

H1 2023 RESULTS

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Chief Executive Officer

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September 2023

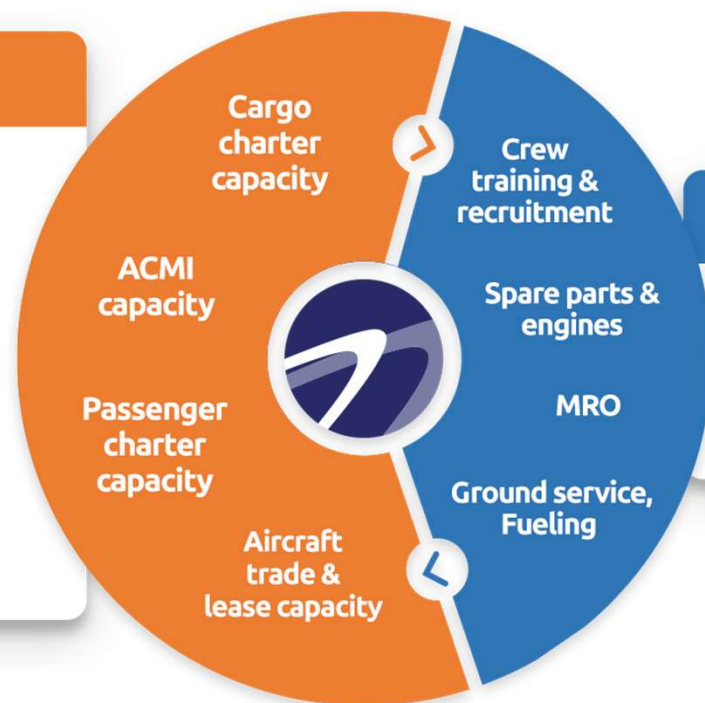


LEADERS IN END-TO-END CAPACITY SOLUTIONS FOR PASSENGER AND CARGO AIRLINES WORLDWIDE



LOGISTICS & DISTRIBUTION

- Wet Lease
- Group Charters
- On Board Courier
- Private Jet Charters
- Trade of an aircrafts with a lease attached
- Damp Lease
- Cargo Charters
- Humanitarian Airlifts
- Aircraft fleet sourcing for the group companies



SUPPORT SERVICES

- Aircraft Maintenance (MRO) & Spare Parts
- Ground Handling & Fuelling
- Aviation Training & Recruitment

H1 2023 Revenue geography by clients:

Europe – 71.0%;
Asia – 15.8%;
Americas – 6.6%;
Africa – 4.7%;
Other – 1.9%.

H1 2023 Human capital spread by geography:

Europe – 89.7%;
Asia – 9.5%;
Americas – 0.8%;
Africa – 0.0%.

€955 m

H1 2023 revenue

€133 m

H1 2023 EBITDA

€260 m







Cash and Short-term Deposits
as of 30 June 2023

BB- / BB

S&P / Fitch Ratings
as of 13 October 2022 / 28 April 2023

* Net Debt definition is in Glossary

KEY HIGHLIGHTS

-  Very strong passenger ACMI market, air cargo volume declines have bottomed out
-  Group revenue increased by 22% YoY reaching €955m in H1 2023
-  Strong second quarter though ACMI high season just started (EBITDA Q2 2023 vs Q2 2022 increased by 60%)
-  Aircraft fleet growth: plus 21 aircraft in Q2 2023
-  Acquisition of ACMI airline AirExplore (Slovakia) and small UK-based airline operator
-  ACMI AOC in Indonesia, opened new pilot training facility in France, new MRO expansion project in Dominican Republic and Indonesia

PASSENGER TRANSPORTATION SECTOR

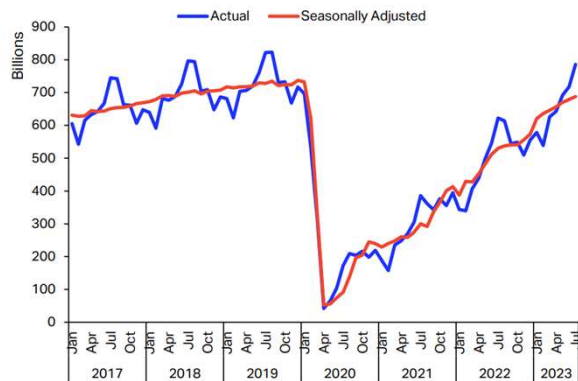
Global

- Industry-wide revenue passenger-kilometers (RPKs) increased 26% YoY in July, reaching 96% of the traffic numbers seen in 2019. This growth aligns with the steady recovery trend observed in the industry over the past seven months, exhibiting a slowing but resilient growth momentum.
- Available seat-kilometers (ASKs) also saw a strong growth of 24% YoY, totaling 96% of the pre-pandemic capacity.

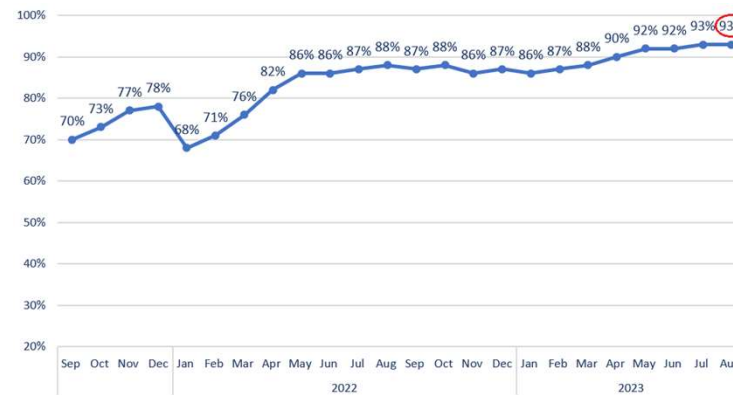
Europe

- In August 2023, average daily flights grew slowly and reached 93% of the 2019 level.
- Intra-Europe flights are at -7% compared to the 2019 level, while non intra-Europe are 13% down basically because Europe shut airspace for Russia aircraft.
- Looking ahead, the latest ticket sales indicate that recovery momentum is expected to continue into 2024.

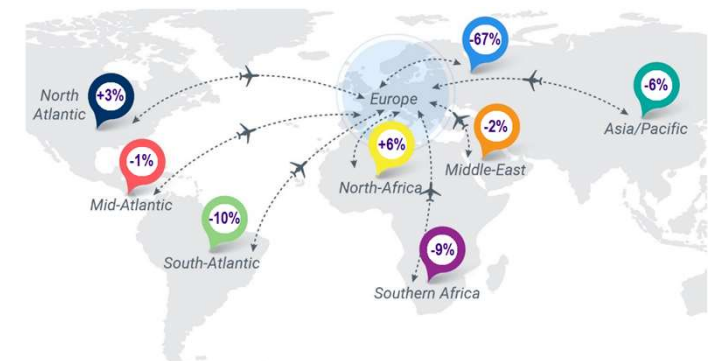
Global air passenger volumes



Europe flights since May 2021 as comparison with 2019



Traffic evolution between regions

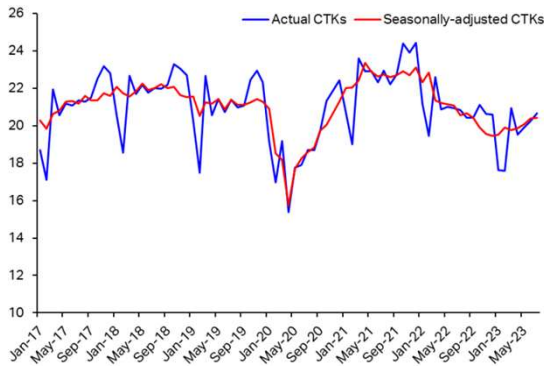


week 23-29 Aug 2023 vs. 2019

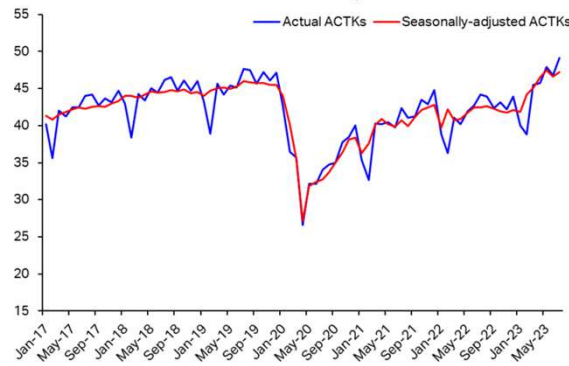
GLOBAL CARGO SECTOR

- Global air cargo demand decreased in July with cargo tonne-kilometers (CTKs) falling by 1% YoY, while remaining 3% lower than their pre-pandemic level in 2019. The global air cargo industry registered 21 billion CTKs in July, extending its steady improvement since February.
- Air cargo capacity, measured in available cargo tonne-kilometers (ACTKs), increased by 11% YoY and a 3% increase over the same month in 2019, primarily due to the continued restoration of belly cargo capacity during the summer season.
- Global trade contracted for the third consecutive month, with manufacturing output and new export orders deteriorating. China's weak performance in production and exports is a concerning development for the global economy. With overcapacity expected to last into 2024, improvements in rates would need to be driven by a demand pick up.

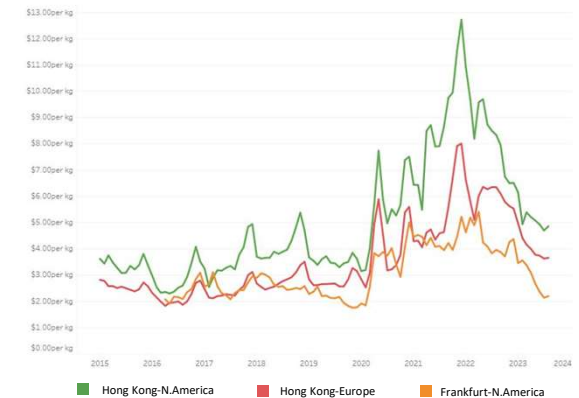
Cargo-tonne kilometres (CTKs) levels



Available cargo tonne-kilometres (ACTKs)



Freight Index (BAI)*



Sources: IATA Economics, IATA Monthly Statistics, Baltic exchange
 * - Baltic Exchange Air Freight Index (BAI)

H1 KEY FINANCIAL HIGHLIGHTS

Support Services

- MRO
- Ground handling
- Fueling

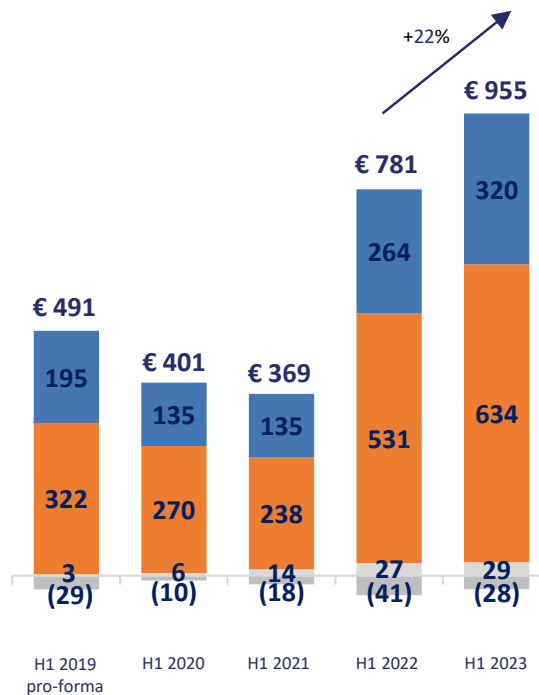
Logistics & Distribution

- Cargo & Charter
- Passenger ACMI
- Cargo ACMI
- Private Jet

Unallocated

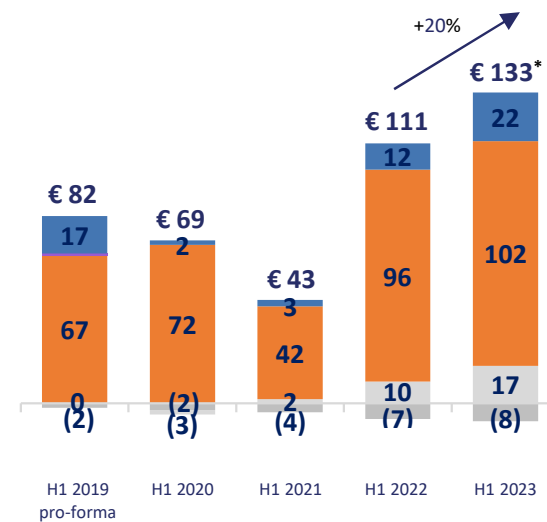
IC and business combination adjustments

Consolidated Group Revenue



Consolidated Group EBITDA

in € m



* Management corrections for comparison purposes

Q1–Q2 KEY FINANCIAL HIGHLIGHTS

Support Services

- MRO
- Ground handling
- Fueling

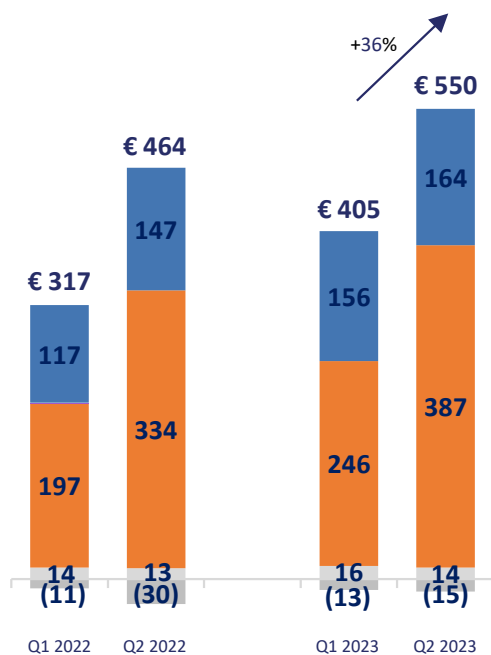
Logistics & Distribution

- Cargo & Charter
- Passenger ACMI
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- Private Jet

Unallocated

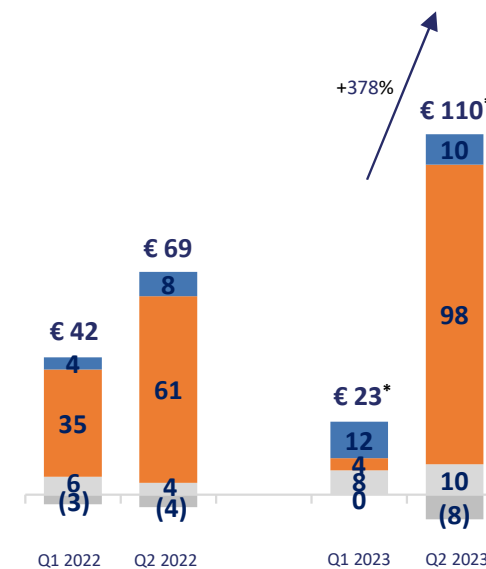
IC and business combination adjustments

Consolidated Group Revenue



Consolidated Group EBITDA

in € m



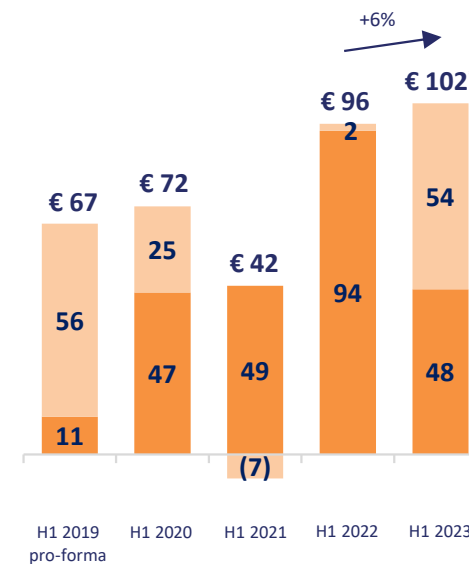
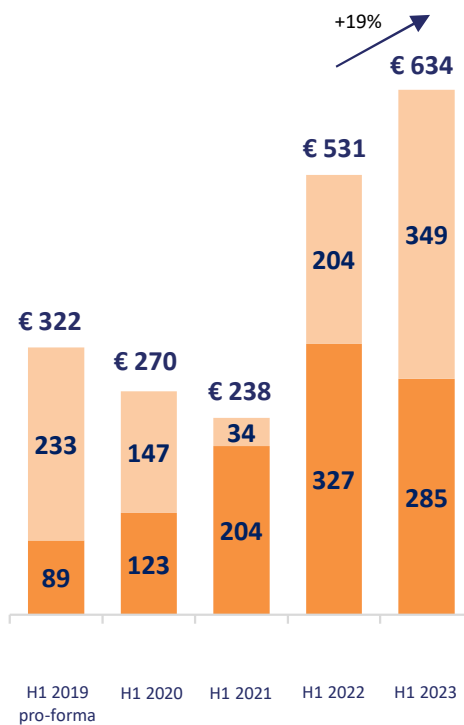
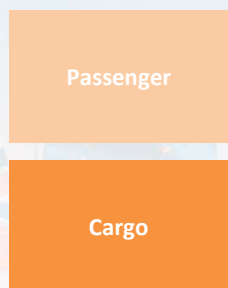
* Management corrections for comparison purposes

H1 LOGISTICS & DISTRIBUTION HIGHLIGHTS

Revenue (YoY)

EBITDA (YoY)

in € m



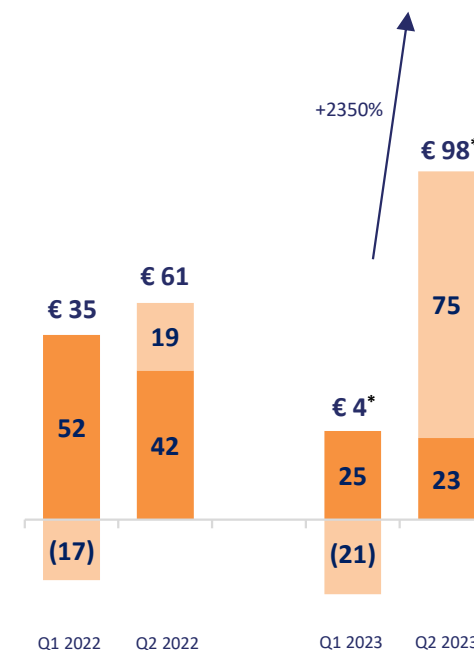
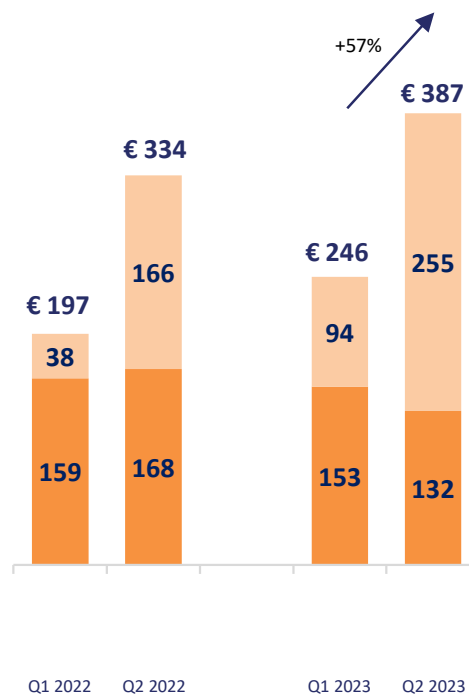
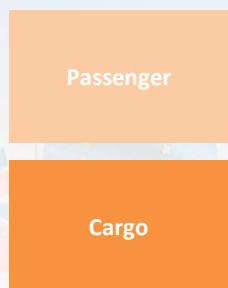
* Management corrections for comparison purposes

Q1-Q2 LOGISTICS & DISTRIBUTION HIGHLIGHTS

Revenue (YoY)

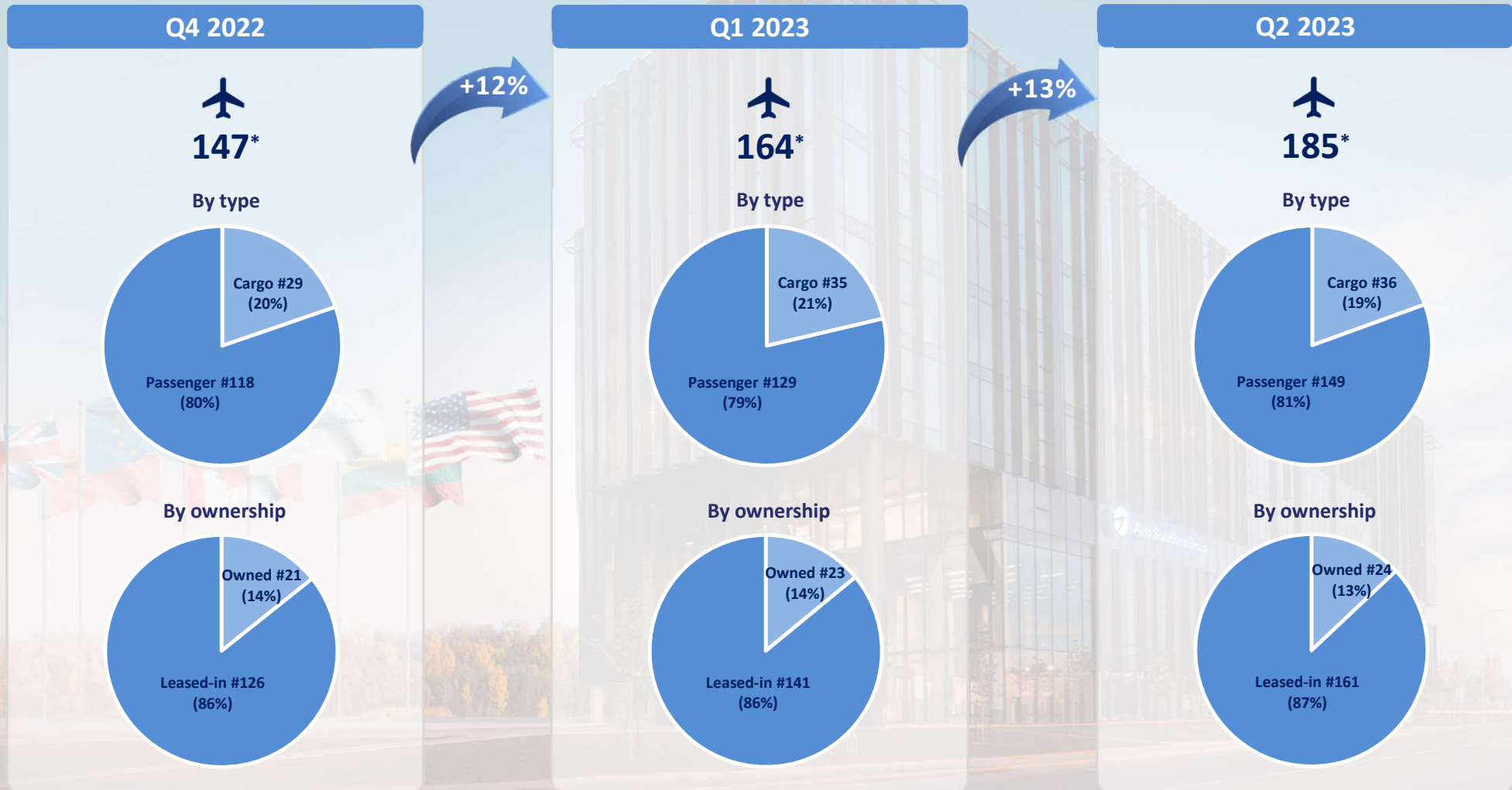
EBITDA (YoY)

in € m



* Management corrections for comparison purposes

AIRCRAFT FLEET



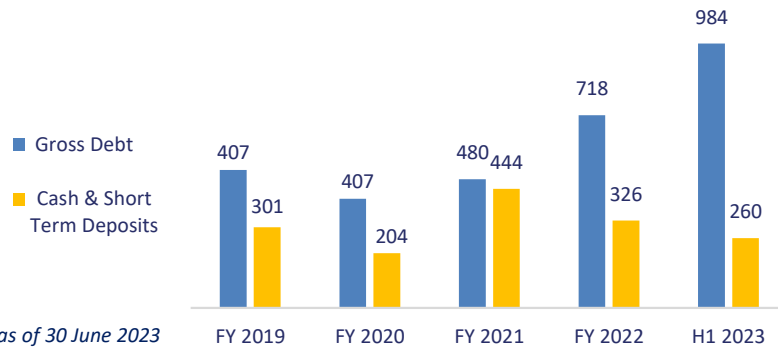
* Aircraft number without LOI

CASH AND DEBT POSITION

Lease liabilities H1 2023:

- IFRS16 in Passenger ACMI segment: €518 m
- IFRS16 in Cargo ACMI segment: €184 m
- IFRS16 in Support Services segment: €57 m
- Other lease liabilities: €14 m

Cash and Debt dynamics



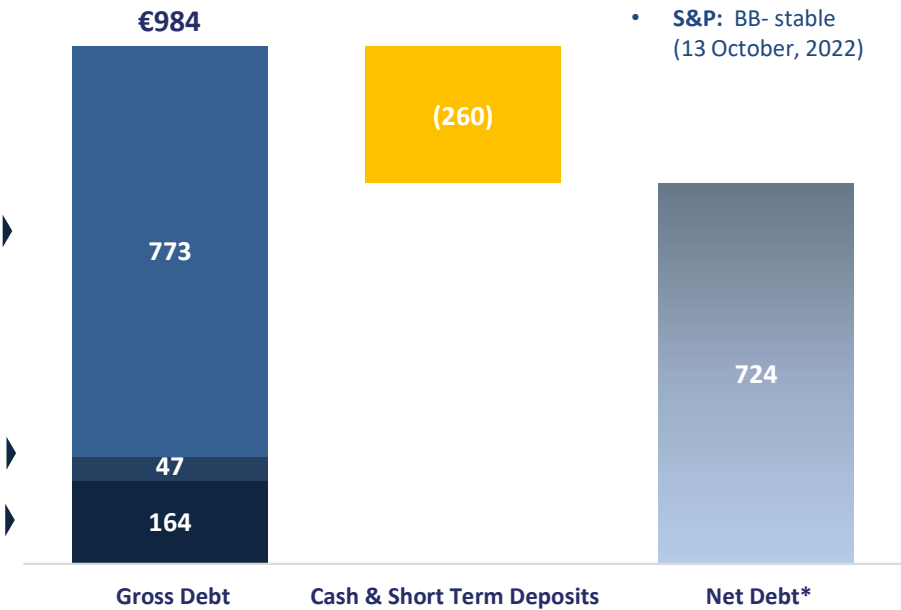
as of 30 June 2023
in € m

Consolidated Debt Position of the Group

Current & Non-Current Lease Liabilities (incl. IFRS16)

Current & Non-Current Other Borrowings

Bond Payable



as of 30 June 2023
in € m

Credit Ratings (Long-term):

- **Fitch:** BB stable (28 April, 2023)
- **S&P:** BB- stable (13 October, 2022)

* Net Debt definition is in Glossary

INCOME STATEMENT (CUMULATIVE)

Consolidated statements of comprehensive income

in € m	H1 2023	H1 2022
Revenue	954.7	780.6
Other income	1.2	2.9
Cost of services and goods purchased	(605.4)	(516.0)
Depreciation and amortisation	(92.0)	(48.2)
Employee related expenses	(181.9)	(142.6)
Other operating expenses	(41.7)	(34.9)
Impairment losses of financial assets	2.0	(9.7)
Other impairment-related expenses	(1.6)	(4.2)
Other gain/(loss) - net	7.5	27.5
Operating profit (loss)	42.7	55.5
Finance income	7.1	0.2
Finance cost	(50.7)	(40.7)
Finance costs – net	(43.6)	(40.6)
Share of profit (losses) of associates	2.1	0
Profit (loss) before income tax	1.2	14.9
Income tax	(4.1)	(9.8)
Profit (loss) for the period	(2.9)	5.1

- The group ramped-up for the upcoming high season by adding 58 new aircraft to its fleet Q2 2023 vs Q2 2022. This also caused increase in costs respectively:
 - €42,8 m in Depreciation and amortisation;
 - €32,7 m in Crew costs;
 - €4,7 m in Aircraft Maintenance costs;
 - €5,2 m in Other aircraft operation costs.
- Profitability rapidly improved: Q2 2023 profit of €31 m vs Q1 2023 loss of €-34 m (Q2 2023 profit of €31 vs Q2 2022 profit of €18);
- Most of aircraft fuel expenses €142 m in H1 2023 vs €184 m in H1 2022 were passed on to customers.

IFRS16 expenses

in € m	FY 2019 pro-forma	FY 2020	FY 2021	FY 2022	H1 2023
Support services	(4.0)	(10.6)	(9.8)	(10.4)	(6.2)
Logistics and Distribution	(79.1)	(78.8)	(48.3)	(97.4)	(93.5)
Other	(0.4)	(2.9)	(2.5)	(2.8)	(1.3)
TOTAL:	(83.6)	(92.3)	(60.6)	(110.6)	(100.9)

* Pro-forma definition is in Glossary

FREE CASH FLOW (CUMULATIVE)

Key cash-flow drivers:

- **Operating activities** – high season in ACMI sector started in mid May and will continue until November;
- **Repayment of lease liabilities** – payment for ACMI lease-in aircraft;
- **Other investment activities** – sale of one office building in AeroCity campus;
- **Purchase of PPE** – details provided in slide CAPEX.

Condensed consolidated statements of cash flows:

in € m	H1 2023	H1 2022
Changes in working capital	13.4	(12.5)
Operating activities	89.0	84.5
Net cash generated from (used in) operating activities	102.3	72.1
Purchase of PPE and intangible assets	(94.8)	(39.8)
Other investing activities	12.4	0.4
Net cash generated from (used in) investing activities	(82.4)	(39.4)
Repayment of lease liabilities	(49.9)	(19.8)
Other financing activities	(36.1)	(34.0)
Net cash generated from (used in) financing activities	(86.0)	(53.8)
Increase (decrease) in cash and cash equivalents	(66.1)	(21.1)
Cash and short term deposits at the beginning of period	325.9	441.0
Cash and short term deposits at the end of period	259.8	419.9

CAPEX

- **Crew Training and Staffing** – investments in France flight training centre;
- **Passenger** – acquisition of one aircraft B737 and one airframe, capitalized aircraft preparation and overhaul cost;
- **Unallocated** – investments in AeroCity real estate campus – modern cluster of aviation companies in Vilnius.

in € m		Q1 2023	Q2 2023
Support Services	Aircraft Maintenance, Repair and Overhaul (MRO)	2.0	2.6
	Aircraft Ground Handling, Fueling and Logistics	0.9	0.5
	Crew Training and Staffing	3.0	3.2
	Total as per subgroup	5.9	6.2
Logistics and Distribution	Passenger	9.4	38.6
	Cargo	12.2	3.0
	Total as per subgroup	21.7	41.6
Unallocated	Total as per subgroup	9.0	10.4
TOTAL CAPEX		36.6	58.2
in € m		Q1 2023	Q2 2023
M&A		2.0	8.0

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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.