

## Aeroflot announces FY 2021 IFRS financial results

**Moscow, 2 March 2022** – Aeroflot Group (“the Group”, Moscow Exchange ticker: AFLT) today publishes its consolidated financial statements for the year ended 31 December 2021, in accordance with International Financial Reporting Standards.

### Key financial highlights

Q4 2021	12M 2021
Revenue increased by 90.5% year-on-year to RUB 129,513 million	Revenue increased by 62.7% year-on-year to RUB 491,733 million
EBITDA totalled RUB 20,901 million	EBITDA totalled RUB 116,536 million
Reduction in net loss to RUB 18,358 million	Significant reduction in net loss to RUB 34,460 million

Andrey Chikhanchin, PJSC Aeroflot’s Deputy CEO for Commerce and Finance, said:<sup>1</sup>

“Despite macroeconomic pressures, including currency fluctuations and a substantial increase in the cost of jet fuel, Aeroflot Group saw a considerable improvement in its financial performance in 2021, including higher revenues and a severalfold reduction in losses. The consistent steps taken by management drove a large-scale recovery in the business: The Group’s airlines carried 45.8 million passengers, equivalent to 77.6% of passenger traffic in 2019. Due to the launch of new destinations and the development of regional flights, as well as expansion of the low-cost segment, Aeroflot Group’s passenger numbers on domestic routes were 15.3% above 2019 levels. On international routes, passenger traffic recovered steadily over the year, from 13.8% of 2019 volumes in January to reach 48.2% by December, driven by the addition of new routes and steps to restore existing routes.

“Thanks to an ongoing policy of strict cost controls, revenues rose at a faster pace than costs. In 2021, Aeroflot Group’s revenue amounted to RUB 491.7 billion, an increase of 62.7% year-on-year, while operating costs increased by 26.0%. Profitability improved considerably: EBITDA was RUB 116.5 billion, and the EBITDA margin was 23.7%, just 1.2 p.p. lower than in 2019. The operating loss seen in 2020 decreased substantially, and the Group came close to an operating profit in 2021. As financial performance improved steadily in Q3 2021, Aeroflot Group generated its first quarterly net profit since the onset of the pandemic, of RUB 11.6 billion, which was a factor in the Company’s improved results for the year. The net loss for 2021 decreased by 3.6x year-on-year to RUB 34.5 billion. Thus, the Company was able to exceed its financial targets thanks to a combination of cost-saving and operational initiatives undertaken by management.

“During the year, Aeroflot Group met its financing needs through borrowings, including loans and bond placements, and also through returns of advances on aircraft deliveries, which bolstered liquidity. As of the end of the reporting period, Aeroflot Group had significant cash holdings and short-term financial investments worth RUB 93.8 billion.”

<sup>1</sup> Changes in operating results in 2021 versus 2019 are calculated based on a comparable structure for Aeroflot Group, i.e., excluding results for Aurora in 2019.

## Key operating highlights<sup>1</sup>

Indicator	Q4 2021	Q4 2020	Change	12M 2021	12M 2020	Change
Passengers carried, thousand PAX	11,698	7,100	64.8%	45,812	30,157	51.9%
- international	3,031	799	3.8x	8,475	5,984	41.6%
- domestic	8,667	6,301	37.5%	37,337	24,172	54.5%
Revenue Passenger Kilometres, million	26,389	14,282	84.8%	100,112	68,016	47.2%
- international	9,855	2,520	3.9x	27,360	21,151	29.4%
- domestic	16,534	11,762	40.6%	72,752	46,865	55.2%
Available Seat Kilometres, million	33,765	19,140	76.4%	124,623	92,334	35.0%
- international	14,051	3,701	3.8x	37,952	29,972	26.6%
- domestic	19,714	15,438	27.7%	86,671	62,362	39.0%
Passenger load factor, %	78.2%	74.6%	3.6 p.p.	80.3%	73.7%	6.6 p.p.
- international	70.1%	68.1%	2.0 p.p.	72.1%	70.6%	1.5 p.p.
- domestic	83.9%	76.2%	7.7 p.p.	83.9%	75.2%	8.7 p.p.

In 12M 2021, Aeroflot Group carried 45.8 million passengers, up 51.9% year-on-year. Year-on-year growth in passenger traffic (on a pro-forma basis, ex. Aurora Airlines) amounted to 56.0%. Domestic traffic has fully recovered, exceeding the results of 2019. The partial recovery of international air traffic continued, with significant restrictions still in place.

## Key financial highlights

<i>RUB million unless stated otherwise</i>	Q4 2021	Q4 2020	Change	12M 2021	12M 2020	Change
Revenue	129,513	67,969	90.5%	491,733	302,182	62.7%
EBITDA	20,901	(4,191)	–	116,536	26,989	4.3x
EBITDA margin	16.1%	–	–	23.7%	8.9%	14.8 p.p.
Loss for the period	(18,358)	(43,802)	(58.1%)	(34,460)	(123,208)	(72.0%)

## Revenue

<i>RUB million unless stated otherwise</i>	Q4 2021	Q4 2020	Change	12M 2021	12M 2020	Change
Passenger traffic revenue	106,188	50,133	2.1x	422,813	243,708	73.5%
- scheduled passenger flights	97,837	46,398	2.1x	398,217	225,753	76.4%
- charter passenger flights	8,351	3,735	2.2x	24,596	17,955	37.0%
Cargo flight revenue	13,672	9,635	41.9%	34,406	26,768	28.5%
Other revenue	9,653	8,201	17.7%	34,514	31,706	8.9%
<b>Total revenue</b>	<b>129,513</b>	<b>67,969</b>	<b>90.5%</b>	<b>491,733</b>	<b>302,182</b>	<b>62.7%</b>

In 12M 2021, Aeroflot Group's revenue increased by 62.7% year-on-year to RUB 491,733 million.

Revenue from scheduled passenger flights increased by 76.4% year-on-year to RUB 398,217 million due to recovery in passenger traffic and a 6.7 p.p. increase in the passenger load factor to 80.3%.

<sup>1</sup> Aeroflot Group's operating results for 2020 include flights operated by Aurora, which was part of Aeroflot Group until 25 December 2020.

Cargo revenue increased by 28.5% year-on-year to RUB 34,406 million on the back of a 23.5% increase in cargo and mail volumes.

Other revenue increased by 8.9% year-on-year to RUB 34,514 million.

### Operating costs

<i>RUB million unless stated otherwise</i>	Q4 2021	Q4 2020	Change	12M 2021	12M 2020	Change
Depreciation, amortisation and customs duties	33,930	31,207	8.7%	121,551	119,142	2.0%
Aircraft servicing and passenger services	27,067	14,783	83.1%	93,218	63,623	46.5%
Staff costs	19,435	15,091	28.8%	68,439	65,445	4.6%
Aircraft maintenance	7,260	8,809	(17.6%)	27,412	29,056	(5.7%)
Selling, general and administrative expenses	6,514	5,423	20.1%	20,893	20,578	1.5%
Other net expenses	6,439	12,603	(48.9%)	35,487	19,034	86.4%
<b>Operating costs less aircraft fuel</b>	<b>100,645</b>	<b>87,916</b>	<b>14.5%</b>	<b>367,000</b>	<b>316,878</b>	<b>15.8%</b>
Aircraft fuel	41,897	15,451	2.7x	129,748	77,457	67.5%
<b>Total operating costs</b>	<b>142,542</b>	<b>103,367</b>	<b>37.9%</b>	<b>496,748</b>	<b>394,335</b>	<b>26.0%</b>

In 12M 2021, operating costs increased by 26.0% to RUB 496,748 million, due to recovery in operational volumes – carrying capacity increased by 35.0% year-on-year (including Aurora Airlines in 2020).

Aircraft fuel costs increased by 67.5% year-on-year to RUB 129,748 million as fuel prices, flight volumes and flying time increased. The average fuel price increased by 21.1% year-on-year in 12M 2021 and by 76.1% year-on-year in Q4 2021.

Excluding fuel costs, operating costs increased by 15.8% year-on-year to RUB 367,000 million, primarily due to increased operational volumes.

Expenses related to aircraft servicing and passenger service increased by 46.5% year-on-year to RUB 93,218 million, due primarily to the growth of passenger traffic. At the same time, due to an increased focus on passenger safety and countering the spread of coronavirus infection, the Group continued to perform additional procedures for pre-flight preparation and aircraft disinfection, and provided passengers with personal protective equipment.

Staff costs increased by 4.6% year-on-year to RUB 68,439 million.

Aircraft maintenance costs decreased by 5.7% year-on-year to RUB 27,412 million, primarily due to the disposal of Aurora Airlines.

Selling, general and administrative expenses remained essentially flat year-on-year at RUB 20,893 million, despite significant inflation, due to extensive measures to optimise general business, consulting and marketing expenses.

Other expenses (net) increased by 86.4% year-on-year to RUB 35,487 million due to the disposal of Aurora while continuing to cooperate with the airline under a code-share agreement (i.e., costs attributable to the code-share agreement previously recorded in Group operating expenses as fuel costs, staff costs, aircraft maintenance and others are now reflected as a single sum in other expenses). In addition, the increase in communication services and booking systems expenses also had an impact on the back of an increase in traffic volumes.

Amortisation and customs duties, the largest expense item that is generally independent from operating volumes, remained essentially flat at RUB 121,551 million.

As a result of the above factors, EBITDA totalled RUB 116,536 million.

## Non-operating gains and losses

<i>RUB million unless stated otherwise</i>	Q4 2021	Q4 2020	Change	12M 2021	12M 2020	Change
<b>Operating loss</b>	<b>(13,029)</b>	<b>(35,398)</b>	<b>(63.2%)</b>	<b>(5,015)</b>	<b>(92,153)</b>	<b>(94.6%)</b>
Loss from investments, net	(80)	(200)	(60.0%)	(265)	(557)	(52.4%)
Finance income	3,488	2,062	69.2%	12,331	4,938	2.5x
Finance costs	(10,979)	(11,210)	2.1%	(41,407)	(47,252)	(12.4%)
Realised hedging results	(3,371)	(2,922)	15.4%	(8,291)	(13,254)	(37.4%)
Share of financial results of associates	87	(43)	–	153	(143)	--
Result from disposal of subsidiaries	–	(5,066)	–	–	(5,066)	–

In 12M 2021, finance income increased 2.5x year-on-year to RUB 12,331 million, primarily due to growth in interest income on deposits as a result of higher average cash balances in bank accounts year-on-year and also due to earnings from exchange-rate differences.

Finance costs decreased by 12.4% year-on-year to RUB 41,407 million, primarily due to a decrease in leasing-related interest expense as a result of lower interest rates.

The realised loss from hedging (the line that reflects transfer of part of the hedge reserve to the Group's financial result in accordance with the hedged revenue inflows schedule) amounted to RUB 8,291 million. This metric was RUB 13,254 million in 12M 2020.

Aeroflot Group's net loss for 12M 2021 decreased by 72.0% year-on-year to RUB 34,460 million.

## Debt and liquidity

<i>RUB million unless stated otherwise</i>	31.12.2021	31.12.2020	Change
Loans and borrowings	132,268	88,635	49.2%
Lease liabilities	665,283	662,507	0.4%
Pension liabilities	733	792	(7.4%)
<b>Total debt</b>	<b>798,284</b>	<b>751,934</b>	<b>6.2%</b>
Cash and short-term investments	93,753	93,775	(0.0%)
<b>Net debt</b>	<b>704,531</b>	<b>658,159</b>	<b>7.0%</b>

Total debt as of 31 December 2021 stood at RUB 798,284 million, an increase of 6.2% from 31 December 2020. Cash and short-term financial investments remained essentially flat compared with 31 December 2020 and totalled RUB 93,753 million.

### Investor enquiries:

Aeroflot Investor Relations  
+7 (495) 258-06-86  
[ir@aeroflot.ru](mailto:ir@aeroflot.ru)

### Media enquiries:

Aeroflot Press Centre  
+7 (495) 752-90-71  
+7 (499) 500-73-87  
+7 (495) 753-86-39  
[presscentr@aeroflot.ru](mailto:presscentr@aeroflot.ru)