



ANNUAL REPORT **2021**



AIR TAHITI NUI



Summary

Editorial	04
CSR approach	06
Legal status and capital	07
Human resources	08
Governance, compliance and risk management	14
Flight activity	18
Traffic and business revenue	24
ATN's active role in the development of French Polynesia	28
Digitization: preparing the next stages of the company's digital transformation	34
Environmental focus	36
Financial statements	38
Outlook 2022	56
CSR indicators	58

Editorial



Dear reader
la Orana e Maeva,

With nearly 120 staff parting company with us following our 2020 voluntary redundancy scheme, a limited recruitment policy and increased health measures and conditions, 2021 was once again quite a challenging year for us.

Our hopes that were resting on an earlier re-opening of borders were sadly soon dashed by fresh outbreaks of Coronavirus and its variants, leading to subsequent new periods of lockdown. Consequently, routes between Auckland and Tokyo remained shut for the duration of 2021. The new law concerning mandatory vaccination, as well as rigorous restrictions and travel arrangements, forced us to adapt to an even greater extent.

In December 2020 we had seen a glimmer of hope for 2021, yet instead we had to face a worsening economic and tourist situation. We had planned an ambitious flight schedule for 2021 corresponding to 70% of 2019 traffic before borders were closed once again for three months in February, followed by the announcement of another lockdown in August 2021.

Just like all other airlines facing restrictions stemming from Covid-19, Air Tahiti Nui had to adapt more promptly than initial roadmaps had anticipated. The year was littered with changes linked to the global pandemic: a constant assimilation of evolving travel conditions varying from one country to another, integration of digital processes, adaptation of management and communication tools for remote work, and the optimization of organization of work and services etc.

Thanks to the involvement of our employees, we were able to successfully adjust and fill the missing gaps created by those who had parted company with us. We were also able to conciliate our business according to the latest health measures, modulate working hours, reduce salaries, and revise our methods to continue to deliver a consistent service whilst maintaining skills and know-how. Despite everything being against them, they have always given their best to respond to the company's needs. We made significant progress with direct sales channels, particularly for those online; emphasis was put on the promotion of by-product sales and reduction of distribution costs. Further improvements were made to the digitization of the customer experience aimed to raise standards to better serve our passengers whilst improving our income; a new online bidding option for travel upgrade named Maeva Plus Grade, launched in early November, quickly achieved great success and showed promise for improved profitability going forward.

2021 was above all the year we were rescued, thanks to the support of the territory, our main shareholder, through a balancing subsidy and the implementation by local government of an exceptional employment protection scheme for reduced working hours (DiESE), in order to overcome the absence of partial unemployment benefit in Polynesia. This generous gesture from the authorities, unprecedented in the history of our company, also commits us to our actions and decisions made on a daily basis. Each and every day we will continue to demonstrate the importance of our role in the future of our country's tourism industry.

Having already acknowledged our company value by awarding us national tax exemption, the French government also reiterated its unconditional support by granting us the benefit of all national aid schemes: State guaranteed loan (PGE), aid for fixed costs and a solidarity plan, etc. In return, ATN, unlike other companies who also received state aid, decided to favor its human capital in preparation for the resumption of services. Thus, after the voluntary redundancies, we chose not to adjust the productive workforce proportionally to the reduction of activity (especially flight crew and maintenance production) unlike other companies who had to cancel flights as a precaution when high season resumed due to the lack of experienced and trained workforce. As such, beyond maintaining the skills and expertise of our crews, we have above all sustained our vital forces with a view to a swift return to pre-crisis activity levels. All this was possible thanks to the strong commitment of staff who are determined to support their company, and who agreed, via their representatives, to a three-year wage reduction protocol. Such a major effort once again underlines employees' loyalty towards ATN and deserves recognition.

At the end of July, during his visit to Polynesia, the President of France spoke highly of Air Tahiti Nui, praising the relevance of our company model, its resilience, and its undeniable value for the local community (number 1 Polynesian business in terms of turnover, 2nd highest employer in the country and main lever for the development of tourism with almost 52% of tourists transported). Even though our company has still not totally emerged from the downward spiral of this crisis, we must acknowledge the value of joint efforts made by the country and the French government, which allow us to continue ensuring our mission to serve our fenua and our citizens with the same faith and professionalism which have led to the success and relevance of To Tatou Manureva.

2022 will be another year full of surprises with an announced increase in competition on our main routes, yet the company will continue to pursue its transformation and accompany the development of tourism in French Polynesia in a sustainable manner.

We hope to have the pleasure of welcoming you on board our lines soon, where from the very start of your journey you will dive deep into the magic of our islands.

Happy reading,

Michel MONVOISIN,
Chairman of the board of directors, and Chief Executive Officer of Air Tahiti Nui

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 of Tahiti as a tourist destination and its biodiversity.



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.

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.58).

In 2021, Air Tahiti Nui further ramped up its efforts to maintain the sustainability of its business—which proved essential for the opening-up of Polynesia and its economic and social resilience—while also continuing to take into consideration global issues of the future such as climate and biodiversity challenges, new regulations, sustainable development objectives, new societal expectations, etc.

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 is therefore an implicit part of this document, through the indicators and key figures related to the 4 focus areas and 10 progress commitments opposite (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 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 action (SDG #13).

Three flagship initiatives in 2021

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

For its customers

Air Tahiti Nui has provided a fun and reliable online customer platform for voluntary offsetting in line with its environmental policy on the reduction of greenhouse gas emissions, thus allowing passengers and customers to contribute individually towards the fight against climate change by supporting sustainable certified carbon sequestration projects.

Support for 3 certified carbon offsetting projects

For its partners and the society

Thanks to a successful collaboration with FACE Club and the ANAVAI Foundation, Air Tahiti Nui ran an ecological, solidarity-based initiative by recycling old uniforms otherwise destined for disposal. The proceeds from the sale of the products thus transformed were entirely donated to local charities, mobilized in favor of Polynesian youth.

593,000 XPF donated to local charities

For its employees

For the past six years, Air Tahiti Nui has been raising staff awareness about the practice of regular exercise and a well-balanced diet. With guidance from the Public Health Authority the company reasserted its commitment in 2021 to this support dedicated to the health of its workforce.

Founding member of the "Company actively committed to employee health."

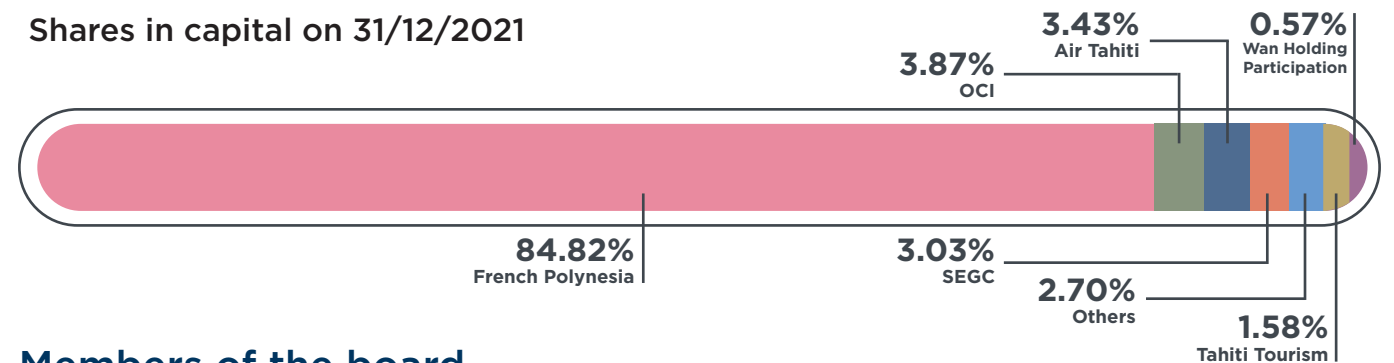
Legal status and capital

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 2021:

Shares in capital on 31/12/2021



Members of the board

As a local mixed economy company, Air Tahiti Nui has a Board of Directors composed of 15 members, distributed since December 23rd, 2021, 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 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, Manager 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. Franco LANZA, 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'études et de gestion commerciale*;
- Mr. Jean-Pierre FOURCADE, Representative of *la Financière hôtelière polynésienne*;
- Mr. Bruno WAN, Manager of Civil Society Wan Holding Participation;
- Mr. Matahiarii BROTHERS, President of *SAS Océanienne de capital investissement*;
- Mr. James ESTALL, Representative of Air Tahiti;
- Mr. Richard BAILEY, Representative of Tahiti Beachcomber Plc.

Statutory auditor

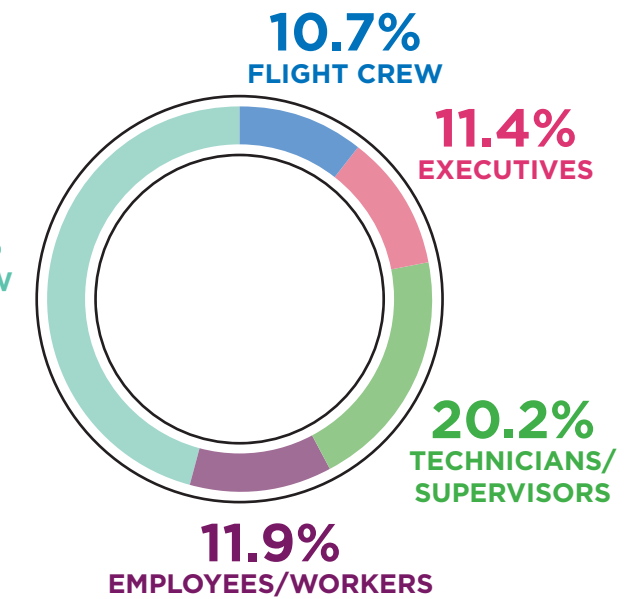
The statutory auditors for Air Tahiti Nui are SCP GOSSE-PARION-CHANGUES-MENARD-ALBERT, represented by Mrs. Elisabeth ALBERT and the SARL (Limited Liability Company) KPMG, represented by Mr. Jean-Louis PELLOUX.

Human resources



608
employees
on 31st December, 2021

45.8%
CABIN CREW



Source: Social audit 2021 ATN

Company organization

GENERAL MANAGEMENT

- Michel MONVOISIN
Chairman Chief Executive Officer
- Mathieu BECHONNET
Chief Operating Officer

SUPPORT MANAGEMENT

- Pierre CHAMPION
Director of Finance
- Manuarii MERVIN
Director of Human Resources
- Heifara MORIENNE
Director of Administration & Organisation
- Laurent HUSSON
Director of Information Systems

EXECUTIVE MANAGEMENT OF OPERATIONS

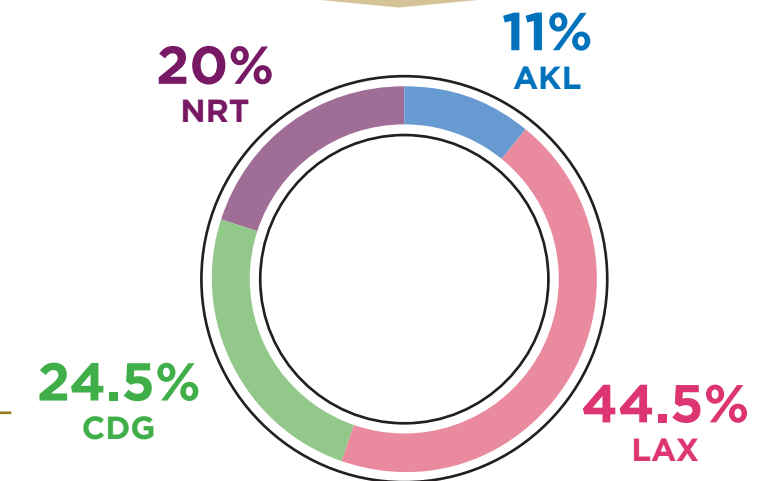
- Raymond TOPIN - Responsible Manager
- Stanley DESCAMPS
Director of Air Operations
- Céline CLAEYS
Director of Ground Operations, Stations and Freight
- Yannick MERMET
Technical Director
- Gilles BERNEDE
Director of Management Systems
- Éric DELCUVELLERIE
Commercial Crew Manager

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

REGIONS

- Nicholas PANZA
Regional Director America
- Jean-Marc HASTINGS
Regional Director France Europe
- Atsushi CHINO
Regional Director Asia
- Daniel EGGENBERGER
Regional Director Pacific (NZ & AUS)
- Yann MASINGUE
Regional Director French Polynesia & global freight
- Raimana CHAMPS
Director of Revenue Management, Pricing, Schedule & Charter
- Vaitea KOHLER
Director of Direct Customer Services
- Torea COLAS
Director of Loyalty, Digital, Product & Communication

Workforce distribution in external stations



Source: HRD ATN

Distribution of human resources

On December 31st, 2021, the company workforce consisted of 608 employees (compared to 621 on December 31st, 2020) divided into Tahiti ground personnel (245), flight crew (318; including 258 cabin crew and 60 technical crew), and agents of overseas offices and stations (45).

Parity

With 52% of female employees, the number of women working for Air Tahiti Nui has slightly decreased over the year (53% in 2020) but remains satisfactory. In particular there has been an increase in their representation to 44% among executives and to 8% of female pilots (namely 5 pilots including the chief pilot) placing the company high in the ranking for the feminization of pilot positions (according to the OACI March 2021, only 3% of pilots in the world are female).

Distribution of Air Tahiti Nui workforce by gender

Workforce	2019	Distribution 2019	2020	Distribution 2020	2021	Distribution 2021
Men	357	47.3%	292	47%	294	48%
Women	398	52.7%	329	53%	314	52%
TOTAL	755	100%	621	100%	608	100%

Source: Social audits ATN



Covid - 19 social measures

Within the context of the travel restrictions set out by the French authorities and the government of Polynesia during the first quarter, the company undertook, with its social partners, a third protocol to reduce the number of working hours named "RTT3" and continued the protocol for a general salary reduction of -5%.

Protocol RTT3

In view of the border closures announced by the authorities in February 2021, this third protocol proposed a reduction of 50% in working hours for ground staff from February 1st to May 31st, 2021; a decision that was necessary to contain the company's expenses at a time when the airline was only operating one weekly flight to Paris.

Flight crews were invited to reinforce the measures in place from December 2020 through new protocols signed with their unions for reductions on working hours ranging from 50% to 100%.

Regional staff have also made a significant effort since March 2020 with reductions in working hours adapted to the aid mechanisms of their respective countries.

Locally, these reductions in working hours were made possible thanks to a major financial effort by the territory via the DIESE (*Dispositif exceptionnel de sécurisation de l'emploi*) for all staff, which allowed for a significant reduction in payroll to survive the periods of very low activity, thus enabling Air Tahiti Nui to avoid the threat of redundancies, while many other operators have not managed to avoid it.

General salary reduction

The general 5% reduction in salaries ratified by the signing of a multi-annual agreement following on from a voluntary redundancy plan in 2020 was continued throughout the year. The protocol covers the period between November 2020 until December 2023.

Workforce evolution

Despite the voluntary redundancy plan in 2020, 2021 saw a significant decrease in the workforce. At the beginning of the year, there were 12 departures for 3 external recruitments (one of these on a permanent contract), in trade and support functions. External hiring was limited to functions essential to the resumption of activity.

Global payroll

In 2021 the global payroll came to 4.790 billion XPF (of which 1.1 billion XPF in employer contributions), an all-time low global payroll due to the implementation of reduced working hours and the general reduction in salary of -5% until December 2023.

Indicators for Polynesia



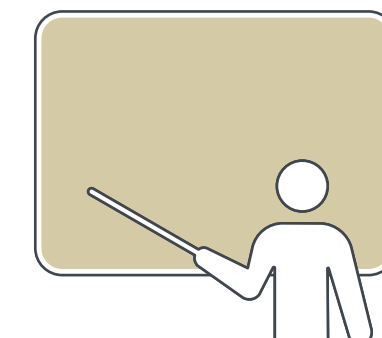
Professional training

Following on from 2020, 2021 was strongly affected by the health crisis and social distancing, which disrupted the smooth running of the training plan. Despite this, HRD still achieved 85% of it. Considering the impact linked to various reductions in work hours, a budget equivalent to that of 50% of the 2019 training plan was rolled out over the year.

Free access to e-learning content was offered to employees in areas linked to management, project management and professional effectiveness etc. In total, 241 training programs were followed remotely.

362 participants were trained in the administrative sector (professional effectiveness and well-being, office automation and IT, sales/customer services, languages, management, health and safety), for a budget of 10.2 billion XPF (compared with 21 billion XPF in 2019 and 5 billion XPF in 2020). Furthermore, 30.7 billion XPF were assigned to the regulatory training of crew.

2021 also saw the completion of an overhaul in the system of professional standards. This document is a key tool when dealing with human resources, communication, and support for decision-making. It facilitates the process of identifying and understanding all 159 positions in the company, providing information about expected levels of competence and expertise, and also proving to be an essential tool for audits.



40.9
 million XPF
 devoted to training





CSR FOCUS AREA 3

Commitment #6

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

Following the announcement in February 2021, of the new government restrictions to limit the spread of the Delta variant, the Human Resources department continued negotiations with employee representatives about how to apply the new social measures aimed at adapting resources to the limited needs of operations and thus jointly contributing to a reduction in costs and more generally, to safeguard the company.

Such efforts made by colleagues through agreement protocols, which mainly concern reducing working hours according to professional category, made it possible to generate savings of 856 million XPF over the year (2.5 billion XPF since the start of the Covid crisis in 2019).

After formalizing and distributing its ethics charter in 2020, the ethics committee, in place since 2016 for the deployment of ATN CSR's approach and to oversee its governance principles, continued its work to promote an internal ethical culture. Three meetings during the year thus saw the launch of a working group aiming to define a code of conduct concerning the receiving of gifts and invitations, with a view to reducing the risk of corruption.

Commitment #7

Ensuring health, safety and well-being in the workplace

The Human Resources Department is fully aware of the link between quality of life in the workplace and company performance. It has thus maintained its program of actions aimed at keeping in check the risk of employee accidents.

In 2021, there was a noticeable reduction in accidents at work, linked directly to the reduced number of flights.



**EVOLUTION OF
WORKPLACE ACCIDENTS
RESULTING IN MEDICAL
LEAVE [G4-LA6]**

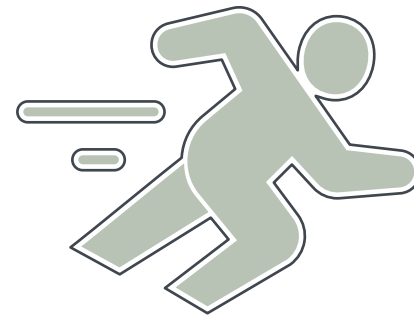
**2019: 20
2020: 16
2021: 5**

Throughout the year numerous efforts were made in the fight against the spread of the Delta variant and contribute to the herd immunity strategy of the *Fenua*. This included the organizing of information conferences and the implementation of vaccination stations for employees at the Air Tahiti Nui headquarters.

Other advances in the field of workplace safety include onsite visits and meetings by an external consultancy specializing in occupational risk assessment. This allowed the Single Occupational Risk Assessment Document to be updated, and identified corrective actions on all 4 company sites (headquarters, sales office, maintenance and training centers). The document was validated by the Health, Safety and Working conditions Committee before the end of their term of office. The next team will oversee the continuation of the aircraft section update (following the Airbus-Boeing transition) and the implementation of remedial measures.

During the year Air Tahiti Nui once again reaffirmed its ongoing commitment to the "Company actively engaged in employee health charter" which it was instrumental in founding in 2015, under the aegis of the Health Directorate. As well as promoting a balanced diet and the regular practice of sport, the program now provides a new section concerning staff well-being that began in June.

Furthermore, during 2021 the company Health Committee (comprising of voluntary members and representatives of the works council) maintained the organization of awareness-raising activities (dance classes, walking challenges and nutritionist-led cookery workshops) whenever possible, whilst also respecting the constraints of social distancing and a limited budget.



Amount allocated to sports and nutrition awareness activities

**2019: 4.6 million XPF
2020: 850,000 XPF
2021: 1,750,000 XPF**

(an increase of 51% compared with 2020, mainly concerning grants awarded to sports sections and room rental and/or nutritional advice, by the works council).

Commitment #8

Developing skills and supporting employees' personal growth

As a service provider, Air Tahiti Nui devotes a considerable annual budget to training its personnel: 0.87% of the workforce of Polynesia in 2021 [G4-10].

As a result of constraints linked to social distancing and the health crisis, the online learning platform *Tāmau* was an effective learning tool throughout the year.

Not including the regulatory section, 272 employees attended at least one face to face training program in 2021 and 71 followed e-learning.

Tāmau⁽¹⁾ platform figures

On 12/31/2021, 92 remote training modules were available (63 were made available during the year, of which 23 were purchased and the remaining 40 were created by TN teams).

Among them various awareness-raising modules were developed internally, including:

- introduction to CSR,
- introduction to company ethics,
- company disability awareness (recommended training) to encourage diversity and inclusion in the company and give advice on recruitment procedures for disabled trainees,
- obligatory training for General Data Protection Rules (RGPD) which all French and European companies must comply with since May 2018 (cf. Internal control, p.16),
- Air Tahiti Nui Response Plan created by the security Department (cf. Management systems Department, p.14) for all employees who have a specific role in crisis management,
- etc.

(1) "Tāmau", meaning "learn" in Tahitian, is the name given to the e-learning platform implemented within the company in 2019. The software is published by Cornerstone and the courses are designed by Articulate360.



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 System 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 operations, and maintenance.

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 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 implement appropriate corrective and preventive measures;
- compliance monitoring: which guarantees compliance with the applicable regulatory specifications in addition to any other further requirements.

The supervisory authorities (Directorate General of Civil Aviation [DGAC], State Civil Aviation Service in French Polynesia [SEAC] and the Civil Aviation Safety Organization [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 even coordinates safety audits to which Air Tahiti Nui must conform, including those relative to the maintenance of the various approvals and to 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 from 2017 to 2021 (DGAC/SEAC)

2017 rating	2018 rating	2019 rating	2020 rating	2021 rating	Trend	Criteria
B	B	A	A	A	➤	Safety culture
E	D	A	A	A	➤	Risk analysis
C	A	B	A	A	➤	SGS steering
E	B	A	A	A	➤	Implementation of corrective measures
D	A	A	A	C	➤	Continuous improvement and change management
B	A	A	A	A	➤	Interface management
B	A	A	A	A	➤	Documentation
C	A	A	A	A	➤	Training and communication
C	C	D	C	B	➤	Compliance rate
D	C	A	A	B	➤	Capacity to obtain compliance



CSR FOCUS AREA 1 Commitment #1



The CORSIA scheme (Carbon Offsetting and Reduction Scheme for International Aviation) is a global regime of compensation and reduction in international aviation 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 accordance with its Emissions Monitoring Plan (EMP) approved by the DGAC during 2019, Air Tahiti Nui committed to monitoring and reporting its annual emissions for the financial years 2019 and 2020 which will provide reference for evaluation of compensation (cf. Environmental focus, p.36-37). Due to the turbulent nature of the Covid-19 global health crisis, the ICAO ultimately decided not to enter the year's emissions into the accounts. 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). By November 30th, 2022, the DGAC will inform Air Tahiti Nui of its carbon offsetting obligation for the financial year 2021 if applicable. This obligation will include compensation for 2022 and 2023, which must be paid by 2024, and will be reassessed every three years.

This new requirement to offset carbon emissions will not be generalized to all airlines until 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 carbon sequestration and/or reduction of greenhouse gases.

Internal Control System

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.

An internal control committee is composed of the CEO, COO, Financial Director, and the Manager of internal control as permanent members. As of 2016, it has ensured coherence and efficiency of internal control, the proper organization and completion of continual business controls, and the effectiveness of monitoring systems and risk management. This committee meets regularly to examine the audit results, approve recommendations, and ensure their implementation.

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 auditor also checks that operations fulfilled by the airline as well as the internal procedures are in accordance with legislative provisions in force and professional standards and practices. It measures the adequacy and effectiveness of evaluation procedures and risk management and formulates recommendations to make improvements, to reinforce, safeguard and organize services in accordance with the risks to which they are exposed.

The recommendations issued in the reports, together with completion dates and a risk level, are approved by the internal inspection committee, and become enforceable thereafter. The audited directorates are responsible for their application. These elements are recorded by the internal audit and are subject to monitoring and a periodic review by the departments concerned.

In 2021, collaborative efforts between the auditees and the Internal Control Department allowed the closure of 29 recommendations. Audits carried out during the period generated 8 extra recommendations, bringing the current inventory to a total of 15 recommendations at the end of the year compared with 36 in 2020.

Within the General Data Protection Regulation (GDPR) framework, the department accompanies the Data Protection Officer (DPO) and ensures they conform to the correct regulations by adhering to the following lines of approach:

- raise awareness about the regulations amongst company employees,
- control collected data,
- carry out a regular analysis of the data protection regulations,
- ensure the implementation of data protection procedures.

In 2021, a widespread awareness campaign was carried out through:

- the implementation of compulsory online training as an integral part of the welcome process for new arrivals,
- the installation of signage placed in strategic areas,
- drafting and distribution of procedures enabling the control of collated data.

Finally, the Internal Control Department ensures the operational continuity of support functions by accompanying departments in:

- identifying main events that could impact business and render it unavailable for a significant amount of time,
- designing a contingency plan and business continuity in response to any possible event.

Information Systems Security (ISS)

IT and communication systems are vital for the smooth running of Air Tahiti Nui's daily operations. The company uses hundreds of applications on a day-to-day basis, and the information they contain is increasingly under threat.

Cybercrime risk

As a responsible business, Air Tahiti Nui must protect its clients' personal data, whether it includes credit card numbers or individual-related data. Strategical value data must also be protected. This informational heritage, which is, to a certain extent, the company's memory, and anticipatory capacity, also needs to be safeguarded against any alteration or misappropriation by cybercriminals.

The risk of an IT system defect is crucial to the continuity of operations

Information technology has become essential to the success of the company's missions, and ATN is dependent on its proper functioning. A malfunction could lead to a flight delay and dissatisfied clients. The continuity of information systems operations must therefore be ensured.

The risk of non-compliance and security breach

The regulations concerning the field of cyber security are being strengthened and requires that airlines protect critical information systems.

The DGAC has defined a cyber compliance framework (3CF) leading to a time frame and a progression in maturity on 4 levels. Furthermore, the implementation of the general rule for data protection (GDPR) requires measures to which Air Tahiti Nui must adhere.

In order to tackle and manage risks, the company continued to further secure its information system over the year. This began six years ago through a plan of action split into four complementary sections: Information security governance, Information security audits, project security and raising employee awareness.

Objectives and key ISS achievements over the year



FOCUS 1 - GOVERNANCE OF INFORMATION SYSTEM SECURITY

2021 Objectives

- Initiate compliance with regulation Part IS (2023)
- Organize security and ensure monitoring of actions

Key achievements of 2021

- Define a compliance road map (DGAC)
- Follow up of corrective actions
- Monthly checks of safety indicators with the DSI



FOCUS 2 - INFORMATION SYSTEM SECURITY AUDIT

2021 Objectives

- Check that operational safety procedures are properly enforced

Key achievements of 2021

- Audit of vulnerability management
- Implementation of continuous audit platforms of assets exposed on the internet
- Testing of the Business Continuity Plan (BCP)



FOCUS 3 - IT SECURITY IN PROJECTS

2021 Objectives

- Integrate recommendations into all security-sensitive projects
- Improve ways of detecting security issues

Key achievements of 2021

- Implementation of a system for the collection of logs



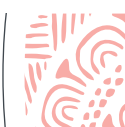
FOCUS 4 - EMPLOYEE AWARENESS

2021 Objectives

- Continue to raise awareness about emails

Key achievements of 2021

- Raise awareness by email about themes concerning phishing and 'fake president fraud'
- Training of administrators about systems of 'good practice'





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 MC);
 - 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. 0 November 3rd 2020;
 - a certificate of approval of maintenance part 145 for the maintenance of aircraft FR 145.0423, rev. 5 June 11th, 2020.

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

CAMO part management organization

After several months of work, checks and audits carried out internally by the MSD and externally by the International Civil Aviation Organization (ICAO) which verified that our airworthiness management organization met with requirements of the CAMO part (Annex V of regulation [UE] 1321/2014), Air Tahiti Nui obtained confirmation of its management organization accreditation certificate part CAMO (Continuing Airworthiness Management Organization) N° FR.CAMO.0026 and validation of its CAME (Continuing Airworthiness Management Exposition [specifications manual of an authorized body in accordance with the CAMO part]) on 08/11/2021.

In addition, the Privilège I (airworthiness review) was granted on 09/13/2021 and complemented by the acceptance of an internal resource of Airworthiness Review Staff (ARS), qualified to authorize Airworthiness Review Certificates (ARC) for the Air Tahiti Nui fleet.

Air Tahiti Nui is the first airline in Polynesia to receive this accreditation.

The first ARC under Privilège I was issued for the F-OMUA on 10/01/2021.

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.

Initially planned in June for the 8th renewal of the authorization, the audit was at first moved with WAKE in September due to the health crisis, then from 18th to 22nd October 2021.

The renewed certificate is valid for 2 years from the validity date on the certificate (until October 28th, 2023).





683
commercial flights in 2021
for 9,175 flight hours



81.56%
of flights departed
on time

Flight schedules

- With many borders still closed in 2021, Air Tahiti Nui had to re-adjust its flight schedules accordingly:
- with the United States still being closed to the Schengen area, Air Tahiti Nui maintained Vancouver as a transit point for flights scheduled for Paris, from January till November 2021;
 - New Zealand borders remained closed for passengers, but Air Tahiti Nui still provided one cargo flight per week between June and December 2021 (cf. Traffic and business revenue, p.24);
 - Japanese borders also remained closed; No flights to Narita operated in 2021.

During this pandemic, the frequency of routes fluctuated each month due to the conditions linked to entry into each country of destination. It is reported below annually rather than by season.

Frequency of service per route

	Completed 2020		Provisional 2021		Completed 2021
	Low season	High season	Low season	High season	Annual
Papeete - Paris via LAX	3 to 4 flights/wk.	0 flight/wk.	3 to 4 flights/wk.	4 to 6 flights/wk.	4 flights/wk. (Nov.to Dec.)
Papeete - Paris via PTP*	1 flight/wk. (Mar.to May)	NA	NA	NA	NA
Papeete - Paris via YVR**	2 to 4 flights/wk. (Oct. to Dec.)	5 to 7 flights/wk.	NA	NA	1 to 7 flights/wk.
Papeete - Los Angeles	3 to 5 flights/wk.	3 flights/wk.	2 to 3 flights/wk.	2 to 3 flights/wk.	2 to 5 flights/wk.
Papeete - Narita	2 flights/wk.	0 flight/wk.	1 to 2 flights/wk.	1 to 2 flights/wk.	0 flight/wk.
Papeete - Auckland	3 flights/wk.	0 flight/wk.	2 flights/wk.	2 flights/wk.	0 flight/wk.

Annual number of flights per route

	2019	2020	2021	Variation 20/21	
Papeete - Paris via LAX	486	75	54	-21	-29%
Papeete - Paris via PTP	NA	17	NA	-17	NA
Papeete - Paris via YVR	NA	228	327	99	43%
Papeete - Los Angeles	492	253	303	50	20%
Papeete - Narita	207	42	0	-42	NA
Papeete - Auckland	295	77	0	-77	NA
TOTAL	1 480	692	683	-9	-1%

* PTP = Pointe-à-Pitre (Guadeloupe)

** YVR = Vancouver (Canada)

Frequency of weekly services by code-share partners*

		Provisional 2021	Completed 2021
Air New Zealand (NZ)	PPT - AKL - PPT	2 flights/wk.	0 flight/wk.
Air France (AF)	LAX - CDG - LAX	1 flight/wk.	0 flight/wk.
Qantas (QF)	AKL - SYD/MEL/BNE - AKL	Daily	0 flight/wk.
Korean Air (KE)	NRT - ICN - NRT	2 flights/wk.	0 flight/wk.
Air Calin (SB)	AKL - NOU - AKL PPT - NOU - PPT	2 flights/wk. 1 flight/wk.	0 flight/wk. for AKL and 1 flight/wk. for PPT from December
LATAM Airlines (LA)	SLC - IPC - PPT - IPC - SCL	1 flight/wk.	0 flight/wk.
Japan Airlines (JL)	NRT - HKG NRT - ITM HND - ITM NRT - NGO HND - FUK HND - CTS	Daily	0 flight/wk.

* Except American Airlines and SNCF who operate daily links.

In 2021, New Zealand, Australian, Japanese and New Caledonian borders remained closed to tourists, meaning flight schedules to and from these code-share partners were modified.

LATAM suspended its commercial flights to Easter Island from March 2020.

Transatlantic flights only resumed in November 2021, but codeshare with Air France was not reinstated because of risks due to the Covid-19 pandemic and the measures taken in each respective country.

Punctuality

In 2021, ATN's punctuality reduced across the network with 81.56% of flights leaving on time or within 15 minutes of scheduled time (compared with 89.75% in 2020).

Annual punctuality was strongly impacted mainly by various checks linked to Covid crisis (test results, vaccines, travel authorizations such as ETIS or essential reasons needing verification at check-in, an abundance of forms to fill in for passengers, etc.).

Furthermore, a considerable number of departures were disrupted in Paris-Charles de Gaulle airport during the Summer due to ATN having to operate from terminal 2E, after ADP (*Aéroports de Paris*) having closed terminal 2A due to inactivity.

Finally, the resumption of the transit to LAX was also problematic due to the lack of staff amongst sub-contractors

Operations in times of crisis

Due to Air Tahiti Nui having to comply with an increasingly constrained health context, the alternative transit option via Vancouver, established in 2020 to overcome the border closures and in particular the inability to transit via Los Angeles as planned in the regular flight schedules, was retained through 2021.

In view of the considerable reduction in flights, the company decided to put one of its airplanes into long-term storage: at the end of February, the F-OMUA went to the Arizona desert for 3 months of 'cocooning' to limit exposure to corrosion and therefore better preserve its equipment.

With the health and safety at the heart of company concerns, it was necessary to exercise operational adaptability all year round.

Thanks to a significant decrease in case numbers in and around French Polynesia, the re-opening of American trade borders (upon adherence to strict health protocol) allowed a gradual recovery of activity on the PPT-LAX line from May 1st, whilst the connection PPT-CDG via Vancouver remained impacted by the continuing restrictions of compelling reasons required for travelers coming from mainland France.

The rise of the Delta variant over the Summer stopped the momentum of recovery in its tracks, and it was not until November 8th that the US borders finally re-opened to international travelers, with vaccination being the hard and fast rule - with only rare exceptions - for both dry flights and transit. Air Tahiti Nui could then resume its service from Los Angeles on November 17th, as a final destination or from and to Paris, and the last flight turnaround from Vancouver operated on November 16th, 2021.



Traffic and business revenue



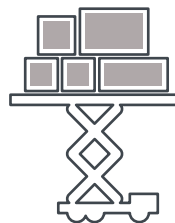
185 727
passengers
transported in 2021



52.7%
of international traffic
transported by
Air Tahiti Nui



42 429
tourists were
transported during the
year by Air Tahiti Nui



5 731
tonnes of freight
transported for
2.5 billion XPF in revenue



Tahiti-bound traffic

In 2021, the total number of incoming and outgoing passengers to Polynesia was 243 481, that is to say, activity comparable with the health crisis year 2020 (+0.6%). Seat availability was slightly reduced in 2021 (-1.9%) and remains at a lower level compared with numbers in 2019, before the Covid-19 crisis.

By continuing to operate despite the closure of borders and lockdown in French Polynesia, Air Tahiti Nui successfully transported 52.7% of international traffic during the year. Maintaining activity for the two consecutive years during the crisis enabled the company to increase its market share in offers and passengers to 2.9 points more than 2020.

Results & evolution of atn fare-paying passengers by route

In 2021, Air Tahiti Nui transported 185 727 passengers, an increased figure (+11.2%) in comparison with 2020, and a capacity increase (+6.2%). The recovery in tourism activity allowed for an increase in the average ratio of seat occupancy of 2.4 points placing it at 58.9%, a result that is still lower than seat occupancy in 2019 (75.3%).

In 2021 the company generated passenger traffic revenue of 12.4 billion XPF.

Tourist traffic

In 2021, 82 546 tourists visited the Islands of Tahiti, an increase of +7.2% compared with 2020. However, Covid-19 crisis was still a major obstacle for tourist development and visits were still significantly lower than in 2019 (-65%).

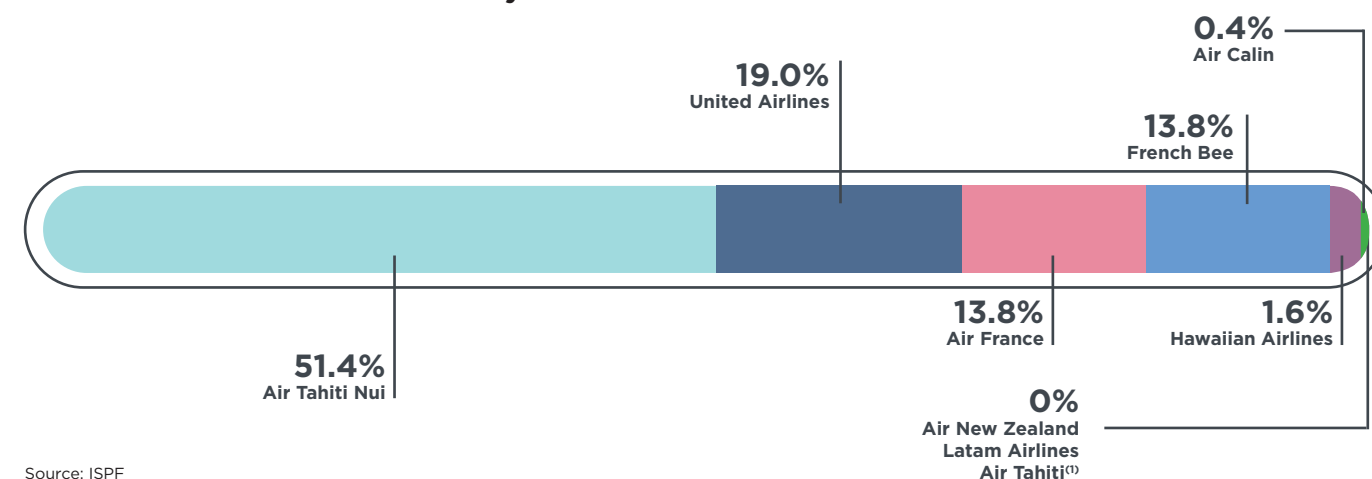
42 429 tourists were transported during the year by Air Tahiti Nui (51.4%).

Fare-paying passengers activity per route

	2020	2021	Variation
Average passenger load factor	56.5%	58.9%	+2.4 pts
Revenue (in million XPF)	10 145	12 361	+21.8%

Source: Revenue Management - Air Tahiti Nui Financial Department

Tourist traffic market shares by airline



Source: ISPF

(1) Only international flights are counted here; Air Tahiti did not resume flights to Rarotonga in 2021.





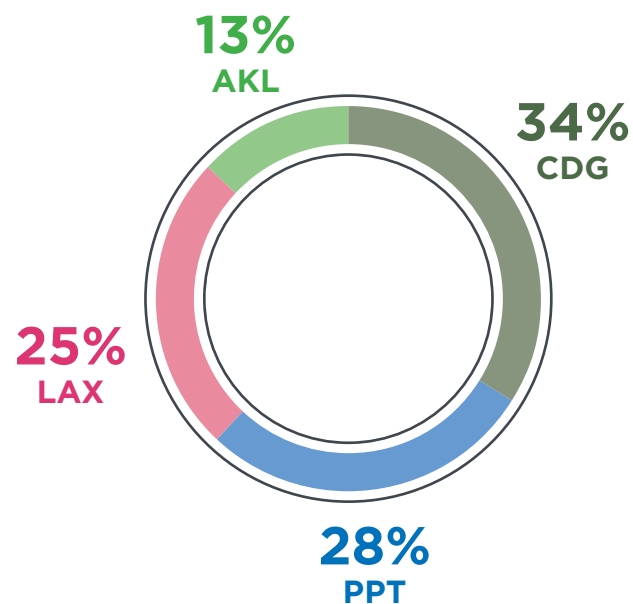
Freight revenue

Comparative table of freight revenue and tonnage in 2019 and 2021, with the year 2020 not representative of typically observed volumes and revenues.

	2019	2021	Variation	Variation %
Revenue (in million XPF)	2 882	2 550	-332	-11%
Weight (in tonnes)	8 922	5 731	-3 191	-35%

Source: ATN Freight and Management Control Department.

Distribution of tonnage transported by origin*



* Origin of freight departure.

The International Air Transport Association (IATA) indicated that "airfreight had an outstanding year in 2021. For many airlines it was a vital source of revenue during the slump in passenger traffic, due to the restrictions linked to Covid-19."

Air Tahiti Nui is no exception to the rule, and freight was a significant source of revenue for the year.

After over a year of no aviation links with New Zealand, in May 2021 Air Tahiti Nui won an invitation to tender launched two months earlier by New Zealand's minister for transport. Thanks to a new financial program, MIAC (Maintaining International Air Connectivity), a resumption of cargo flights with New Zealand was scheduled and set up by New Zealand to maintain flight activity until the re-opening of the country's borders, in a context where airlines cannot financially sustain such operations without financial aid to compensate for an almost complete absence of passenger revenue due to travel restrictions.

This scheme has provided Air Tahiti Nui with financial support for every flight and total loss coverage (up to a maximum amount) if the flight was in deficit. From June 9th, Air Tahiti Nui operated a weekly cargo flight to Auckland. These continuity flights have been operating from June 1st 2021 to March 2022 and despite a year of disruption to flights, they have enabled Air Tahiti Nui to see its freight revenue progress as of May 2021.

The freight revenue for 2021 over the entire Air Tahiti Nui network amounts to 2.5 billion XPF for an overall tonnage of 5 731.

- Export from Papeete shows a decrease of -11% compared with 2019, the reduction in network flights and the stoppage of flights to NRT and AKL until May for New Zealand provide an explanation for this variation;
- The New Zealand base shows an increase in revenue thanks to the implementation of weekly cargo flights from June and an adjustment of yield;
- The CDG base has managed to maintain its revenue at +0.7% compared with 2019, in particular thanks to close management of yield in accordance with the number of flights operated;
- LAX base shows a decrease in revenue of -20%. The stoppage of LAX-CDG until mid-November and AKL flights until June provides an explanation for this reduction in sales (subcontracted cargo flights to and from New Zealand do not only include trading between Polynesia and New Zealand but also extend to regions such as the US or Europe, going through the Air Tahiti Nui network, departing from Tahiti);
- The Japanese market operated several exports to Tahiti thanks to ATN's interline partners via Los Angeles but space on NRT-LAX was reduced and therefore tariffs were higher.

Charter activity

Comparative table of charter activity in 2020 & 2021

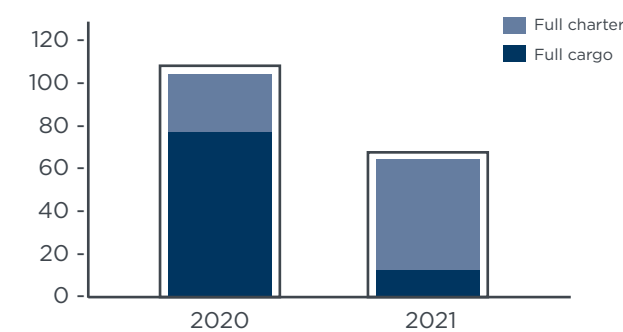
	2020	2021	Variation
Full charter*	31	54	74%
Full cargo	76	9	-88%
TOTAL NUMBER FLIGHT HOURS	107	63	-41%
Full charter	74	145	97%
Full cargo	121	13	-89%
TOTAL REVENUE (IN MILLION XPF)	194	158	-19%

The Covid-19 health crisis disrupted charter activity from March 2020. As a result of border closures for certain countries (particularly, Japan, Chili and China), several charters were not renewed (such as those to Easter Island or flights operating for the Chinese New Year) and as such, activity remained heavily reduced during 2021.

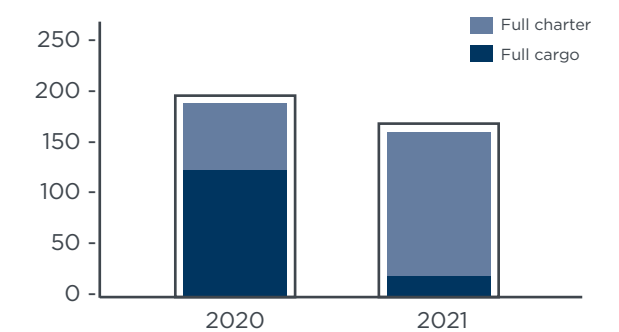
63 flight hours were performed over the year for other charterers (a decrease of 41% compared with 2020). One cargo flight to New Zealand was chartered in April by an individual customer, and in September the pilgrimage charter flight to Lourdes, operated now for six years, that was prevented from running in 2020, has been secured for the Order of Malta US.

This activity generated 158 million XPF an income over the year (compared to 194 million XPF in 2020, a decrease of -19%)

Number of flight hours



Revenue (M XPF)



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



ATN's active role in the development of French Polynesia

Although still compromised by the Covid crisis and its tangible impact on the aviation industry with the closing of borders and testing and vaccination regulations, Air Tahiti Nui continued to play an essential economic and societal role in the opening-up of French Polynesia throughout the year by maintaining air links with the rest of the world whenever possible (for example, a freight contract with New Zealand [cf. Freight revenue, p.26], medical evacuations, etc.).

Facing unprecedented difficulties and constraints caused by the health crisis, customer satisfaction has remained the company's main concern. To do so, Air Tahiti Nui endeavored to adjust services and protocols to be as responsive as possible to its clients' and partners' needs as the crisis evolved.

Our committed and dedicated teams were rewarded several times throughout the year for the level of travel comfort, customer satisfaction, as well as innovation.

A key partner for the community



CSR FOCUS AREA 4

Commitment #9

Including sustainable development in our business and corporate culture

With a history of strong involvement in local organizations, Air Tahiti Nui and its staff have always actively supported various social and charitable initiatives (e.g., Saga Tahiti, French Polynesia cancer League committee, the association Amazones Pacific, etc.). During 2021, this support amounted to 5.9 million XPF (compared with 6.2 million XPF in 2020).

This year, staff also chose to support the operation "Boîtes cadeaux solidaires" (donation boxes for gifts) organized by Punaauia city hall and local community volunteers, where gifts were collected to distribute at Christmas to families in need.

Air Tahiti Nui also maintained its partnership with Ville de Papeete's UtilBus helping priority neighborhoods with mobility provision for their residents and associations.

In October, an awareness campaign was another way the company staff and teams chose to demonstrate their support in the fight against breast cancer.

Air Tahiti Nui joined the global initiative by distributing some 300 ribbons to its staff, in particular sales personnel, ground staff and flight attendants, with the aim of raising women's awareness of the importance of systematic and regular screening.

Our five female pilots also sported special pink stripes throughout the month.

FOCUS on CSR operation "up-cycling of uniforms" which teams together collaboration, solidarity and circular economy

- 217 accessories upcycled from 194 ATN uniforms
- 593,000 XPF donated to 3 associations of general interest in favor of Polynesian youth

In 2021, Air Tahiti Nui was keen to initiate a unique and collaborative operation drawing on the help of highly committed local partners.

Using the up-cycling know-how of FACE Polynesia (mostly experienced in the reconditioning of advertizing banners,) the company entrusted the "Fondation agir contre l'exclusion" (fight against exclusion), with its stock of new, unworn uniforms (in old print) to produce an exclusive collection of bags made by young people in the civic service as part of their professional training.

Articles, put on sale, among others, during the European Week for Waste Reduction (EWWR) were on sale at low prices (1,500 XPF to 3,000 XPF). All sale profits were donated to local associations in favor of the young people of Polynesia.

Elodie RALLO, in charge of the FACE project for Polynesia said: "The success of this operation was instant, and all articles sold very quickly. In addition to the design of the accessories created by our teams, the buyers were also aware of Air Tahiti Nui's eco-responsible approach. It is a very special and meaningful operation, that reduces waste, encourages re-use and contributes to the social integration of those who have low employment prospects."

Air Tahiti Nui also partnered with the Anavaï Foundation, an organization that is very involved in the local associative fabric, to support the project of a third charity through its donation platform.



A locally committed business

Commitment #10

Supporting and encouraging regional economic and social development projects

Since 1998, Air Tahiti Nui has continued to have a major and historical societal role as leader in both tourist and freight air transport. To maintain this positive impact through direct and indirect contributions to Polynesia's economic and social development, the company must preserve the sustainability of its activity, relying on employees' commitment, the trust it has earned from customers and partners, and the undeniable attachment of Polynesians to their airline, the flagship that represents their islands throughout the world.

Air Tahiti Nui's Economic contribution in 2021⁽¹⁾

Accounting data 2021 in M XPF

Employment

3 794 M XPF
Employee costs
(employee salaries)
-31% compared to 2020

1 522 M XPF
Social expenses/CPS contributions
-12% compared to 2020

Investments

525 M XPF
Amount attributed to investments
+40% compared to 2020

2 233 M XPF
Repayment of debt
+8% compared to 2020

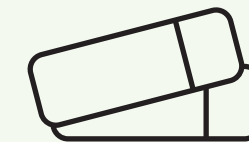
457 M XPF
New borrowings and loans

Taxes and duties



40 M XPF
(State and regional)
-17% compared to 2020

Taxes



628 M XPF
Tax on airline tickets
(excluding CA)
+7% compared to 2020

Operations

1 723 M XPF
Operational expenses
+7% compared to 2020

285 M XPF
Air traffic control
+30% compared to 2020

Contribution

19%
Ratio of local suppliers
+1 pt compared to 2020

9.1 M XPF
Support of associations
(sponsorship, ticket donations)
+2% compared to 2020

3 737 M XPF
Suppliers
(fuel invoice)
+5% compared to 2020

8 485 M XPF
Suppliers
(excluding fuel)
-3% compared to 2020

Promotion of Tahiti
(media tours and campaigns)
NA

28
Number of students
on internships
-46% compared to 2020

(1) Some values may have changed since the publication of the 2020 annual report due to updated indicators.

Loyalty program

This year, so as not to unduly penalize customers who were already deprived of travel, Air Tahiti Nui made the decision to maintain the silver and gold status for their most loyal customers until December 31st 2022 and to extend the validity of air miles for Club Tiare members until June 2022, thus allowing customers to use them when borders re-opened.

Thanks to the formation of new partnerships, the loyalty program continues to offer opportunities to earn and use air miles; various operations and events were organized for the festive season (afterwork events, local chocolate tasting, “gift voucher” and “shop miles x2” operations, etc.).

Equally, it plays an essential role in the economic development of Polynesia by enhancing the local scene thanks to the support given to cultural and musical productions which were gradually re-scheduled throughout the year (Gary Dourdan concert, the “Jamel Comedy Club Hors les murs”, Odah and Dako comedy shows, themed dinners with the Lycée Hôtelier hospitality school, and the Compagnie du Caméléon’s *Te Vevo* Festival, etc.)

On December 31st, 2021, Club Tiare had a total of 161,614 members, namely an increase of 3.5% compared with 2020.

Active role in the development of tourism

At the heart of an industry in disarray caused by the advent of the health crisis that left the smallest stakeholders the most vulnerable, executives at the Tiare airline decided to increase its media activity over the year to ensure that Air Tahiti Nui’s voice was heard in the highest circles.

Such efforts proved to be worthwhile and combined with the local operations deployed in each of its markets, they enabled the company to come out on top in a context where they were jostling to obtain government aid.

Promotional policy: drastic reduction of budgets

In order to take the sizeable reduction in company income into consideration, a general reduction of -50% of budgets in media tours, famtrips and sponsoring was imposed on all departments and regional directorates during 2021.

However, thanks to the support from Air Tahiti Nui, numerous national and international specialized press articles provided inspiration for tourists to plan their future travel while also playing a part in company notoriety and development.

With the help its of its public relations agency and partners, each directorate focused its annual allocation on activities where the company brand dominated. Their goal was to make Air Tahiti Nui the first and foremost way of getting to Polynesia.

In a bid to also maintain distribution partners’ loyalty, they offered an incentive plan adapted to each market with instructions to consider the intensification of the competitive environment.



France and Europe

In spite of the health crisis situation in 2021, the company supported the visibility of its brand and destination within the French and European markets (particularly in Italy which is ATN’s second largest market in Europe), through multiple partnerships, travel for influencers selected in collaboration with Tahiti Tourisme, and a constant media presence relaying the company’s various operations.

For the second year running, the company was the official carrier of the program *Koh Lanta, La Légende*, broadcasted on TF1 between August 24th and December 14th, 2021. Millions of viewers were able to see the destination and Air Tahiti Nui for themselves. Each broadcast generated a noticeable increase in visits to the company website.

Through her role as a company ambassador, Vaimalama Chaves, Miss Tahiti 2018 and Miss France 2019, published various videos of French Polynesia linked to the Air Tahiti Nui brand image. Each themed video posted on her and the airline’s social media rapidly generated engagement and hundreds of thousands of views. Since the ambassador’s community has a close affinity for the destination, each video was a true success in terms of company visibility.

Moreover, her presence while competing in the show *Dancing with the Stars*, alongside Teheura Teahui who was taking part in the season of *Koh Lanta La Légende* at the time and the singer Keen’V promoting his new songs, created a buzz at the *IFTM Top Résea* tradeshow in Paris, the meeting place of the leading tourism professionals in France and internationally.

For the first time, Air Tahiti Nui had a stand there adorned exclusively with the company colors; From October 5th to 8th, photo opportunities and autograph sessions with its three ambassadors brought it to life in a 100% Polynesian atmosphere.

Around ten influencers from the travel, lifestyle, luxury and even scuba-diving sectors also shared their Air Tahiti Nui experiences all year round with a committed community.

A 62-page guide about Polynesia relating a trip to Tahiti, Moorea, Huahine, Bora Bora and Raiatea through practical themes such as budget tours, routes, must-sees, trips off the beaten track, useful addresses, etc. was created on the blog [Nos curieux voyageurs](#).

Marie Courroy, of the Paris brand [Modetrotter](#), also created and sold 400 t-shirts emblazoned with the company effigy.



Polynesia and ATN in the spotlight on Radio France Bleu Paris

Every morning during the second week of February, Radio France Bleu Paris listeners were treated to learning more about French Polynesia. Advice from specialists, tourist recommendations, gastronomic discoveries, and many other surprises from Tahiti and its islands were aired on the Laurent Petitguillaume show during an operation organized by Tahiti Box, an Air Tahiti Nui partner offering 100% Polynesian gift boxes in mainland France and abroad.



A sales competition in partnership with Air Tahiti Nui

On November 23rd, Tahiti Tourisme, in partnership with Air Tahiti Nui and other partner carriers, launched a sales challenge called “Maeva”, to draw the attention of tourism professionals in France and Belgium. The Challenge, aimed at supporting the 2021-2022 low season with special offers on very attractive trips, allowed them to win one of four stays in French Polynesia up for grabs until May 23rd, 2022.

To take part, travel agents had to sign up to the *Tahiti specialist program* and register online after validating the e-learning section.

The top ten vendors would then receive monthly Polynesian gift boxes, and in addition, each vendor could also receive gift vouchers. At the end of the six-month long challenge, the top four vendors would have the opportunity of discovering The Islands of Tahiti for themselves.

I.V.B Overseas prize (French International Volunteers in Business Program)

In May, Air Tahiti Nui had the honor of being a partner in the award ceremony for the I.V.B Overseas Grand Prize which rewards the best experiences of International Volunteers in Business Program for young overseas citizens. During the event organized by Business France and the Inter-ministerial Delegation for equal opportunities of Overseas French citizens and visibility of Overseas territories, the company awarded the Pacific Region prize to a young Tahitian for her mission in Morocco.



United-States

The second consecutive year of global pandemic meant that the borders of New Zealand, Australia and Japan remained closed for the entirety of 2021, and the travel ban on European citizens by the American Government was enforced until November 2021. The repercussions of this situation on the company were of course a significant loss of revenue for these destinations coming from America, which is the main company market share source.

Three carriers suspended flights between the United States and Tahiti for the duration of 2021, while Air Tahiti Nui continued to provide this important link during most of the year (except for the months of February, March, and April, during which the borders of Polynesia remained closed; only travel for essential reasons was authorized during this period), with three weekly flights which gradually increased to four.

However, the continued presence of Covid in the two countries severely limited both capacity and demand.

Air Tahiti Nui thus continued to operate to Paris via Vancouver (cf. Flight activity, p.18).

The relaxing of constraints and travel procedures in May and June allowed for a gradual resumption of connections between Los Angeles and Tahiti, brightening recovery prospects, with the demand for travel to Polynesia remaining high, particularly coming from the American and the Franco-European markets.

The company was well prepared for this, immediately launching promotional tariffs in the US with the slogan "It's Tahiti Time", and an advertising campaign in conjunction with partner tour operators called "Return to Paradise".

These initial marketing measures aimed at the US yielded a spike in bookings during May and June, which filled flights and hotels until November.

Unfortunately, the impact of the arrival of the Delta Variant affected this prosperous period in August and September and radically hampered the prevailing momentum.

On November 8th, the United States finally lifted their ban on European tourists, which allowed the Paris via Los-Angeles flights to resume.

2021 ended with slightly fewer than 50,000 passengers generated by the American market.

Most face-to-face events were cancelled due to health restrictions. However, Air Tahiti Nui still renewed its sponsorship of the French Film Festival COLCOA ("City of Lights - City of Angels") in Hollywood, in partnership with BNP Paribas, L'Oréal, TV5MONDE and Variety Magazine. Despite the circumstances, more than 14,000 French movie lovers participated in the event that took place between November 1st and 7th, 2021.



Pacific: New Zealand and Australia

New Zealand borders may have remained closed to passengers for the year, but the financial contribution to the market remained substantial in 2021.

Of the 33 carriers ensuring flights to New Zealand before the pandemic, only 8 were selected to bid for the New Zealand government subsidy for freight transportation or MIAC (Maintaining International Air Connectivity).

After a highly selective process where teams were required to respond in less than 2 weeks, Air Tahiti Nui landed the prize on May 5th (cf. Freight revenue, p.26) and the first cargo flight arrived in Auckland on June 10th, 2021.

It was the first time in 15 months that an Air Tahiti Nui flight could be seen in the Auckland skies. It was to be the first of 45 further flights (a later contract extension), and which allowed the company to generate over 3.1 million NZD, not to mention the significant contribution to the Paris and Los Angeles routes.

Remote working was chosen for the teams who remained on reduced hours and salaries, while still being contactable during Air Tahiti Nui office hours for B2C, B2B and B2T customers for the duration of the pandemic. Work meetings were able to continue virtually on a weekly basis.

Commercial activities with company partners in New Zealand continued, including Tahiti Tourisme, The Accor group, L'Alliance Française in Auckland, Auckland Chamber of Commerce, the French Film Festival, the start-up CarbonClick and even the documentary film festival DocEdge, to mention but a few. The commission also explored the possibility of potential new partners.

Finally, still on a virtual basis, the regional office continued to be involved in various events such as the ASPA South Pacific Aviation Conference, Pacifica, CAPA Australia Pacific Aviation Summit, Bastille Week and the French Australia NZ Business Day.

On the Australian offline market (not directly served by ATN), since the signing of the contract at the end of 2020 with Aviation Online (AOL), one of the largest GSAs (General Sales Agents) in the country, Air Tahiti Nui has benefited from significant national coverage thanks to a database ten times larger than that previously available. Over 2021, this new organization has enabled the company to reduce its representation costs in the region by more than 60%.

Asia

The re-opening of Japanese borders remained on hold for the entire year, and on December 31st Japan was still closed to foreign tourists with no prospect of re-opening before the third quarter of 2022.

Tokyo employees were able to provide support for Los-Angeles sales teams thanks to the customer relations management system Salesforce, established within the company in 2019, with a view to processing the overwhelming number of claims received by American personnel.

Customer satisfaction policy



CSR FOCUS AREA 1

Commitment #2 [G4-PR5]

Maintaining a strong relationship with our stakeholders

Since 2017, Air Tahiti Nui has ensured the management of complaints for all its ports of call (with the exception of Japanese stopovers), using "Mahana" software.

	2020	2021
Number of registered complaints made	3,419	1,539

In 2021, the amount of customer feedback fell by nearly 55%.

Air Tahiti Nui's sales teams remained in place ready to respond as best they were able to passenger expectations with a claims closure rate over 42.23% and an approximate 5-day processing period, despite a reduction in customer services resources (following the voluntary redundancy scheme in 2020).

Taking into consideration the cancellations and gradual readjustments to flights according to closures and the re-opening of borders when the Delta Variant gained momentum, the dedicated teams once again showed their considerable adaptability.

Although Air Tahiti Nui was not responsible for traveler lounge closures at the airports it was flying to (due to restricted airport services), the airline sales policy mitigated this inconvenience through compensation in air miles, thus illustrating the efforts made to maintain a high level of customer satisfaction.

Awards 2021

Contributing to the reputation and notoriety of air carriers with travelers across the world, awards showcase airlines in various fields. In spite of further disruption to the airline industry in 2021, Air Tahiti Nui still managed to gain attention for its product quality, the excellent nature of its onboard service, cabin atmosphere, and its efforts in sustainable development.

Customer Satisfaction

For the 4th year running and for the 8th time since the creation of the renowned Globe Traveler magazine Trophies which rank the best airlines based on worldwide travelers' opinions, Air Tahiti Nui won the title of "Best airline in the South Pacific" in 2021.

Comfort, onboard service, cabin layout and entertainment packages: the quality of service and the immersive atmosphere of its cabins have also earned the company a gold medal for best French Business cabins awarded by The Travelers Club magazine.

Design

After being awarded the "Best New Livery" in 2018, the *Tahitian Dreamliner* was once more proclaimed for its esthetic and visual qualities paying homage to both the culture and beauty of the Pacific Islands. Air Tahiti Nui won the title of "Best airline design" from the Oceanic region in the DesignAir Awards 2021.

Innovation

Air Tahiti Nui also received the 1st prize in the category of "Creation of an innovative and/or eco-responsible product/service" in the Pacific Asia Travel Association Awards (PATA) 2021, for its new eco-responsible service set up with the New Zealand start-up company [CarbonClick](#), allowing passengers to compensate for the environmental impact their air travel (cf. Environmental focus, p.37).

Innovation: Air Tahiti Nui launches online bidding for upgrades

Following on from the digital transformation of the company (cf. Digitization, p.34-35) and the adapting of industry standards to continue to provide offers and services to meet passengers needs as closely as possible, Air Tahiti Nui launched in November online bidding for seating upgrades "Maeva Plusgrade".



Following the purchase of a plane ticket, this service allows passengers to submit an online bid for an upgrade which can be modified or cancelled up to 6 hours before departure.

These efforts in the realm of digitization and the improvement of customer service continue to be appreciated by the airline's passengers and earned it various awards throughout the year.





Digitization:

preparing the next stages of the company's digital transformation

2021 was marked by the need to permanently adapt information systems and their users to the successive changes in regulatory and economic constraints linked to the health crisis. Despite this exceptional context, several projects were nevertheless achieved. Furthermore, the company and its dedicated committee developed and introduced an innovative approach aimed at building a road map to digital transformation and a way forward out of the crisis for the years ahead.

One of the projects launched in 2021 was the digitization of the ticket reimbursement process. This enabled a reduction in manual tasks required, the automatization of data control and smoother data entry, validation, and payment processes. Thanks to this evolution, both customers and agents have benefited from a significant reduction in processing time for reimbursement requests.



Following the deployment of the CRM Salesforce in Tahiti, Los Angeles and Paris, this was further extended to Auckland and Tokyo. Since borders in both these ports of call were closed for the whole year, teams were able to concentrate all their efforts on the implementation of processes and new core tools. All Air Tahiti Nui sales staff who are in contact with customers are now equipped with a single shared database as well as effective tools enabling them to process customer questions and requests more efficiently. Thanks to this pooling of resources, it is now possible to spread the workload between the different company sales teams in a dynamic way, according to their individual requirements as they evolve.

The processing of suppliers' invoices has also been digitized. With the aid of OCR (Optical Character Recognition) all invoices in digital format from now on will be sorted and forwarded into an electrical signature circuit based on content, nature, and amount. The accounts entries are then automatically generated and incorporated into the company accounting software.

This solution has been a significant time saver for all employees involved in the purchase of products and services. Ultimately this has successfully eliminated data re-entry errors, drastically reducing the risk of late payment to suppliers, much to their satisfaction.

Creation of the digital and innovation committee

Faced with having to temporarily reduce company digital investments, and in order to get through the crisis and prepare for recovery, Air Tahiti Nui's teams developed and implemented an innovative and participatory process.

The Digital and Innovation Committee (CDI) was thus created, on a voluntary basis. It groups together around ten employees from different company directorates who are all experts in their particular field and involved in the digital technology.

General management assigned the committee the following tasks:

- create an organization structure to monitor new developing technologies in the air transport sector,
- assess Air Tahiti Nui's information system maturity level, particularly through feedback from a number of customer and staff surveys,
- put forward to the company management committee a roadmap for Air Tahiti Nui's digital transformation for the period 2022-2024.

To successfully achieve this, the CDI organized various workshops using flexible working methods which allowed members to collectively construct the expected roadmap. It has materialized in a portfolio of IT and digital projects aimed at improving the digital experience of our customers and employees.

Updating the website for customers is first on the list for projects planned in 2022, in order to offer a smoother and more efficient browsing experience.

Further development of the mobile app is also scheduled to improve the interface and give passengers the possibility of purchasing or using complementary services if needed.

The chatbot will also increasingly be introduced across different channels for customers who want to interact with Air Tahiti Nui and be able to meet their needs, whatever the time of day.

Employees themselves will benefit from the implementation of a new Intranet. This will improve company research and the sharing of communications and work documentation, as well as making the diffusion of information more intuitive, interactive and effective.

Furthermore, a project to update the flight crew's cabin app for onboard sales management will be launched. Its main aim is to enhance the experience of our teams by providing solutions that are better adapted to in-flight operational constraints. It's underlying purpose is to improve passenger experience, who will appreciate a more personalized service thanks to the pertinence and detail of data made available to cabin crew.



Environmental focus

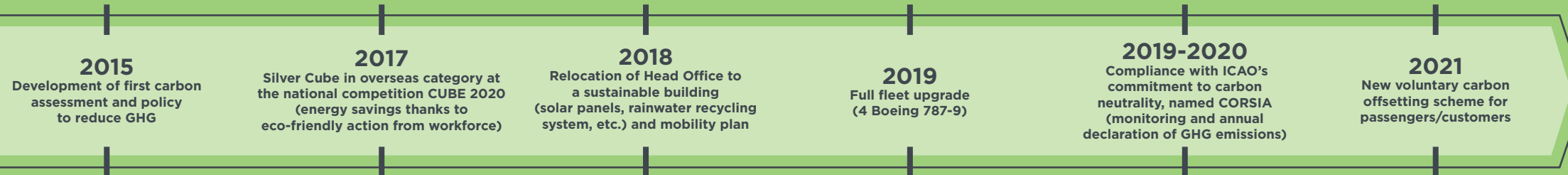


-23.17%
less CO₂ emitted emissions
on average since 2019
thanks to the change
of fleet from
Airbus A340-313
to Boeing 787-9.



CSR FOCUS - AREA 2: reduce the impact of our flight activity

6 years of ongoing efforts to reduce our greenhouse gas emissions (GHG)



Since its 2015 carbon assessment, Air Tahiti Nui is fully committed to a policy comprising of four focus areas, to reduce greenhouse gas emissions (95% being directly linked to flights).

Commitment #3

Reduce our emissions and participate in the fight against climate change

COMPONENT 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 *Tahitian Dreamliners*. These new generation twin-engine aircraft enable significant reductions in both noise pollution (below 85 decibels during take-off and landing) and greenhouse gas emissions.

	2019	2020	2021
Direct greenhouse gas emissions* (tonnes - CO ₂) [G4-EN15]	318 437	151 212	157 071

* Direct CO₂ emissions including all flights. For CORSIA emissions declared, cf. CSR Indicators p.58.

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 and good piloting practice, maximized maintenance operations such as engine cleaning, etc....).

Commitment #4

Mitigate the impact of our activity on the ground

COMPONENT 2 - Involving ATN employees in an internal environmental approach

To complete the CO₂ reduction policy related to activity on the ground, Air Tahiti Nui promotes energy efficiency in its buildings. In 2021 there was a slight increase in the energy consumption of buildings (an increase of +1.8% compared with 2020). The use of air-conditioning fluctuates significantly according to exterior temperature and is the biggest item of energy consumption in a tropical environment.

	2020	2021
Energy consumption in the 4 buildings in Tahiti (in KW)	850 581	866 794

The CSR unit has continued its periodic eco-friendly awareness raising initiatives particularly during the European mobility and waste reduction weeks (see page 28 to read more about its uniform recycling initiative).

Commitment#5

Contribute towards the preservation of Tahiti and its biodiversity

COMPONENT 3 - Raising passenger awareness

In order to also include passengers in its comprehensive environmental approach, Air Tahiti Nui has used since 2021 CarbonClick, an online partner platform, to voluntarily offset emissions for their trips by supporting certified sustainable environmental projects situated in New Zealand, Great Britain and the United States.



As the good practice of voluntary carbon offsetting is still at a preliminary stage in French Polynesia, Air Tahiti Nui benefited from American Express Tahiti's digital campaign—also aimed at alerting Polynesian companies about eco-responsible initiatives—to promote its new scheme.

Efforts will also be made in 2022 to continue this process and identify possible local projects that could integrate this responsible financing portfolio over the medium term.

Mata Tohora

Mata Tohora is a Polynesian non-for-profit association based in Tahiti since 2013 for the protection of marine mammals, with scientific and educational goals. Comprising of a team of marine biology researchers and veterinarians, it creates research programs to better understand cetaceans, identify and assess dangers, and thus propose appropriate protection measures to the government.

Dr Agnès BENET, director and founder of the association, explains: "*Mata Tohora* protects marine mammals against voluntary disturbance but also acts in case of emergency to care for and save dolphins, whales, sharks, and sea lions that are injured or in difficulty".

The association has created the largest emergency network over 5 million square Kms (1,930,511 square miles) in order to act quickly and efficiently across all 5 of the Polynesian archipelagos.

Since 2014 Air Tahiti Nui has been supporting *Mata Tohora* and its missions, particularly in mainland France during seminars and has also allowed specialists to come on selected programs.

COMPONENT 4 - Offsetting our emissions

Despite not yet being subject to a carbon tax, the company is continuing to comply with ICAO obligations concerning CORSIA regulations, by monitoring and declaring its annual emissions (cf. p.58).

Alongside this, as a local long-standing partner, Air Tahiti Nui continues to sponsor various Polynesian initiatives and associations who are fully committed to preserving the environment and biodiversity in French Polynesia, such as *Te Mana o te Moana*, *Mata Tohora* (see box opposite), *La Brigade Verte*, *l'Institut Polynésien de Biomimétisme* and Coral Gardeners association.

For the year, this support comes to a total of 3.1 million XPF (up by +6% compared with 2020).

Financial statements

Summary

Financial results	40
Income statement	42
Cash flow statement	44
Annual accounts' notes	45
Statutory auditors' report on the annual financial statements	54

Financial results

Gross assets balance sheet

In XPF	Gross	Amort. & prov.	Net 31/12/2021	Net 31/12/2020
UNCALLED SUBSCRIBED CAPITAL				
INTANGIBLE FIXED ASSETS				
Start up costs				
Development costs	20 222 195	15 520 304	4 701 891	11 442 623
Licenses, patents and similar rights	579 459 559	359 013 359	220 446 200	269 191 663
Goodwill				
Other intangible fixed assets	7 312 238		7 312 238	2 981 753
Advance payments on intangible fixed assets				
TOTAL intangible fixed assets:	606 993 992	374 533 663	232 460 329	283 616 039
TANGIBLE FIXED ASSETS				
Sites/lands				
Buildings	1 658 218 052	191 057 231	1 467 160 821	1 526 552 468
Technical installations, industrial equipment and tools	3 509 134 633	621 826 302	2 887 308 331	2 987 564 568
Other tangible fixed assets	798 600 733	535 595 493	263 005 240	319 094 964
Fixed assets in progress	10 921 661		10 921 661	764 000
Advances and prepayments				
TOTAL tangible fixed assets	5 976 875 079	1 348 479 026	4 628 396 053	4 833 976 000
FINANCIAL FIXED ASSETS				
Investment valued using the equity method				
Other investments				
Receivables related to investments	356 598 684	356 598 684		
Other fixed equity	447 276 000	422 874 000	24 402 000	24 402 000
Loans	1 702 862	1 702 862		2 000 000
Other Financial fixed assets	2 012 129 339		2 012 129 339	1 889 682 866
TOTAL Financial fixed assets:	2 817 706 885	781 175 546	2 036 531 339	1 916 084 866
FIXED ASSETS	9 401 575 956	2 504 188 235	6 897 387 721	7 033 676 905
INVENTORIES & WORK IN PROGRESS				
Raw materials and supply	769 093 311	7 517 952	761 575 359	611 757 660
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:	769 093 311	7 517 952	761 575 359	611 757 660
RECEIVABLES				
Advances and prepayments on orders	37 369 647		37 369 647	22 022 838
Trade receivables and related accounts	1 212 414 823	42 936 896	1 169 477 927	513 496 061
Other receivables	36 296 845 842	2 608 126	36 294 237 716	30 288 700 422
Uncalled subscribed capital				
TOTAL receivables:	37 546 630 312	45 545 022	37 501 085 290	30 824 219 321
LIQUID ASSETS AND OTHER				
Marketable investment securities				
Liquid assets	15 367 773 162		15 367 773 162	16 272 744 432
Prepaid expenses	3 308 953 406		3 308 953 406	2 841 531 043
TOTAL liquid assets and other:	18 676 726 568		18 676 726 568	19 114 275 475
CURRENT ASSETS	56 992 450 191	53 062 974	56 939 387 217	50 550 252 456
Loan issue costs to amortize				
Bond redemption premiums				
Unrealized foreign exchange losses	36 479 989		36 479 989	172 753 111
GRAND TOTAL	66 430 506 136	2 557 251 209	63 873 254 927	57 756 682 472

Liabilities balance sheet

In XPF	Net 31/12/2021	Net 31/12/2020
NET FINANCIAL POSITION		
Social or individual capital	1 622 956 875	1 622 956 875
Issue, merger, contribution, etc. 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	1 206 495 761	9 385 543 440
Annual result	4 664 531 587	(8 179 047 679)
TOTAL Net position:	9 357 253 511	4 692 721 924
INVESTMENT SUBSIDIES		
REGULATED PROVISIONS		
EQUITY	9 357 253 511	4 692 721 924
Provisions for contingencies	2 349 455 960	1 146 139 055
Provisions for charges	3 351 288 464	2 197 959 232
PROVISIONS FOR CONTINGENCIES AND CHARGES	5 700 744 424	3 344 098 287
FINANCIAL LIABILITIES		
Convertible debenture loans		
Other debenture loans		
Loans and liabilities from credit institutions	34 471 529 038	35 444 818 492
Miscellaneous financial loans and debts	60 599 286	2 163 792 151
TOTAL financial liabilities:	34 532 128 324	37 608 610 643
ADVANCES AND DEPOSITS RECEIVED ON CURRENT ORDERS	49 031 711	119 756 966
MISCELLANEOUS LIABILITIES		
Trade creditors and related accounts	1 469 641 259	1 265 686 115
Tax and social security liabilities	2 171 590 747	1 687 075 461
Liabilities on fixed assets and related accounts	8 623 642	4 406 102
Other liabilities	1 975 468 799	1 688 998 476
TOTAL Other liabilities:	5 625 324 447	4 646 166 154
DEFERRED REVENUE	8 207 832 199	6 588 494 189
LIABILITIES	48 414 316 681	48 963 027 952
Currency translation adjustment- liabilities	400 940 311	756 834 309
GRAND TOTAL	63 873 254 927	57 756 682 472

Income statement

In XPF	Net 31/12/2021	Net 31/12/2020
Sale of merchandise		
Sale of products- goods		
Sale of products- services	15 299 785 552	12 605 489 373
Net revenue	15 299 785 552	12 605 489 373
Stored production		
Self-constructed assets		
Operations subsidies	3 836 926 491	379 749 179
Write-backs of provisions and transfers of expenditure	300 077 272	998 116 299
Other products	30 936 539	8 102
OPERATING INCOME	19 467 725 854	13 983 362 953
EXTERNAL EXPENSES		
Purchase of merchandise [and customs duties]		
Inventory change		
Purchase of raw materials and other supplies	4 090 694 486	3 161 909 493
Inventory change [raw material and supply of provisions]	(42 346 403)	198 507 919
Other purchases and external charges	9 516 770 226	10 070 966 551
TOTAL external charges:	13 565 118 309	13 431 383 963
TAXES, DUTIES AND SIMILAR LEVIES	35 885 015	43 987 504
STAFF COSTS		
Salaries and wages	3 793 753 547	5 523 155 812
Social costs	1 521 837 073	1 730 510 128
TOTAL staff costs:	5 315 590 620	7 253 665 940
OPERATIONAL PROVISIONS		
Depreciation allowance for amortization on fixed assets	355 907 252	365 327 731
Provisions for fixed assets		
Provisions for current assets	38 330 512	66 396 849
Provisions for risks and expenses	2 564 125 817	965 880 149
TOTAL operating provisions:	2 958 363 581	1 397 604 729
OTHER OPERATING COSTS	695 656 784	680 863 438
OPERATING COSTS	22 570 614 309	22 807 505 574
OPERATING RESULT	(3 102 888 455)	(8 824 142 621)

In XPF

	Net 31/12/2021	Net 31/12/2020
OPERATING RESULT	(3 102 888 455)	(8 824 142 621)
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	19 749 927	74 393 416
Write-backs of provisions and transfer of expenditure		267 623 000
Exchange rate gains	753 789 734	1 781 560 807
Net income from sale of investment securities		
	773 539 661	2 123 577 223
FINANCIAL EXPENSES		
Financial allowance for depreciation and provisions	201 702 862	306 595 684
Interest and related expenses	487 707 871	492 822 039
Exchange rate losses	603 931 901	1 998 379 702
Net expenses from sale of investment securities		
	1 293 342 634	2 797 797 425
FINANCIAL RESULT	(519 802 973)	(674 220 202)
INCOME BEFORE TAX	(3 622 691 428)	(9 498 362 823)
EXTRAORDINARY INCOME		
Extraordinary income from management operations	8 402 962 405	1 611 523 531
Extraordinary income from capital transactions	11 777 652	129 617 555
Write-back of provisions and transfer of expenditure	17 303 096	68 883 960
	8 432 043 153	1 810 025 046
EXTRAORDINARY EXPENSES		
Extraordinary management operations expenses	129 905 434	264 865 036
Extraordinary capital transaction expenses	10 914 704	193 076 783
Extraordinary amortization and provision allowance		28 768 083
	140 820 138	486 709 902
EXTRAORDINARY RESULT	8 291 223 015	1 323 315 144
Profit-sharing		
Corporate income tax	4 000 000	4 000 000
TOTAL REVENUE	28 673 308 668	17 916 965 222
TOTAL EXPENSES	24 008 777 081	26 096 012 901
PROFIT OR LOSS	4 664 531 587	(8 179 047 679)

Cash flow statement

	In XPF
NET INCOME	4 664 531 587
Elimination of non-cash and non-operating income and expenses:	
Amortization and provisions	2 880 448 803
After-tax Capital gains on divestments	(862 448)
Share of investment grants transferred to income	
OPERATING CASH FLOW	7 544 117 942
Change in working capital requirements attributable to operations:	
Inventory change	(139 470 203)
Change in operating receivables	(8 706 847 369)
Change in operating liabilities	2 167 659 510
NET CASH FLOW FROM OPERATIONS	865 459 880
Fixed assets acquisitions	(520 727 520)
Fixed Asset disposals	100 269 038
Changes in other items (liabilities & receivables) corresponding to fixed assets	1 726 509 651
NET CASH FLOW DERIVED FROM INVESTMENTS	1 306 051 169
Cash Capital Increase/decrease	
Dividends paid	
Issue of loans	457 000 000
Loan repayments	(1 429 706 217)
Deposits and guarantees	(2 103 192 865)
Investment subsidies received	
NET CASH FLOW LINKED TO FINANCING OPERATIONS	(3 075 899 082)
CASH FLOW VARIATION	(904 388 033)
Opening Cash flow	16 271 320 475
Closing Cash flow	15 366 932 442
Cash flow variation	(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 French Polynesia, the fiscal year begins January 1st and ends December 1st.

The purpose of the Company is the operation of a passenger and freight airline business and the provision of all services directly or indirectly linked to its corporate purpose.

The financial statements are presented in XPF.

II - Key events

II - 1. Covid-19

Since the beginning of 2020 the worldwide spread of Covid-19 has continued to have a major impact on global air traffic throughout the fiscal year 2021. Following another three month long drastic reduction in traffic linked to border closures in French Polynesia from 1st February 2021, the expected recovery in the second half of the year was delayed by the resurgence of Covid-19 during the summer, the Delta variant, and the measures implemented to slow the spread of the virus. Air Tahiti Nui extended a certain number of measures to limit the impact of the pandemic on its business activity and profitability. These measures included a sharp reduction in capacity available and the securing of cash flow by reducing the business activity of all company employees.

II - 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 2021 financial year the company chose a complementary deferral for 12 months and repayments over 4 years from 2020.

On November 25, as majority company shareholder, the French Polynesian government approved the allocation of a balancing subsidy to the value of 8.1 billion XPF. This subsidy will be paid in 3 installments: 2.1 billion XPF in 2021, and the remaining sum of 6 billion XPF in two installments in 2022. Payment of the first installment, conditioned by the advance on current account of 2.1 billion XPF granted in October 2020 was made in December 2021. The current account advance was reimbursed to French Polynesia in October 2021.

The company also received funds granted by the French State (solidarity funds and aid for fixed costs) for a total of almost 3.4 billion XPF of which nearly 2 billion XPF was recorded in products to be received at the end of the financial year. These forms of assistance were recorded as operating subsidies.

II - 3. Social litigation

On December 1st, 2021, the Social Chamber of the French Supreme Court issued a ruling cancelling the judgment pronounced on 21 November 2019 by the Court of Appeal of Papeete who had initially dismissed plaintiffs' claims towards the company. In the judgement, the case of the parties was referred to the Court of Appeal of Papeete. In the light of this, provision of 971.7 million XPF was made to cover risk on December 31st, 2021.

II – 4. Outlook and continuity of operations

On December 31st, 2021, cash flow amounted to 15.4 billion XPF. The 2022 budget as prepared by Management and endorsed by the Board of Directors in January 2022, was based on the hypothesis of a progressive increase in passenger demand thanks to the generalization of vaccination and the reopening of borders, thus allowing the complete reopening of all the airline's network of routes.

However, with growing competition and the number of seats available to the destination, Air Tahiti Nui's financial performance for the period ahead will remain below the level it was before the crisis and is still impacted by a drop in ticket sales, passenger sales revenue and transported goods as well as negative operating cash flow.

In view of these factors and the business and cashflow forecast for the financial year 2022, the Board of Directors considers that the continuity of operations of the company to be assured for the next 12 months and deems it appropriate to prepare the financial statements on a going concern basis.

III – Accounting rules and methods

III – 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, 2021, a period of 12 months. The previous year also covered a period of 12 months.

The accounts for the financial year 2021 were adopted pursuant to the following general principles:

- business continuity
- cut-off procedures
- prudence Concept
- consistent methods

III – 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. Unrealized losses are provided for.

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

III – 3. Fixed assets

III – 3.1. Intangible fixed assets

The valuation method for intangible fixed assets was based on historical cost. Gross intangible assets amount to 607M XPF and cover the following fixed assets:

	Gross amount in MXPf
Research and development costs	20.2
Software	344.9
Image bank	136.3
Web platform	97.8
Fixed assets under construction	7.3
Other	0.5
TOTAL	607

Acquisitions for the year amount to 10.3 M XPF corresponding to costs linked to the web platform at 5.4 M XPF. Intangible assets were amortized at 374.5 M XPF, and software at 198.9 M XPF.

III – 3.2. Tangible fixed assets

Gross values:

Tangible fixed assets are based on historical cost. With a gross value of 5,976.2 M XPF, the tangible fixed assets are as follows:

	Gross amount in MXPf
Technical installations, materials, Ind tools and constructions	5 167.3
Planning and organization	466.2
Transport equipment	10.4
Office equipment	25.2
IT equipment	177.5
Furniture	119.3
Fixed assets under construction	10.9
TOTAL	5 976.8

Amortizations:

Tangible fixed assets are amortized at 1,348M XPF.

The principal amortization rates applied by the company are as follows:

	Rate	Duration
Industrial material	20 to 50%	(2 to 5 years)
Buildings and fittings	2% to 5%	(20 to 50 years)
Fixtures and fittings	10 to 33.33%	(3 to 10 years)
Transport material	20 to 100%	(1 to 5 years)
Office equipment	10 to 50%	(2 to 10 years)
IT equipment	20 to 50%	(2 to 5 years)

Amortizations are applied according to the straight-line.

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.

Acquisitions:

The year's acquisitions amount to 105.1 M XPF and principally concern the purchase of rotables and tooling.

Outflow:

Outflows for the year are 55.4M XPF and principally concern the disposal of rotables and tooling as well as outflow of fixtures for the Tokyo offices.

III – 3.3. Financial fixed assets

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, 2021. They figure on the balance sheet assets for a total gross sum of 2,817.7 M XPF.

Subsidiary and interests	Capital (MXPf)	Share of capital held	Amount of equity on 31/12/2020 outside profit or loss (MXPf)	Final year result on 31/12/2021 (MXPf)
Tahiti Nui Helicopters (TNH)	621	68.1%	-207	-301
Air Tahiti (VT)	2 760	0.9%	Pending finalization	Pending finalization



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 263.7 M XPF on December 31st, 2021. 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 which will allow it to be processed into the framework of the next capital increase which will occur December 31st at the latest.

III – 4. Stocks

At the year end, stock valued as balance sheet assets for a gross total of 769.1 M XPF and breaks down principally as follows:
- aircraft catering stock supplies for 300.7 M XPF, distributed across storage sites in Papeete and other stations and valued at last cost price.
- Boeing consumables stock for 338.1 M XPF, valued at weighted-average cost.

Provision at the end of year closure of accounts was 7.5 M XPF and corresponds to the depreciation of commission and uniform stock.

III – 5. Trade receivables

Receivables are recorded at their nominal value and amount to 1,212.4 M XPF on December 31st 2021.

Receivables presenting a non-recovery risk at the end of the financial year are funded for 100% of their gross value in the assessment. These doubtful receivables amount to 1.3 M XPF on December 31st 2020.

An allowance for and recovery of the funding for doubtful receivables were recorded respectively for the financial year at 38.3 M XPF and 60.5 M XPF.

III – 6. Other receivables

Other net receivables of funding increased from 30,288.7 M XPF on December 31st 2020 to 36,294.2 M XPF on December 31st 2021 and break down principally as follow:

	Gross amount in MXPf
Vendor credit granted to SNC Diderot Financement 30 and SNC OTOA	28 114.4
Tax receivables (Home territory and other countries)	8 025.3
Accounts linked to BENU	55.3
Accrued income	62.1
Other	37.1
TOTAL	36 294.2

III – 7. Liquid assets

On December 31st, 2021, the amount of liquid assets was 15,367.8 M XPF. Foreign currency bank balances were valued according to foreign currency exchange rates on December 31st, 2021.

III – 8. Prepaid expenses

These amount to 3,309 M XPF at the end of the financial year, compared to 2 841.5 M XPF on December 31st, 2020, being principally divided as follows:

	Gross amount in MXPf
Aircraft rental	876
Maintenance charges	1 821.8
Insurance premiums on aircraft loans	510.7
Other	100.5
TOTAL	3 309

III – 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 10 384.9 M XPF. The table below details these variations during the financial year of 2021:

In Thousands XPF	Equity 31/12/2019	Appropriation N-1by AGO	Financial year result 2021	Equity 31/12/2021
Capital stock	1 622 957			1 622 957
Issue premiums	1 700 974			1 700 974
Legal reserve	162 296			162 296
Retained earnings	9 385 543	-8 179 048		1 206 496
Result	-8 179 048	8 179 048	4 664 532	4 664 532
TOTAL EQUITY	4 692 722	0	4 664 532	9 357 254

III – 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 2020, retained the appropriation for the sum of -8 179 047.7 M XPF

III – 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 5 700.7 M XPF and breaks down as follows:

	Gross amount in MXPf
Provision for liabilities	2 313
Provision for foreign-exchange risk	36.5
Provisions for pension commitments	378.4
Provisions for large scale maintenance	2 972.9
TOTAL PROVISIONS FOR LIABILITIES AND EXPENSES	5 700.7

III – 10.1. Provision for litigation and foreign exchange risk

Provisions for litigation amount to 2 313 M XPF and reflect the exact sum of contested liabilities for dispute linked to transport, suppliers, and other litigation (see supra note II-3) and provision for refinancing the negative net situation of the TNH affiliate (see supra note III-3.3).

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 172.8 M XPF.

III – 10. 2. 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 1% at the end of December 2021.

Provision for Papeete employee retirement indemnities amounts to 340.4 M XPF at the end of the financial year 2021.



III – 10. 3. Provisions for large-scale maintenance

Maintenance provision (Engine, APU, landing gear and airframe) stands at 2 972.9 M XPF.

Provisions are evaluated on the basis of 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 in order 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.

III – 11. Loans and debts with credit institutions

On December 31st, 2021, loans and debts from credit institutions amounted to 34 800 M XPF, 43 M XPF accrued interest and -372.3 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 31/12/21	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		106 072 668	132 590 816
Banque de Polynésie - 2019	360 027 781	332 333 340	27 694 441	
Banque de Polynésie - 2020	2 350 000 000	244 791 665	2 105 208 335	
Banque de Polynésie - 2021	330 055 560	152 333 328	177 722 232	
Société Générale - 2019	6 427 179 426	631 214 703	3 312 267 327	2 483 697 396
Pré-financement - 2019	5 750 880 657		5 750 880 657	
Banque de Tahiti - 2018	1 412 264 977	72 981 073	383 513 912	955 769 992
Banque de Tahiti - 2020	2 350 000 000	241 516 341	2 108 483 659	
Banque Socredo - 2020	2 350 000 000	241 516 341	2 108 483 659	
Société Générale - 2019	6 609 595 510	570 047 856	3 201 472 625	2 838 075 029
Pré-financement - 2019	5 786 025 936		5 786 025 936	
GRAND TOTAL	34 800 015 526	2 538 942 284	25 850 940 009	6 410 133 233

III – 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, advances on current account granted by the government of French Polynesia for the sum of 2.1 billion XPF having been reimbursed in October 2021 (See supra note II-2).

III – 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 1 469.6 M XPF on December 31st, 2021, compared to 1 265.7 M XPF December 31st, 2020.

Fiscal and social liabilities amount to 2 171.6 M XPF December 31st, 2021, and are broken down as follows:

	Gross amount in MXPf
Provision for paid leave	392.3
Social contributions	272.4
Provision for social costs on paid leave	168
Other	690.9
TOTAL SOCIAL LIABILITIES	1 523.6
Collected passenger tax	534.2
Other tax liabilities	113.8
TOTAL FISCAL LIABILITIES	648
TOTAL FISCAL AND SOCIAL LIABILITIES	2 171.6

III – 14. Other liabilities

The entry "other liabilities" went from 1 689 M XPF on December 31st 2020 to 1 975.5 M XPF December 31st 2021 and is divided as follows:

	Gross amount in MXPf
"Club Tiare" Loyalty program	1 272.8
Accruals	663.1
Other	39.6
TOTAL	1 975.5

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 basis of the stock of miles in circulation at the end of year closure of accounts.

III – 15. Deferred revenue

Deferred revenue of 6 588.5 M XPF on December 31st, 2020, amounts to 8 207.8 on December 31st 2021.

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

	Gross amount in MXPf
Unused flight tickets	7 287.8
Fuel and insurance surcharge	867.5
Other	52.5
TOTAL	8 207.8

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 2021 appear in the liability section of the balance sheet. In light of the health crisis during the year 2020, it was decided that the validity period would be extended to 2 years (compared to 1 year previously).



III – 16. Exceptional income

On December 31, 2021, the exceptional company income which came to 8 291.3 M XPF is mainly composed of the balancing subsidy amounting to 8 100 M XPF in the form of a grant from the government of French Polynesia (see supra note II-2).

III – 17. Auditor’s fees

Year ending December 2021, auditor’s fees figuring in the end of year income statement, amount to 13.7 M XPF.

III – 18. Company workforce

	31/12/2019	31/12/2020	31/12/2021
Executive managers	67.8	60	64
Supervisors	147	119	114
Manual workers & employees	93	73	67
Commercial flight crew	307	258.8	248.6
Technical flight crew	73	60	58
TOTAL FRENCH POLNESIA	687.8	570.8	551.6
Employees based abroad	58.7	51	44
TOTAL WORKFORCE	746.5	621.8	595.6

III – 19. Consolidated accounts

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

III – 20. Information concerning receivables and liabilities with related parties

Related Party: Tahiti Nui Helicopters

End December 2021

	Amount in XPF
Receivables	3 751 416
Suppliers	1 535 754

III- 21. Commitments received and given

Banque Socredo

	Amount in XPF
Bank guarantee(Travel Agency Licence)	5 000 000
Tax and customs guarantee	29 750 000

Banque de Polynésie – Société Générale

	Amount in XPF
Bank guarantee for a value of 600 000 USD with a pledged deposit of 250 000 USD	63 216 533
Bank guarantee with the pledged deposit or 6 250 000 XPF	25 000 000
Pledge of cash collateral of 5 677 000 USD related to the funding of fleet renewal	552 070 980

Banque de Tahiti

	Amount in XPF
Bank guarantee on fire and comprehensive home insurance /Mortgage	1 629 861 680
Bank guarantee for commercial revenue	1 416 587 516

Union Bank

	Amount in XPF
Various Bank guarantees (3,616,937 USD)	381 083 694

Bank of New-Zealand

	Amount in XPF
Bank guarantee (137,326,23 NZD) with pledged deposit of 97,326,23 NZD	9 884 419

La Polynésie française

	Amount in XPF
Bank guarantee received in the form of approved financing lending and borrowing for the purchase of two Boeings	7 279 236 277

L’État français

	Amount in XPF
Bank guarantee received for “PGE” loans received as part of the Covid-19 Pandemic	7 096 789 976





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, 2021, 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 "Responsibility of statutory auditors relating to the audit of annual accounts" of this document.

Independence

We carried out our audit respecting the independence rulings which apply from January 1st, 2021, until the date of issue of our report.

Observation

Without qualifying the opinion expressed above, we draw your attention to section II-4 of the annual accounts' notes outlining business continuity prospects for 2022.

Assessment justification

The world crisis linked to the Covid-19 pandemic presents particular conditions for the preparation of the accounts audit for the end of this financial year. Indeed, this crisis and the unprecedented measures taken as part of the health emergency have led to multiple consequences for businesses, especially concerning their activity and financing, as well as a high level of uncertainty concerning their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organisation of businesses and on the methods used to execute audits.

It is in this complex and evolving context that, by applying professional standards relative to assessment justification, we bring to your attention the following assessments which, in our professional judgement were the most significant for the company annual accounts audit.

sections "III - 10.3" 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 "III - 10.3" of the annual account annex presents appropriate information.

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 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 28th, 2021, 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 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 put into practice audit procedures in the face 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 appropriate character of the accounting methods selected and the reasonable accounting estimates made by management, as well as information provided about this in the annual accounts;
- they assess the appropriate nature of the management's application of the standard accounting policy and according to the information gathered, the existence or absence of existence of any significant uncertainty linked to events or circumstances that are susceptible of questioning the capacity of the company to continue its business. This assessment is backed up with elements collected up to the date of the report, always being aware that subsequent circumstances or events could jeopardize ongoing operations. If they reach the conclusion that there is a significant uncertainty, they draw the reader's attention to their report about the information provided in the annual accounts linked to this uncertainty or, if the information is not provided or relevant, they issue a certification with reservations or a refusal of certification;
- they assess all the annual accounts as a whole and evaluate if the annual accounts reflect underlying operations and events in order to present a true picture.

Papeete, May 25th, 2022

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 2022



The 2022 budget, as prepared by management and approved by the Board of Directors in January 2022, assumed a gradual increase in passenger demand thanks to widespread vaccination and the reopening of borders, thus enabling a relaunch of all company network routes. However, with the prospect of new competition and the number of seats available for the destination, Air Tahiti Nui's financial performance for the coming year could well be inferior to the level before the crisis and still be impacted by the decline in ticket sales, passenger turnover and transported merchandise, as well as negative cash flow.

The return of our Paris via Los Angeles route in November 2021 was a satisfying first step. Nevertheless, we must remain vigilant and demonstrate excellence more than ever, not only concerning our product proposal but also company visibility, because our competitors are themselves also on the road to recovery, with their own new ambitions that we must also allow for.

In addition to a highly competitive price war between all operators for our destination there is now an increase in capacity for 2022. French Polynesia is going to reach an all-time high level of seat availability, and according to IATA statistics, this would constitute a world record. An unprecedented commercial battle is on the cards for 2022, exacerbated by a shortage of tourist accommodation which we must overcome by taking a proactive stance to provide us with the means to retain our market share.

On 31st December 2021, thanks to various aids received via our major shareholder, our cash flow rose to 15.4 billion XPF. 2022 is a time for recovery, with the prospective re-opening of the Auckland line during the second quarter as well as the potential re-opening of the Japanese market on the horizon in November.

Even if charter activity does not reach previous levels—notably those of 2019 taking into consideration the mobilisation of aircraft to ensure a regular flight program, charter activity will also continue in 2022, based on the dynamic recovery of our markets formalized during the annual marketing conference at the end of October. A LAX-Lourdes charter flight will operate in April and May; a contract that has been renewed for the 7th consecutive year by the Order of Malta, US.

American and France-Europe directorates will set the ball rolling with a winning flight program (87% of the 2019 flight program will be proposed in 2022), with up to seven flights a week scheduled for the peak season.

Despite the prediction of an economic crisis at the beginning of the year, particularly following the outbreak of war between Russia and Ukraine, the relaxing of constraints and travel arrangements in May and June have allowed for a confident peak season, with demand for travel to Polynesia remaining high from the American and Franco-European markets.

Polynesia is an especially unique experience. The new travel paradigms emphasize the importance of the experiential and the quest for authenticity; our homeland offers all the necessary features of this, and Air Tahiti Nui is one of the main vectors abroad.

With competition intensifying, management and the Board of Directors will have to envisage new routes, which is why, in March 2022, Air Tahiti Nui announced the opening of a new direct flight from Papeete to Seattle from October 2022.

This new port of entry to the US gives the Tiare company even greater access to the North American market. With the addition of two weekly flights to the flight program, the total number of flights to North America operated by Air Tahiti Nui will increase to 15 per week during the high season.

This new route will position Air Tahiti Nui higher than ever as the essential partner in Polynesian tourism, in line with its mission towards the economic development entrusted to it by the French Polynesian Government.

As the 5th largest American carrier and the newest member of the Oneworld alliance, Alaska Airlines is also one of the most popular companies in the US, having received the title of best traditional company for 12 consecutive years. Based in Seattle, it offers nearly 1,200 daily flights to 120 North American towns and also includes Canada, Mexico, and further south, Costa Rica or Belize.

The impact that the Covid 19 crisis has had on the industry is so acute that no industry player can envisage a return to pre-crisis global demand for many years to come. Let's hope that this new link with North America will enable Air Tahiti Nui to swiftly reinforce its cash flow and to gain shares in a market coveted by numerous competitors.

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



CSR indicators

Key indicators and link to GRI (correspondance)

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

		2018	2019	2020	2021	Variation 2020/2021	Ref GRI
SOCIAL							
Number of employees	Unit	780	755	621	563	-9.3%	
Recruitment	Unit	48	26	5	2	-60.0%	G4-LA1
Departures	Unit	50	46	134 ⁽¹⁾	11	-91.8%	
Amount of total payroll	Billion XPF	7.25	7.26	5.222	4.79	-8.3%	
Amount allocated to professional training	Billion XPF	65	110	40.5	40.9	1.0%	
Percentage of payroll devoted to training personnel	Percentage	0.97	0.91	0.75	0.87	16.0%	G4-10
Number of workplace accidents (resulting in medical leave)	Unit	16	20	16	5	-68.8%	G4-LA6
Parity (percentage of female employees –all positions included)*	Percentage	52.3	52.7	53	52	-1.9%	
Number of disabled employees	Unit	2	1	2	2	0.0%	
ENVIRONMENT							
Number of flights operated (all flights: regular commercial flights—passengers and freight, charters, technical flights, full cargo flights)*	Unit in number of legs	2 129	1 994	1 048	1 147	9.4%	
Number of flight hours (all flights)*	Block unit hours (block to block)	18 607	17 314	9 241	10 101	9.3%	
Directs CO₂ emissions (all flights)*	Equivalent tonnes CO ₂	375 285	318 437	151 212	157 071	3.9%	G4-EN15
CORSIA emissions declared (compliant with audit—domestic and humanitarian flights excluded)		368 392	305 020	139 622	157 071	12.5%	
Energy consumption (premises in PPT)	Kilowatt kW	773 739	946 242	850 581	866 794	1.9%	
SOCIETAL							
Sales revenue	Billion XPF	34,1	31,9	12,6	15,2	20.6%	G4-EC1
Number of passengers transported	Unit	471 542	434 280	167 074	185 727	11.2%	
Number of tourists transported	Unit	132 456	114 061	77 017	42 429	-44.9%	
Market share of tourist traffic	Percentage	61.20%	48.30%	49.20%	51.40%	4.5%	
Tourist revenue generated (indirect impact from Air Tahiti Nui)	Billion XPF	39,6	NC	NC	NC	NA	
Tonnage of goods transported	Tonnes	9 697	8 922	4 073	5 731	40.7%	
Amount devoted to support of local associations (charities and environmental associations)	Million XPF	31.3	21.6	8.9	9	1.1%	
STAKEHOLDER FEEDBACK							
Number of active Club Tiare members	Unit	143 291	154 086	156 148	161 614	3.5%	
Rate of customer satisfaction	Percentage	96%	NA	NA ⁽²⁾	NA	NA	G4-PR5
Number of customers surveyed	Unit	4 326	4 124	NA	NA	NA	G4-PR5

(1) Of which 117 under the voluntary redundancy plan.

(2) Onboard customer satisfaction surveys were not resumed this year after being suspended in 2020 due to the Covid-19 world health crisis.

(*) Certain data may have changed since the publication of the sustainable development report 2018 following the value adjustment and indicator update.



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