

airBaltic Group Annual results 2024

MARTIN GAUSS, Chief Executive Officer
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March 12, 2025



Martin Gauss

President and Chief Executive Officer

airBaltic Group highlights 2024



Forward – looking statements

This presentation contains forward-looking information that is subject to risks and uncertainties, and actual results may differ materially. This presentation reflects management's current expectations and assumptions regarding future events and performance, and it is subject to a number of known and unknown risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied in this statement. These factors include, among others, fuel prices, geopolitical tensions and wars, and other unforeseen events. This presentation should not be construed as a guarantee of future performance or results, and investors should not place undue reliance on this statement. The airline undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable securities laws.

Key highlights

- ✈ **Record performance** on Operating Revenue, Adjusted EBITDAR, Passengers and Load Factor
- ✈ In May completed **largest bond issue** to date in the amount of **EUR 340 million** at 14.50% coupon for the period of 5.25 years with subsequent **EUR 40 million** tap in October
- ✈ **Pratt & Whitney FMP Agreement:** Signed a long-term engine maintenance deal with P&W to optimize Airbus A220-300 fleet costs.
- ✈ **Strategic Wet-lease agreement with Lufthansa group signed for 3 years** to deploy up to 21 aircraft from 2025 through 2027
- ✈ **Lufthansa Group invests EUR 14 million** in airBaltic for a minority stake to expand Strategic partnership in Jan 2025

Passenger
record 8.3 m
total



airBaltic Group 2024 highlights

Record
revenue &
Adjusted
EBITDAR



€ (118.5) M
Profit / (loss)
€(152)M vs 2023



8.3 M
Grand total
passengers*
+18% vs 2023



73 263
Grand total
flights**
+12% vs 2023



81%
Load Factor
+4.5% vs 2023



€747 M
Operating
Revenue
+12% vs 2023



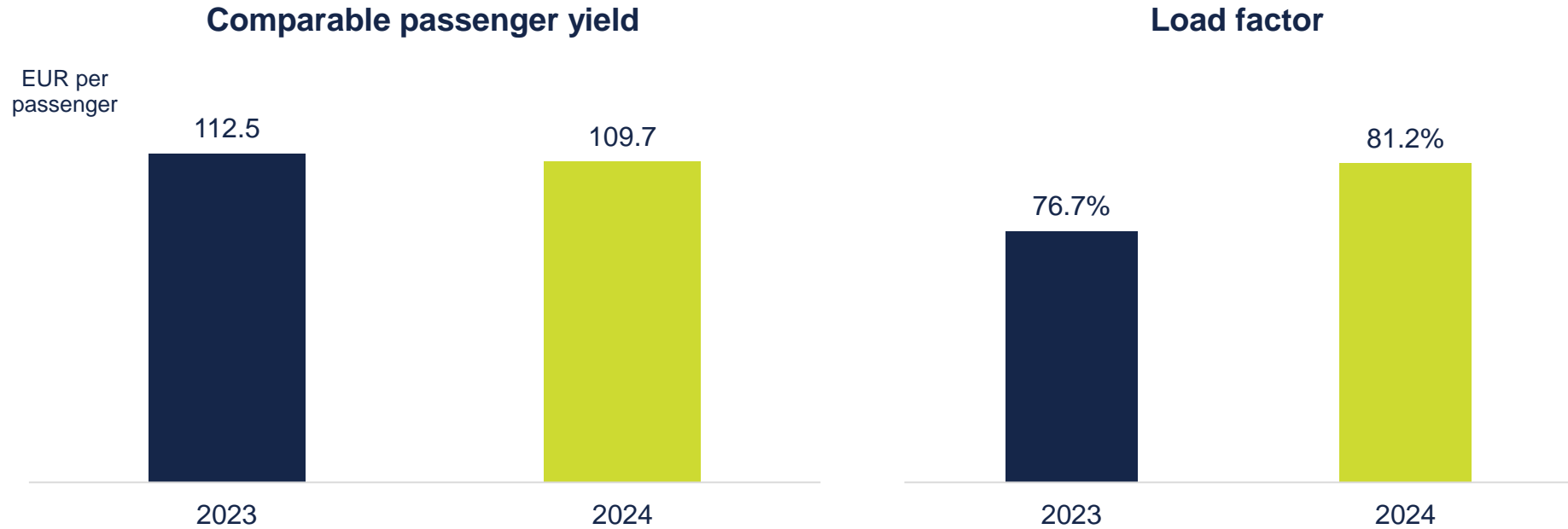
€184 M
Adjusted
EBITDAR
+€25.2M vs 2023



* Grand Total Passengers = Passengers on own operations + ACMI-out Passengers

** Grand Total Flights = Flights on own operations + ACMI-out flights

Higher load factor in challenging market conditions

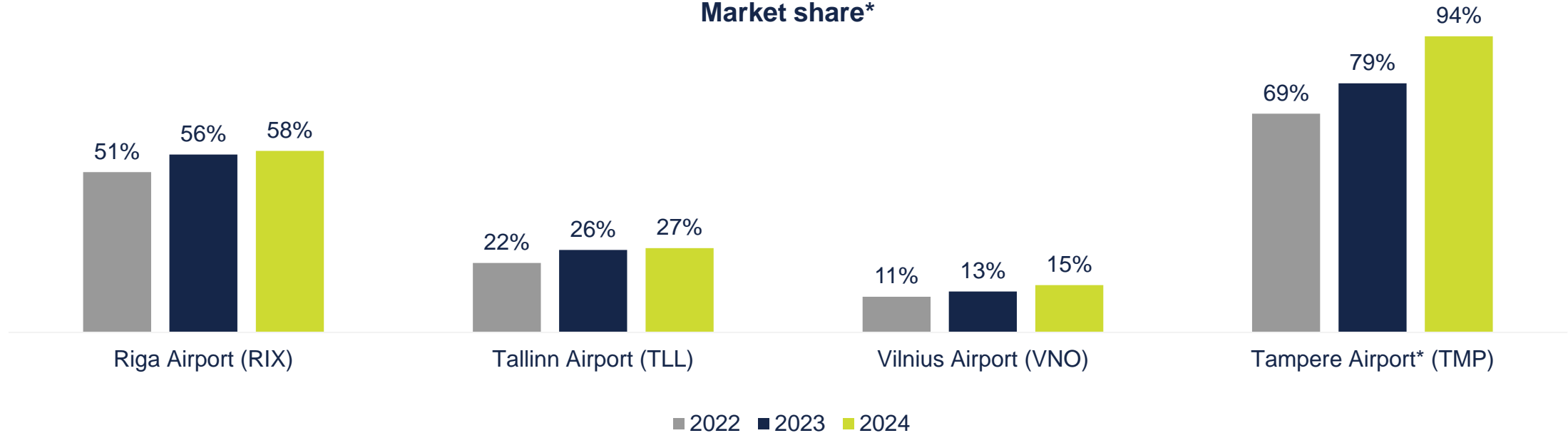



Increasing LF despite GDP drop in key market


* Ticket + comparable ancillary yield


airBaltic strengthened its leadership in the Baltic market


Market share*



 **#1 airline in 2024**

 **#1 airline in 2024**

 **#2 airline in 2024**

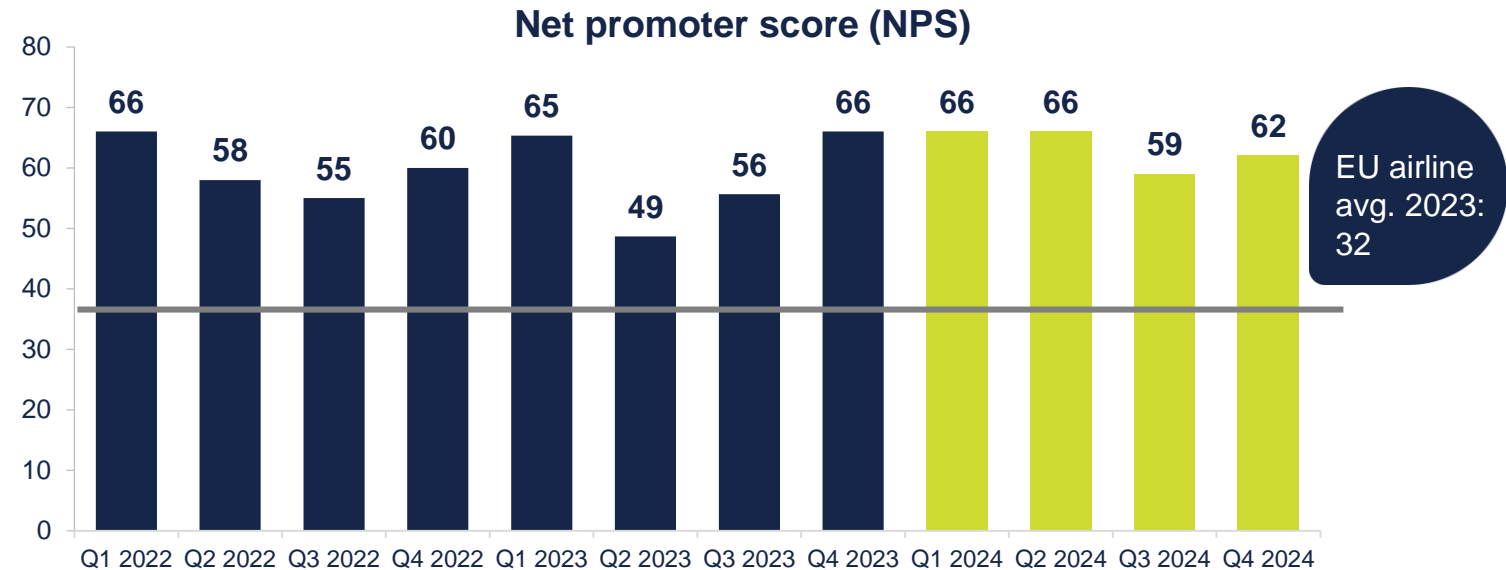
 **#1 airline in 2024**

* Market share by number of passengers

Market leader on Net promoter score (NPS)



NPS in 2024 on average – 63.6



Note: Compared to EU average based on NPS from the airlines that publicly disclosed it (2023)

Loyalty program airBaltic Club continues to develop

- ✈ The members of frequent flyers program airBaltic Club reached more than 1.4 million
- ✈ 25% of passengers are airBaltic Club members in 2024
- ✈ New mobile app developed during the year



33%
members
growth vs
2023



Pauls Calitis

Chief Operations Officer

airBaltic Group operational highlights 2024



Operational highlights

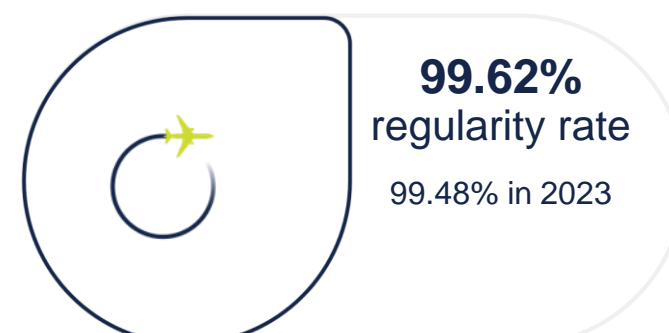
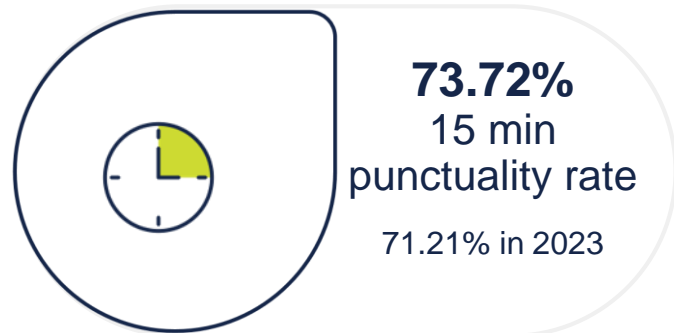
- ✈️ **Record** number of **flight hours and seats** deployed for airBaltic's own network and ACMI-out operations
- ✈️ Signing of "**power by the hour**" (FMP) agreement with **Pratt & Whitney**
- ✈️ Launch of **Technical Academy** in September 2024
- ✈️ **Flight Training** development: **second** Airbus A220-300 simulator
- ✈️ **Maintenance hangar** completed in Riga, additional space for two aircrafts
- ✈️ **Cargo business** development: most modern **cargo facility** in the Baltics **opened**
- ✈️ **First European airline** with **Starlink high speed internet**

**Record
number of
flight hours
and seats**



airBaltic operations key figures for 2024

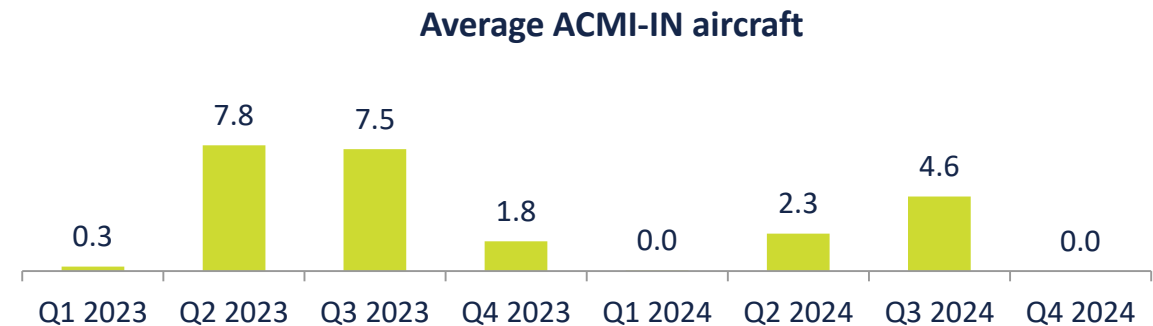
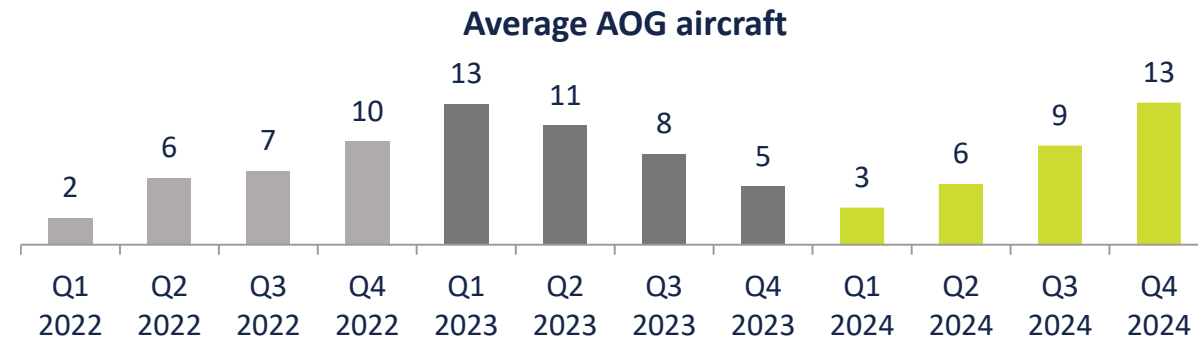
Growing production despite engine availability issues



Pratt & Whitney engine situation

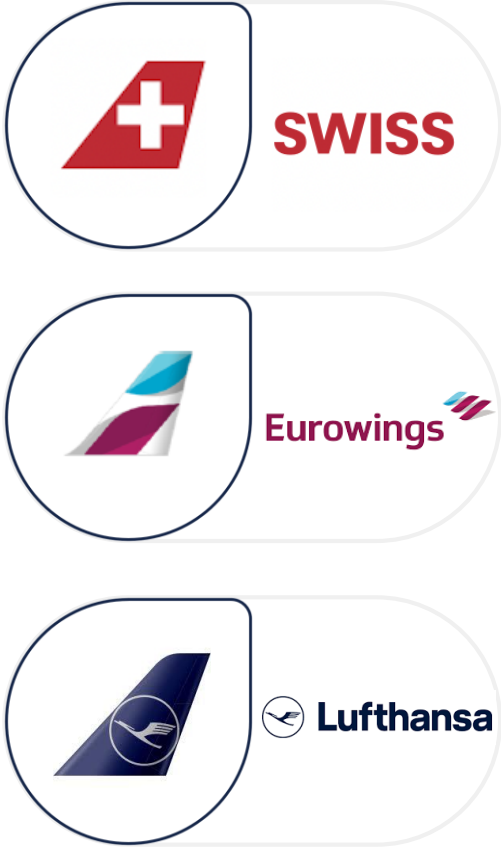
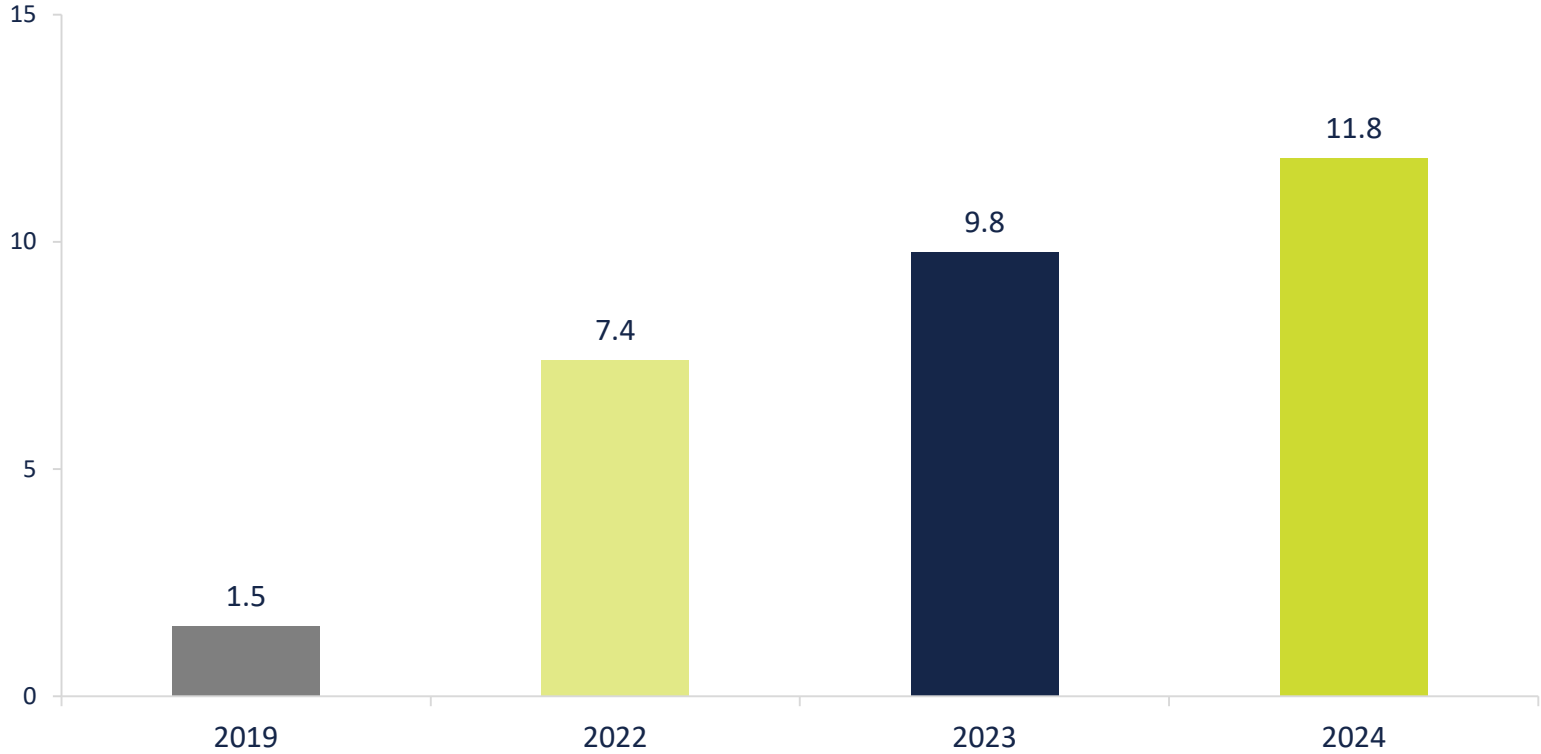
On average, in 2024 airBaltic had 8 aircraft on the ground (AOG) due to engine shortage compared to 9 in 2023

- ✈ Aircraft utilization also negatively affected due to **cycle preservation during Q1**
- ✈ The "**powdered metal**" issue was one of the key drivers for the engine shortage
- ✈ Signing of "**power by the hour**" (FMP) engine agreement, which ensures long term cost predictability, however shortage of engines persists
- ✈ Engine issues expected to last in 2025 and 2026, however **continuous improvements** are expected
- ✈ Increased AOG in the **peak season** leads to requirement for **ACMI-in**



Continued growth of ACMI-OUT operations

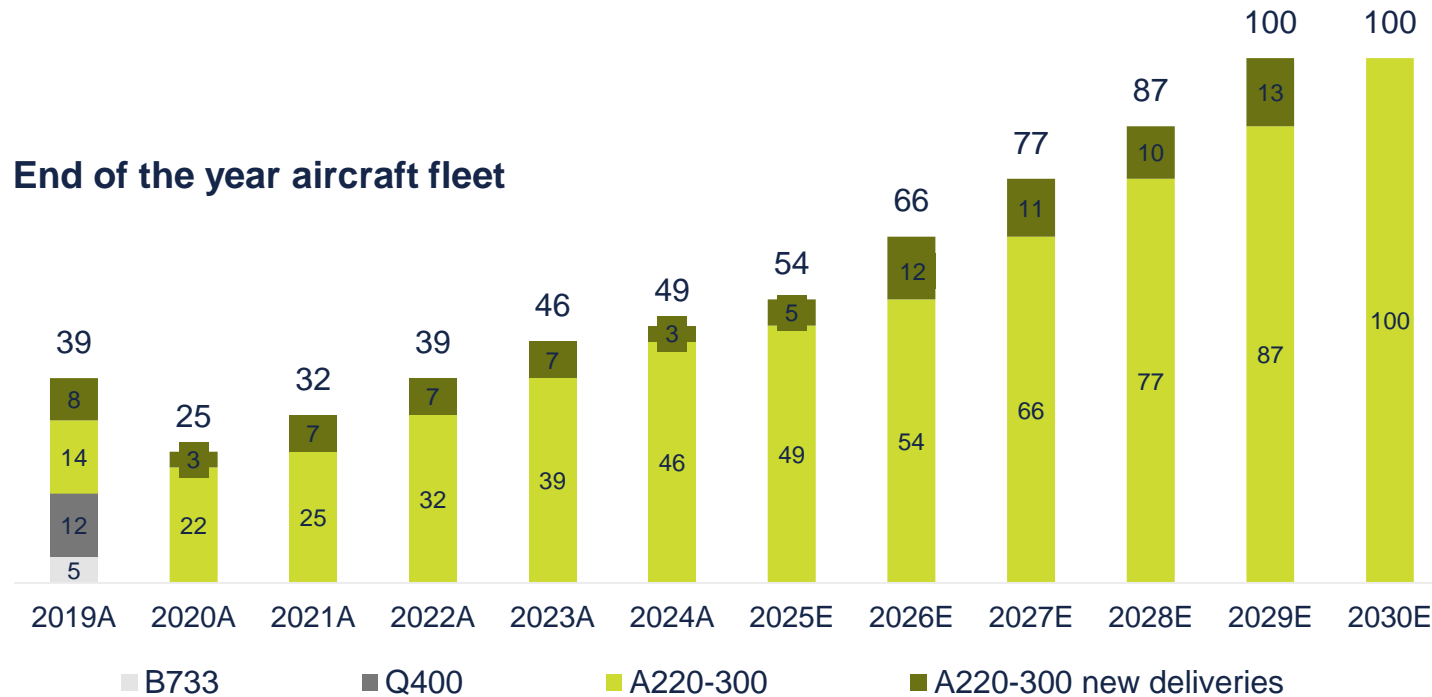
Average ACMI-out fleet



Largest Airbus A220-300 operator

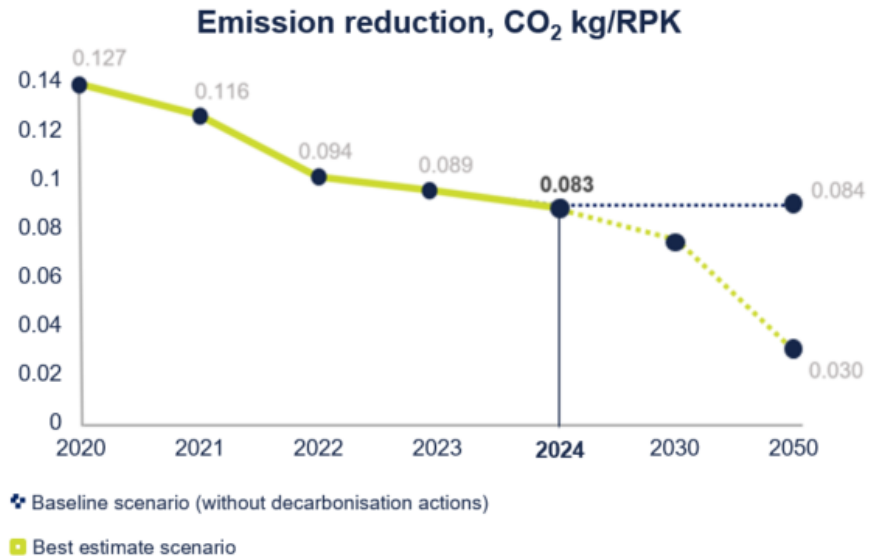
- ✈️ As of today **50 aircraft fleet**
- ✈️ **Converted 10 purchase rights into firm** and accelerated deliveries in 2026 and 2027
- ✈️ Contracts signed **lessors for 7** deliveries in 2025 and 2026
- ✈️ Total commitment of **40 firm orders for additional aircraft** plus 10 purchase rights

End of the year aircraft fleet



Further reduced CO₂ footprint & clear decarbonization strategy

airBaltic



Nearly half of our business contributes to the green transition

Considered environmentally sustainable and EU Taxonomy aligned**



47%
of our
net
turnover



40%
of our
Capex

✈️ Decarbonisation actions:

- Airbus A220-300 fleet
- SAF deployment
- Efficiency measures
- Electrification
- ISO 50001 Energy Management System
- ISO 14001 Environment Management System
- Sustainability Policy

✈️ Airbus A220-300* - one of the most fuel-efficient aircraft in the industry - drives us towards sustainable economy

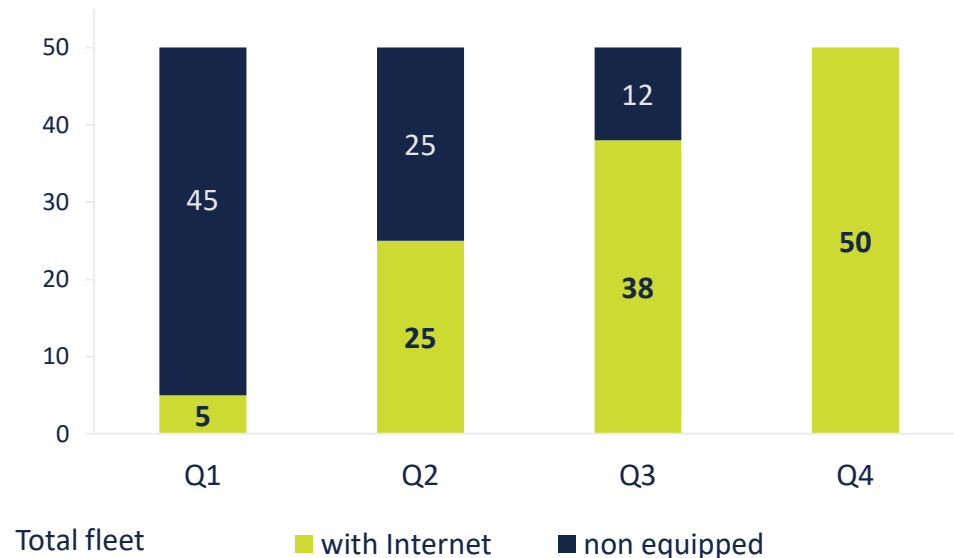
✈️ Greater appeal to ESG investors and green financing opportunities

*Declared as pursuant to the EU Taxonomy Regulation 2023/2485

**Taxonomy-aligned investments in transition activities that do not have a low-carbon alternative but are necessary for the transition to a low-carbon economy

1st European airline with SpaceX Starlink highspeed internet on board

- ✈️ airBaltic's **competitive advantage through innovation** – since February 2025, the first European airline to offer SpaceX Starlink broadband internet to **all passengers**, providing speeds of up to 350 Mbps with seamless streaming, video calls, online gaming, and VPN support
- ✈️ airBaltic benefitted from **launch operator status** with Airbus A220
- ✈️ airBaltic conducting **all installation works in-house**
- ✈️ Full fleet rollout to be completed by the end of 2025



Improved NPS score

Ancillary revenue opportunities sales



Vitolds Jakovlevs

Chief Financial Officer

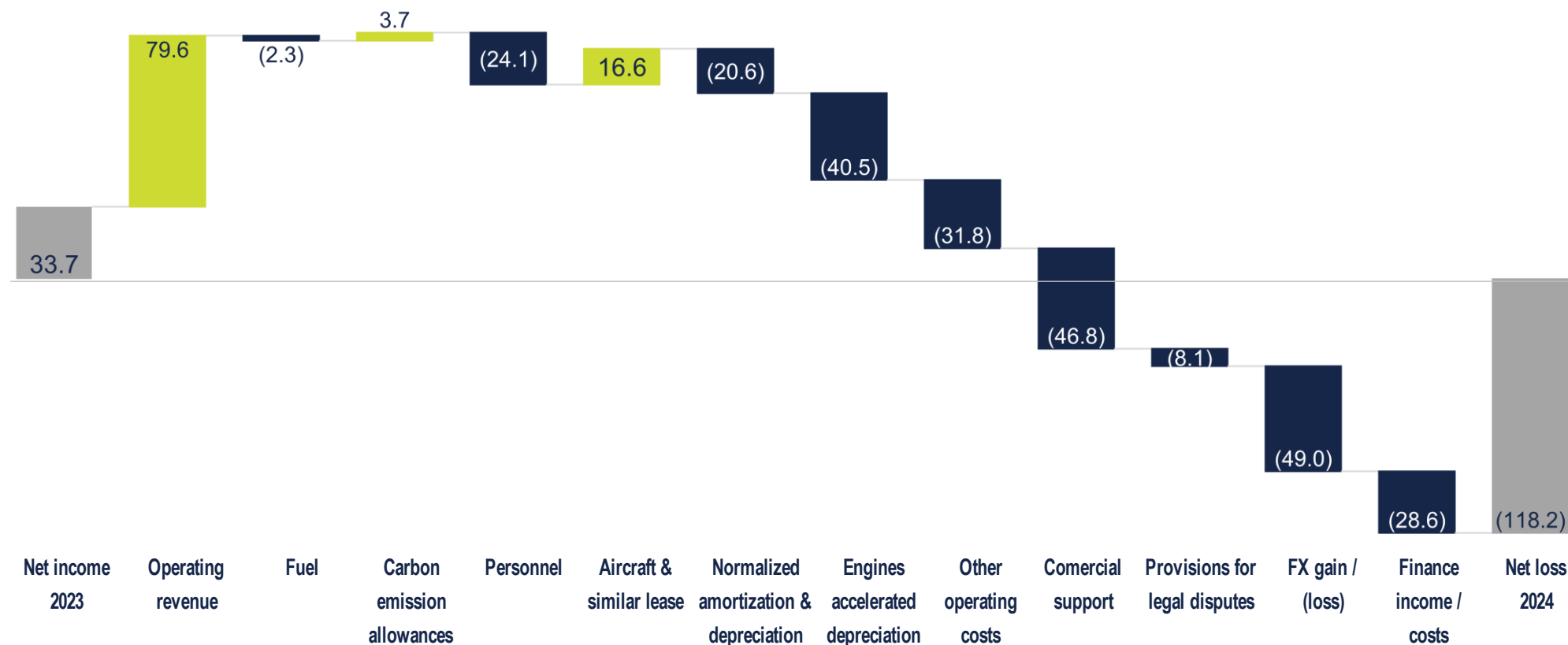
airBaltic Group financial results 2024



Net income main deviations 2024 vs 2023

EUR million

CHANGE IN NET PROFIT / (LOSS) 2024 vs 2023



Main headwinds in 2024

✈️ **Macro conditions in three of the four airBaltic's key markets** were challenging

- Latvian GDP in 2024 contracted by -0.4%
- Estonian GDP in 2024 contracted by -0.3%
- Finland's GDP in 2024 contracted by - 0.5%

✈️ **Continued P&W engine shortage** with 8 aircraft on average being AOG

- Lower commercial support per AOG day compared to 2023
- Cycle preservation of operating fleet in Q1

✈️ **Significant increase in competition**

- 12% seats added by competitors in 2024 compared to 2023*
- Reduction of 6-7% expected in 2025 compared to 2024

✈️ **Continuing impact from Russia/Ukraine war**

- Rerouted Flight Paths
- Loss of Revenue
- Higher Fuel Prices
- Extra Financing costs related to Security and Geopolitical Risks



Items affecting comparability for 2024

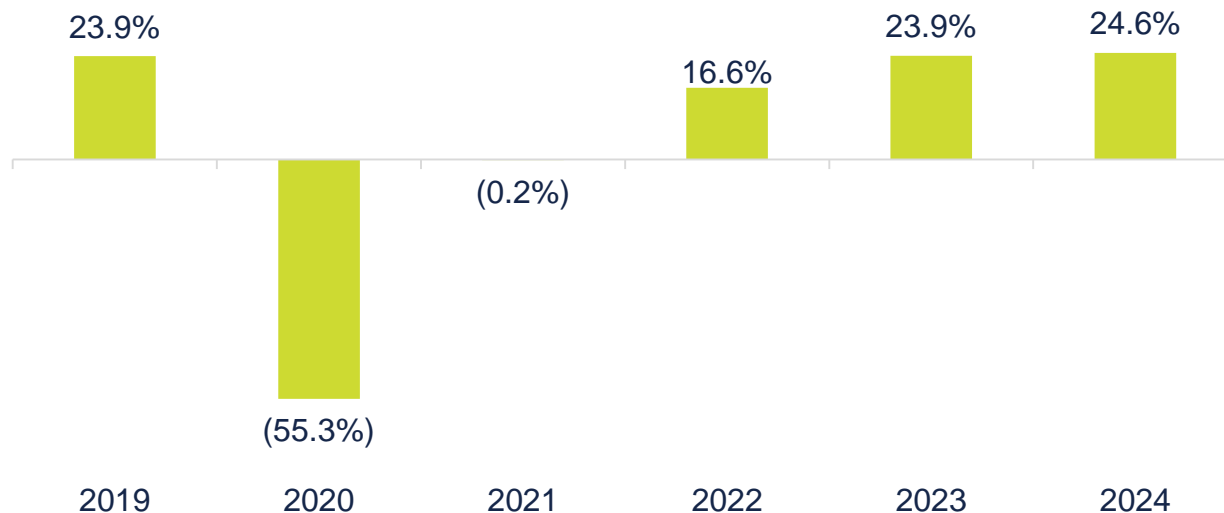
EUR thousand	Reported 2024	Items affecting comparability 2024	Management 2024	Reported 2023	Items affecting comparability 2023	Management 2023	Management index
OPERATING REVENUE	747 572		747 572	667 982		667 982	1.12
Fuel	(158 341)		(158 341)	(156 084)		(156 084)	1.01
Cost of carbon emission allowances	(18 519)		(18 519)	(22 259)		(22 259)	0.83
Personnel costs	(131 358)		(131 358)	(107 249)		(107 249)	1.22
Airport, handling and en-route charges	(126 084)		(126 084)	(114 413)		(114 413)	1.10
Marketing and tickets sales costs	(46 303)		(46 303)	(41 915)		(41 915)	1.10
Other costs*	(82 815)		(82 815)	(67 124)	1 002	(66 122)	1.25
Adjusted EBITDAR	184 152	0	184 152	158 938	1 002	159 940	1.15
Claim compensations	33 793		33 793	80 586		80 586	0.42
Aircraft and similar lease	(59 612)		(59 612)	(76 189)		(76 189)	0.78
Adjusted EBITDA	158 333	0	158 333	163 335	1 002	164 337	0.96
Amortization and depreciation	(152 185)	40 468	(111 717)	(91 070)		(91 070)	1.23
Provisions for legal disputes	0		0	8 073	(8 073)	0	
OPERATING COSTS	(741 424)	40 468	(700 956)	(587 644)	(7 071)	(594 715)	1.18
OPERATING PROFIT / (LOSS)	6 148	40 468	46 616	80 338	(7 071)	73 267	0.64
FINANCE EXPENSES, NET							
Finance costs	(93 517)	3 375	(90 142)	(63 855)		(63 855)	1.41
Foreign currency exchange gain/ (loss), net	(32 385)	32 239	(146)	16 664	(16 475)	189	(0.77)
Finance income	1 588		1 588	522		522	3.04
	(124 314)	35 614	(88 700)	(46 669)	(16 475)	(63 144)	1.40
Corporate income tax	7		7	(17)		(17)	(0.41)
PROFIT / (LOSS) FOR THE PERIOD	(118 159)	76 082	(42 077)	33 652	(23 546)	10 106	(4.16)

*Other costs includes aircraft maintenance, passenger service and other operating costs

Note: Management data is presented on a consistent and comparable basis

Positive Management EBITDAR margin trend

Management EBITDAR margin



Note: Management EBITDAR provided is presented on a consistent and comparable basis



Adjusted EBITDAR margin by segment

- ✈ In 2024 the airline started segment reporting for the ACMI-out business and its network operations
- ✈ The own network operation Adjusted EBITDAR margins were significantly affected by the macro situation in the Baltics and especially in Latvia where the GDP contracted by -0.4%

EUR thousand			
Own network operations	2024	2023	Change
External revenue	596 862	563 588	33 274
Adjusted EBITDAR	106 271	108 665	(2 394)
Adjusted EBITDAR margin	17.8%	19.3%	(1.5pp)
Amortization and depreciation	(104 424)	(62 504)	(41 920)
ACMI-out business	2024	2023	Change
External revenue	146 871	100 701	46 170
Adjusted EBITDAR	76 494	49 533	26 961
Adjusted EBITDAR margin	52.1%	49.2%	2.9pp
Amortization and depreciation	(47 035)	(27 868)	(19 167)
Total reportable operating segments	2024	2023	Change
External revenue	743 733	664 289	79 444
Adjusted EBITDAR	182 765	158 198	24 567
Adjusted EBITDAR margin	24.6%	23.8%	0.9pp
Amortization and depreciation	(151 459)	(90 372)	(61 087)

EUR 32 million revaluation loss on USD liabilities airBaltic

- ✈️ As aircraft are priced and traded in USD the availability of the USD financing is higher than EUR financing
- ✈️ Currently 38% or about USD 551 million of the total debt obligations are denominated in USD
- ✈️ As the EUR value depreciated vs. USD from 1.105 at the beginning of January 2024 to 1.039 at the end of December 2024, the liability revaluation loss of airBaltic reached EUR 32.2 million
- ✈️ USD 0.01 change in the price of EUR results in about EUR 5.2 million change airBaltic's net income

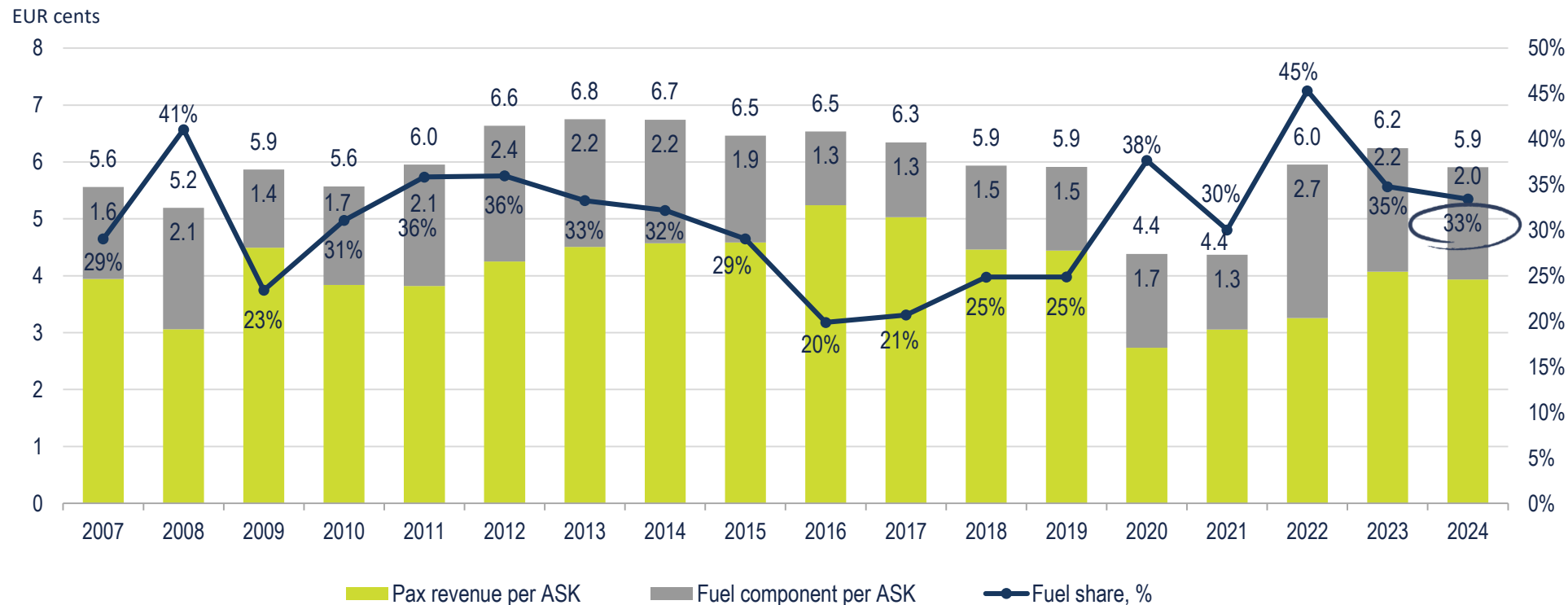
Borrowings denominated in USD

	Borrowings Dec 31, 2023	Repayment	Addition	Borrowings Dec 31, 2024
USD million	592	(58)	17	551
Exchange rate	1.1050	1.0868	1.0852	1.1061
EUR million	536	(53)	16	498
USD/EUR exchange 31.12.2024				1.0389
Revaluation impact (EUR million)				(32.2)
Revalued borrowings (EUR million)				531

Note: Exchange rate of «Repayment» and «Addition» obtained from transactions at their respective exchange rates

Fuel prices still high from historic perspective

- ✈ Fuel costs as total share of revenue reached an all-time high in 2022 but continues to trend downwards in 2024
- ✈ During 2024 the average market price per ton of jet fuel was around 10% lower than in 2023, at USD 797 compared to USD 887 respectively
- ✈ Due to difficult macro conditions in the Baltic states the Passenger revenue per ASK decreased to 5.9 cents

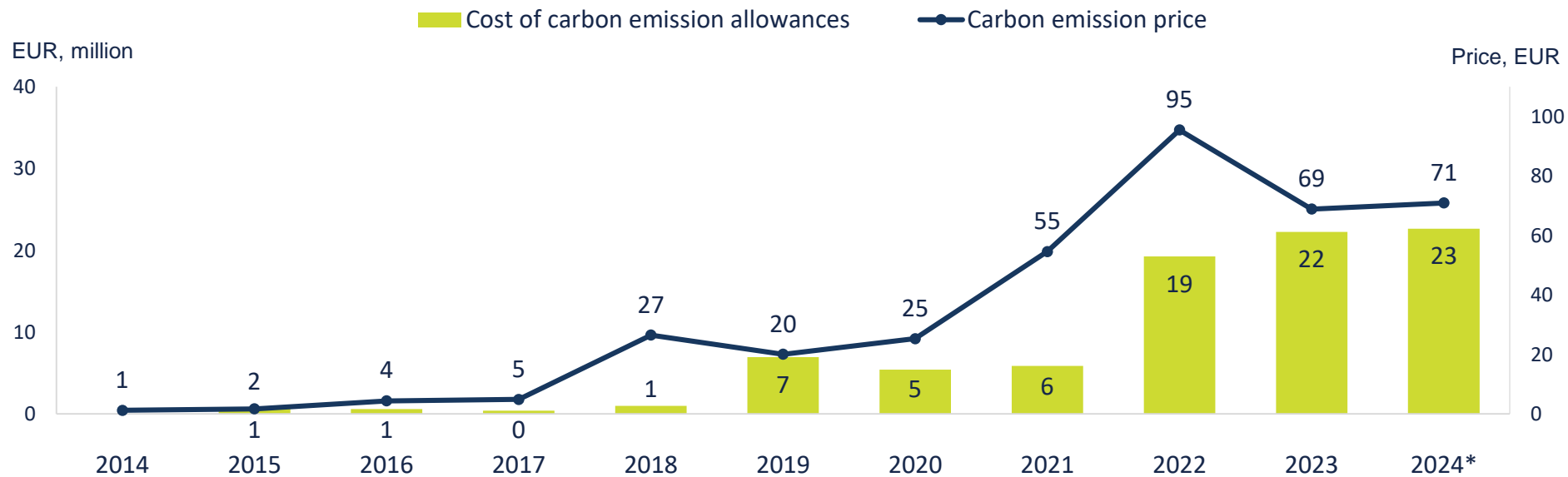


6.3% of fuel hedged with average price of EUR 650 for 2025

CO2 emission costs

- ✈️ CO2 emissions remain a significant cost item for the airline, with CO2 price slightly increasing during 2024
- ✈️ As of end of year the airline had around 11% hedged at the average price of EUR 67.5 per ton for its exposure for carbon emissions related to 2024
- ✈️ In 2024 airBaltic paid EUR 21.7 million CO2 costs which would be equivalent of a ticket increase of EUR 4 per passenger
- ✈️ In 2024 airBaltic offered to passengers to support climate neutrality by opting for sustainable aviation fuel (SAF) and during the year 0.4% of total passengers purchased SAF contributing EUR 58 thousand

Carbon expenses and price

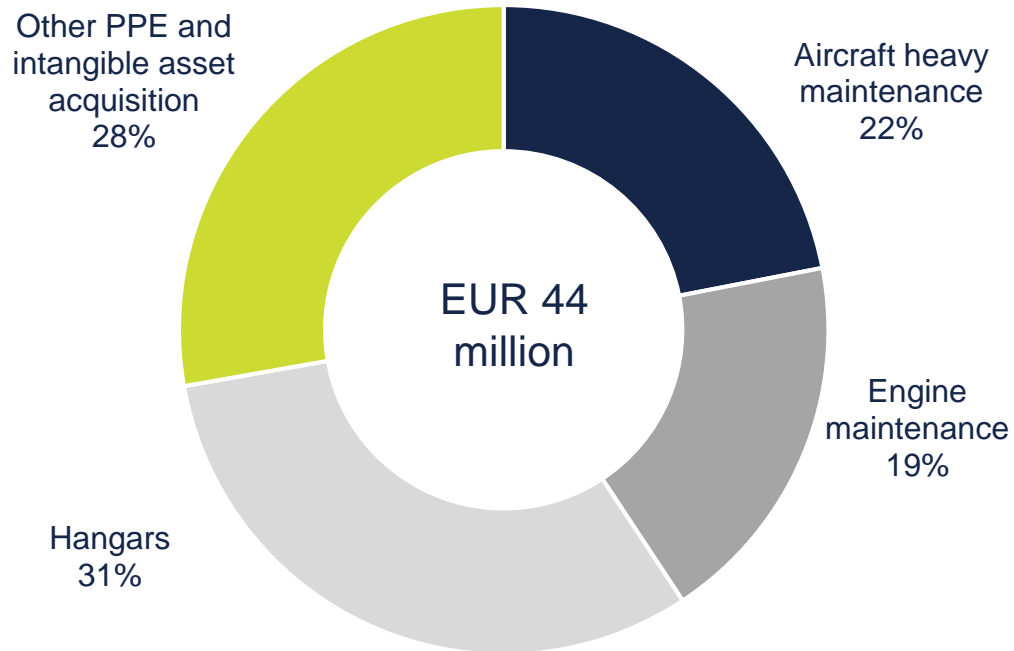


EUR 49.1M paid during 10 year period €22.6M expected to be paid in Sep'25 for Y2024

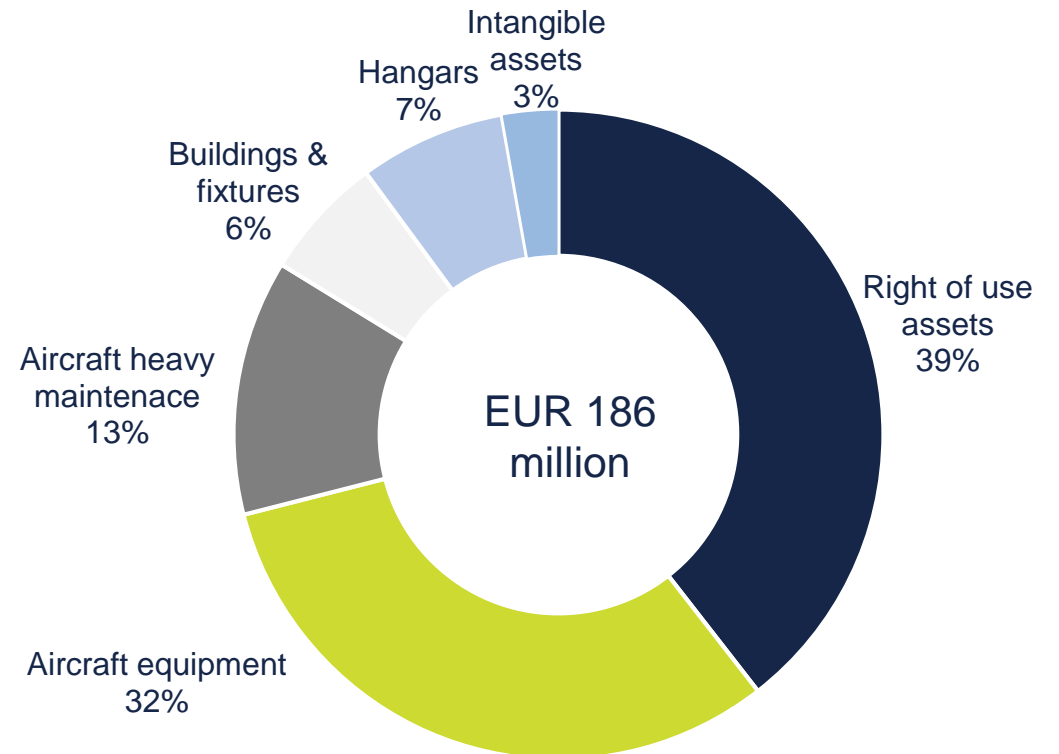
*Cost based on emission price at the end of period

Drivers for cash capex and long-term asset increase

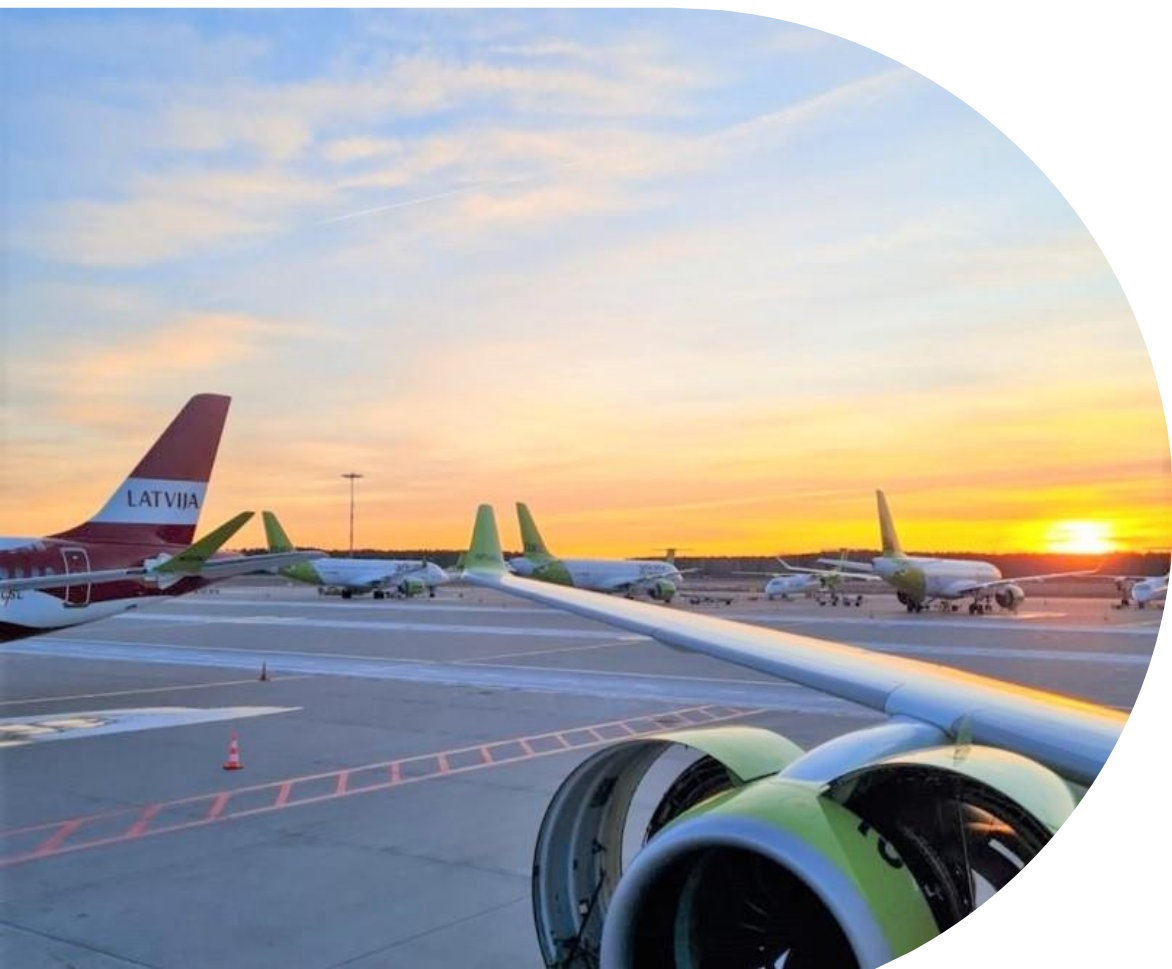
Net Cash Capex 2024



Long term assets increase 2024



Operating Free Cash Flow impacted by growing CAPEX



- ✈ Net cash capex increase due to fewer refunds from aircraft deliveries and increase in engine overhauls
- ✈ Lease Expense increase due to growing fleet
- ✈ Negative net working capital driven by the advance payments for aircraft maintenance

EUR thousands	2024	2023	Change
Adjusted EBITDAR	184 152	158 938	25 214
Net CAPEX	(43 976)	(2 192)	(41 784)
Total Lease expense	(139 644)	(128 202)	(11 442)
Change NWC	(36 915)	(23 368)	(13 547)
Corporate income tax paid	(1)	(566)	565
Operating Free Cash Flow	(36 384)	4 610	(40 994)

Consolidated balance sheet

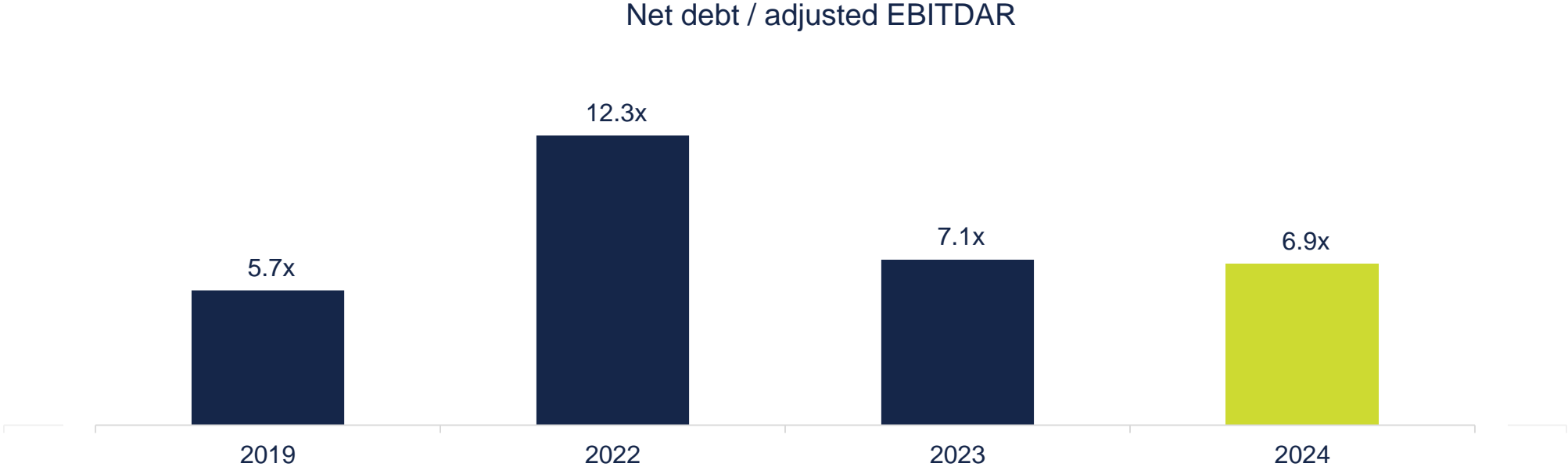
airBaltic



EUR million	2024.12	2023.12
Assets		
Property, plant and equipment (PPE)	227	142
Right-of-use assets	867	921
Intangible assets	20	17
Prepayments for maintenance and PPE	140	113
Trade and other receivables	25	20
Non-current Assets	1,280	1,213
Inventories	14	16
Prepayments for maintenance	22	21
Prepaid expenses	11	9
Trade and other receivables	42	37
Restricted cash	14	0
Cash	33	29
Current Assets	136	112
Total Assets	1,416	1,325
Equity and Liabilities		
Share capital	596	596
Accumulated loss	(651)	(685)
Profit/Loss for the period	(118)	34
Other	8	7
Equity	(165)	(48)
Lease liabilities	809	797
Borrowings	390	56
Other	30	28
Non-current Liabilities	1,229	881
Borrowings	11	210
Lease liabilities	102	87
Contract liabilities, airport taxes and other liabilities	82	70
Trade and other payables	105	74
Other	53	50
Current Liabilities	353	492
Total Equity and Liabilities	1,416	1,325

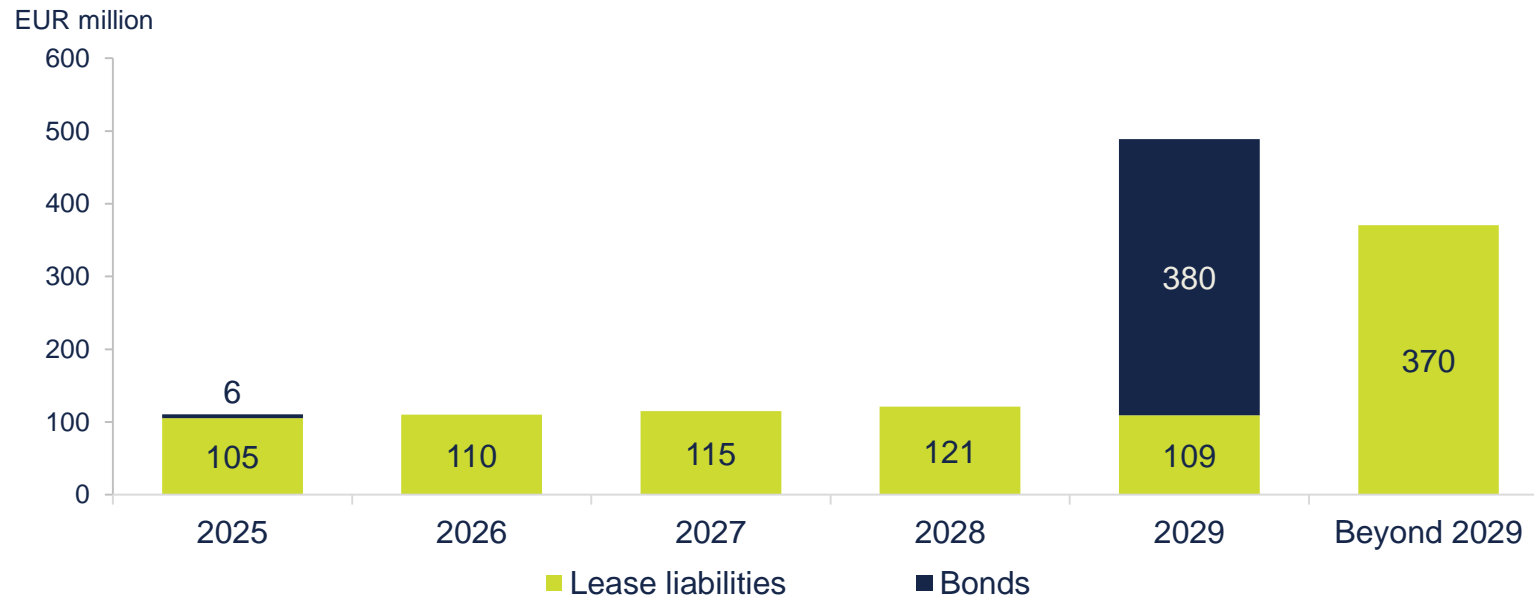
Restricted cash is allocated for the bond coupon payment

Leverage is trending downwards



Successful refinancing of maturing EUR 200m bonds

- ✈ The airline successfully refinancing EUR 200m bond with EUR 340m bond in Q2 of 2024 and in October issued an additional EUR 40 million of its 14.50% senior secured notes, due 2029, bringing the total issue size to EUR 380 million
- ✈ Total net debt at the end of 2024 reached EUR 1.265 billion



Martin Gauss

President and Chief Executive Officer

airBaltic Group outlook 2024



Outlook full year 2025*



+20%
ACMI-out
capacity



5.2 – 5.4 million
airBaltic
passengers
up to +5% vs 2024



13 – 14 billion
Grand Total
ASK**
up to +14% vs 2024



+3%
airBaltic network
seat capacity



**The growth of
airBaltic continues
with the potential
IPO earliest Q2
2025**

* The presentation contains forward-looking information that is subject to risks and uncertainties, and actual results may differ materially. This guidance is based on specific financial projections and other relevant factors. However, there is no guarantee that the company will achieve these projections

**Including ASKs in own network and ACMI-out operations

2025 vs. 2024 – expected improvements

✈️ **Macroeconomic situation improving:**

- The economies of Latvia expected to grow at 2.2% and Estonia by 2.4% and Lithuania by 2.9%.
- Competition capacity reduction in key markets estimated at 6-7%

✈️ **More capacity deployed by airBaltic:**

- The network seat capacity expected to grow by 3%
- ACMI-out capacity to grow by about 20% thus potentially improving EBITDAR margins

✈️ **Starlink:** Expected higher yields due to significantly better product than any of the competitors. Also, additional ancillary revenue opportunities

✈️ **Expanded cooperation with major code share partners:** Adding new routes and improving connectivity to the Baltics should drive additional profitability

✈️ **Additional upside from re-entering Ukrainian market:** Plan to start flying from day 1 of open airspace. Should boost commercial performance and reduce costs related to flying around closed air space



Ukraine market reopening - launching five routes on Day 1 of open skies

✈️ 3 flights to Kyiv

- Kyiv** Riga - Kyiv
Daily
- Kyiv** Tallinn - Kyiv
3 x weekly
- Kyiv** Vilnius - Kyiv
4 x weekly

✈️ 2 flights to Lviv

- Lviv** Riga - Lviv
4 x weekly
- Lviv** Vilnius - Lviv
2 x weekly

✈️ Connections available to Scandinavia & Western Europe via Riga

Route	Dep	Arr Dest	Dep Dest	Arrival	Day
RIX-KBP-RIX	12:50	14:50	15:35	17:40	1234567
TLL-KBP-TLL	0:40	2:55	4:15	6:40	1.4.6.
VNO-KBP-VNO	0:35	2:30	4:40	6:30	12.4..6.
RIX-LWO-RIX	23:55	1:25	4:45	6:15	1.3.5.7
VNO-LWO-VNO	0:40	2:00	5:00	6:20	..3...7

Preliminary schedule, subject to slots, government approvals and capacity availability.



Lufthansa strategic investment

- ✈ Acquisition of convertible share for 10% of the equity for **EUR 14 million** to be converted into regular shares based on IPO valuation with the potential to be diluted down to 5% floor
- ✈ To be closed in **Q2 2025** pending antitrust review
- ✈ LH Group adds **one Supervisory board** seat as part of the deal



IPO – raising new equity

- ✈ **Active IPO preparation ongoing**
 - Banks and advisors engaged
 - Share capital simplification completed
 - All shares are of one category in preparation for IPO
 - Statutory Share capital reduced to EUR 25 million
 - Potentially as early as Q2 of 2025 depending on market conditions
- ✈ **airBaltic Executive Board demonstrates strong commitment to the IPO** by reducing their salaries by 40% - leading by example to drive success
- ✈ **Government of Latvia has declared its intent to maintain 25% plus 1 share strategic stake**
- ✈ **Lufthansa as strategic shareholder on board**

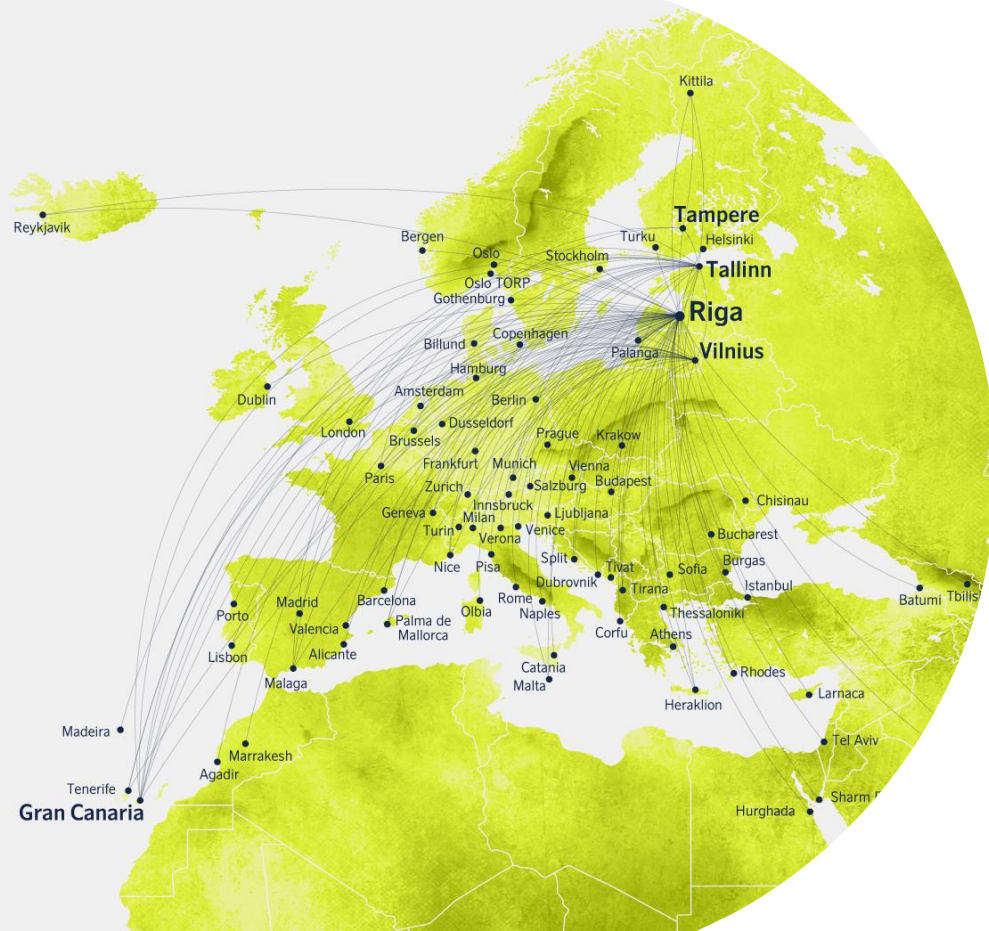


airBaltic



Appendix

airBaltic network 2025 full year



129 routes from five bases



6 new routes added to the network



Continues the seasonal base in Gran Canaria, Spain

Summary of airline operating metrics

	2024	2023	Change
Airline operating statistics*			
Flights	47 022	44 113	7%
Number of passengers ('000)	5 133	4 536	13%
Seat capacity ('000)	6 755	6 346	6%
Passenger Load factor (%)	81.2%	76.7%	4.5pp
Average aircraft stage length (km)	1 326	1 289	3%
RASK (€ cents)	6.70	6.89	(3%)
CASK (€ cents)	(6.89)	(6.31)	9%
CASK ex fuel (€ cents)	(4.92)	(4.13)	19%
CASK normalized (€ cents)**	(6.55)	(6.31)	4%
CASK ex fuel normalized (€ cents)**	(4.57)	(4.13)	11%
ASKs (millions)	8 958	8 213	9%
Routes	143	126	13%
Total operating statistics			
Total flights	73 263	65 507	12%
ASKs (millions)	12 307	10 781	14%
Utilization (block hours per aircraft per day)	8.2	7.7	8%
Utilization of operating aircraft	10.7	10.5	1%

Increased load factor

*Without ACMI operations **adjusted by the engine related accelerated depreciation

New BalticCargo HUB completed

- ✈️ Finished in February 2025
- ✈️ Expected to **increase cargo handling capacity** more than 3x to 50 000 T per year.
- ✈️ **Industry leading air cargo handling equipment** from Lödige
- ✈️ **Integrated e-commerce** and air mail sorter
- ✈️ **Full special handling capabilities:**
 - Dangerous Goods
 - Live Animals
 - Perishables
 - Pharmaceuticals



Accelerated depreciation of P&W engines explained

- ✈ Due to a number of issues including the powdered metal issue the engines need to go through full interval shop visit significantly earlier than previously expected
- ✈ Under IFRS, the carrying amount of the replaced engine parts must be written off before the value of the new replaced part is capitalized as an asset. This means that the value of parts that were previously expected to be depreciated over a longer period must now be depreciated before the shop visits, which are expected to occur gradually until the end of 2028
- ✈ The negative impact for full 2024 was EUR 40.5 million
- ✈ The total estimated negative impact from 2024 to 2028 is currently estimated at EUR 80 million