

## airBaltic Q3 2021 financial and operational performance update

**IMPORTANT NOTE:** The summary of the numbers below highlight airline's financial and operational performance in Q3 2021. This information is not part of Financial Reporting under Terms and Condition of the Bonds as described in the Prospectus.

Released November 25, 2021

(EUR thousands, except where otherwise stated, unaudited)	3rd quarter			Nine months		
	Jul-Sep 2021	Jul-Sep 2020	Change	Jan-Sep 2021	Jan-Sep 2020	Change
Revenue	77,499	37,822	104.9%	127,462	120,345	5.9%
Passenger revenue	73,732	36,061	104.5%	115,638	110,900	4.3%
Ancillary revenue	7,195	2,698	166.7%	12,187	10,291	18.4%
EBITDAR	18,497	(5,751)	n/a	6,942	(121,298)	n/a
EBITDAR margin (%)	23.9%	(15.2%)	39.1 ppt	5.4%	(100.8%)	106.2 ppt
Net debt*	843,251	578,369	45.8%	843,251	578,369	45.8%
Cash and cash equivalents*	57,271	218,721	(73.8%)	57,271	218,721	(73.8%)

### Airline operating statistics

Number of aircraft**	32	39	(17.9%)	32	39	(17.9%)
Average fleet age (years)	2.2	5.3	(58.5%)	2.2	5.3	(58.5%)
Destinations	67	44	52.3%	69	55	25.5%
Flights	8,609	6,093	41.3%	14,719	18,594	(20.8%)
Aircraft departures per day per aircraft	3.3	1.7	88.7%	2.0	1.8	14.4%
Number of passengers ('000)	724	369	96.3%	1,052	1,179	(10.7%)
Seat capacity ('000)	1,223	866	41.2%	2,091	2,250	(7.1%)
Passenger Load factor (%)	62.0%	47.1%	15 ppt	54.1%	55.6%	(1) ppt
Yield (€ cents)	7.7	8.2	(6.1%)	8.3	8.3	0.2%
RASK (€ cents)	5.4	4.4	23.6%	5.2	5.3	(1.1%)
CASK (€ cents)	5.2	6.7	(22.8%)	6.5	9.2	(29.2%)
CASK (ex-fuel)	4.0	5.5	(27.7%)	5.4	7.7	(29.8%)
ASK (millions)	1,523	884	72.4%	2,547	2,307	10.4%

\* End of the period

\*\* End of the period, 2021 excluding 12 De Havilland Q400 in storage

During the third quarter the passenger number increased by 96.3% and the passenger revenues increased by 104.5% year on year, however compared to 2019 both numbers were down 56.0% and 52.1% respectively. The load factor was up by 15 ppt while the yield was down by 6.1% compared to Q3 2020 while the load factor was 22 ppt and the yield 0.1% below 2019. EBITDAR margin increased to 23.9% compared to (15.2%) in Q3 2020. The ancillary revenue increased 166.7% overall and increased 35.9% per passenger compared to Q3 2020. During August of 2021, the airline operated with net income which was the first profitable month in the post COVID-19 pandemic era.

In Q3 the market share in Riga decreased from 61% in Q3 2020 to 60% in Q3 2021 with 107% increase in the total number of passengers in the airport, Tallinn from 31% decreased to 25% with 144% increase in passengers and Vilnius from 22% to 11% with 143% increase in the number of passengers. In Q3 the airline flew 87 different routes which was 4 routes higher compared to 2019.

During the quarter the airline added five A220-300 to its fleet, thus the total number of aircraft reached 32 excluding 12 De Havilland Q400 in storage. The airline has taken all of the scheduled A220-300 deliveries in 2021. Next aircraft delivery expected in Q1 2022. In total the airline expect 8 A220-300 deliveries next year.

At the beginning of 2021 the airline had a total of 5% of the originally estimated 2021 jet fuel consumption hedged at the price of \$528 per tonne. The total estimated gain from the open hedged fuel positions at September 30, 2021 was approximately EUR 0.17 million. At September 30, 2021 AirBaltic has not hedged any amount for 2022.

On August 17, the Government of Latvia decided to invest additional EUR 90 million into the equity of airBaltic to partially compensate the COVID-19 related losses incurred by the airline. As of this report, the airline and the government were still in the process of negotiating clearance from the EU which is a pre-requisite for the capital increase to be implemented.

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## **OUTLOOK FOR Q4**

The airline expects Q4 2021 commercial performance to improve compared to Q4 2020. However, the COVID-19 is still expected to have significant negative impact on airBaltic's performance. Due to increasing infection rates and hospitalisation rates, the Government of Latvia instituted a lockdown for the period from October 21 to November 15, which resulted in significant reduction of inbound bookings and respective loss of revenue. At this point it is difficult to estimate the full negative impact of COVID-19 and related restrictions on the revenues of airBaltic for Q4.