airBaltic Group Annual Results 2025



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Chief Financial Officer

March 11, 2026

Erno Hilden

Chief Executive Officer



airBaltic Group Annual Results 2025

Call agenda

- Key Highlights
- Market environment and operational performance
- Financial results for 2025
- Strategic priorities and outlook



Key highlights in 2025

- Revenue growth achieved despite structural cost pressures
  - Revenue increased to €779 million (+4% vs 2024)
  - Passenger numbers reached 8.7 million across all operations
  - ACMI-out revenue increased to €157 million (+7% YoY)
- A year of two halves for airBaltic**:**
  - H1 2025 - Margin pressure driven by higher navigation and government charges and engine availability constraints
  - H2 2025 - Yield recovery +9% vs H2 2024 supported by pricing actions and improving demand
- **Improving engine** performance and positive outlook for 2026 on engine reliability and availability
- **Lufthansa** Group and **Latvian** State investment completed



Forward – looking statements



This presentation contains forward-looking information that is subject to risks and uncertainties, and actual results may differ materially.

These factors include, among others, fuel prices, geopolitical tensions and wars, and other unforeseen events.



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.



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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.

Pauls Calitis

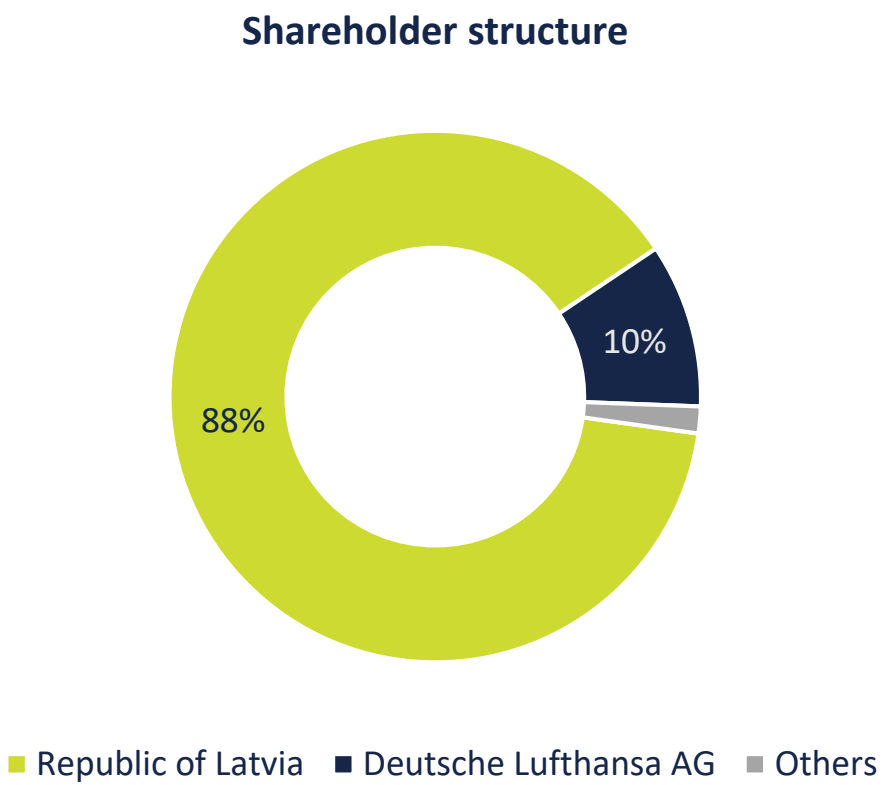
Chief Operations Officer



airBaltic Group Annual Results 2025

Lufthansa investment completed alongside Latvian State

- On August 21, 2025, the EUR 14 million investment of **Lufthansa Group** in airBaltic completed**.** Lufthansa group acquires convertible shares granting:
  - 10% of the voting rights
  - 1 Supervisory Board Seat
  - Shares convert at the IPO valuation
- **Latvian State co-invested** EUR 14 million on the same terms, in line with state aid rules
- Total new equity investment in the airline – **EUR 28 million**
- Supervisory board expanded to 5 members



airBaltic Group 2025 highlights

Navigating challenging environment with growing production



8.7 M Grand total passengers

+5% vs 2024



5.2 M airBaltic passengers

+1% vs 2024



78 384 Grand total flights

+7% vs 2024



€ 779 M Revenue

+4% vs 2024



€ 144 M EBITDAR

€ (40) M vs 2024



13.08 B Total ASKs

6% vs 2024

Network optimization allows to retain leading position in Baltic states in 2025



#1 airline in 2025

#1 airline in 2025

#2 airline in 2025

airBaltic 2025 operational highlights – punctuality and regularity improving

48 328
airBaltic network flights

+3% vs 2024

133 routes

-7% vs 2024

77.10%
15 min punctuality rate

73.72% in 2024

99.63%
regularity rate

99.62% in 2024

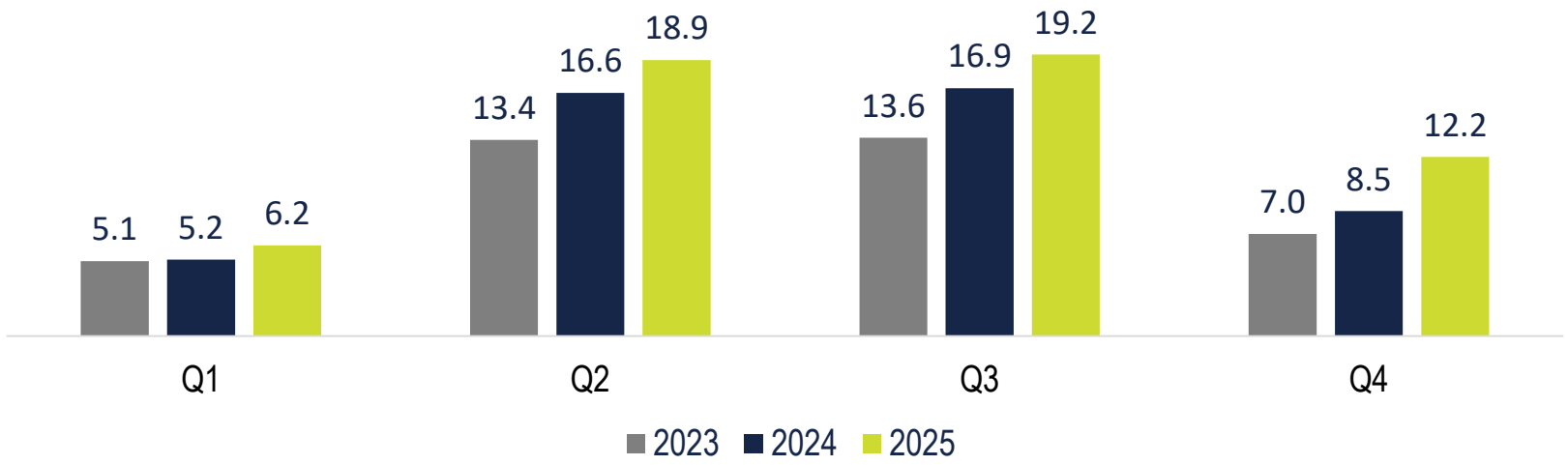


ACMI-out segment growing due to short-term and new long-term contracts

Peak ACMI-out fleet – 20 aircraft in 2025

New long-term agreement with Air Serbia increased Q4 ACMI-out production by 43% compared to last year

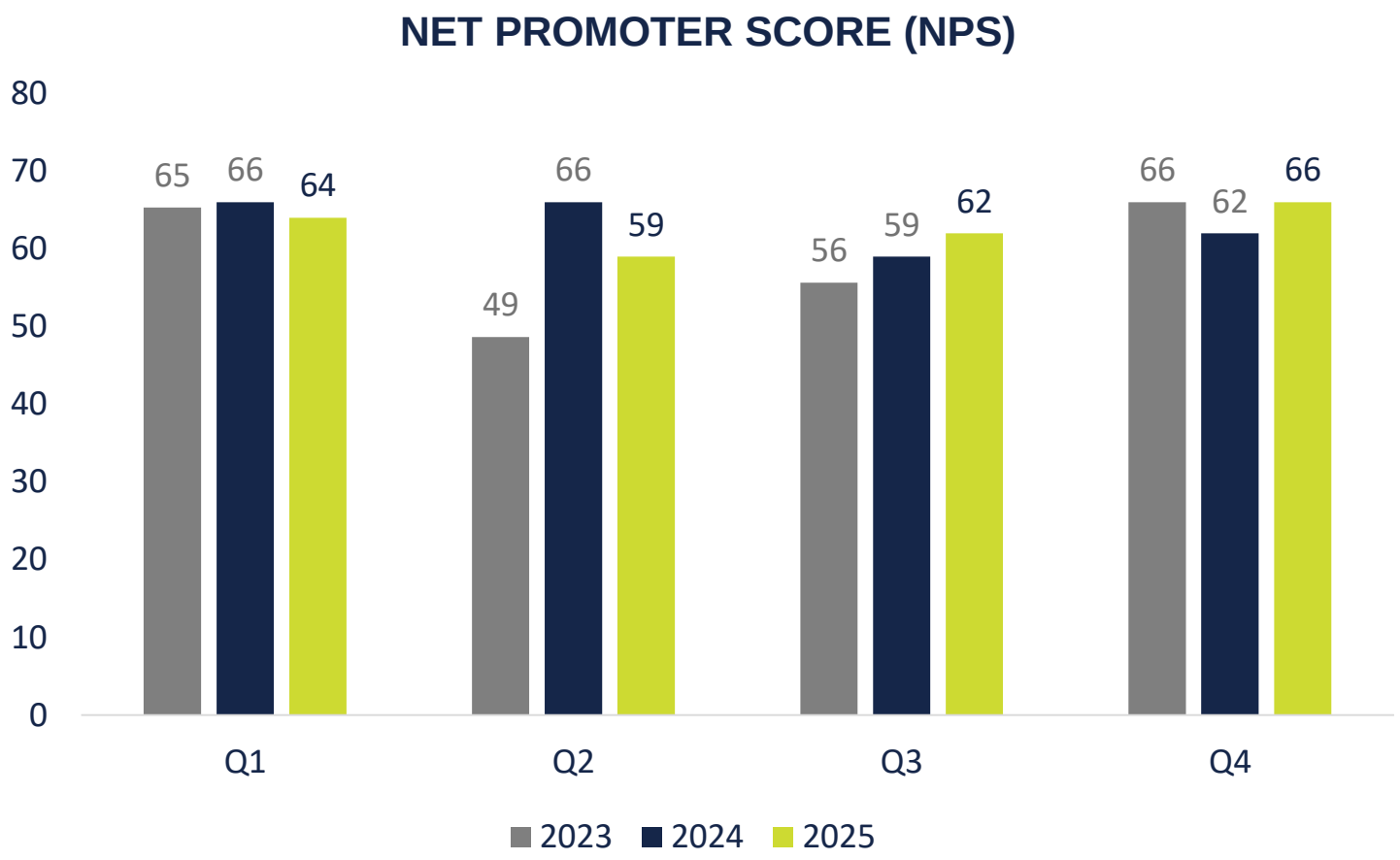
Average ACMI-out fleet development



*Including ad-hoc ACMI-out

Starlink drives market-leading NPS

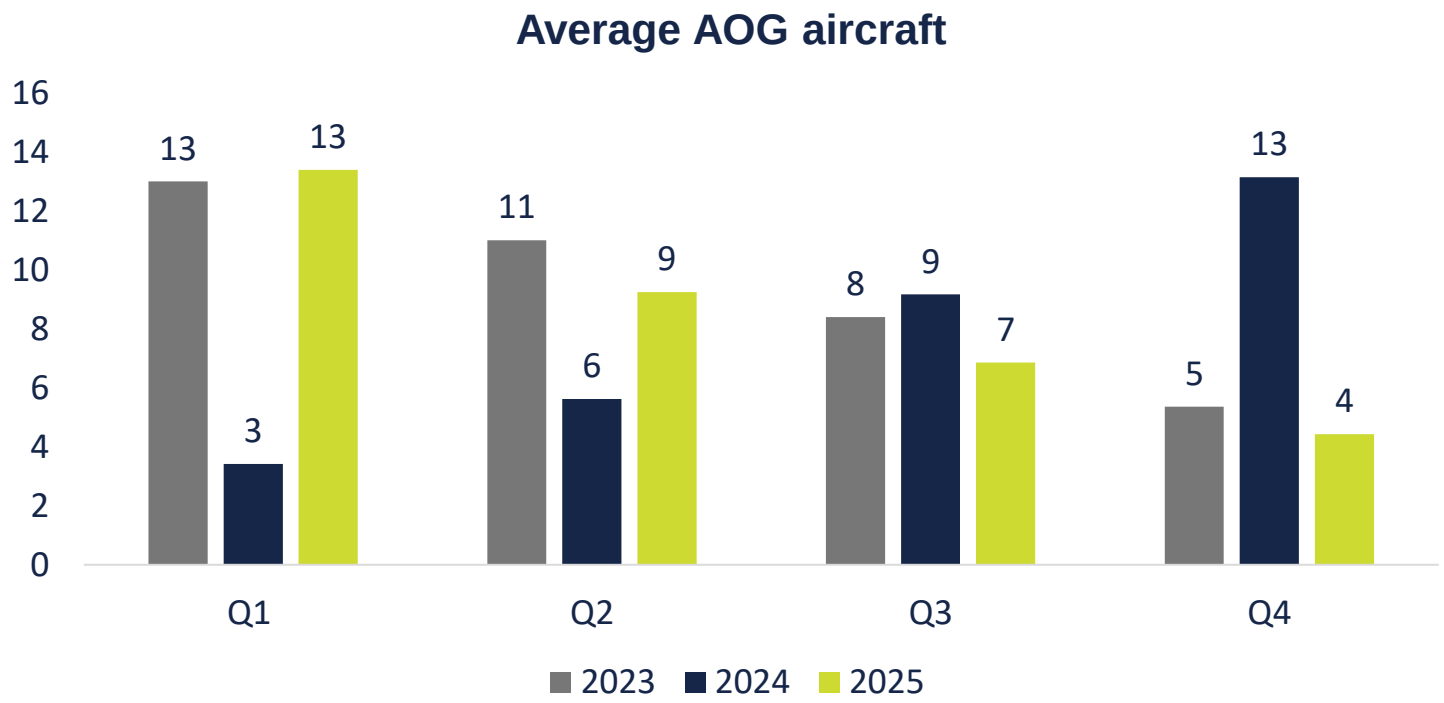
- **+9 NPS score advantage** vs. non-Starlink flights during Q4 2025, supporting the thesis that Starlink could provide significant boost to customer loyalty and enhance yields
- Until March 2026 28 aircraft have been equipped with Starlink
- Starlink was equipped for 51% of network flights in Q4 2025
- Traditionally lower NPS has been on ACMI-in flights, affecting the average NPS during Summer season



Pratt & Whitney engine situation stable with positive outlook

3 ACMI-in aircraft used in summer season 2025

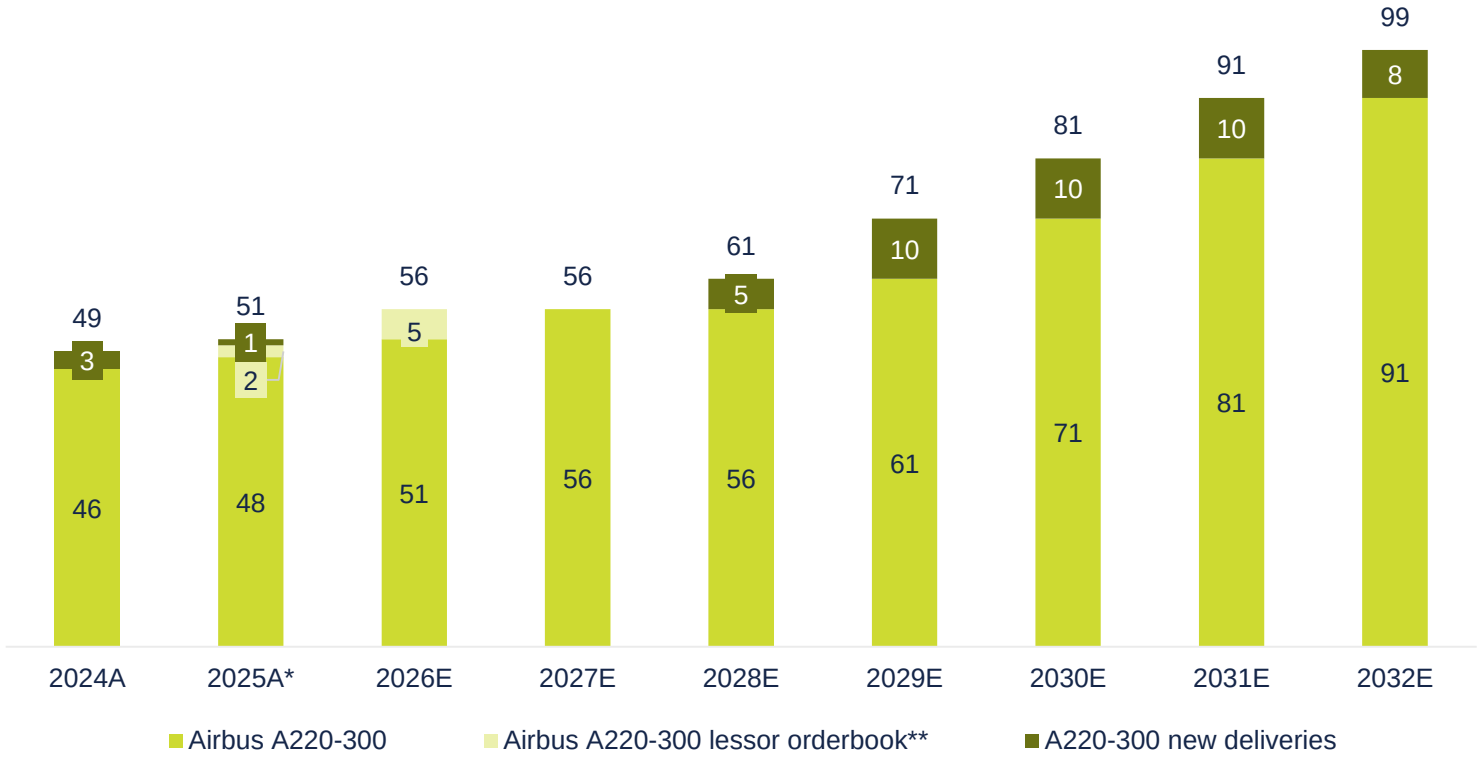
- Engine performance and availability improving, including **average time on wing (ATOW) increase** as engine matures
- **Engine shortage** in line with forecast, supporting positive outlook and P&W projections
- **Minimum number of AOGs** expected in Summer of 2026



Fleet to grow to 56 aircraft by mid 2026

- The updated aircraft delivery schedule is finalized
- At the date of this presentation the fleet size consists of 53 aircraft, remaining 3 are scheduled for delivery in the upcoming 3 months
- Future fleet size expected to reach 99 until the end of 2032
- Fleet development was impacted by the June 2025 incident with aircraft YL-AAO, which ultimately resulted in fleet size decrease by one aircraft

Indicative Fleet Development schedule



*Excluding the aircraft YL-AAO, which was grounded due to technical issues in Y2025 and subsequently impaired and derecognized
**Based on signed LOIs and discussions with lessors

Vitolds Jakovlevs

Chief Financial Officer

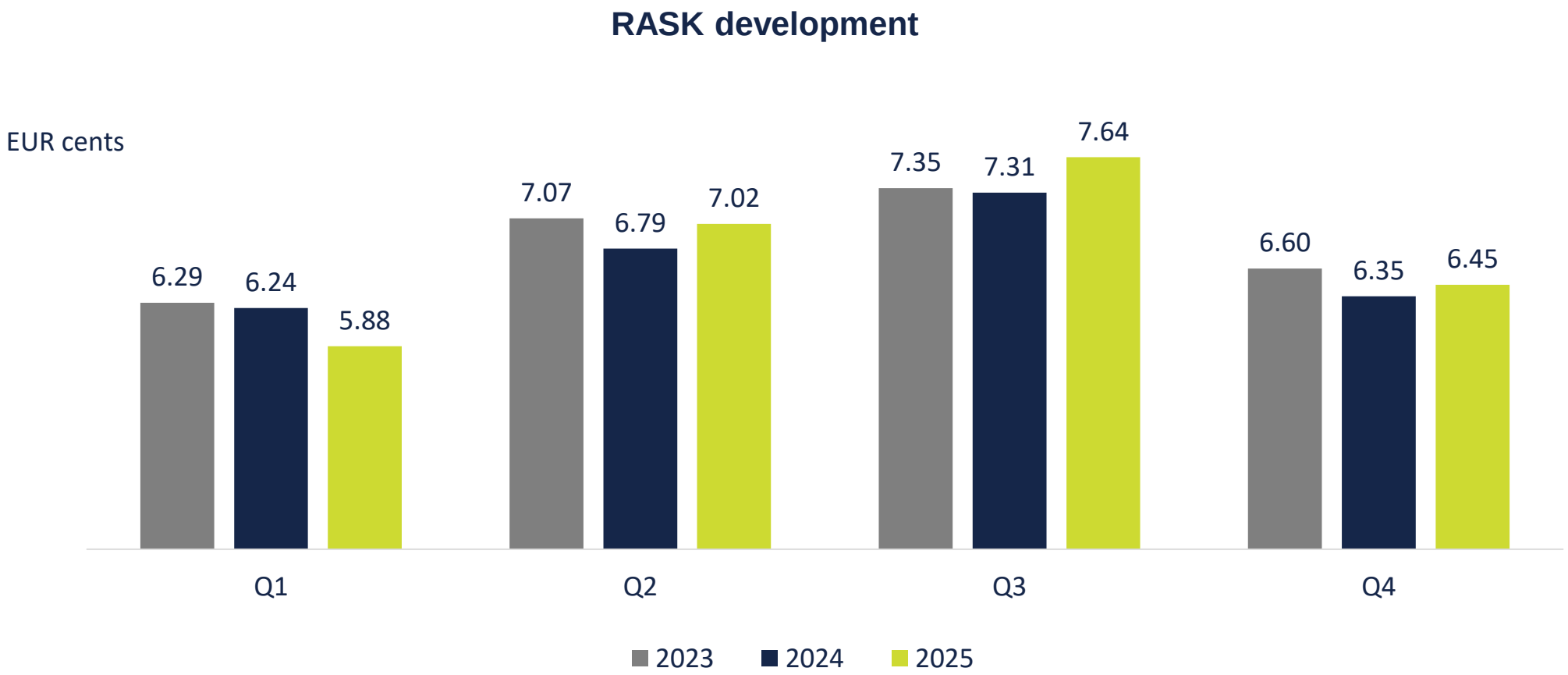


Key financial highlights for 2025

- Market environment and demand for air travel improving with the real GDP in Latvia and Estonia returning to growth
- Operating revenue increased to **€779 million (+4% vs 2024)** supported by passenger growth and continued expansion of ACMI-out operations
- **Passenger yield improved by 4% year-on-year**, with strong commercial recovery in the second half of the year
- ACMI-out revenue reached €157 million **(+7% YoY),** accounting for 20.3% of total Group revenue
- Adjusted EBITDAR amounted to **€144 million**, below the communicated guidance due to:
  - CO_2 price surge in Q4 leading to reevaluation of provisions for the full year for additional 5.6m EUR
  - Aircraft YL-AAO write-off in Q4 of 6.2m EUR
- Net loss improved to €(44.3) million, a €73.8 million improvement year-on-year, supported by foreign exchange impact

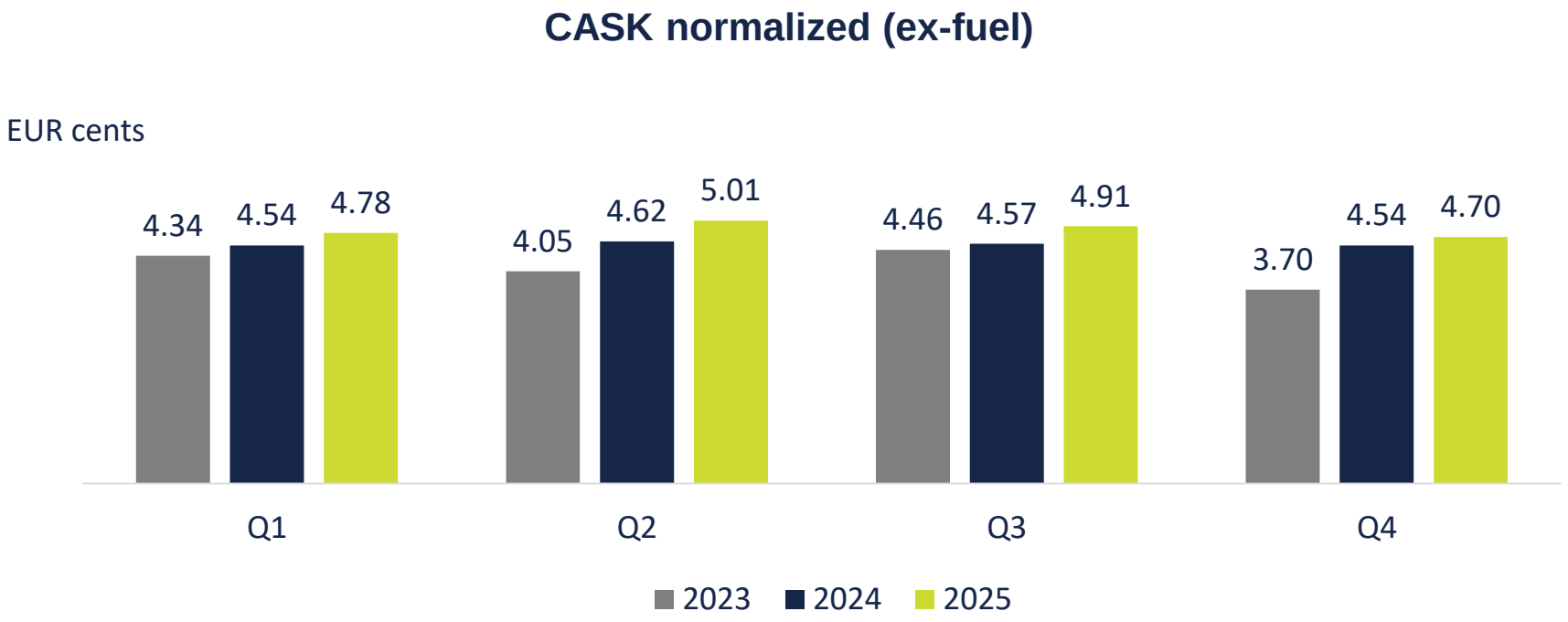


Macro improvement and effective pricing drive RASK recovery

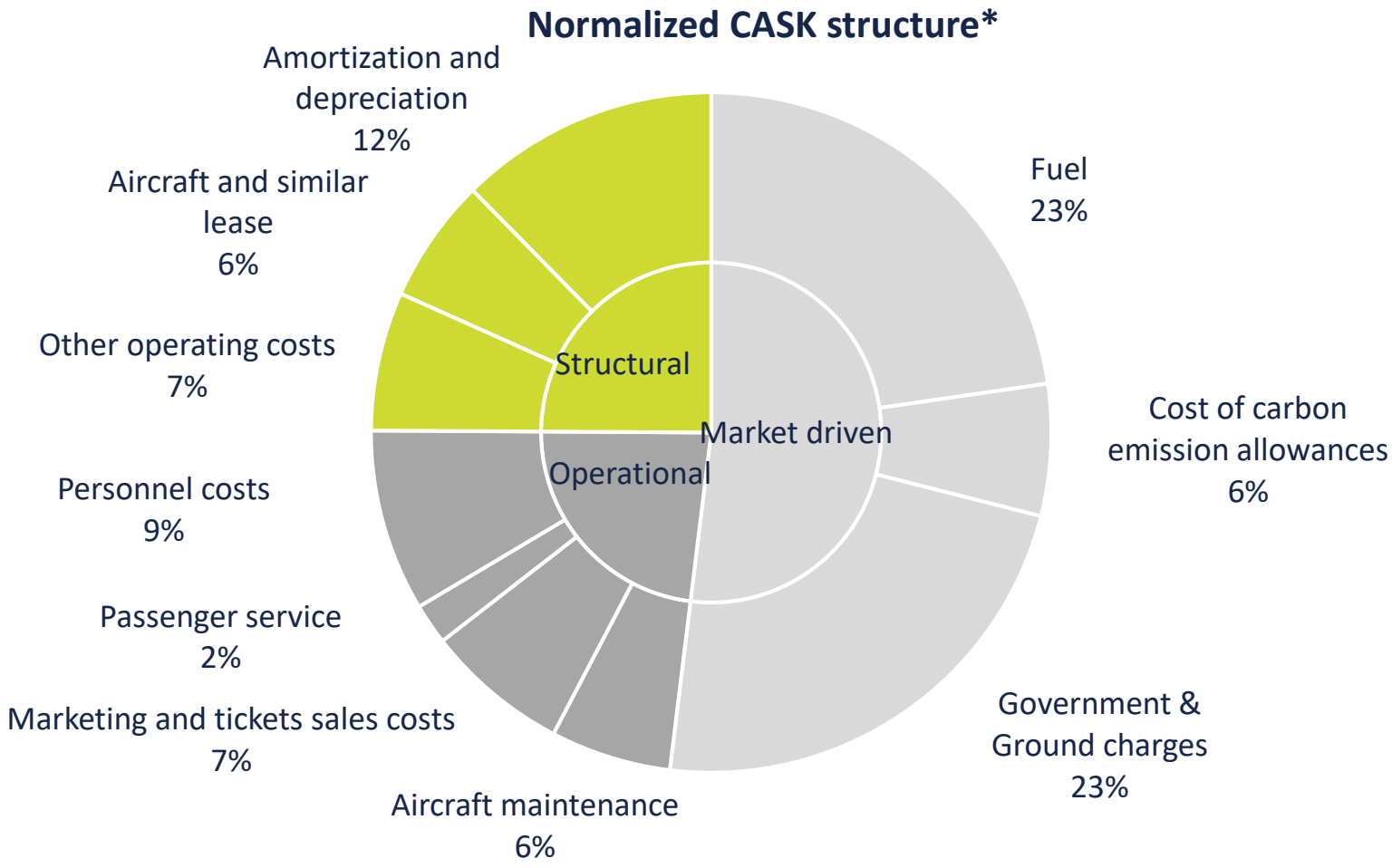


CASK reflects industry-wide cost environment

- Cost pressures observed in Q1 2025 persisted throughout the year across several cost categories
- As capacity was constrained and year on year ASK growth was 6%, the economies of scale impact was too small to mitigate the overall cost inflation drive by outside factors



Nearly 60% of CASK driven by external and regulatory factors



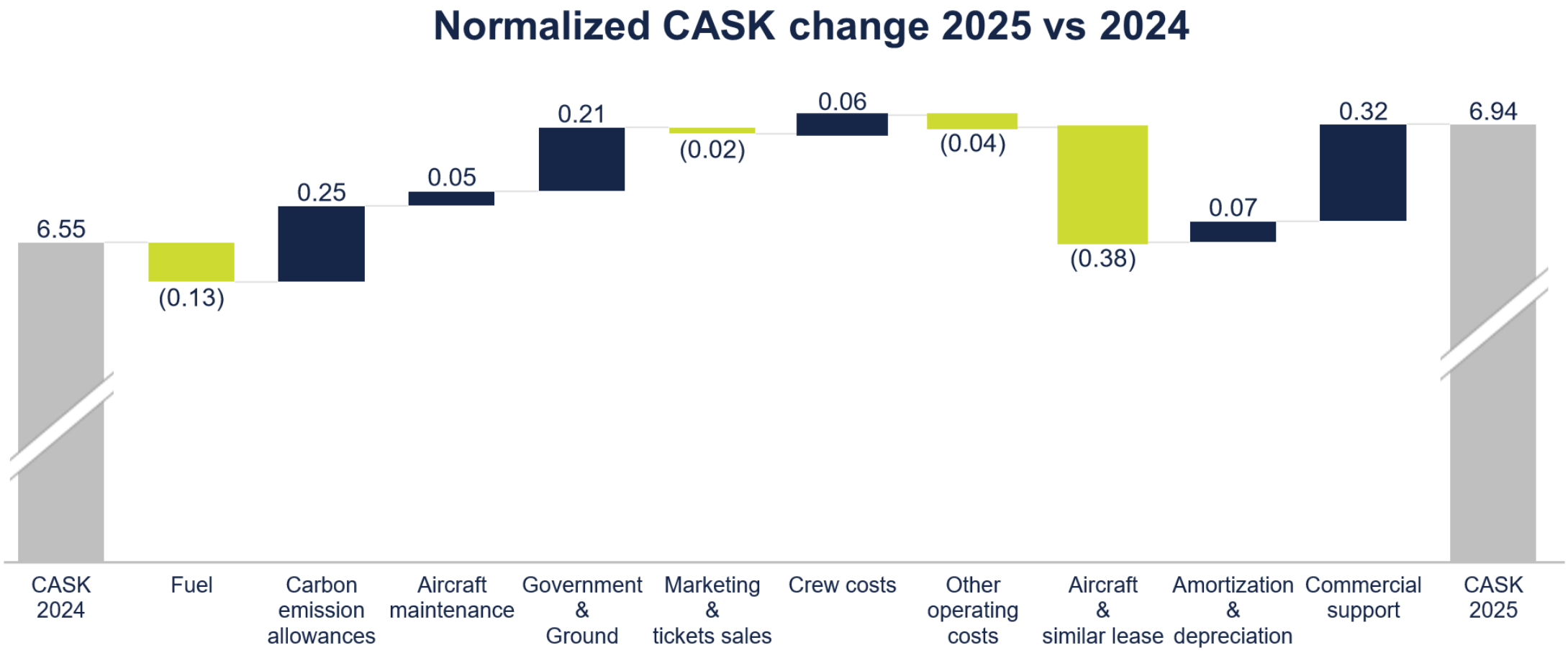
* Excluding commercial support

External cost pressures outweigh savings from operational efficiency

Normalized CASK by key cost categories (EUR cents)	**2025**	**2024**	**Change**
Carbon emission allowances (including revaluation of provisions)	(0.45)	(0.21)	119%
Overflight charges	(0.63)	(0.49)	28%
Terminal navigation charges	(0.14)	(0.11)	22%
Technical personnel remuneration	(0.14)	(0.11)	20%
Cabin crew salaries	(0.18)	(0.16)	12%
Aircraft maintenance (excluding technical personnel remuneration)	(0.28)	(0.25)	11%
Pilots' remuneration	(0.45)	(0.41)	10%
Amortization and depreciation	(0.89)	(0.83)	8%
Ground handling costs	(0.58)	(0.55)	6%
Other government charges	(0.32)	(0.30)	5%
Fuel	(1.64)	(1.77)	(7%)
Other operating costs	(1.26)	(1.36)	(8%)
Normalized CASK	**(6.94)**	**(6.55)**	**6%**

Market driven CO_2 costs and overflight charges were the main drivers of CASK increase in 2025

CASK bridge reflects capacity increase and lower commercial support



Quarterly summary

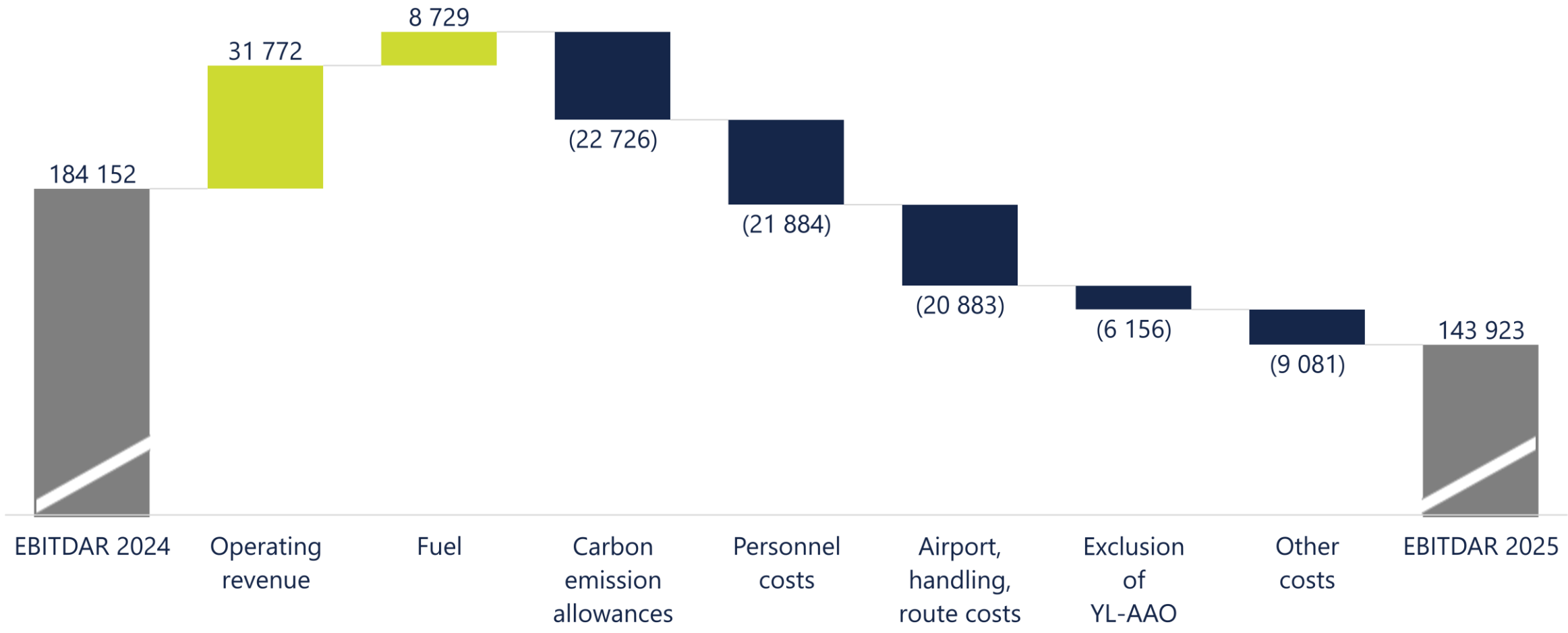
- Commercial metrics show indicate clear improvements year-on-year in Q4 2025
- More emphasis on monetizing charter and ACMI capacity in the winter season

(EUR thousands, except where otherwise stated)	Q1 2025	Change vs 2024 Q1	Q2 2025	Change vs 2024 Q2	Q3 2025	Change vs 2024 Q3	Q4 2025	Change vs 2024 Q4
Consolidated revenue								
Total revenue	132 719	0.3%	216 929	5%	244 655	4%	185 041	**7%**
Passenger revenue	110 007	(2%)	155 236	5%	180 303	2%	147 721	**9%**
Ticket revenue	100 932	(3%)	144 198	5%	167 442	4%	136 391	**9%**
Ancillary revenue	9 075	3%	11 038	5%	12 861	(14%)	11 330	**6%**
Charter revenue	1 954	(53%)	2 655	(32%)	3 941	50%	3 888	**22%**
ACMI lease revenue normalized*	16 568	33%	54 377	1%	55 834	2%	30 690	**19%**
KPI without ACMI-out operations								
Ticket yield (€)	97.1	(7.7%)	100.5	(1.5%)	104.5	10.7%	100.2	**11.4%**
Comparable ancillary yield (€)	9.5	(4.3%)	8.5	(1.1%)	8.8	(7.8%)	9.4	**7.8%**
Yield (€ cents)	7.2	(4.1%)	8.1	0.4%	8.5	10.1%	7.6	**9.0%**
ASKs (million km)	1 967	2.6%	2 294	0.9%	2 454	(1.8%)	2 406	**6.1%**
Load factor (%)	75.9%	0.0pp	80.2%	2.4pp	84.6%	(3.3pp)	79.3%	**(2.7pp)**

* Revenue normalized to the relevant periods

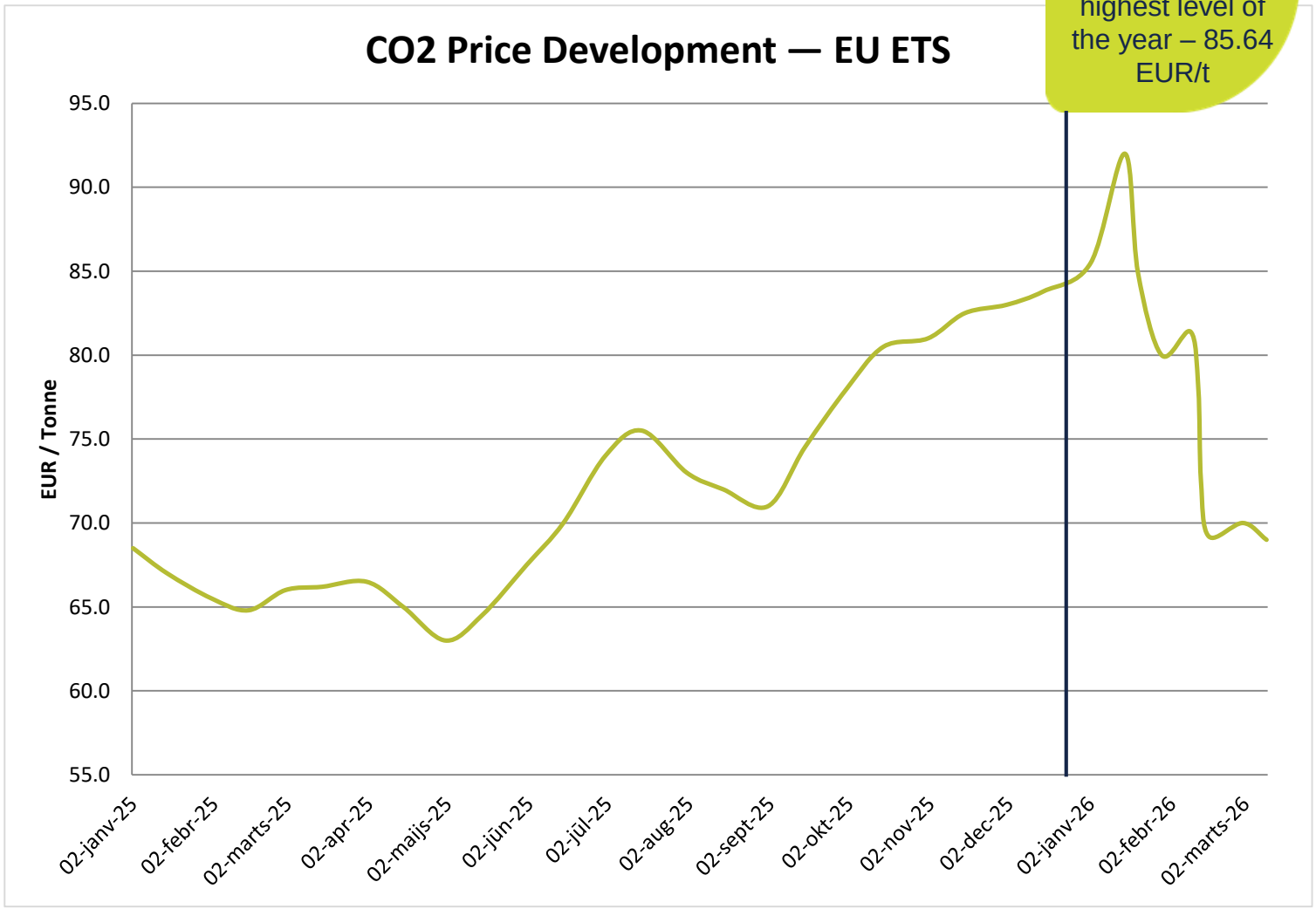
Adjusted EBITDAR change 2025 vs 2024

EUR, thousands



Full year and Q4 result significantly impacted by CO_2 price surge

- The full year CO2 costs reached €41.2 million
- The 31 December EUA price is used to value the emissions obligation, directly impacting both Q4 results and the full-year reevaluation
- The reevaluation impact was fully recognized in Q4 earnings, affecting the ability to reach the 2025 guidance
- The subsequent decline in CO_2 prices in early 2026 indicates potential for a partial reversal of this impact in 2026 results.



Items affecting comparability in 2025
Positive impact from USD liabilities revaluation

EUR thousand	2025	2024	Delta	Index
Operating revenue	779 344	747 572	31 772	1.04
Adjusted EBITDAR	**143 923**	**184 152**	**(40 229)**	**0.78**
Net impairment losses on right-of-use assets	6 156	-	6 156	-
Management EBITDAR	**150 079**	**184 152**	**(34 073)**	**0.81**
Adjusted EBITDA	**123 863**	**158 333**	**(34 470)**	**0.78**
Net impairment losses on right-of-use assets	6 156	-	6 156	-
Management EBITDA	**130 019**	**158 333**	**(28 314)**	**0.82**
Profit/(Loss) for the period	**(44 337)**	**(118 159)**	**73 822**	**0.38**
Revaluation of liabilities in USD	(60 779)	32 238	(93 017)	-
Net impairment losses on right-of-use assets	6 156	-	6 156	-
Accelerated depreciation of engines	-	40 468	(40 468)	-
Interest/commission on repaid bonds	-	3 375	(3 375)	-
Management Profit/(Loss) for the period	**(98 960)**	**(42 077)**	**(56 883)**	**2.35**

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

Consolidated balance sheet

EUR million	2025.12	2024.12
Assets		
Property, plant and equipment (PPE)	315	227
Right-of-use assets	842	867
Intangible assets	21	20
Prepayments for maintenance and PPE	161	140
Trade and other receivables	30	25
Non-current Assets	**1,367**	**1,280**
Inventories	13	14
Prepayments for maintenance	22	22
Prepaid expenses	5	11
Trade and other receivables	60	42
Restricted cash	17	14
Cash	11	33
Current Assets	**129**	**136**
Total Assets	**1,496**	**1,416**
Equity and Liabilities		
Share capital	42	596
Share premium	11	0
Accumulated loss	(200)	(651)
Profit/Loss for the period	(44)	(118)
Other	7	8
Equity	**(184)**	**(165)**
Lease liabilities	716	809
Borrowings	444	390
Other	46	30
Non-current Liabilities	**1,206**	**1,229**
Borrowings	17	11
Lease liabilities	138	102
Contract liabilities, airport taxes and other liabilities	100	82
Trade and other payables	146	105
Other	73	53
Current Liabilities	**474**	**353**
Total Equity and Liabilities	**1,496**	**1,416**

Cash including Restricted cash in line with Liquidity covenant

EUR 28m Mandatory Convertible Shares (MCS) recognised in equity based on management assessment



Middle East conflict and its financial impact

- Recent tensions in the Middle East have increased volatility in global oil and jet fuel markets
- Approximately 10% of airBaltic's fuel consumption is hedged, helping reduce short-term exposure to price fluctuations
  - Total fuel burn for the remainder of the year ~165k tonnes
  - Hedged 17 000 tonnes at 567 EUR/t for 2026
- The airline is in discussions with key partners and shareholders to gain additional working capital support in near term to mitigate the potential impact of high fuel prices



Erno Hilden

Chief Executive Officer



airBaltic Group Outlook for 2026

Strategic priorities

- Reevaluating and recalibrating the network
  - Reviewing network structure to optimize fleet deployment and profitability
  - Strengthening strategic planning to fully capture the potential of fleet growth
- Improving financial performance
  - Leveraging full fleet availability to maximize aircraft utilization and improve operational efficiency
  - Driving margin improvements through disciplined network and pricing management
  - Increasing presence in charter and ad-hoc ACMI markets to enhance fleet flexibility and revenue generation
- Strengthening the capital structure
  - Equity raise from new investors, including a potential strategic partner, supported by a government mandate to pursue external investment opportunities beyond the IPO scenario
  - Additional financing from existing shareholders, including the Government of Latvia, subject to EU state aid rules
  - Asset financing transactions, including sale and leaseback of spare engines

Outlook for 2026*



+15-20%
Total capacity



+30-40%
ACMI-out capacity



+8-10%
scheduled network capacity

- Given the elevated uncertainty in the macroeconomic and fuel price environment stemming from the conflict in the Middle East, management considers it prudent not to provide financial outlook
- Capacity deployment remains flexible between the business segments

* 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

Q&A session



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