



H1 2022 RESULTS

Jonas Janukenas

Chief Executive Officer

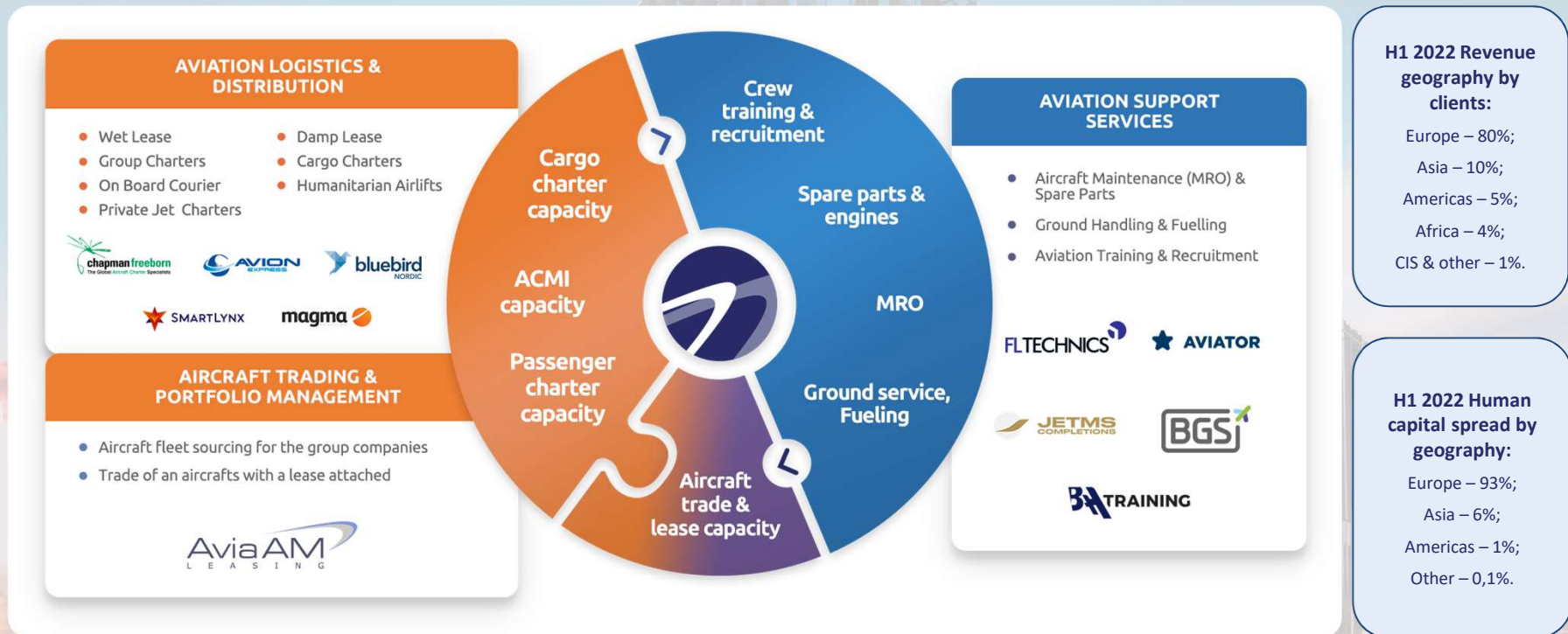
Robertas Cipkus

Chief Financial Officer



September 2022

LEADERS IN END-TO-END CAPACITY SOLUTIONS FOR PASSENGER AND CARGO AIRLINES WORLDWIDE



€111 m
H1 2022 EBITDA

€781 m
H1 2022 revenue

0.98 x
Net debt* / EBITDA
as of 30 June 2022

€420 m
Cash and Short-term Deposits
as of 30 June 2022

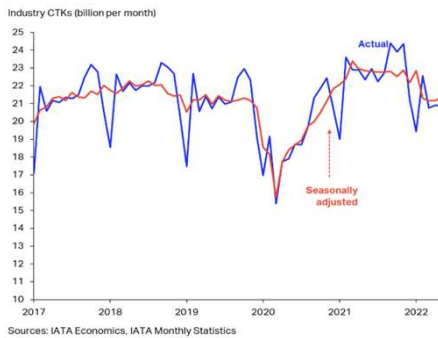
BB- / BB
S&P / Fitch Ratings
as of 20 December 2021 / 03 May 2022

* Net Debt definition is in Glossary

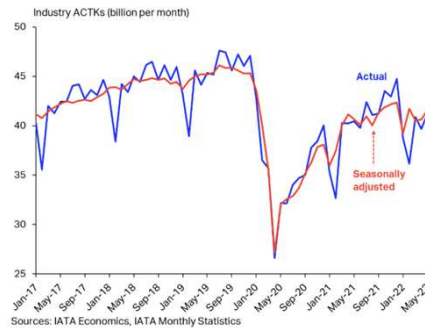
GLOBAL CARGO SECTOR

- Cargo tonne-kilometres (CTKs) increased by 0.7% in the month of June (MoM). Compared with a year ago, June CTKs were 6.4% lower. Although China has eased the Omicron-related lockdowns, other headwinds including producer input prices, infrastructure and labour supply constraints persist.
- Available cargo tonne-kilometres increased by 6.7% year-on-year (YoY). Air cargo capacity increased in all regions over the year to June, in part reflecting the increase in belly capacity as the number of passenger flights continues to recover despite the fact that the ongoing conflict in Ukraine still affects cargo capacity, with a number of important air cargo carriers directly impacted.
- Global air cargo volumes and prices continued to decline gradually in the first half of the year 2022 but remain elevated from historical levels.
- The easing of restrictions in China and reduced disruption in global supply chains is likely to be good news for world trade and air cargo volumes in the coming months. However, the impact of high inflation and rising interest rates will work against this expected recovery.

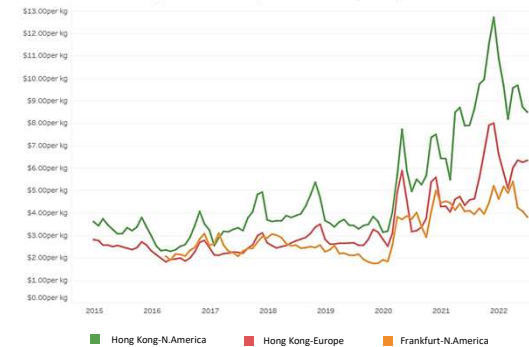
Cargo-tonne kilometres levels



Available cargo tonne-kilometres (ACTKs)



Baltic Exchange Air Freight Index (BAI)



Sources: IATA Economics, IATA Monthly Statistics, Baltic exchange

PASSENGER TRANSPORTATION SECTOR

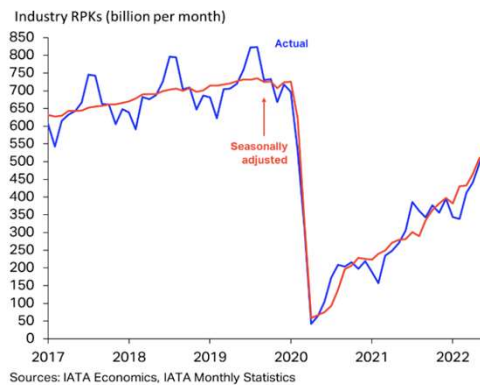
Global

- Global air passenger demand continued its strong recovery, with Revenue passenger kilometres (RPKs) rising by 76.2% in year-on-year (YoY) terms in June.
- The industry-wide passenger load factor was 82.4% in June, up 12.9 percentage points (pp) over the past year and returning to above 80% for the first time since January 2020.

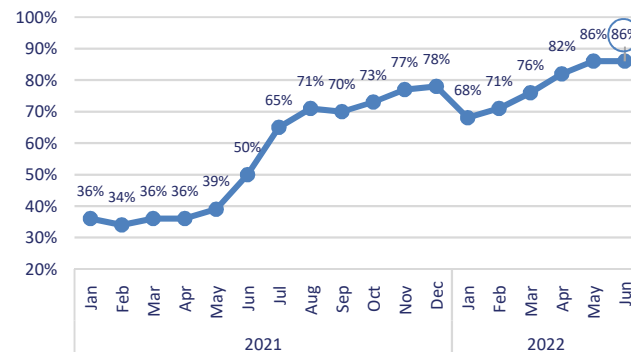
Europe

- Average daily flights remained stable on the previous month and reach 86% of the 2019 level. Low-Cost airlines have been driving the summer growth, standing currently at 91% of 2019 levels while Mainline and Regional operators are at 79% and 80% (respectively).
- Intra-Europe flights are at -10% compared to the 2019 level basically because flows between Europe and Other Europe (incl. Russia) are at -70% compared to the 2019 level.
- Looking ahead, the easing of flight disruptions and re-opening of the Asia Pacific markets will provide renewed impetus to the global passenger recovery while inflation may restrict higher demand for air travel.

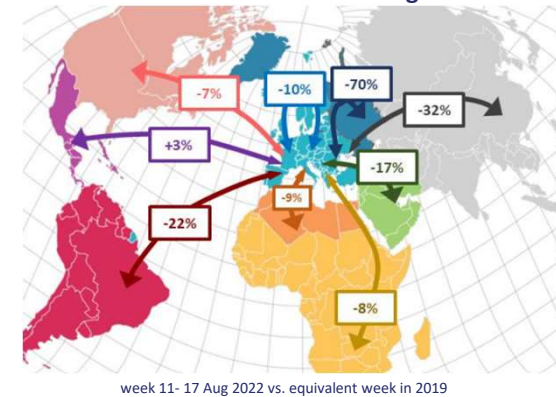
Global air passenger volumes



Europe flights since Jan 2021 as fraction of 2019



Traffic evolution between regions

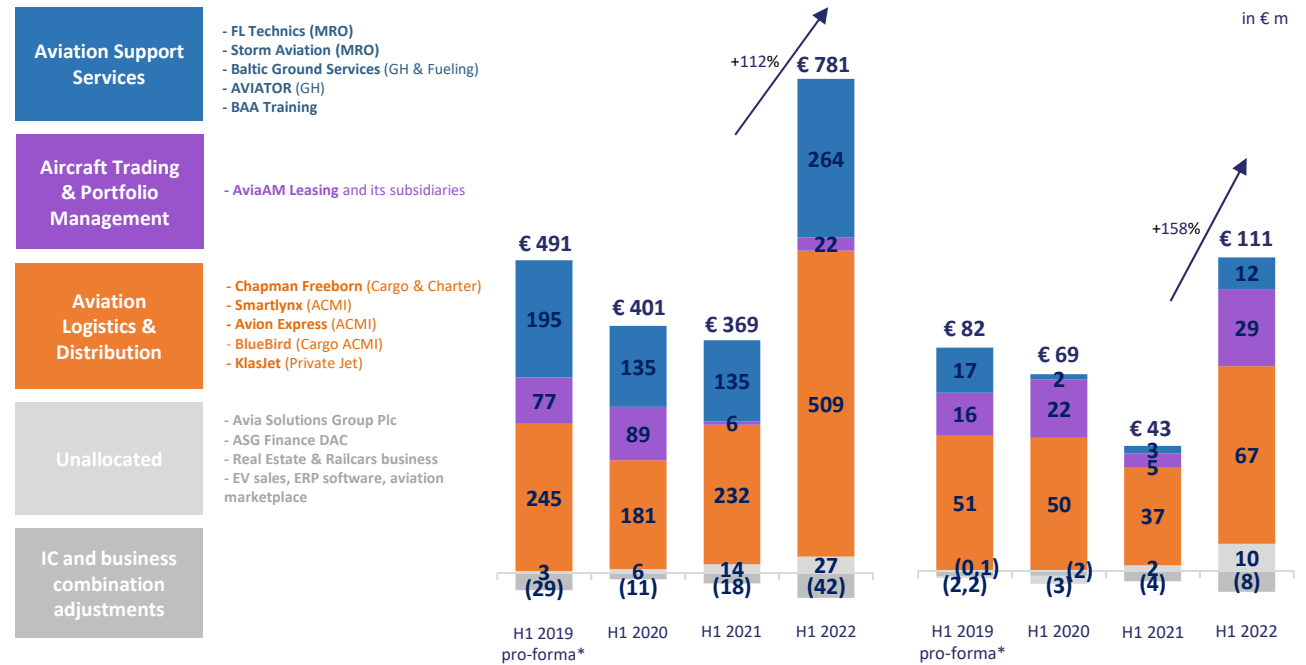


H1 2022 KEY FINANCIAL HIGHLIGHTS

- Aviation Support Service revenue has surpassed 2019 level owing to investments and strong recovery of aviation in Q2 2022;
- Aircraft Trading continues sourcing aircraft fleets to the Group. Focus on the asset-light business model to preserve capital for market opportunities;
- With the expansion of capacities, the Cargo segment keeps well despite the recovery in passenger transportation;
- Growth in passenger ACMI is accelerated by fleet expansion.

Consolidated Group Revenue

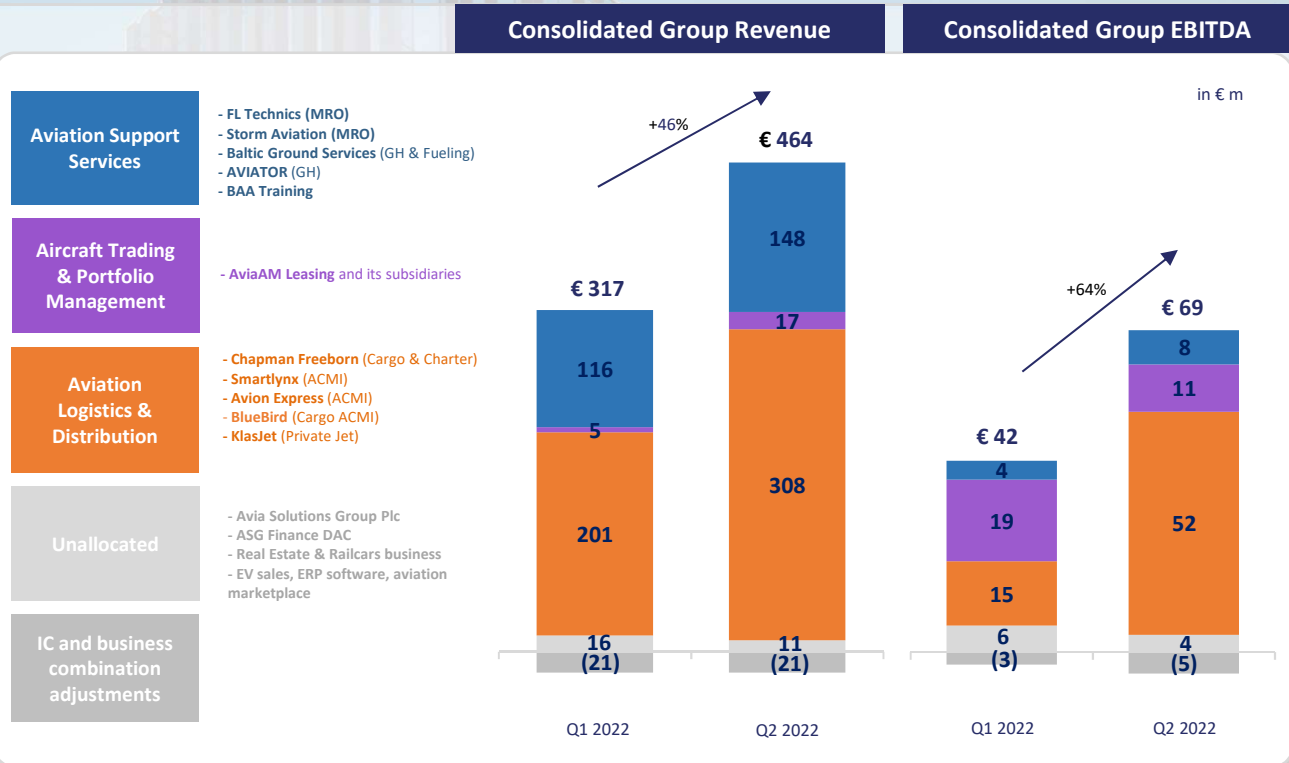
Consolidated Group EBITDA



* Pro-forma definition is in Glossary

Q1 – Q2 2022 KEY FINANCIAL HIGHLIGHTS

- Total revenue of the Group increased by 46% QoQ mainly due to recovery in passenger transportation as well as business seasonality;
- EBITDA improved by 64% QoQ despite ramp-up operations costs and industry disruptions.



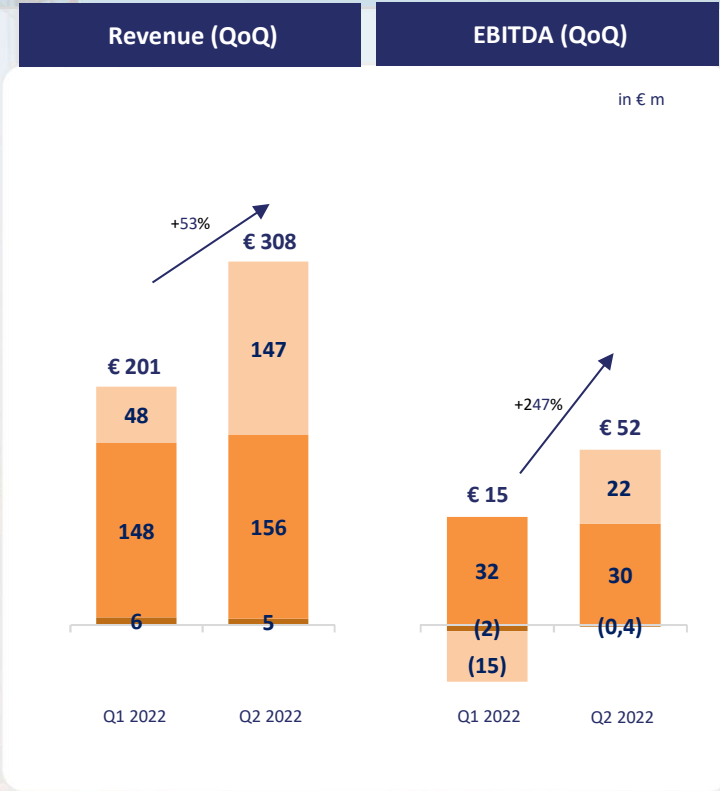
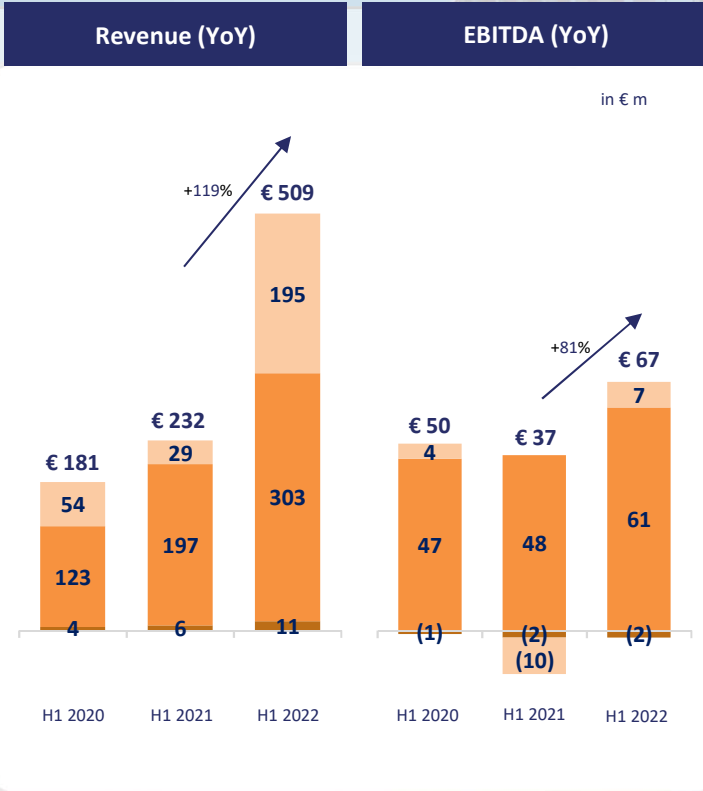
AVIATION LOGISTICS & DISTRIBUTION SERVICES



Passenger ACMI

Cargo Sector
(incl. Cargo
ACMI)

Other

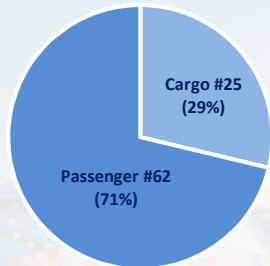


OPERATIONAL AIRCRAFT FLEET

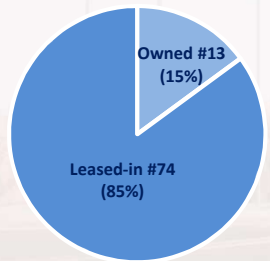
Q4 2021


87

By type



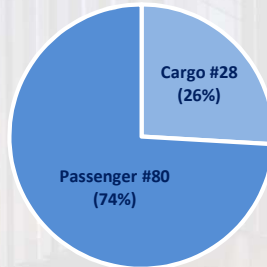
By ownership



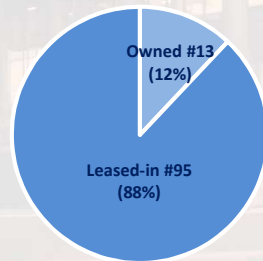
Q1 2022


108

By type



By ownership

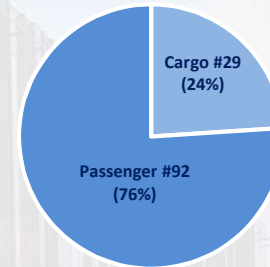


+12%

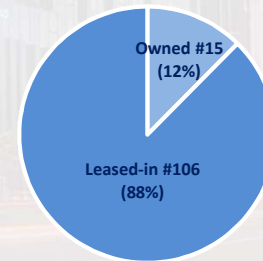
Q2 2022


121

By type



By ownership

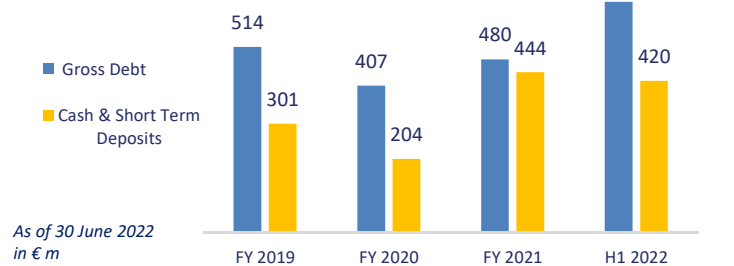


CASH AND DEBT POSITION

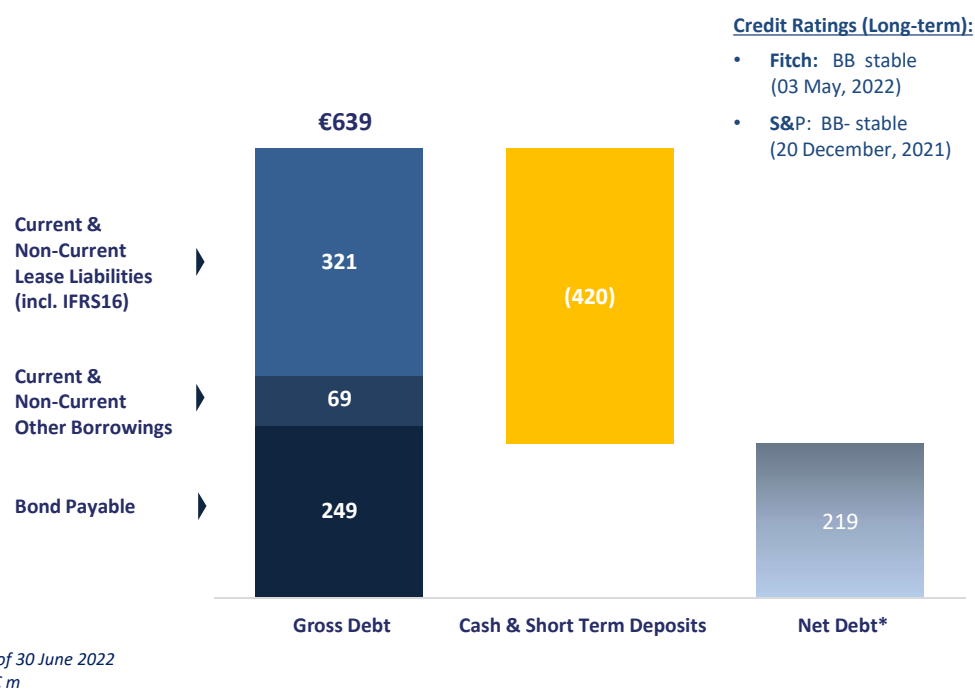
Lease liabilities H1 2022:

- IFRS16 in Passenger ACMI segment: €183 m
- IFRS16 in Aviation Support Services segment: €41 m
- IFRS16 in Cargo ACMI segment: €79 m
- Other lease liabilities: €18 m

Cash and Debt dynamics



Consolidated Debt Position of the Group



Credit Ratings (Long-term):

- Fitch: BB stable (03 May, 2022)
- S&P: BB- stable (20 December, 2021)

* Net Debt definition is in Glossary

EXCEPTIONAL ITEMS

- One-off items related to business disruptions in Ukraine and disposal of Russian subsidiaries & operations.



INCOME STATEMENT (CUMULATIVE)

Consolidated statements of comprehensive income

in € m	H1 2022	H1 2021
Revenue	780.6	368.6
Other income	2.9	2.8
Cost of services and goods purchased	(516.0)	(223.0)
Depreciation and amortisation	(48.2)	(35.1)
Employee related expenses	(142.6)	(82.3)
Other operating expenses	(34.9)	(24.0)
Impairment losses of financial assets	(9.7)	(1.8)
Other impairment-related expenses	(4.2)	(1.3)
Other gain/(loss) - net	27.5	24.3
Operating profit (loss)	55.5	28.1
Finance income	0.2	3.2
Finance cost	(40.7)	(16.3)
Finance costs – net	(40.6)	(13.2)
Share of profit (losses) of associates	0	0
Profit (loss) before income tax	14.9	15.0
Income tax	(9.8)	(0.4)
Profit (loss) for the period	5.1	14.6

- Total revenue of the Group increased by 112% YoY, a cost increase was driven by the ramp-up of operations;
- Aircraft fuel expenses increased from €63 m to €184 m, most of which are passed on to customers. Fuel expenses spread across business segments:
 - ~58% in Cargo operations;
 - ~29% aircraft fuelling business in Ground handling;
 - ~13% passenger charter flights, pilot training, etc.
- Growth of employee expenses is related to post-covid business recovery and M&A;
- Impairment-related expenses mainly due provisions to Russia and Ukraine related assets/disposal of business;
- Other gains include 3 aircraft sales lease-back arrangements to our Cargo ACMI company;
- Financial cost increase is related to €12 m Convertible Preferred Shares PIK and an increase in IFRS16 liabilities.

IFRS16 expenses

in € m	FY 2019 pro-forma	FY 2020	FY 2021	H1 2022
Aviation support services	(4.0)	(10.6)	(9.8)	(5.1)
Aviation Logistics and Distribution Services	(78.5)	(78.7)	(48.3)	(38.4)
Other	(1.1)	(3.0)	(2.5)	(1.4)
TOTAL:	(83.6)	(92.3)	(60.6)	(44.9)

* Pro-forma definition is in Glossary

FREE CASH FLOW (CUMULATIVE)

- Changes in Working capital include purchase of several aircrafts accounted as Inventories (net increase ~€20 m);
- Other Investment Activities include repayment of term deposits from investment grade banks;
- Details of Purchase of PPE provided in slide CAPEX.

Condensed consolidated statements of cash flows:		
in € m	H1 2022	H1 2021
Changes in working capital	(12.5)	(25.2)
Operating activities	83.0	39.1
Net cash generated from (used in) operating activities	70.6	13.9
Purchase of PPE and intangible assets	(39.8)	(38.3)
Other investing activities	138.5	17.4
Net cash generated from (used in) investing activities	98.7	(20.9)
Repayment of lease liabilities	(19.8)	(15.4)
Other financing activities	(34.0)	15.2
Net cash generated from (used in) financing activities	(53.8)	(0.2)
Increase (decrease) in cash and cash equivalents	115.5	(7.2)
Cash minus bank overdraft at beginning of period	215.9	177.9
Cash minus bank overdraft at end of period	331.4	170.6

CAPEX

- Crew Training and Staffing – investments in flight simulators and new training centres;
- ACMI – investment in airframes and other aircraft equipment;
- Unallocated – investments in AeroCity real estate campus – modern cluster of aviation companies in Vilnius.

in € m		Q1 2022	Q2 2022
Aviation Support Services	Aircraft Maintenance, Repair and Overhaul (MRO)	0.9	1.7
	Aircraft Ground Handling, Fueling and Logistics	0.6	1.0
	Crew Training and Staffing	5.4	3.8
	Total as per subgroup	6.9	6.5
Aircraft Trading & Portfolio Management	Aircraft Leasing, Trading and Management	1.9	3.3
	Total as per subgroup	1.9	3.3
Aviation Logistics and Distribution Services	Passenger ACMI	6.0	2.6
	Cargo	0.5	0.6
	Total as per subgroup	6.5	3.3
Unallocated	Total as per subgroup	5.9	6.7
TOTAL CAPEX		21.2	19.8

in € m		Q1 2022	Q2 2022
M&A		-	-

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GLOSSARY ON ALTERNATIVE PERFORMANCE MEASURES (APM)



This presentation also contains certain “non-IFRS financial measures”, i.e. financial measures that either exclude or include amounts that are not excluded or included in the most directly comparable measure calculated and presented in accordance with IFRS.

PRO-FORMA FOR 2019:

- a) In 2019, the Group was reorganized and grew substantially in size, through the completion of the acquisition of four different groups of companies: SmartLynx Airlines SIA, Avion Express UAB, AviaAM Leasing AB and Chapman Freeborn Holdings Limited (the “Reorganization”);
- b) All pro-forma financial statements in this presentation are unaudited and present the Group’s hypothetical results as if the Reorganization (as defined above) had taken place and was completed on 1 January 2019;
- c) The information provided in this presentation does not represent and is not intended to be presentation of consolidated financial information in accordance with IFRS, and does not contain all the necessary adjustments that may be required under IFRS and any applicable law. Accordingly, the information contained herein is not comparable to the consolidated periodical financial information released by the Group.

EBITDA: Group's EBITDA is calculated as profit (loss) from continuing operations before income tax plus depreciation and amortisation, finance costs – net, and adjusted for the results of equity-accounted investees and significant non-recurring transactions. EBITDA is presented because in the Group's opinion this is a useful measure of the results of operations. EBITDA is not defined by IFRS and should not be treated as an alternative to the profit (loss) categories provided for in IFRS as a measure of the operating results nor as a measure of cash flows from operating activities based on IFRS. Neither can it be treated as an indicator of liquidity.

ADJUSTMENT is an alternative performance measure used by ASG, which includes material charges or profits caused by movements in provisions related to assets, restructuring, or foreign exchange impacts as well as capital gains/losses from the disposal and acquisition of businesses.

CASH POSITION: ASG defines its consolidated gross cash position as the total of (i) cash and cash equivalents in banks and non-bank global payment providers, and (ii) up to 3 months deposits in banking financial institutions.

NET DEBT: For the purpose of capital risk management, the Group does not include the convertible preferred shares liability in the net debt calculation, since it is not subject to redemption via a cash outflow upon the expected conversion.