 231)	4 664 531 587
Elimination of costs and gains with no incidence on cash flow, or non-operational:		
Amortization, depreciation and provisions	2 339 373 163	2 880 448 803
Capital gains on disposals, net of tax	136 679	(862 448)
Share of investment grants transferred to the profit and loss account		
CASH FLOW FROM OPERATION	(553 656 389)	7 544 117 942
Adjustments in working capital requirements attributable to operations:		
Increase/decrease in inventories	(153 838 113)	(139 470 203)
Increase/decrease in trade receivables	7 116 470 266	(8 706 847 369)
Increase/decrease in operating liabilities	1 376 914 356	2 167 659 510
NET CASH FLOW FROM OPERATING ACTIVITIES	7 785 890 120	865 459 880
Acquisitions of fixed assets	(1 151 285 154)	(520 727 520)
Proceeds from disposals of fixed assets	642 779 964	100 269 038
Change in other payables & receivables related to fixed assets	1 673 392 910	1 726 509 651
NET CASH FLOW DERIVED FROM INVESTMENTS	1 164 887 720	1 306 051 169
Capital increase/decrease in cash		
Payment of dividends		
Issuance of loans	0	457 000 000
Loan repayment	(2 457 523 051)	(1 429 706 217)
Deposits and guarantees	(32 599)	(2 103 192 865)
Investment grants received		
NET CASH FLOW FROM FINANCING ACTIVITIES	(2 457 555 650)	(3 075 899 082)
CHANGE IN CASH AND CASH EQUIVALENTS	6 493 222 190	(904 388 033)
Cash and cash equivalents at the beginning of the period	15 366 932 442	16 271 320 475
Cash and cash equivalents at the end of the period	21 860 154 632	15 366 932 442
Change in cash and cash equivalents	6 493 222 190	(904 388 033)



Annual accounts notes

I – Description of activity

S.A.E.M.L. AIR TAHITI NUI, is a local semi-public limited company, formed 31st October 1996. The company is headquartered in the Tua Rata building in Faa'a, French Polynesia.

The company's main activity is airline transport of passengers on regular flights and charter flights, airline transport of freight as well as the provision of all services directly or indirectly linked to its airline transport activity.

The fiscal year begins January 1st and ends December 31st. The submitted accounts are shown in XPF.

II – Sustainable development and climate

Climate change is a major concern for the airline transport industry and particularly for Air Tahiti Nui.

In the light of this emergency, and of the regulatory changes related to the environment affecting a wider number of businesses, Air Tahiti Nui has been voluntarily committed, since 2015, to matters concerning corporate social responsibility (CSR).

In particular, the company has identified its main commitments and actions through a strategy based on:

- reducing its carbon footprint by entirely replacing its fleet of aircraft end of 2018 and changing to more modern and high-performance aircraft for a lower environmental impact;
- fully committing to the IATA (International Air Transport Association) as part of the CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) to reduce effects of airline activity on the climate;
- as long-standing local partner of French Polynesia, to supporting Polynesian initiatives and associations that are fully committed to environmental preservation and biodiversity.

On December 31st, 2022, Air Tahiti Nui considers that the risks linked to the impact of climate change, both in the short and long term, are not thought to have any significant effect on the operational continuity of the company or on the value of its assets.

III – Key events

III – 1. Business continuity

The global spread of Covid-19 since the start of 2020 has had a major impact on airline traffic throughout the world. The strict travel constrictions put in place by certain countries from March 2020 led to a significant reduction in airline traffic. Resumption of services started at the beginning of the second half of 2021 and continued well into 2022.

Air Tahiti Nui retained a certain number of measures to limit the ongoing impact of the pandemic on the company's activity and viability. These measures included adjusting capacity offer in line with demand, the securing of liquid assets and the extending of payroll measures implemented in November 2020.

The going concern assumption was assessed by evaluating the financial forecast over a minimum of a one-year period and by analyzing ATNs sales activity as the COVID-19 pandemic receded. During 2022, Air Tahiti Nui bounced back with a positive operations cashflow, reporting available liquid assets of 21.8 billion XPF by December 2022.

Thus, having considered the uncertainties associated with the current context and notably the fluctuation in oil prices, the Board of Directors approved the financial statements for the fiscal year on Dec 31st, 2022, on an ongoing concern basis, considering the improvement in the health situation since the end of 2021, the resumption of business with capacity forecasts for 2023 up on 2019, and the cash position at the end of December 2022.



III – 2. Financial aid

In 2020, the company was granted Loans Guaranteed by the French State (“PGE”) for a total amount of 7,885 billion XPF. These loans granted by the three local banks (Banque de Polynésie, Banque de Tahiti and Socredo) and the *Banque Publique d’Investissement* benefit from a 90% guarantee from the French government, an initial maturity of 12 months with bullet payments. During the 2022 financial year the company chose a complementary deferral for 12 months and repayments over 4 years from 2022. In respect of the financial year 2022, the company made capital and interest payments of a total of 854 M XPF.

On November 25th, 2021, the majority shareholder, the government of French Polynesia, approved the allocation of a balancing subsidy to the value of 8.1 billion XPF. This subsidy was paid off in three installments: 2.1 billion XPF in 2021 (this payment was conditioned by the advance on current account of 2.1 billion XPF granted in October 2020, and repayment of which was made October 20th, 2021), 3 billion XPF January 2022, and the balance of 3 billion XPF September 29th, 2022.

The company also received funds granted by the French State (solidarity funds and fixed cost assistance) for a total of almost 3.4 billion XPF, of which 2 billion recorded in accrued income to be received December 31st, 2021 and redeemed during the financial year 2022.

IV – Accounting rules and methods

IV – 1. Accounting policies

Accounts presented for S.A.E.M.L. AIR TAHITI NUI were prepared in accordance with the provision of the chart of accounts 1999, made applicable in French Polynesia by the ruling n° 2011-13 APF of May 5th, 2011.

The balance sheet as presented covers the period of January 1st to December 31st, 2022, a period of 12 months. The previous year also covered a period of 12 months.

The accounts for the financial year 2022 were adopted pursuant to the following general principles:

- business continuity;
- cut-off procedures;
- prudence concept;
- consistent methods.

IV – 2. Conversion of foreign currency transactions

Income and expenses denominated in foreign currency are recorded as their equivalent value in XPF on the operation date. Debts, receivables, and existing cash balances in foreign currency are converted at the exchange rate effective on December 31st. Any differences are carried over to the profit and loss account for cash balance and recorded on the balance sheet under “conversion differences” for debts and receivables. There is provision for unrealized losses.

In accordance with applicable accounting and tax regulations, the principal methods used are described below.

IV – 3. Fixed assets

IV – 3.1. Intangible fixed assets

Gross values:

the main variations of intangible fixed assets are:

In thousands XPF	Gross opening value	Acquisitions	Disposals	Account to account reclassification	Gross value at close
Research and development costs	20 222	0	0	0	20 222
Software	344 903	2 113	0	0	347 016
Image bank	136 272	1 078	0	3 485	140 835
Web platform	97 773	0	0	3 700	101 473
Other	512	0	0	0	512
Fixed assets under construction	7 312	28 453	0	-7 185	28 580
TOTAL GROSS INTANGIBLE FIXED ASSETS	606 994	31 644	0	0	638 638

The valuation method of intangible assets was based on historical cost.

The acquisitions for the year of 31.6 M XPF are fees related to the Web platform for 24.6 M XPF (assets under construction).



Amortization:

Amortization of intangible fixed assets up to 430.8 M XPF, software up to 225.1 M XPF.

In thousands XPF	Opening allocations	Increases	Decreases	Closing allocations
Research and development costs	15 520	4 702	0	20 222
Software	198 862	26 276	0	225 139
Image bank	76 892	18 495	0	95 387
Web platform	83 259	6 824	0	90 083
TOTAL INTANGIBLE FIXED ASSETS AMORTIZATION	374 534	56 296	0	430 830

IV – 3.2. Tangible fixed assets

The main variations concerning tangible fixed assets are as follows:

In thousands XPF	Gross opening value	Acquisitions	Disposals	Account to account reclassification	Gross value at close
Building	1 134 209	0	0	0	1 134 209
Fittings	524 009	0	0	0	524 009
Material and tools	3 509 135	178 298	0	0	3 687 432
General installations	466 221	8 335	-8 612	10 852	476 796
Transport material	10 368	0	-1 890	0	8 478
Office & IT equipment & Furniture	322 011	27 468	-19 457	0	330 022
fixed assets under construction	10 922	0	-70	-10 852	0
TOTAL GROSS TANGIBLE FIXED ASSETS	5 976 875	214 100	-30 029	0	6 160 947

Gross values:

Tangible fixed assets are based on historical cost.

Acquisitions for the year amount to 214.1 M XPF and mainly concern purchase of rotables and tooling.

Outflow for the fiscal year amount to 30 M XPF and mainly concern the disposal of office and IT equipment and furniture (outgoings for fixtures relate to the Tokyo Office).

Amortizations:

Tangible fixed assets are amortized at 1 601.9 M XPF.

In thousands XPF	Opening allocations	Increases	Decreases	Allocations at close
Building	74 223	22 693	0	96 916
Fittings	116 834	35 169	0	152 003
Material and tools	621 826	170 773	0	792 600
General installations	291 620	29 591	-8 547	312 664
Transport material	10 368	0	-1 890	8 478
Office & IT equipment & Furniture	233 608	24 961	-19 243	239 326
TOTAL AMORTIZATION TANGIBLE FIXED ASSETS	1 348 479	283 187	-29 681	1 601 986

The amortization rates applied by the company are as follows:

- industrial material: 20 - 50 % (2 - 5 years);
- building and fittings: 2 % - 5 % (20 - 50 years);
- fixtures and fittings: 10 - 33,33 % (3 - 10 years);
- transport material: 20 - 100 % (1 - 5 years);
- office equipment: 10 - 50 % (2 - 10 years);
- IT equipment: 20 - 50 % (2 - 5 years).

Amortizations are applied according to the straight-line method.

Replacement components which ensure use of the fleet are amortized on a straight-line basis for their residual service life. Service life is capped at a maximum of 24 years.



IV – 3.3. Financial fixed assets

Financial fixed assets at the end of the fiscal year:

In thousands XPF	Gross value 2022	Depreciations	Net value 2022
Receivables linked to investments	556 599	556 599	0
Equity investments	447 275	422 874	24 401
Staff loans	997	997	0
Deposits and guarantees	2 075 841	0	2 075 841
TOTAL FINANCIAL FIXED ASSETS	3 080 711	980 469	2 100 242

Principally this concerns deposits and guarantees made in currency (USD, EUR, JPY, XPF, NZD, CAD). These fixed assets were evaluated during the closure of accounts on December 31st, 2022. They figure on the balance sheet assets for a total gross sum of 2 075.8 M XPF.

Subsidiary and investments:

Equity investments (holding percentage over 10%), comprise of:

In thousands XPF	Capital	Equity (other than capital)	Share of capital held (%)	Accounting value of owned shares		Granted loans and outstanding loans and advances	Sales excluding tax	Revenue at end of fiscal year
				Gross	Net			
Tahiti Nui Helicopters	848	-1 184	49.84%	423	-	407	744	-176

Taking into consideration the airline's support of its subsidiary TNH and the level of equity, provision for a net negative situation was recorded in the Air Tahiti Nui accounts for an amount of 255.7 M XPF on December 31st, 2022. Equity interests, receivables and current accounts were fully depreciated at the date of close.

During its meeting on November 9th, 2021, the Board of Directors authorized a restructuring project of TNH's capital with the granting of a cash advance to the current account of a maximum of 300 M XPF, 200 M XPF of which was released November 2021 and 100 M XPF in May 2022. In a meeting on August 26th, 2022, the board of directors further authorized an associated current account advance of a maximum sum of 200 M XPF of which 100 M XPF was released in December 2022.

IV – 4. Stocks

At the year end, stock valued as balance sheet assets for a gross total of 922.9 M XPF and breaks down principally as follows:

- aircraft catering stock supplies for 315.2 M XPF distributed across storage sites in Papeete and other stations and valued at last cost price;
- Boeing consumables stock for 407.8 M XPF, valued at weighted-average cost.

Provision at the end of year closure of accounts was 21.6 M XPF and corresponds to the depreciation of commissary stock.

IV – 5. Trade receivables

Receivables are recorded at their nominal value and amount to 1 171.3 M XPF on December 31st 2022.

Receivables presenting a non-recovery risk at the end of the financial year are funded for 100% of their gross value in the assessment, amounting to 5.9 M XPF on December 31st, 2022. These doubtful receivables amounted to 42.9 M XPF on December 31st, 2021.

A reversal of the provision for doubtful receivables was recorded during the year to the amount of 39.4 M XPF.

IV – 6. Other receivables

Other net receivables of funding increased from 36 294.2 M XPF on December 31st 2021 to 26 801.9 M XPF on December 31st 2022 and break down principally as follows:

	Amount in M XPF
Vendor credit granted to SNC Diderot Financement 30 and SNC OTOA	26 438.4
Tax receivables (Home territory and other countries)	34.6
Accounts linked to BENU	150.5
Accrued income	151.7
Other	26.8
TOTAL OTHER RECEIVABLES	26 802



In June and August 2019, the company received two Boeing 787-9s as part of its fleet renewal. These two acquisitions were financed by company equity, bank loans and investment tax incentives. The accounting treatment consisted in recording the aircraft as fixed assets at purchase price and divesting them cent for cent immediately to portage vehicles. The company granted a vendor credit to the portage vehicles for the acquisition of the aircraft which were then leased to the company. As a result, rental invoices issued by the portage vehicles are recorded against the vendor credit without cash outflow.

On December 31st, 2022, the vendor credit balance amounted to 26 438 M XPF.

The two other Boeing 787-9 have been leased to Air Lease Corporation since 2018 and January 2019.

IV – 7. Liquid assets

On December 31st, 2022, the amount of liquid assets was 21 864.1 M XPF. Foreign currency bank balances were valued according to foreign currency exchange rates on December 31st, 2022.

IV – 8. Prepaid expenses

These amount to 3 660 M XPF at the end of the financial year, compared to 3 308.9 M XPF on December 31st, 2021, being principally divided as follows:

	Amount in M XPF
Aircraft rental	2 657.6
Maintenance charges	457.1
Insurance premiums on aircraft loans	545.4
Other	
TOTAL PREPAID EXPENSES	3 660.1

IV – 9. Equity

Capital stock composition

At the end of the financial year, capital stock is composed of 12 983.655 shares with a nominal value of 125 XPF.

Variation of equity

At the end of the financial year equity was 6 464.1 M XPF. The table below details these variations during the financial year of 2022:

In thousands XPF	Equity 31/12/2021	Appropriation N-1by AGO	Financial year result 2022	Equity 31/12/2022
Capital stock	1 622 957			1 622 957
Issue premiums	1 700 974			1 700 974
Legal reserve	162 296			162 296
Retained earnings	1 206 496	4 664 532		5 871 027
Result	4 664 532	-4 664 532	-2 893 166	-2 893 166
TOTAL EQUITY	9 357 254	0	-2 893 166	6 464 087

IV – 9.1. Appropriation of profits

The legal reserve is 162.3 M XPF which represents 10% of the capital stock.

The general meeting, having approved the end of year accounts for 2021, retained the appropriation for the sum of 4 664 532 M XPF.

IV – 10. Provisions for liabilities and expenses

The total figure for provisions for liabilities and expenses appears in the liabilities side of the balance sheet, amounting to 7 630.3 M XPF and breaks down as follows:

In thousands XPF	Opening	Allowances	Write-backs	Closure
Provision for litigation	2 313	91	-202	2 202
Provision for foreign-exchange losses	36	442	-36	442
Provisions for pension commitments	340	0	-21	319
Provisions for retirement Japan	38	4	0	42
Provisions for large scale maintenance	2 973	1 640	-92	4 521
TOTAL PROVISIONS FOR LIABILITIES AND EXPENSES	5 701	2 177	-352	7 527



IV – 10.1. Liability provision

Provisions for liability amount to 2 202.1 M XPF and reflect the exact sum of contested liabilities for dispute linked to transport, suppliers and other litigations and provisions for refinancing the negative net situation of the TNH affiliate (see supra note IV-3.3).

As a reminder, December 1st, 2021, the social section of the Supreme Court delivered its judgment overruling the judgment passed November 21 2019 by the Papeete Court of Appeal which had initially dismissed the plaintiffs' applications in relation to the company. This judgment refers the case and all parties to the Papeete Court of Appeal for which the Hearing date is planned for 2023. As such, provision has been made for additional risks, of 78.9 M XPF, December 31st, 2022.

IV – 10.2. Provisions for foreign exchange risk

The evaluation of these liabilities and receivables in foreign currency was conducted according to the closing price. The exchange rate differential was funded to the sum of 442 M XPF.

IV – 10.3. Provisions for retirement benefits

Since 2013 the company has applied the method recommended by The Association of Chartered Accountants (France), defined in accordance with the standard IAS 19 (International Accounting Standard 19).

An average year's salary over the 12 final months was selected as the base reference salary for calculations.

The selected discounting rate is 3.75% at the end of December 2022

Provision for Papeete employee retirement indemnities amounts to 319 M XPF at the end of the financial year 2022.

IV – 10.4. Provisions for large-scale maintenance

Maintenance provision (Engine, APU, landing gear and airframe) stands at 4 520.9 M XPF. Provisions are evaluated based on information available on the reporting date, to determine the amount equal to the best possible estimate of outflow of resources. The elements based on foreign currency due to inherent commercial practices in our operations are converted using the closing exchange rate to give the best estimate of outflow of resources in XPF, the reference currency to establish company accounts. The differences in the exchange rate resulting from the closing conversion rate are recorded in profit and loss.

Estimates concerning provision for engines and APUs rely on the maintenance contracts signed by the company. These costs take into consideration contract escalation and a number of hours and cycles estimated up until the first visit.

Provisions for landing gear and airframe are evaluated by estimating the cost of a future replacement.

Maintenance reserves paid in connection with lease contracts are recorded as prepaid expenses. During large scale maintenance, calls for reserve will be deducted from prepaid expenses. Liability provision was recorded at the end of the financial year corresponding to the amount of reserves paid which cannot be recovered at the end of the contract.

IV – 11. Loans and debts with Credit institutions

On December 31st, 2022, loans and debts from credit institutions amounted to 32.3 M XPF, and -361 M XPF exchange differential.

Loans and debts from credit institutions in foreign currency are valued at their historical cost. An exchange differential is recorded at the end of the financial year.

Statement of debt maturities from credit institutions (in XPF)

	Gross amount 31/12/22	At 1 year maximum	At over 1 year and less than 5 years	At over 5 years
BPI - 2020	835 322 195	52 207 637	783 114 558	
BPI - 2020	238 663 484		79 554 501	159 108 983
Banque de Polynésie - 2019	27 694 441	27 694 441	-	
Banque de Polynésie - 2020	2 105 208 335	587 499 996	1 517 708 339	
Banque de Polynésie - 2021	177 722 229	152 333 340	25 388 889	
Société Générale - 2019	5 795 964 723	641 260 380	2 671 006 947	2 483 697 396
Pré-financement 2019	5 750 880 657		5 750 880 657	
Banque de Tahiti - 2018	1 339 283 916	74 194 409	309 319 503	955 770 004
Banque de Tahiti - 2020	2 108 483 658	582 726 908	1 525 756 751	
Banque Socredo - 2020	2 113 187 889	567 581 646	1 545 606 243	
Société Générale - 2019	6 039 547 654	592 329 881	2 609 142 744	2 838 075 029
Pré-financement 2019	5 786 025 936		5 786 025 936	
GRAND TOTAL	32 317 985 117	3 277 828 639	22 603 505 068	6 436 651 411



IV – 12. Miscellaneous loans and financial debts

Miscellaneous loans and financial debts amount to 60.6 M XPF and principally concern directors' fees and tour operator deposits.

IV – 13. Operating liabilities

Liabilities are carried over onto the balance sheet at their nominal value after taking into consideration all accruals that may result from company contractual obligations and applicable fiscal and social legislation.

Suppliers' liabilities amount to 1 556.2 M XPF on December 31st, 2022, compared to 1 469.6 M XPF December 31st, 2021, and are broken down as follows:

	Amount in M XPF
Supplier liabilities	1 072.4
Accounts payable for fixed asset suppliers	6.0
Supplier liabilities - invoices not received	483.8
TOTAL SUPPLIER LIABILITIES AND RELATED ACCOUNTS	1 562.2

Fiscal and social liabilities amount to 1 897.9 M XPF December 31st, 2022, and are broken down as follows:

	Amount in M XPF
Provision for paid leave	455.8
Social contributions	295.3
Provision for social costs on paid leave	188.6
Other	252.4
TOTAL SOCIAL LIABILITIES	1 192.1
Collected passenger tax	655.2
Other tax liabilities	50.6
TOTAL FISCAL LIABILITIES	705.8
TOTAL FISCAL AND SOCIAL LIABILITIES	1 897.9

IV – 14. Other liabilities

The entry "other liabilities" went from 1 975.5 M XPF on December 31st 2021 to 1 853,5 M XPF December 31st 2022 and is divided as follows:

	Amount in M XPF
"Club Tiare" loyalty program	1 213.1
Accruals	587.1
Other	53.3
TOTAL OTHER LIABILITIES	1 853.5

The company offers a "Club Tiare" loyalty program which enables those who subscribe to collect air miles when they fly with Air Tahiti Nui or when they purchase their services via credit card companies. Members can exchange these air miles for travel or other company services.

Loyalty point value is calculated based on the stock of miles in circulation at the end of year closure of accounts.

IV – 15. Deferred revenue

Deferred revenue of 8 207.8 M XPF on December 31st, 2021, amounts to 9 486.6 M XPF on December 31st, 2022.

At the end of the financial year, deferred revenue is itemized as follows:

	Amount in M XPF
Unused flight tickets	8 430.8
Fuel and insurance surcharge	1 009.1
Other items	46.7
TOTAL DEFERRED REVENUE	9 486.6



In accordance with the principle usually applied by airlines, sales are recorded when passengers actually travel, and is based on the coupons received when they travel. When the ticket is issued, the company records a deferred income which is discounted upon travel, exchange, or refund of tickets.

Coupons received upon travel and issued by a third-party airline are invoiced to the latter according to IATA rules or specific agreements between airlines.

The value of unused flight tickets (BENUs) at the end of the financial year 2022 appear in the liability section of the balance sheet.

IV - 16. Financial income

On December 31st, 2022, the company financial income came to -1 146 M XPF is mainly composed of the following, (amounts in K XPF):

In thousands XPF	2022	2021
FINANCIAL INCOME		
Interest and related income	109 096	19 750
Reversals of provisions and expense transfers	706	0
Exchange rate gains	1 368 877	753 790
TOTAL FINANCIAL INCOME	1 478 680	773 540
FINANCIAL CHARGES		
Interest and related income	479 916	487 708
Financial allocations to provisions	642 342	201 703
Exchange rate losses	1 502 839	603 932
TOTAL FINANCIAL CHARGES	2 625 097	1 293 343
FINANCIAL INCOME	-1 146 417	-519 803

Financial charges comprise interest on loans paid during the year to the sum of 479.9 M XPF.

IV - 17. Exceptional income

On December 31st, 2022, the exceptional company income came to 989 M XPF and is mainly composed as follows (amounts in K XPF):

In thousands XPF	2022	2021
EXCEPTIONAL INCOME		
Passenger penalties and non-refundable tickets	142 697	163 730
Income from previous fiscal years	84 810	80 751
Miscellaneous	92 406	8 157 774
Write-back	830 540	709
Gains from disposals of fixed assets	142	11 777
Reversal of provisions and charge transfer	0	17 303
TOTAL EXCEPTIONAL INCOME	1 150 595	8 432 043
EXCEPTIONAL EXPENSES		
Fines and tax penalties	3 808	16
Costs from previous fiscal years	105 612	115 019
Miscellaneous	50 995	14 871
Net book value of fixed assets sold	278	10 915
Exceptional provision allowance	700	0
TOTAL EXCEPTIONAL EXPENSES	161 394	140 820
EXCEPTIONAL RESULT	989 202	8 291 223

Write-backs are related to tickets with expired validity dates.

IV - 18. Auditor fees

Year ending December 2022, auditor fees figuring in the end of year income statement, amount to 16.3 M XPF.



IV - 19. Company workforce

The company's workforce (FTE) over the last 3 fiscal years was as follows:

	31/12/2019	31/12/2021	31/12/2022
Executive managers	67.8	64	72
Supervisors	147	114	123
Manual workers & employees	93	67	76
Commercial flight crew	307	248.6	267
Technical flight crew	73	58	65
TOTAL FRENCH POLYNESIA	687.8	551.6	603
Employees based abroad	58.7	44	51
TOTAL WORKFORCE	746.5	595.6	654

IV - 20. Consolidated accounts

Consolidated annual accounts are drawn up for the Air Tahiti Nui group from the financial year 2019.

IV - 21. Information concerning receivables and liabilities with related parties

Related Party: Tahiti Nui Helicopters

	Amount in M XPF
Account advance	406 598 684
Receivables	15 450 659
Suppliers	2 746 971

IV - 22. Information related to financial risk management

Air Tahiti Nui's market risk management policy is to reduce its exposure to these risks. It is steered and coordinated by the Finance Department in conjunction with General Management. As a rule, no trading or speculation is authorized.

Fuel-price risk

The fuel invoice is one of the main cost items for airlines. Volatile oil prices therefore represent a risk for the air transport industry. Indeed, a significant change in oil prices can have a major impact on airline profitability and cash flow.

Air Tahiti Nui has implemented a policy of mitigating the risk of fuel price volatility over an 18-month timeframe. To reduce this risk, the company mainly uses financial instruments (such as swaps) to hedge the price of jet fuel. These non-optimizing derivatives are entered into with leading players.

The impact of fuel hedges is recorded in operating results No income, expense or provision for unrealized losses was recorded in the company's financial statements on December 31st, 2022 (no provision was recorded on December 31st, 2021).

The table below presents the company's commitments for the coming years:

Future operating cash flow hedges 31 st December 2022								
in thousands XPF	Nominal	Deadline						Mtm ⁽¹⁾
		-1 year	1-2 years	2-3 years	3-4 years	4-5 years	+5 years	
Swap	829 622	829 622						837 561

(1) Mtm = Market-to-market: real value or market value.
Source cmegroup

Interest rate risk

Most company loans are at fixed rates. They represent almost 90% of the company's total outstanding debt on December 31st, 2022. Exposure to interest rate risk remains limited for Air Tahiti Nui.



Exchange rate risk

Air Tahiti Nui generates most of its revenue in XPF and euros. However, the company's international business means inevitable exposure to currency risk.

Air Tahiti Nui has traditionally sold U.S dollars and yen, with revenues denominated in foreign currencies exceeding expenses incurred in these currencies, such as fuel, aircraft rentals, repayment of loan instalments to finance the acquisition of aircraft, or the purchase of spare parts.

The table below presents the company's commitments for the coming years:

Future operating cash flow hedges on December 31 st 2022									
In thousands XPF	Nominal	Deadlines						Mtm ⁽¹⁾	+/- value
		-1 year	1-2 years	2-3 years	3-4 years	4-5 years	+5 years		
Forward purchases	359 116	359 116	-	-	-	-	-	337 817	21 300
Currency hedging receivables									
payables	-								

(1) Mtm = Marked-to-market: market value based on future curves.
Source: <https://www.cmegroup.com/markets/fx/cross-rates/euro-fx-japanese-yen.html>

IV - 23. Commitments received and granted

Commitments received

French Polynesia	Currency	Amount in currency	Amount XPF
Borrowings and prefinancing loans granted for acquisition of two Boeings	XPF	7 279 236 277	7 279 236 277

French State	Currency	Amount in currency	Amount XPF
PGE loans granted related to COVID-19 pandemic	EUR	54 017 347	6 445 981 869

Commitments granted

Banque Socredo	Currency	Amount in currency	Amount XPF
Bank guarantee (Travel Agency Licence)	XPF	5 000 000	5 000 000
Tax and customs guarantee	XPF	20 000 000	20 000 000

Banque de Polynésie	Currency	Amount in currency	Amount XPF
Bank guarantee (PPS) with a pledged deposit of 250 000 USD	USD	600 000	67 128 301
Bank guarantee (IATA) with a pledged deposit of 2 890 000 USD	USD	2 890 000	323 334 648

Banque de Tahiti	Currency	Amount in currency	Amount XPF
Bank guarantee (insurance/Mortgage)	XPF	1 629 861 680	1 629 861 680
Bank guarantee for commercial revenue	XPF	1 343 557 899	1 343 557 899

Union Bank

	Currency	Amount in currency	Amount XPF
Bank guarantee (US airports)	USD	3 908 249	437 256 892

Bank of New Zealand

	Currency	Amount in currency	Amount XPF
Bank guarantee (AIA)	USD	40 000	4 475 220

Other commitments

In correspondence dated August 29th, 2022, Air Tahiti Nui, who are the main shareholder in the company Tahiti Nui Helicopters, committed to providing them with financial support. Such support would be in the form of a contribution, a loan, or any other form of assistance, including material and logistical support to ensure business continuity for the next 12 months. On April 6th, 2023, Air Tahiti Nui's Board of Directors extended this support until April 30th 2024.

IV - 24. Post balance sheet events

Premature wear of the first-stage high-pressure turbine blades was observed on the worldwide fleet of GE powered B787s. To rectify this defect, the engine manufacturer has proposed an improved version of these blades to be installed in the workshop. Discussions have been underway since February 2023 between Air Tahiti Nui and its repairer KLM E&M, regarding how to cover the costs incurred, and should be completed by the first quarter of 2024 at the latest.

V - Results and other key company figures for the past five fiscal years

	12/2022	12/2021	12/2020	12/2019	12/2018
FINANCIAL POSITION AT YEAR-END					
Capital stock	1 622 956 875	1 622 956 875	1 622 956 875	1 622 956 875	1 622 956 875
Number of shares created	12 983 655	12 983 655	12 983 655	12 983 655	12 983 655
TOTAL INCOME FROM OPERATIONS					
Net sales revenue	30 662 345 550	15 299 785 552	12 605 489 373	31 939 830 301	34 084 167 028
Profit pre-tax, amortizations, and provisions	-549 793 068	7 548 980 390	-7 573 679 842	3 080 127 520	5 069 292 679
Income tax	4 000 000	4 000 000	4 000 000	566 467 903	1 217 463 134
Income after deduction of tax, amortizations, and provisions	-2 893 166 231	4 664 531 587	-8 179 047 679	175 790 862	288 481 736
Distributed earnings for the fiscal year	0	0	0	0	0
EARNINGS PER SHARE					
After-tax profit, but before amortization and provisions	-43	581	-584	194	297
Profit after tax, amortization, and provisions	-223	359	-630	14	22
Dividends paid per share	0	0	0	0	0
PERSONNEL					
Number of employees	654	596	622	747	767
Payroll	4 498 890 932	3 793 753 547	5 523 155 812	5 504 150 218	5 421 671 158
Amounts paid for social benefits (social security, social welfare schemes etc.)	1 923 052 708	1 521 837 073	1 730 510 128	2 342 340 761	2 341 099 654

statutory auditors' report on the annual financial statements

Opinion

In our capacity as statutory auditors entrusted to us by your annual general meeting, we conducted an audit on the annual accounts of S.A.E.M.L. AIR TAHITI NUI relating to the past financial year ending December 31st, 2022, as attached to this report.

We certify that the annual accounts are, in accordance with French accounting rules and principles applicable in French Polynesia, a true and fair view of the financial position of the past fiscal year and the company's financial situation and assets at the end of the financial year.

Basis of audit opinion

Audit terms

We undertook our audit according to the professional standards applicable in France. We believe that the elements we have collated are sufficient and appropriate to form an opinion.

Our responsibilities in accordance with these standards are indicated in the section "Auditor responsibilities relating to annual accounts audit" of this document.

Independence

We carried out our audit respecting the independence rulings which apply from January 1st, 2022, until the date of issue of our report.

Observation

Without qualifying the opinion expressed above, we draw your attention to section II-1 of the annual accounts' notes outlining business continuity prospects for 2023.

Assessment justification

By applying professional standards relative to assessment justification, we bring the following assessments to your attention which, we in our professional capacity, believe to be the most significant for the company annual accounts audit.

Deferred revenue

As set out in section "IV - 15" of the annex, the sales revenue realized by your company is recorded during the effective transport of passengers. Thus, when tickets are issued, your company records deferred income which is cleared after transport, or on ticket exchange or reimbursement. Our work consisted in ensuring that these transactions were correctly valued on the balance sheet date and that the accounting methods used and their application in your financial statements were appropriate.

Maintenance provision

Your company makes provisions for the airworthiness requirements of aircraft as described in sections "IV - 10.4" of the annex. Our review consisted in verifying the account processing adopted for the translation of maintenance obligations, to assess the statistics and hypotheses on which estimates are based, to ensure they are reasonable, to review calculations performed by the company and verify that section "IV - 10.4" of the annual account annex presents appropriate information.

Litigation provision

Your company records provision to cover risks related to litigation, such as described in section "IV - 10.2" of the annex. Our work consisted in assessing the data and assumptions on which these estimates are based, and review the calculations made by the company on a test basis.

Air miles provision

Your company values and records loyalty points in circulation through the "Club Tiare" program under *Other liabilities*, such as described in section "IV - 14" of the annex. Our procedures included assessing data and assumptions upon which these estimates are based, to ensure that they are reasonable and review the calculations made by the company on a test basis.

These assessments were made within the context of annual account audits, taken as a whole, established under the conditions referred to earlier, and the formation of our previously expressed opinion. We do not express an opinion about individual items in these annual accounts.

Specific checks

In accordance with French professional standards, we have also conducted specific legally and regulatory required verifications.

We have no comments to make concerning the correct presentation and consistency of the annual accounts, the information provided in the Board of Directors' management report dated April 6th, 2023, and in other documents concerning the financial situation addressed to stakeholders about the financial state of annual accounts.

Responsibilities of management and those charged with corporate governance in relation to the annual accounts

It is the responsibility of Management to establish annual accounts that present a truthful view in accordance with the rules and principles of French Accounting applicable in French Polynesia, as well as to implement internal control that it deems necessary to establish that the annual accounts contain no significant material misstatement, whether due to fraud or error.

When establishing the annual accounts, it is incumbent upon Management to evaluate the company's capacity to continue operations, and, if need be, present necessary information in the accounts relative to the continuation of operations and to apply the accounting policy for business continuity, unless the company is expected to go into liquidation or cease trading.

The annual accounts were approved by your Board of Directors.

Responsibility of statutory auditors relating to the audit of annual accounts

Our task is to establish a report on annual accounts. Our aim is to obtain reasonable assurance that the annual accounts taken as a whole do not contain any material misstatement. Reasonable assurance means an elevated level of assurance, without, however, the guarantee that an audit conducted in accordance with professional standards can consistently detect all material misstatement.

Misstatements can come from fraud or be a result of errors, and are considered significant when it can be reasonably expected that they could, individually or cumulatively, influence economic decisions made by reliance on such information.

By applying professional standards applicable in France, our mission to certify accounts does not consist in guaranteeing the viability or the quality of management of your company.

In the context of an audit conducted in accordance with the professional standards applicable in France, the auditor shall exercise professional judgement throughout.

Furthermore:

- they identify and assess the risks of material misstatements of the financial statements, whether the latter come from fraud or are a result of errors, they define and implement audit procedures in the light of these risks and gather elements they feel are sufficient and appropriate on which to base their opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error because fraud may involve collusion, falsification, willful omission, misrepresentation, or circumvention of internal control;
- they take heed of relevant internal control for the audit to define the audit procedures that are appropriate under the circumstances, and not with the aim of expressing an opinion regarding the efficiency of internal control;
- they assess the suitability of the accounting methods selected and the appropriateness of accounting estimates made by management, as well as information provided about this in the annual accounts;
- they assess the appropriate nature of management's application of the going concern accounting policy and according to the information gathered, the existence or otherwise of any significant uncertainty linked to events or circumstances that may call into question the capacity of the company to continue business. This assessment is based on elements collected up to the date of the report, bearing in mind that subsequent circumstances or events could jeopardize ongoing operations. If they reach the conclusion that there is a significant uncertainty, the reader's attention will be drawn to their report about the information provided in the annual accounts linked to this uncertainty or, if the information is not provided or not relevant, they issue a certification with reservations or a refusal to certify;
- they assess all the annual accounts as a whole and evaluate if the annual accounts reflect underlying operations and events to present a true picture.

Papeete, April 20th, 2023,

For SARL KPMG,
Member of KPMG International

Jean-Louis PELLOUX
Partner

For SCP CHANGUES-MENARD-ALBERT-BOYER
Member of BDO International Ltd

Elisabeth ALBERT
Partner





Outlook 2023

Global air traffic continued to recover in 2022, in a challenging competitive and economic environment. Bolstered by the Revenge Travel, the year's overall results were encouraging, with sustained activity in response to stronger than expected demand, despite the arrival in Polynesian skies of one of the major US airlines at the end of the year.

In 2023, the international instability linked to the crisis in Ukraine and the marked inflationary environment will continue to have an uncertain impact on the company's profitability. Nevertheless, capacity forecasts for the coming year are up from 2019, and the airline expects to achieve full coverage of its pre-covid network, as part of its seat-offer policy. In line with last year's achievements, efforts will concentrate on ensuring the success of operations interrupted by force of circumstance, in particular the relaunch of the Japan route in October with two flights a week.

As a new point of entry to the US, Seattle offers Air Tahiti Nui reinforced access to the North American market thanks to its partner Alaska Airlines. The twice-weekly flight schedule will increase the total number of flights operated to North America to 12 a week during peak season. Extending the service from Tahiti-Seattle to/from Paris during the second semester 2023 will be a means for the airline to offer clients more options for travelling to France or the United States, while providing more choice to passengers on the fast-growing transatlantic route.

The number of passengers transported should continue to rise, thus enabling an improvement on the average load factor. Cargo will continue to generate substantial revenue for the company and ancillary sales will be given new impetus, together with other tools to meet growing customer expectations. For example, with the delivery of a new, more ergonomic, and comprehensive website during the year, Air Tahiti Nui passengers will have almost a hundred destinations at their fingertips.

On the eve of its 25th anniversary, to be celebrated at the end of the year, the Polynesian airline vows to reassert its uniqueness and leadership in an ever-evolving environment. We are confident that our resilience and the dedication of our staff, who consistently demonstrate an unparalleled level of productivity, will further fortify its *raison d'être* as a key contributor to the development of tourism in French Polynesia.

I fano na, e fano ā,
By your side, the journey continues.



CSR indicators

Key indicators and link to GRI

The guiding principles and recommendations of the Global Reporting Initiative were taken into account in the drafting of this report.

		2019	2020	2021	2022	Variation 2019/2022	Variation 2021/2022	Ref GRI
SOCIAL (other destinations excluded)								
Number of employees	unit	755	621	563	607	-20.1%	7.1%	
Recruitment	unit	26	5	2	46	76.9%	2200.0%	G4-LA1
Departures	unit	46	134	11	30	-34.8%	172.7%	
Amount of total payroll	billion XPF	7,26	5,222	5.3	6.4	-17.4%	25.3%	
Amount allocated to professional training	billion XPF	110	40.5	40.9	49	-55.5%	19.8%	
Percentage of payroll devoted to training personnel	percentage	0.91	0.75	0.87	0.82	-9.9%	-5.7%	G4-10
Number of workplace accidents (resulting in medical leave)	unit	20	16	5	7	-65.0%	40.0%	G4-LA6
Parity (percentage of female employees all positions included)	percentage	52.7	53	52	51	-3.2%	-1.9%	
Number of disabled employees	unit	1	2	2	3	200.0%	50.0%	
ENVIRONMENT								
Number of flights operated (all flights: regular commercial flights—passengers and freight, charters, technical flights, full cargo flights)	Unit in number of legs	1 994	1 048	1 147	1 793	-10.1%	56.3%	
Number of flight hours (all flights)	Block unit hours (block to block)	17 314	9 241	10 101	14 673	-15.3%	45.3%	
Direct CO₂ emissions all flights	equivalent tonnes CO ₂	318 437	151 212	154 395	245 852	-22.8%	59.2%	G4-EN15
CORSIA emissions declared (compliant with audit—domestics and humanitarian flights excluded)		305 020	139 622	157 017	247 281	-18.9%	57.4%	
Energy consumption (premises in PPT)	Kilowatt kW	946 242	850 581	866 794	839 875	-11.2%	-3.1%	
SOCIETAL								
Sales revenue	billion XPF	32	12,6	15,2	30,6	-4.1%	101.3%	G4-EC1
Number of passengers transported	unit	434 280	167 074	185 727	387 515	-10.8%	108.6%	
Number of tourists transported	unit	114 061	77 017	42 429	86 390	-24.3%	103.6%	
Market share of tourist traffic	percentage	48.30%	49.20%	51.40%	39.50%	-18.2%	-23.2%	
Tonnage of goods transported	tonnes	8 922	4 073	5 731	8 131	-8.9%	41.8%	
Amount devoted to support of local associations (charities and environmental assoc.)	million XPF	22	8,9	9	16.2	-25.0%	80.0%	
STAKEHOLDER FEEDBACK								
Number of active Club Tiare members	unit	154 086	156 148	161 614	181 000	17.5%	12.0%	
Number of customers surveyed⁽¹⁾	percentage	92.5%	93%	93%	93%	0.50%	0.0%	G4-PR5
Rate of customer satisfaction	unit	4 129	2 710	1 316	4 206	1.86%	219.6%	G4-PR5

(1) Onboard customer satisfaction paper surveys were suspended in 2020 due to the Covid-19 world health crisis. As from 2020, data is reported from digital surveys performed via the entertainment system aboard Air Tahiti Nui flights.

N.B.: Certain data may have changed following value adjustments and indicator updates.





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the report on www.airtahitinui.com



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