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<table>
<thead>
<tr>
<th>Positioning</th>
<th>Business model</th>
<th>Flight range</th>
<th>Aircraft fleet</th>
<th>Focus airport</th>
<th>International RPK Share (%)</th>
<th>PAX contribution (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Premium product</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheduled flights</td>
<td>Flagship carrier</td>
<td>Short- to long-haul</td>
<td>Narrow-body aircraft</td>
<td>Moscow SVO</td>
<td>68%</td>
<td>61%</td>
</tr>
<tr>
<td></td>
<td>Hub and spoke model</td>
<td></td>
<td>Wide-body aircraft</td>
<td>Krasnoyarsk</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>High frequency</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mid-price regional / charter product</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheduled and charter flights</td>
<td>Presence in second largest market (St.Petersburg)</td>
<td>Short- to long-haul</td>
<td>Narrow-body aircraft</td>
<td>Moscow SVO, VKO</td>
<td>48%</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Social routes (flat-fares) from Moscow</td>
<td></td>
<td>Wide-body aircraft for Far Eastern flights and charter</td>
<td>Saint-Petersburg</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Charter flights with the partner</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Selected routes connected to Aeroflot network</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Low-cost product</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheduled flights</td>
<td>P2P flights via Moscow</td>
<td>Short- and medium-haul</td>
<td>Narrow-body aircraft</td>
<td>Moscow VKO</td>
<td>28%</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td>P2P flights within regions</td>
<td></td>
<td></td>
<td>Saint-Petersburg</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>High passenger load factor and fleet utilization</td>
<td></td>
<td></td>
<td>Regional bases</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Product for Far East</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheduled flights</td>
<td>Passenger flights in the Far East</td>
<td>Short- and medium-haul</td>
<td>Narrow-body aircraft</td>
<td>Vladivostok</td>
<td>26%</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>Local flights to remote destinations within the region</td>
<td></td>
<td></td>
<td>Khabarovsk</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Yuzhno-Sakhalinsk</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Note: according to company data as of 9M 2019

Multi-brand product offering to capture customers in every market segment: from premium to low-cost
MARKET OVERVIEW
Competitive Dynamics on Russian market

Passenger Traffic: Russian Air Transportation Market

Growing Market Share (PAX)

Russian market continues to grow. Aeroflot Group managed to increase market share on the growing market via presence in all market niches.
Russian Market Continues its Robust Growth

Passenger traffic, mn PAX

Sources: FAVT, internal analysis

1. Structural trends
2. Evolving airport infrastructure
3. Stimulation effect of LCCs

The Russian market will continue growing in future
Trends Supporting Industry

1. Structural (long-term) growth trends
2. Evolving airport infrastructure
3. Stimulation effect of LCCs
We remain constructive on Aeroflot’s prospects in the long-term, viewing it as well-positioned to benefit from long-term growth in air traffic. Despite substantial growth in the recent years Russian market remains underpenetrated, particularly considering size and distances of the country.

**Domestic air and railways PAX, mn**

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic air transportation PAX, mn</th>
<th>Railways long haul PAX, mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>26</td>
<td>36</td>
</tr>
<tr>
<td>2009</td>
<td>24</td>
<td>33</td>
</tr>
<tr>
<td>2010</td>
<td>29</td>
<td>33</td>
</tr>
<tr>
<td>2011</td>
<td>33</td>
<td>35</td>
</tr>
<tr>
<td>2012</td>
<td>35</td>
<td>39</td>
</tr>
<tr>
<td>2013</td>
<td>39</td>
<td>46</td>
</tr>
<tr>
<td>2014</td>
<td>46</td>
<td>53</td>
</tr>
<tr>
<td>2015</td>
<td>53</td>
<td>56</td>
</tr>
<tr>
<td>2016</td>
<td>56</td>
<td>63</td>
</tr>
<tr>
<td>2017</td>
<td>63</td>
<td>68</td>
</tr>
<tr>
<td>2018</td>
<td>68</td>
<td>110</td>
</tr>
</tbody>
</table>

Source: Rosstat, Company data, FAVT

**Russia still lags other key regions globally in terms of trips per capita**

<table>
<thead>
<tr>
<th>Country</th>
<th>2008</th>
<th>2011</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>3.7</td>
<td>2.5</td>
<td>1.1</td>
<td>0.8</td>
</tr>
<tr>
<td>Turkey</td>
<td>0.5</td>
<td>0.5</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Russia</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Source: Company data, FAVT

**Introduction of LCC**

**BEFORE**

No low-cost carriers

**NOW**

Despite substantial growth in the recent years Russian market remains underpenetrated, particularly considering size and distances of the country.
Russia’s comprehensive modernization of regional airport network in the last decade…

…will be continued till 2024 in line with airport infrastructure overhaul plan

66 airports
To be reconstructed and modernized

171 RUB bn
To be invested

State + Private investments

Russia has a well-developed regional airport network which is set for further improvement

Note: ¹ As of 1 January 2019
3 Stimulation Effect of LCCs

Since its establishment in December 2014, Pobeda has expanded to ~35 destinations operated by Aeroflot from Moscow.

Other carriers: CAGR +1% \(^2\)

Pobeda: CAGR +21% \(^3\)

Aeroflot: CAGR +10% \(^2\)

Aeroflot demonstrates robust growth in passenger numbers and revenue on jointly operated routes.

Aeroflot enjoys growth in passenger numbers and revenue amid Pobeda network expansion.

\(^1\) The graph and figures above are based on 38 destinations operated from Moscow that Pobeda has launched on top of Aeroflot’s existent services and that have been launched before Sep-19. \(^2\) 5-year annual growth rate, 2019 vs 2014 calendar year. \(^3\) 4-year annual growth rate, 2019 vs 2015 calendar year.
Aeroflot and Pobeda launched service in December 2014.

Pobeda launched service in December 2014

Aeroflot and Pobeda have 66 and 16 flights per week, respectively

Aeroflot and Pobeda networks focus on different market segments due to different business models…

Yekaterinburg - largest city in the Urals - 2 hours East from Moscow by plane

Aeroflot and Pobeda both increased number of seats on Moscow – Yekaterinburg route on the back of the market growth focusing on different segments: Aeroflot on business and high-yield traffic demanding high frequency while Pobeda servicing low-yield P2P traffic
Italy, and Milano in particular, is a sizable international market from Russia.

Pobeda launched service in December 2015 to secondary airport (Bergamo).

Aeroflot operates 35 flights per week to Malpensa a/p, Pobeda - 10 to Bergamo a/p

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**Case Study 2: Moscow – Milano Route**

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**Aeroflot and Pobeda networks focus on different market segments…**

---

Aeroflot and Pobeda both increased number of seats on Moscow – Milano route on the back of the market growth focusing on different segments: Aeroflot on business and high-yield traffic demanding high frequency while Pobeda servicing low-yield P2P traffic.
KEY STRATEGIC GOALS 2023
Key Strategic Goals for 2023

1. Carry 90-100 mn passengers
2. Increase international transit traffic to 10-15 mn
3. Launch 3 new regional bases and 1 international hub
4. Enhance digitalisation of the Group
Strategic Goal: “90-100 mn PAX in 2023”

90–100
mn passengers in 2023

Key PAX driver

- 12-3x International transit will increase 2-3x to 10-15 mn PAX

- Pobeda to benefit from large underpenetrated market

- Key PAX driver

- International transit will increase 2-3x to 10-15 mn PAX

- Pobeda to benefit from large underpenetrated market

- Key PAX driver

- International transit will increase 2-3x to 10-15 mn PAX

- Pobeda to benefit from large underpenetrated market

- Key PAX driver
1 Strategic Goal “90-100 mn PAX”: Execution

Increase in Aeroflot Group passenger traffic...

<table>
<thead>
<tr>
<th>Year</th>
<th>Mn PAX</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>50.1</td>
<td>+11.1%</td>
</tr>
<tr>
<td>2018</td>
<td>55.7</td>
<td>~9-10%</td>
</tr>
<tr>
<td>2019E</td>
<td>~61</td>
<td>+10.6%</td>
</tr>
<tr>
<td>9M 2018</td>
<td>42.2</td>
<td>~40%</td>
</tr>
<tr>
<td>9M 2019</td>
<td>46.7</td>
<td>+56.8%</td>
</tr>
</tbody>
</table>

... with the highest growth rates posted by Pobeda LCC

<table>
<thead>
<tr>
<th>Year</th>
<th>Mn PAX</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>4.6</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>7.2</td>
<td>+46.4%</td>
</tr>
<tr>
<td>2019E</td>
<td>~10</td>
<td></td>
</tr>
<tr>
<td>9M 2018</td>
<td>5.2</td>
<td></td>
</tr>
<tr>
<td>9M 2019</td>
<td>7.6</td>
<td></td>
</tr>
</tbody>
</table>

In 2019 the Group is progressing in line with Strategy 2023: Pobeda remains the most efficient and fast growing constituent of the Group
In addition to geographical and financial advantages on sizable transcontinental routes Aeroflot has also successful execution track record in the transfer segment.
2 Strategic Goal “International Transfer” (2/2)

SVO location on great-circle path between key Asian and European cities...

London - Bangkok
Madrid - Shanghai

London – Hong Kong
New York - Delhi

... provides for a time saving when flying with Aeroflot via Moscow...

<table>
<thead>
<tr>
<th>From/To</th>
<th>Via</th>
<th>Paris</th>
<th>Rome</th>
<th>London</th>
<th>Vienna</th>
<th>Stockholm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo</td>
<td>SVO</td>
<td>14:22</td>
<td>14:17</td>
<td>14:34</td>
<td>13:13</td>
<td>12:40</td>
</tr>
<tr>
<td></td>
<td>IST</td>
<td>16:35</td>
<td>15:31</td>
<td>17:02</td>
<td>15:08</td>
<td>16:27</td>
</tr>
<tr>
<td></td>
<td>DXB</td>
<td>19:43</td>
<td>18:40</td>
<td>19:59</td>
<td>18:17</td>
<td>19:00</td>
</tr>
<tr>
<td>Shanghai</td>
<td>SVO</td>
<td>14:09</td>
<td>14:04</td>
<td>14:21</td>
<td>13:00</td>
<td>12:27</td>
</tr>
<tr>
<td></td>
<td>IST</td>
<td>16:00</td>
<td>14:56</td>
<td>16:27</td>
<td>14:33</td>
<td>15:52</td>
</tr>
<tr>
<td></td>
<td>DXB</td>
<td>17:45</td>
<td>16:42</td>
<td>18:01</td>
<td>16:19</td>
<td>17:02</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>SVO</td>
<td>14:27</td>
<td>14:22</td>
<td>14:39</td>
<td>13:18</td>
<td>12:45</td>
</tr>
<tr>
<td></td>
<td>IST</td>
<td>16:00</td>
<td>14:56</td>
<td>16:27</td>
<td>14:33</td>
<td>15:52</td>
</tr>
<tr>
<td></td>
<td>DXB</td>
<td>16:55</td>
<td>15:52</td>
<td>17:11</td>
<td>15:29</td>
<td>16:12</td>
</tr>
</tbody>
</table>

Note: Total flight time estimated based on sum of two flight segments’ block time, not including connection time. Source: SRS Analyser, November 2019.

... while enjoying premium service at a competitive price

Four star rating by Skytrax
Five star global airline by APEX
Favorite international airline in China by Flyer Award

Moscow has a number of significant advantages upheld by financial and operational strengths of Aeroflot

Source: Great Circle Mapper, www.gcmap.com
Strategic Goal “International Transfer”: Execution

Increasing scale of international transfer…
Number of international transfer PAX, mn (Aeroflot + Rossiya)

- 9M 2018: 3.6
- 9M 2019: 4.3
- Increase: +18.1%

…backed by improving quality of our SVO hub…
Average number of connecting flights per unique destination

- Summer 2018: 143
- Summer 2019: 157
- Increase: +9.8%

… and expansion of international network

- Number of routes: +8
  - 6 from winter 2018/19
  - 2 from summer 2019

Network expansion with focus on SVO hub quality provides for international transfer traffic increase
Aeroflot Group will be developing new bases across Russia and a new international hub in Krasnoyarsk supporting population mobility and contributing to economic development of the country.
The project launched to develop an international hub in Krasnoyarsk

- Working Group set up
- Cooperation agreement signed
- Sales started
- Marketing campaign launch
- First flight from Krasnoyarsk

2019
- February
- March
- October
- March

2020

Aeroflot Group is actively expanding routes from Russian regions

- 13 new regional destinations in 2019
  (incl. 7 destinations from Sochi)

Regional bases are developed in line with the plan defined by the updated Group Development Strategy until 2023
Aeroflot cooperates with leading international and domestic IT players to develop its IT backbone across all key functions. Aeroflot intends to keep up with key technological and industrial trends to further improve its efficiency and offer competitive product to its passengers by implementing new technologies across the board.
**Strategic Goal “Digital Transformation”: Execution**

### Higher online sales on Aeroflot website

<table>
<thead>
<tr>
<th>Year</th>
<th>Share in money terms, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>31.9%</td>
</tr>
<tr>
<td>2018</td>
<td>33.1%</td>
</tr>
<tr>
<td>9M 2019</td>
<td>34.3%</td>
</tr>
</tbody>
</table>

- **Share in money terms** increased by **+1.2 p.p.**

### Higher sales via mobile apps

<table>
<thead>
<tr>
<th>Year</th>
<th>Share in money terms in overall online sales, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>12.1%</td>
</tr>
<tr>
<td>2018</td>
<td>17.2%</td>
</tr>
<tr>
<td>9M 2019</td>
<td>20.6%</td>
</tr>
</tbody>
</table>

- **Share in money terms** increased by **+5.1 p.p.**

### Continued roll-out of IT projects and implementation of new technologies

- New functions of mobile application (maps, boarding pass, notifications)
- Modern and convenient payment instruments and ancillary offers
- Targeted offers on the back of Big Data initiative
- Automated services in SVO (self baggage check-in)
- Gradual Development of NDC (Level 3 by IATA NDC)
- IFE roll-out on narrow-body fleet (on top of IFE offered on wide-bodies)
- IT backbone development (finance, loyalty, maintenance etc)

**Process digitalization at Aeroflot is robustly progressing**
ACHIEVEMENTS AND DEVELOPMENT PLANS
Aeroflot Group: Key Developments 2019-2020

1. Ongoing infrastructure upgrade in SVO: separate operations from South and North
   - Terminal B: Domestic flights
   - 3rd runway: Opened
   - Terminal C: Expected opening

2. Operational development of the airlines
   - KJA hub
   - Network Development
   - Airlines transformation

3. Enhancing efficiency and improving value proposition of the airline
   - New Airbus A350
   - Fare family development
   - Boeing 777 reconfiguration
Aeroflot’s Growth Supported by Development of SVO

Key recent additions

- Terminal B
- Tunnel
- 3rd Runway

Expected developments

- 3rd runway increased operational capacity from 60-65 to 90 aircraft movements
- Overall capacity to exceed 80 mn by 2026
- Service improvement (Terminal B already has Skytrax 5*)

Strategic targets of our base airport will support Aeroflot’s growth and contribute to improved service quality

Source: based on public data
Krasnoyarsk: New Home for Aeroflot

1. Where is Krasnoyarsk?
   - Modern airport and well-developed infrastructure

2. Why Aeroflot selected Krasnoyarsk
   - City population: 1.1 mn
   - Region GRP: 1.8 trn RUB
   - NO base airline

3. Is sufficient infrastructure in place?
   - Yes

4. Is there a development plan?
   - 2020: 8 aircraft, 0.4-0.5 PAX mn
   - 2023: 12 aircraft, 1.0 PAX mn

Note: 2020 PAX is on top of the current traffic of SU airlines from Moscow, St. Petersburg and Far-Eastern Destinations
Krasnoyarsk: Located at the Very Heart of Russia

Krasnoyarsk is attractively located in terms of a domestic transfer capturing large metropolitan areas in Europe and Asia.

Note: (1) – long-range, new generation
Krasnoyarsk: Well-developed Infrastructure

1980
Year of construction

2017
New terminal opened

3,700 x 60 meters
Runway parameters

12 operations
Current runways capacity per hour

New taxiway
Infrastructure development to double runway capacity

Experienced operator

Airport has brand new facilities and continues to invest in infrastructure ahead of Aeroflot hub launch

Note: based on public sources
New destinations to be launched in the first year will compliment existing flights of Aeroflot, Rossiya and Aurora

**Existing network**

<table>
<thead>
<tr>
<th>Airline</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aeroflot</td>
<td>28 flights from Moscow</td>
</tr>
<tr>
<td>Rossiya</td>
<td>7 flights from St. Petersburg</td>
</tr>
<tr>
<td>Aurora</td>
<td>3-7 flights from Far East</td>
</tr>
</tbody>
</table>

13 domestic and international destinations

3-14 flights per week depending on the destination

4 existing city-pairs services by SU-airlines

**Network: 2023 vision**

- Domestic point-to-point and transfer flows
- Russia to/from Asia flows
- Russia to/from Europe flows
- Asia to Europe transfer flows

Aeroflot commences gradual roll-out of the new hub, first flight to be operated in March 2020
Most routes launched in the recent year deliver as planned. Some routes’ capacity was adjusted upwards with most of them having substantial transfer potential.
New Route Launch: Moscow – Ljubljana Case

Analysis of the Market and Modeling

- Ranking of key markets with connection to Moscow by PDEW over 12 months
- 64 PAX PDEW
  (57 PAX P-t-P + 7 PAX with 2 stops)
- 25 PAX transfer estimate

Seasonality Analysis

- Market MOW–LJU, average PDEW per month
- Jan 16, Apr 16, Jul 16, Oct 16, Jan 17, Apr 17, Jul 17, Oct 17, Jan 18, Apr 18, Jul 18, Oct 18
- 65

Competition analysis (at launch)

- Competitor: Aria
- Frequency: 7
- Seats: ~630
- SU product: ✔

Route arrangement

- Traffic rights
- Aircraft certification
- Opportunities to get a landing slot

Results

- Launched in Winter 2018/2019 season
- Positive results achieved in Summer 2019
- PLF ~ 80%
- Transfer share ~27%

Note: 1 Current transit passenger traffic from the departure point to destinations of the SU network which may be convenient with a connection in MOW

Sources: DDS, SRS
New Services to be Launched in 2020

Network expansion in 2020 will be concentrated in the long-haul segment with a number of milestone destinations in Asia that will feed our European network.
# Rossiya Airlines: Yesterday, Today and Tomorrow

Aeroflot Group has gradually reorganized mid-tier product over recent years by transforming three independent entities with overlapping positions into the streamlined structure with a definitive value proposition.

## Operational entities and brands

<table>
<thead>
<tr>
<th>Before 2016</th>
<th>2016 - 2018</th>
<th>2019 and onwards</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DONAVIA</strong></td>
<td>LED: Scheduled regional product</td>
<td>LED: Scheduled regional product</td>
</tr>
<tr>
<td><strong>ORENAIR</strong></td>
<td>VKO: Scheduled operations in mid-price segment without integration with Aeroflot network</td>
<td>VKO: Scheduled operations in mid-price segment without integration with Aeroflot network</td>
</tr>
<tr>
<td><strong>ROSSIYA</strong></td>
<td>Charter flights</td>
<td>Charter flights</td>
</tr>
</tbody>
</table>

## Business segment and focus airport

| 01 Presence in LED, VKO, DME, regional airports | 02 Mid-price product and positioning | 03 Regional flights | 04 Charter flights | 01 Presence in LED, VKO, DME, regional airports | 02 Mid-price product and positioning | 03 Regional flights | 04 Charter flights |

## Comment

- **Unstructured organization and product**
- **2016: Merge of the regional airlines, 2018: Transfer scheduled flights to SVO**
- **Scale-down of NB program**
In 2020 Aeroflot will introduce a brand new Airbus A350XWB aircraft which will gradually replace Airbus A330 and will become a key aircraft in the range of ~300 seat capacity.

Source: www.airbus.com
A350/A330 Phase-in/Phase-out Plan

Aeroflot Airline Wide-body Fleet Vision

A350XWB aircraft is a logical step in development of A330 fleet

Comments

A350-900 will replace A330 fleet in the 300 seater capacity segment

A350-900 will provide next stage of passenger cabin comfort for customers

A350-900 will inaugurate next level of seat-mile cost for airline

A350-900 will replace A330 fleet in the 300 seater capacity segment

A350-900 will provide next stage of passenger cabin comfort for customers

A350-900 will inaugurate next level of seat-mile cost for airline
The configuration of A350 will further improve a long-haul proposition allowing our passengers to enjoy superior product in all classes.
Increasing Capital Efficiency

Aeroflot’s Boeing 777-300 Reconfiguration to Improve Value Proposition and Create Unified Long-Haul Product

- B777-300 aircraft fleet to be reconfigured in 2020-2022
- Improving configuration of the business class to ensure best-in-class product with 1-2-1 configuration
- Reconfiguration of Comfort and Economy class to provide for better density while improving convenience
- Other improvements: seats, IFE, equipment and etc.
- Positive financial results:
  - Extra revenue per aircraft,
  - Positive NPV and PB of 4 years

Intergroup redistribution of Rossiya’s B737 fleet to back continued Pobeda’s growth

- 4 Pobeda: Seats: 189 Full Economy
- 3 Aeroflot: Seats: 12 Business 156 Economy (Configuration for KJA)
- 9 Rossiya: Deployed in charter program

Aeroflot Group has a number of initiatives to improve efficiency of fleet deployment from fleet manoeuvre between Aeroflot and Rossiya for social routes to reconfiguration of wide-body fleet. Redistribution of B737 fleet also addresses Pobeda’s growth amid MAX deliveries delay.
Introduction of “Lite” Fares

Lite fare introduction rationale

Certain passengers do not need baggage allowance

For these groups airlines with “lite” fares were preferable due to lower costs

Mid-haul network fare family evolution

Introduction of non-baggage fares at Aeroflot increased competitiveness of our offering and showed positive results
Low Cost Carrier - Pobeda
Pobeda’s 5 Years in the Sky: Key Milestones

- **First flight** from Moscow to Volgograd on December 1
- **Total fleet of 8 aircraft** as of year-end
- **Pobeda becomes Top-10 airline in Russia**
- **Total fleet of 12 aircraft** as of year-end
- **First international flight**: Moscow-Bratislava
- **Development of international network and intra-regional flights**
- **Pobeda enters St. Petersburg market**
- **Cumulative number of customers since the launch close to 20 mln**
- **Pobeda accelerates growth**: delivery of 8 Boeing 737NG
- **Second award for record performance of the Boeing 737NG**
- **New strategy**: ambitious targets on the number of customers and new bases
- **Russia’s quickest-turnaround airline**
- **Award for maximum daily utilization of the Boeing 737NG globally**
- **PLF reaches historical high of 96.8% in Q3 2017**
- **4.6 mln customers** for full year

- **Pobeda achieved 1 mln customers per month** in July with 30 aircraft
- **Development of operations from Sochi**

2014 - 2019
Pobeda’s Way of Doing Business

01. Young and efficient fleet of Boeing 737-800 NG
02. Steadily expanding route network
03. Low-cost online distribution via pobeda.aero
04. Sustainably low operating costs
05. Outsourced business model
06. Growing ancillary revenue (€10.7/PAX\(^1\))
07. High seat density and load factor
08. Industry-leading aircraft utilization (16.1 hours\(^2\))
09. Highest employee productivity\(^3\) in Russia
10. Always on time (92% on-time performance)
11. #1 Russian environmentally friendly airline
12. Excellent NPS > 60% and growing brand awareness

Note: 1 - For 9 months 2019 converted at average EUR/RUB exchange rate of for 9 months ended September 2019. Only ancillaries collected from customers are included;
2 For 3 months ended September 2019; 3 Based on 2018 passenger traffic and average headcount over the period
Route Network

Route network for summer 2019

Network highlights

Pobeda’s network for summer 2019 comprises **108 routes**, double compared to summer 2018

- **67** domestic routes
- **41** international routes

62 unique routes for the Group vs. 38 in summer 2018
Key Operational Highlights

Customers (thousand)

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<tbody>
<tr>
<td>Customers (thousand)</td>
<td>107</td>
<td>3,090</td>
<td>4,286</td>
<td>4,583</td>
<td>7,185</td>
<td>5,178</td>
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Highlights

- Pobeda is #4 airline in Russia by number of carried customers and continues to increase its positions in the ranking (#2 airline transports 11 mln PAX)

- In 9M 2019, Pobeda’s passenger traffic increased by 46% year-on-year to 7.6 million customers

- Expected passenger traffic for 2019 is 10+ million customers
Note: all numbers are presented under managerial accounting principles that are based on IFRS

1 Net income figures for 2014-2018 are reported under IAS 17, for 9M 2019 under IFRS 16 (excluding RUB 3.8 bn FX gains due to lease revaluation).

01 Since its inception, Pobeda was growing at 45% annually reaching RUB 34bn revenue in 2018

02 9M 2019 revenue growth of 55% year-on-year was primarily driven by traffic increase

01 Pobeda reached profitability in the early years of its operations

02 Like other airlines Pobeda faced strong fuel headwinds in the recent years, but managed to grow yields and control costs
Market Stimulation Case Study: Nizhnekamsk Airport

Passenger traffic in Nizhnekamsk airport evolution

- PAX, thousand
- Pobeda’s share in total seats offered from the airport: 6%, 17%, 21%, 25%
- Sochi-Nizhnekamsk route moved to all year-round service in May 2019
- Launched service from St. Petersburg to Nizhnekamsk in March 2018
- 777, ~820

Launched service from Moscow to NBC in October 2016

- Source: FAVT, 2019 PAX for 2019 is estimated based on 9M data and extrapolation of the YTD growth for the rest of the year
PERFORMANCE UPDATE
Over 9M 2019 Aeroflot Group has continued operational development by expanding capacity on the back of opportunities provided by the market ensuring strict cost control which all together translated into better financial results.
Aeroflot Group delivers strong results amid expanding operations, active revenue management and strict cost control despite jet price remained at elevated levels

Note: 9M 2018 and 2019 financials presented based on IFRS 16 full retrospective application
Revenue Management Delivered Positive Results

Competition and FX factors impacted yield dynamics...

... and All Together Created Pressure on PLF...

... However Recent RASK Trend Confirms Demand Resilience

Well-planned capacity growth on the basis of market trends and balance of supply and demand helped to increase yields and unit revenues
Long Term Focus on Efficiency

Controlled CASK Inflation

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<tbody>
<tr>
<td>RUB/ASK</td>
<td>-0.3%</td>
<td>9.2%</td>
<td>8.6%</td>
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<tr>
<td>CASK ex.-fuel</td>
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<td>5.3%</td>
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<td>US$/RUB</td>
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</table>

¹ Total CASK dynamics. 9M 2018 based on IAS 17 figures, 9M 2019 based on IFRS 16 figures.
² CASK ex-fuel dynamics. 9M 2018 based on IAS 17 figures, 9M 2019 based on IFRS 16 figures.

Cost Advantage vs. Foreign Peers

Source: Companies data

Limited expansion of CASK due to strict cost control and efficiency initiatives within the Group in 9M 2019 – most of the growth explained by FX
Long Term Focus on Efficiency: Fuel

Jet Fuel Price As a Key Headwind to Results in 2017-2018

Our Approach to Fuel Management

Notwithstanding jet fuel price headwinds in recent years the Group continues to focus on efficiency and prudent approach to fuel cost management.