

**PUBLIC JOINT STOCK COMPANY
«AEROFLOT – RUSSIAN AIRLINES»**

**Condensed Consolidated Interim Financial Statements
for 3 months ended 31 March 2025**

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Report on Review of Condensed Consolidated Interim Financial Statements

To the Shareholders and Board of Directors of Public Joint Stock Company «Aeroflot - Russian Airlines»:

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Public Joint Stock Company «Aeroflot - Russian Airlines» (the "Company") and its subsidiaries (together – the "Group"), which comprise the Condensed Consolidated Interim Statements of Profit or Loss and Comprehensive Income for the three-month period ended 31 March 2025, the Condensed Consolidated Interim Statement of Financial Position as at 31 March 2025, the Condensed Consolidated Interim Statements of Cash Flows and Changes in Equity for the three-month period then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

30 May 2025

Moscow, Russian Federation

B. Konoplin



Konoplin Vladimir Vladimirovich is authorised to sign on behalf of the General Director of Joint-Stock Company "Technologies of Trust – Audit" (Principal Registration Number of the Record in the Register of Auditors and Audit Organizations (PRNR) – 12006020338), certified auditor (PRNR – 21906099088)

PJSC AEROFLOT**Condensed Consolidated Interim Statement
of Profit or Loss for 3 months ended 31 March 2025***(All amounts are presented in millions of Russian Roubles, unless otherwise stated)*

	Note	Three months ended	
		31 March 2025	31 March 2024
Traffic revenue	4	186,084	169,553
Other revenue		4,158	4,033
Revenue		190,242	173,586
Operating costs, excluding staff costs, depreciation and amortisation	5	(138,891)	(121,992)
Staff costs	6	(28,424)	(21,249)
Depreciation and amortisation		(29,943)	(28,511)
Other operating income/(expenses), net	7	26,118	28,961
Operating costs		(171,140)	(142,791)
Operating profit		19,102	30,795
Gain from impairment and changes in fair value of investments, net		926	5
Finance income	8	32,638	4,809
Finance costs	8	(14,230)	(32,588)
Hedging result	15	(708)	-
Share in financial results of associates		(147)	445
Profit before income tax		37,581	3,466
Income tax	9	(10,703)	(2,357)
PROFIT FOR THE PERIOD		26,878	1,109
<i>Attributable to:</i>			
Shareholders of the Company		25,552	1,089
Non-controlling interest		1,326	20
PROFIT FOR THE PERIOD		26,878	1,109
Basic and diluted profit per share (in Roubles per share)		6.5	0.3
Weighted average number of shares outstanding (millions)		3,928	3,928

Approved on 30 May 2025 and signed on behalf of management



S. V. Aleksandrovsky
General Director



A. Y. Chikhanchin
First Deputy General Director for Commerce and Finance

The Condensed Consolidated Interim Statement of Profit or Loss is to be read in conjunction with the notes to, and forms a part of, the Condensed Consolidated Interim Financial Statements presented on pages 7 to 26

PJSC AEROFLOT**Condensed Consolidated Interim Statement****of Comprehensive Income for 3 months ended 31 March 2025***(All amounts are presented in millions of Russian Roubles, unless otherwise stated)*

	Three months ended	
	31 March 2025	31 March 2024
Profit for the period	26,878	1,109
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Effect from hedging revenue with liabilities denominated in foreign currency	41,569	-
Deferred tax related to the result from cash-flow hedging instruments	(10,392)	-
Other comprehensive income for the period	31,177	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	58,055	1,109
<i>Comprehensive income, attributable to:</i>		
Shareholders of the Company	56,729	1,089
Non-controlling interest	1,326	20
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	58,055	1,109

The Condensed Consolidated Interim Statement of Comprehensive Income is to be read in conjunction with the notes to, and forms a part of, the Condensed Consolidated Interim Financial Statements presented on pages 7 to 26

PJSC AEROFLOT**Condensed Consolidated Interim Statement of Financial Position
as at 31 March 2025***(All amounts are presented in millions of Russian Roubles, unless otherwise stated)*

	Note	31 March 2025	31 December 2024
ASSETS			
Current assets			
Cash and cash equivalents	19	77,696	67,814
Short-term financial investments	19	29,515	37,622
Accounts receivable and prepayments	10	80,722	87,450
Current income tax prepayment		1,473	1,484
Aircraft lease security deposits		1,125	1,485
Expendable spare parts and inventories		60,718	57,728
Current financial assets under lease agreements		81	154
Total current assets		251,330	253,737
Non-current assets			
Right-of-use assets	12	494,612	557,557
Property, plant and equipment	11	187,205	159,838
Deferred tax assets		110,057	130,228
Long-term financial investments		7,061	6,123
Intangible assets		21,571	21,245
Aircraft lease security deposits		135	139
Investments in associates		1,374	1,541
Other non-current assets		19,057	26,488
Total non-current assets		841,072	903,159
TOTAL ASSETS		1,092,402	1,156,896
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	13	105,915	116,717
Unearned traffic revenue		78,873	64,774
Deferred revenue related to the frequent flyer programme		16,789	15,767
Provisions for liabilities	14	56,654	50,711
Lease liabilities	15	123,221	140,596
Short-term borrowings	16	11,084	19,746
Current income tax liabilities		524	754
Total current liabilities		393,060	409,065
Non-current liabilities			
Long-term borrowings	16	50,591	40,722
Lease liabilities	15	433,801	501,945
Provisions for liabilities	14	223,748	272,475
Deferred tax liabilities		180	204
Other non-current liabilities		5,464	4,982
Total non-current liabilities		713,784	820,328
TOTAL LIABILITIES		1,106,844	1,229,393
Equity			
Share capital	17	4,224	4,224
Additional capital		143,482	143,482
Treasury shares reserve		(7,040)	(7,040)
Accumulated profit on disposal of treasury shares		7,864	7,864
Hedge reserve	15	3,427	(27,750)
Accumulated loss		(150,940)	(176,492)
Equity attributable to shareholders of the Company		1,017	(55,712)
Non-controlling interest		(15,459)	(16,785)
TOTAL EQUITY		(14,442)	(72,497)
TOTAL LIABILITIES AND EQUITY		1,092,402	1,156,896

The Condensed Consolidated Interim Statement of Financial Position is to be read in conjunction with the notes to, and forms a part of, the Condensed Consolidated Interim Financial Statements presented on pages 7 to 26

PJSC AEROFLOT**Condensed Consolidated Interim Statement
of Cash Flows for 3 months ended 31 March 2025***(All amounts are presented in millions of Russian Roubles, unless otherwise stated)*

	Note	Three months ended	
		31 March 2025	31 March 2024
<i>Cash flows from operating activities:</i>			
Profit before income tax		37,581	3,466
Adjustments for:			
Depreciation and amortisation		29,943	28,511
(Recovery)/accrual of expected credit losses and impairment of prepayments	7	(7,451)	1,146
Change in impairment provision for obsolete expendable spare parts and inventory		64	(7)
Change in impairment provision for property, plant and equipment and right-of-use assets	11, 12	25	(30)
Loss on disposal of property, plant and equipment, intangible assets and right-of-use assets		10	653
Effect from early derecognition of lease agreements	12	-	(1,612)
Profit from impairment and fair value changes of investments		(926)	(5)
Hedging result	15	708	-
Change in provisions for liabilities	14	(6,262)	(12,615)
Interest expense	8	14,115	15,558
Interest income	8	(5,341)	(4,762)
Foreign exchange (gain)/loss, net	8	(27,297)	11,987
Dividend income		-	(14)
Revaluation/modification under lease contracts		(51)	15
Other operating income, net		(128)	(86)
Gain on accounts payable write-off	7	(3,664)	(2,029)
Other finance expenses/(income), net	8	115	4,996
Total operating cash flows before working capital changes		31,441	45,172
Decrease in accounts receivable and prepayments		20,575	4,362
Increase in expendable spare parts and inventories		(3,049)	(2,871)
Increase in accounts payable, unearned traffic revenue, deferred revenue related to the frequent flyer programme and accrued liabilities		4,180	10,198
Total operating cash flows after working capital changes		53,147	56,861
Change in restricted cash		(22)	66
Income tax paid		(1,167)	(1,147)
Net cash flows from operating activities		51,958	55,780

The Condensed Consolidated Interim Statement of Cash Flows is to be read in conjunction with the notes to, and forms a part of, the Condensed Consolidated Interim Financial Statements presented on pages 7 to 26

PJSC AEROFLOT**Condensed Consolidated Interim Statement
of Cash Flows for 3 months ended 31 March 2025***(All amounts are presented in millions of Russian Roubles, unless otherwise stated)*

		Three months ended	
	Note	31 March 2025	31 March 2024
Cash flows from investing activities:			
Deposits repayment		18,900	21,793
Deposits placement		(11,000)	(18,253)
Proceeds from sale of property, plant and equipment		3	24
Interest received		4,882	4,140
Purchases of property, plant and equipment, right-of-use assets, intangible assets and capitalized repair expenses		(29,891)	(28,401)
Dividends received		33	14
Net cash flows used in investing activities		(17,073)	(20,683)
Cash flows from financing activities:			
Receipt of borrowings	16	10,000	-
Repayment of borrowings	16	(8,819)	(10,638)
Repayment of principal under lease liabilities		(16,904)	(17,975)
Interest paid except for interest under lease contracts		(1,585)	(1,777)
Interest paid under lease contracts		(6,483)	(8,468)
Dividends paid		(80)	-
Net cash flows used in financing activities		(23,871)	(38,858)
Effect of exchange rate fluctuations on cash and cash equivalents		(1,132)	(125)
Net increase/(decrease) in cash and cash equivalents		9,882	(3,886)
Cash and cash equivalents at the beginning of the period		67,814	83,117
Cash and cash equivalents at the end of the period		77,696	79,231
Non-cash transactions as part of the investing and financing activities:			
Right-of-use assets acquired under lease contracts	12	353	12,215
Repayment of lease liabilities by offsetting against a lease financial asset		2	533

The Condensed Consolidated Interim Statement of Cash Flows is to be read in conjunction with the notes to, and forms a part of, the Condensed Consolidated Interim Financial Statements presented on pages 7 to 26

PJSC AEROFLOT

Condensed Consolidated Interim Statement

of Changes in Equity for 3 months ended 31 March 2025

(All amounts are presented in millions of Russian Roubles, unless otherwise stated)

	Equity attributable to shareholders of the Company							
	Share capital	Additional capital	Accumulated profit on disposal of treasury shares and treasury shares reserve	Hedge reserve	(Undistributed loss)/retained earnings	Total	Non-controlling interest	Total equity
1 January 2024	4,224	144,402	824	-	(234,993)	(85,543)	(13,211)	(98,754)
Profit for the period	-	-	-	-	1,089	1,089	20	1,109
Total comprehensive income					1,089	1,089	20	1,109
31 March 2024	4,224	144,402	824	-	(233,904)	(84,454)	(13,191)	(97,645)
1 January 2025	4,224	143,482	824	(27,750)	(176,492)	(55,712)	(16,785)	(72,497)
Profit for the period	-	-	-	-	25,552	25,552	1,326	26,878
Profit from hedging net of related deferred tax	-	-	-	31,177	-	31,177	-	31,177
Total other comprehensive income						31,177	-	31,177
Total comprehensive income						56,729	1,326	58,055
31 March 2025	4,224	143,482	824	3,427	(150,940)	1,017	(15,459)	(14,442)

The Condensed Consolidated Interim Statement of Changes in Equity is to be read in conjunction with the notes to, and forms a part of, the Condensed Consolidated Interim Financial Statements presented on pages 7 to 26

1. NATURE OF THE BUSINESS

Aeroflot-Russian Airlines (hereinafter, “Company” or “Aeroflot”) was formed as an open joint stock company in accordance with the Russian Federation Government decree issued in 1992 (hereinafter, the “1992 Decree”). The 1992 Decree conferred all the rights and obligations of Aeroflot-Soviet Airlines and its structural units upon the Company, including inter-governmental bilateral agreements and agreements signed with foreign airlines and civil aviation enterprises. Under Russian Federation Presidential Decree No. 1009 of 4 August 2004, the Company was included in the official List of Strategic Entities and Strategic Joint Stock Companies.

The Company’s principal activities include providing passenger and cargo air transportation services, both domestically and internationally, and other aviation services related to air transportation. The main base airport is Moscow Sheremetyevo Airport. The Company and its subsidiaries (hereinafter, “Group”) are also involved in airline catering and hotel operations. Associated entities of the Group mainly comprise aviation security services and other supporting services.

The Group's business activities in the provision of international and domestic passenger and cargo air transportation services are subject to seasonal fluctuations, given the depth of sales, with peak demand occurring in the second and third quarters of the year.

As at 31 March 2025 and 31 December 2024 the Russian Federation represented by the Ministry of Finance of the Russian Federation and the Federal Agency for State Property Management owned 73.77% shares of the Company. The Company's headquarters are located at 1 Arbat Street, 119019, Moscow, Russian Federation.

Sanction restrictions

In the first quarter of 2022, a number of sanctions were imposed on the Russian aviation industry, prohibiting certain types of interaction between Western countries and Russia in aviation, including the acquisition and leasing of aircraft and components for them, as well as the provision of aircraft maintenance services. In addition, a number of countries have closed airspace for Russian airlines, forcing the Group to temporarily suspend a number of international flight routes. Due to these measures, some of the Group’s leased aircraft were stranded outside the Russian Federation. In response, restrictions were introduced on flights by airlines from certain countries over the Russian Federation territory.

Following the prohibition of aircraft leasing, a number of lessors issued termination notices in relation to aircraft and aircraft engine lease agreements with the Group companies (Note 15), and demanded the withdrawal of letters of credit opened with banks in favor of lessors under lease agreements. However, the Russian Federation Government Decree 311 dated 9 March 2022 (hereinafter “Decree 311”) introduced a prohibition of aircraft relocation outside the Russian Federation, including for the purpose of returning them to lessors under lease agreements with lessors from certain countries, and as a result, the return of the aircraft to the lessors did not occur.

Based on Russian legislation, including Decree 311, which introduced a prohibition of aircraft export outside the Russian Federation for returning them to lessors from certain countries under lease agreements, the lease agreements are recognized as valid, the Group continues to recognize lease liabilities and related assets according to them in the Consolidated Financial Statements (Note 15).

In addition, since 24 February 2022, flights to a number of airports in southern Russia have been temporarily restricted for a period established by the Federal Air Transport Agency of the Russian Federation.

The Group optimizes available capacities by comparing them with demand and the planned flight schedule to ensure effectiveness of operation activity.

The Group is currently negotiating on the settlement of contractual liabilities with a number of foreign suppliers, with whom cooperation has been suspended due to sanctions, and actively interacting with the Government of the Russian Federation on additional measures to support the Group and the aviation industry as a whole.

1. NATURE OF THE BUSINESS (CONTINUED)***Sanction restrictions (continued)***

In the third quarter of 2024, due to a number of disagreements with counterparties and the ongoing status of negotiations in the context of sanctions restrictions, the Group recorded accounts payable for contributions to the reserve fund of lessors and revised its estimate of the allowance for expected credit losses in relation to the recovery of financial assets under lease agreements (Note 7, 20).

The Group's management is committed to maintaining the airworthiness of the existing aircraft fleet, and resuming international flights to certain destinations. During the 2025, the volume of purchases of spare parts, including those meeting the criteria for classification as fixed assets, continued to grow, which led to a corresponding increase in own fixed assets, consumable spare parts and inventories, as well as an increase in aircraft maintenance costs.

From the third quarter of 2022, a gradual restoration of flights to a number of countries began. In 2025 the domestic and international flight program continued to grow and passenger occupancy rates increased, resulting in higher revenue (Note 4), operating costs (Note 5) and staff costs (Note 6).

The duration and extent of the negative impact of sanction measures on the Group's operations remain uncertain. Despite all measures taken, the Group's financial results in future periods will continue to depend on the pace of air traffic recovery.

At this stage, management cannot reliably estimate the future pace of recovery and, therefore, is considering various development scenarios to quickly adapt to evolving requirements and believes that the measures taken will enable the Group to meet its financial obligations. Under these circumstances, these Consolidated Financial Statements have been prepared on a going concern basis. However, given the unprecedented scale and unpredictable duration of sanction restrictions, their actual impact on the Group's future profitability, financial position, and cash flows may differ from management's current estimates and assumptions.

Aircraft fleet

The table below provides information on the Group's aircraft fleet as at 31 March 2025 (number of aircraft):

AIRCRAFT TYPE	PSJC AEROFLOT	JSC AK ROSSIYA	LLC AK POBEDA	GROUP TOTAL
Owned				
Airbus A330	8	-	-	8
SSJ 100	-	10*	-	10
Total owned aircraft	8	10	-	18
Lease				
SSJ 100	-	68	-	68
Airbus A319	-	18	-	18
Airbus A320	58	8	-	66
Airbus A321	35	-	-	35
Airbus A330	7***	-	-	7
Airbus A350	7	-	-	7
Boeing B737	37	14	42	93
Boeing B747	-	8	-	8
Boeing B777	22**	10	-	32
Total aircraft under leases	166	126	42	334
Total fleet	174	136	42	352

* In 2023-2024, 10 own aircraft of the SSJ 100 type was leased from PJSC Aeroflot to JSC AK Rossiya

** Leased aircraft include 10 aircraft accounted for under a sale and leaseback transaction

*** 3 Airbus A330 type aircraft are on short-term lease at PJSC Aeroflot

2. BASIS OF PREPARATION***Basis of preparation***

The Group's Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". These Condensed Consolidated Interim Financial Statements should be read in conjunction with the Group's Consolidated Financial Statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS.

Foreign currency translation

The table below presents US dollar (USD)/Russian Rouble (RUB), euro (EUR)/RUB and yuan (CNY)/RUB exchange rates used for the translation of monetary assets and liabilities denominated in foreign currencies:

	Official exchange rates		
	RUB / USD 1.00	RUB / EUR 1.00	RUB / CNY 1.00
As at 31 March 2025	83.68	89.66	11.46
Average rate for 3 months 2025	93.31	98.19	12.69
As at 31 December 2024	101.68	106.10	13.43
Average rate for 3 months 2024	90.75	98.62	12.58

3. MATERIAL ACCOUNTING POLICY INFORMATION AND NEW ACCOUNTING PRONOUNCEMENTS

In preparing the Condensed Consolidated Interim Financial Statements, the Group followed principal accounting policies that are consistent with those disclosed in the Consolidated Financial Statements for the year ended 31 December 2024 and as of this date except for the calculation of income tax using the expected weighted average tax rate.

New standards and interpretations

The following amended standards and interpretations became effective from 1 January 2025, but did not have any material impact on the Group.

Lack of Exchangeability - Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).

A number of new standards and amendments to standards were not yet effective as of 31 March 2025 and were not early adopted by the Group:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).

IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).

IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).

Amendments to the Classification and Measurement of Financial Instruments – amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).

Annual Improvements to IFRS Accounting Standards— amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7 (issued on 18 July 2024 and effective for annual periods beginning on or after 1 January 2026).

Amendments to IFRS 9 and IFRS 7 Disclosures (issued on 18 December 2024 and effective for annual periods beginning on or after 1 January 2026).

3. MATERIAL ACCOUNTING POLICY INFORMATION AND NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

New standards and interpretations (continued)

Amendments to IFRS for Small and Medium-sized Entities (IFRS for SMEs) (issued on 27 February 2025 and effective for annual periods beginning on or after 1 January 2027).

The Group is currently evaluating the applicability of new standards or changes to International Financial Reporting Standards, their impact on the Condensed Consolidated Interim Financial Statements and the timing of their application by the Group. These new standards and interpretations are not expected to have a material impact on the Condensed Consolidated Interim Financial Statements.

Critical accounting estimates and judgments

In preparing these Condensed Consolidated Interim Financial Statements, the Group's management makes estimates, judgements and assumptions that impact the implementation of accounting policy and the reported amounts of assets, liabilities, gains and losses. Actual results may deviate from declared estimates. Judgements regarding the accounting policy provisions and valuation methods applied by management when preparing these Condensed Consolidated Interim Financial Statements correspond to those used when preparing Consolidated Financial Statements for the year ended 31 December 2024, and as of this date, except for changes in accounting estimates related to the amount of income tax expenses, which are recognised in interim periods based on the best accounting estimate of the weighted average annual income tax rate expected for the full financial year.

4. TRAFFIC REVENUE

	Three months ended	
	31 March 2025	31 March 2024
Scheduled passenger flights	177,343	159,988
Cargo flights	7,584	6,834
Charter passenger flights	1,157	2,731
Total traffic revenue	186,084	169,553

5. OPERATING COSTS EXCLUDING STAFF COSTS, DEPRECIATION AND AMORTISATION

	Three months ended	
	31 March 2025	31 March 2024
Airport and en-route services	29,833	25,640
Aircraft maintenance	13,177	9,561
Passenger services expenses	7,276	6,010
Expenses from operations under code-sharing agreements	3,782	2,934
Administration and general expenses	3,315	2,585
Food cost for in-flight catering	3,179	2,583
Expenses related to variable lease payments not included in lease liabilities	2,796	2,448
Short-term leases	1,353	538
Communication and booking system expenses	1,088	967
Sales and marketing expenses	741	810
Insurance expenses	702	698
Customs duties	44	45
Other expenses	1,705	1,360
Operating costs excluding aircraft fuel, staff costs, depreciation and amortisation	68,991	56,179
Aircraft fuel	69,900	65,813
Total operating costs excluding staff costs, depreciation and amortisation	138,891	121,992

6. STAFF COSTS

	Three months ended	
	31 March 2025	31 March 2024
Wages and salaries	21,303	15,695
Insurance contributions and pension plans	7,121	5,554
Total staff costs	28,424	21,249

The increase in staff costs is associated with measures to increase the level of real wages and fill vacancies.

Insurance contributions and pension plans include:

- compulsory payments to the Social fund of Russia, including additional social benefits for members of civil aviation flying personnel,
- contributions to a non-government pension fund under a defined contribution pension plan under which the Group makes additional pension contributions in the amount of 20% of the transfers made personally by the employees participating in the programme, and
- an increase in the net present value of the future benefits which the Group expects to pay to its employees upon their retirement under defined benefit pension plans.

PJSC AEROFLOT

Notes to the Condensed Consolidated Interim Financial Statements
for 3 months ended 31 March 2025

(All amounts are presented in millions of Russian Roubles, unless otherwise stated)

**7. OTHER OPERATING INCOME AND EXPENSES, NET**

	Note	Three months ended	
		31 March 2025	31 March 2024
Reimbursement of fuel excise tax	20	8,260	14,416
Recovery/(accrual) of provision for ECL and impairment provision for prepayments	10	7,451	(1,146)
Change in of provision for repairs before aircraft return	12, 14	4,567	13,239
Gain on accounts payable write-off		3,664	2,029
Change in provision for other liabilities		1,776	-
Government grants		435	355
Fines and penalties received from suppliers		111	295
Revaluation of lease obligations		72	49
Insurance compensation received		49	78
Effect from early derecognition of lease agreements	12	(1)	1,551
Loss on fixed assets disposal and impairment		(35)	(550)
Other income/(expense), net		(231)	(1,355)
Total other operating income/(expenses), net		26,118	28,961

The decrease in fuel excise tax refund income is primarily attributable to a decline in income from damping payments as a result of a decrease in 2025 in the difference between the average price of the of the export alternative of jet fuel and the fixed damping limit set by the Federal Antimonopoly Service.

The change in the provision for ECL is mainly due to the exchange rate revaluation of financial receivables and financial assets under lease agreements, for which provision estimates were revised in 2023 and 2024, respectively, due to sanctions restrictions.

8. FINANCE INCOME AND COSTS

	Three months ended	
	31 March 2025	31 March 2024
<i>Finance income:</i>		
Foreign exchange gain, net	27,297	-
Interest income	5,341	4,762
Other finance income	-	47
Total finance income	32,638	4,809

8. FINANCE INCOME AND COSTS (CONTINUED)

	Three months ended	
	31 March 2025	31 March 2024
<i>Finance costs:</i>		
Interest expense on lease	(8,207)	(9,507)
Interest expenses from discounting the reserve for repairs before returning the aircraft (Note 14)	(4,066)	(3,674)
Interest expense	(1,842)	(2,377)
Foreign exchange loss, net	-	(11,987)
Other finance costs	(115)	(5,043)
Total finance costs	(14,230)	(32,588)

In the first quarter of 2024, as a result of the process of settling relations with foreign lessors, financial assets under lease agreements were written off as other finance expenses (Note 12). In the first quarter of 2025 there were no similar transactions.

9. INCOME TAX

Income tax expense is recognised based on the management's best estimate of the weighted average annual effective income tax rate for each Group company separately.

The expected weighted average annual income tax rate applied to profitable Group companies for the 3 months 2025 equaled to 8 - 26% (3 months 2024: 19 - 25%). The expected weighted average annual income tax rate applied to loss making Group companies for the 3 months 2025 equaled to 23% (3 months 2024: 18 - 21%). Change in expected rates are generally associated with a change in the share of non-deductible income, as well as offsetting unused tax losses of previous years.

	Three months ended	
	31 March 2025	31 March 2024
Current income tax charge	(948)	(1,688)
Change in deferred income tax	(9,755)	(669)
Income tax	(10,703)	(2,357)

The increase in deferred income tax expenses is mainly due to the strengthening of the ruble against the US dollar and its impact on the items in the condensed consolidated interim financial statements.

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10. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	31 March 2025	31 December 2024
Trade accounts receivable	32,808	29,071
Other financial receivables	29,387	33,507
Less provision for estimated credit losses (Note 7)	(29,522)	(33,881)
Total financial receivables	32,673	28,697
Prepayments to suppliers	31,009	37,145
VAT and other taxes recoverable	20,361	24,374
Other receivables	419	345
Less impairment provision	(3,740)	(3,111)
Total accounts receivable and prepayments	80,722	87,450

Changes on the “Other financial receivables” line item and relevant provision for estimated credit losses are mainly due to foreign exchange revaluation.

11. PROPERTY, PLANT AND EQUIPMENT

	Aircraft and engines	Land and buildings	Transport, equipment and other	Construction in progress	Total
<i>Cost</i>					
1 January 2024	104,190	13,423	26,272	741	144,626
Additions (i)	23,874	-	762	250	24,886
Disposals	(834)	(3)	(418)	(5)	(1,260)
Transfers	-	-	201	(201)	-
31 March 2024	127,230	13,420	26,817	785	168,252
1 January 2025	164,391	13,404	30,466	3,621	211,882
Additions (i)	31,029	-	803	54	31,886
Capitalized expenditures	314	-	-	-	314
Disposals	(332)	-	(143)	(13)	(488)
Transfers	-	42	22	(64)	-
31 March 2025	195,402	13,446	31,148	3,598	243,594
<i>Accumulated depreciation and impairment</i>					
1 January 2024	(14,159)	(6,788)	(18,704)	(53)	(39,704)
Charge for the period	(2,358)	(100)	(1,159)	-	(3,617)
Disposals	277	3	221	-	501
31 March 2024	(16,240)	(6,885)	(19,642)	(53)	(42,820)
1 January 2025	(24,036)	(7,089)	(20,866)	(53)	(52,044)
Charge for the period	(3,792)	(78)	(913)	-	(4,783)
Accrual of impairment provision	(25)	-	-	-	(25)
Disposals	332	-	131	-	463
31 March 2025	(27,521)	(7,167)	(21,648)	(53)	(56,389)
<i>Carrying amount</i>					
1 January 2025	140,355	6,315	9,600	3,568	159,838
31 March 2025	167,881	6,279	9,500	3,545	187,205

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**11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

- (i) The main portion on the line “Additions” for 3 months 2025 relates to the capitalized spare parts for aircraft (RUB 12,246 million) and aircraft engines (RUB 18,783 million) for which advances were partially paid as at 31 December 2024 reflected in other non-current assets of the Condensed Consolidated Interim Financial Statement; for 3 months 2024 relates to the capitalized spare parts for aircraft (RUB 23,130 million).

In accordance with IAS 36 “Impairment of Assets”, at the end of each reporting period, an entity is required to the non-current non-financial assets whether there is any indication that assets may be impaired. The details of the analysis are presented in Note 12.

12. RIGHT-OF-USE ASSETS

	Aircraft and engines	Land and buildings	Transport, equipment and other assets	Capitalized investments in RUA	Total
<i>Cost</i>					
1 January 2024	1,104,000	12,326	12,484	185	1,128,995
Additions	8,421	77	3,717	-	12,215
Capitalized expenditures	1,601	-	-	-	1,601
Disposals	(5,505)	(20)	-	-	(5,525)
Purchase of leased assets	(688)	-	-	-	(688)
Remeasurement/modification of right-of-use assets	(16,108)	(48)	(2)	-	(16,158)
31 March 2024	1,091,721	12,335	16,199	185	1,120,440
1 January 2025	1,115,298	14,654	9,899	162	1,140,013
Additions	-	353	-	31	384
Capitalized expenditures	2,137	-	-	-	2,137
Disposals	-	(18)	(2,304)	-	(2,322)
Transfers	-	27	4	(31)	-
Remeasurement/modification of right-of-use assets	(41,172)	214	(2)	-	(40,960)
31 March 2025	1,076,263	15,230	7,597	162	1,099,252
<i>Accumulated depreciation and impairment</i>					
1 January 2024	(493,882)	(6,736)	(8,494)	-	(509,112)
Charge for the period	(23,383)	(563)	(628)	-	(24,574)
Recovery of impairment provision	30	-	-	-	30
Disposals	5,440	17	-	-	5,457
Purchase of leased assets	688	-	-	-	688
Modification of right-of-use assets	15,020	15	-	-	15,035
31 March 2024	(496,087)	(7,267)	(9,122)	-	(512,476)
1 January 2025	(568,270)	(8,150)	(6,036)	-	(582,456)
Charge for the period	(23,609)	(525)	(371)	-	(24,505)
Disposals	-	16	2,304	-	2,320
Modification of right-of-use assets	-	1	-	-	1
31 March 2025	(591,879)	(8,658)	(4,103)	-	(604,640)
<i>Carrying amount</i>					
1 January 2025	547,028	6,504	3,863	162	557,557
31 March 2025	484,384	6,572	3,494	162	494,612

For 3 months 2025 “Remeasurement/modification of right-of-use assets” relates to revaluation of the provision for repairs before aircraft return associated with the changes of US dollar exchange rate.

12. RIGHT-OF-USE ASSETS (CONTINUED)

The main portion on the line “Modification of right-of-use assets” for 3 months 2024 in the amount of RUB 15,427 million on the cost and RUB 15,020 million on the accumulated depreciation relates to the termination of aircraft and engines lease agreements as a result of the settlement of relations with foreign lessors.

In the first quarter of 2024 the process of settling relations with a foreign lessors for 7 aircraft operated by Aeroflot Group companies was completed. In accordance with the agreements reached, the foreign lessor terminated its claims to the Russian parties under leasing agreements with PJSC Aeroflot and JSC AK Rossiya. The ownership of the aircraft and engines was transferred to third party. As a result of the termination of lease agreements with a foreign lessors, the Group amended the relevant lease agreements and wrote off:

- right-of-use assets (hereinafter, “RUA”) in the amount of RUB 407 million;
- lease liabilities in the amount of RUB 2,019 million;
- provision for repairs before aircraft return in the amount of RUB 7,631 million (Note 7, 14);
- accounts payable in the amount of RUB 74 million;
- financial assets under payments to lessor’s aircraft maintenance reserve in the amount of RUB 4,805 million (Note 8);
- capitalised spare parts as part of property, plant and equipment in the amount of RUB 558 million.

The negative effect from financial assets disposal for 3 months of 2024 in the amount of RUB 4,805 million is included in Other finance costs (Note 8). Other disposals in the amount of RUB 8,759 million are included in “Other operating income/(expenses), net” of Consolidated Statement of Profit or Loss (Note 7).

There were no similar transactions during the first quarter of 2025, resulting in write-off of right-of-use assets and lease liabilities.

The main portion on the line “Additions” for 3 months 2024 in the amount of RUB 8,421 million relates to the new lease agreements of aircraft and engines.

In accordance with IAS 36 “Impairment of Assets”, an entity is required to assess whether there is any indication that assets may be impaired at the end of each reporting period. Based on the analysis conducted as of 31 March 2025, the Group's management concluded that the continuing high level of geopolitical tension in 2025 continues to have a negative impact on the discount rate and other financial indicators of the Group, and therefore the Group updated the calculation of the rate in the reporting period. The discount rate as of 31 March 2025 was 19.5% (as of 31 December 2024: 18.8%). This change in the discount rate is within the threshold values of the sensitivity analysis conducted as of 31 December 2024. The Group has updated the financial models of individual cash-generating units with the lowest margin of safety, taking into account the update of the discount rate and actual financial indicators for the 3 months ended 31 March 2025, which did not result in an impairment charge.

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**13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	31 March 2025	31 December 2024
Accounts payable	64,578	74,455
Other financial payable	11,404	12,292
Dividends payable	207	287
Total financial payable	76,189	87,034
Staff and non-budget funds related liabilities	16,273	16,250
Other current liabilities related to the frequent flyer programme	9,174	8,932
Advances received (other than unearned traffic revenue)	1,564	2,308
Other taxes payable	2,214	1,699
Other payable	501	494
Total accounts payable and accrued liabilities	105,915	116,717

The change in accounts payable is mainly due to the strengthening of the ruble exchange rate, as well as the settlement of relations with foreign lessors on aircraft blocked in 2022, as a result of which the lessors terminated their claims against PJSC Aeroflot.

14. PROVISIONS FOR LIABILITIES

	Repairs before aircraft return	Other provisions	Total provisions
1 January 2024	290,722	6,968	297,690
Charge of provision for the period	-	480	480
Use of provision for the period	(63)	(638)	(701)
Remeasurement of provision for the period	(198)	-	(198)
Remeasurement of provision for the period through profit and loss	(247)	164	(83)
Release of provision for the period (i)	(12,992)	(20)	(13,012)
Unwinding of the discount	3,674	-	3,674
31 March 2024	280,896	6,954	287,850
1 January 2025	311,070	12,116	323,186
Charge of provision for the period	-	126	126
Use of provision for the period	(139)	(29)	(168)
Remeasurement of provision for the period	(40,420)	-	(40,420)
Remeasurement of provision for the period through profit and loss	(4,438)	(1,811)	(6,249)
Release of provision for the period	(129)	(10)	(139)
Unwinding of the discount	4,066	-	4,066
31 March 2025	270,010	10,392	280,402

- (i) The main portion on the line “Release of provision for the period” relates to process of setting relations with foreign lessors (Note 12), as well as to revise estimates of the need for repairs before aircraft returning that were purchased into ownership. There were no similar transactions during the first quarter of 2025.

Litigations

The Group is a defendant in legal claims of differing natures. Provisions for liabilities are included into other provisions and represent management’s best estimate of probable losses on existing and potential lawsuits (Note 22).

15. LEASE LIABILITIES

The Group leases aircraft and engines, as well as other assets (real estate, transport etc.) from third and related parties under lease agreements. The list of aircraft that the Group operated on a lease basis as of 31 March 2025 is disclosed in Note 1. According to the terms of the contracts, the aircraft lease term varies from 6 to 15 years with the possibility of extending this period. In the first quarter of 2024 lease agreements of aircraft and engines were signed with government-related entity (Note 12). There were no similar transactions in the first quarter of 2025. The discount rate used to calculate the liability under the new agreements corresponds to the minimum rate from the range of rates disclosed as of 31 December 2024. The lease term under the new agreements is 15 years, with contractual undiscounted cash flows distributed evenly over the term rental. Leased assets, the carrying amount of which is disclosed in Note 12, actually represent a collateral for lease liabilities, since, in case of default by the lessee, these assets are returned to the lessor.

As part of the sanction restrictions, (Note 1) termination notices of lease agreements were sent from a number of lessors to the companies. The Group continues to recognize lease agreements in accordance with IFRS 16, based on the Russian legislation, including Decree 311, introduced a prohibition of aircraft export outside the territory of the Russian Federation for returning them to lessors from certain countries, and recognizes lease liabilities in accordance with lease agreements in full.

As a result, as well as taking into account the high degree of uncertainty regarding potential claims from lessors, the Group has not made any additional accruals in these Condensed Consolidated Interim Financial Statements.

From July, 2024 the Group hedges foreign currency risk arising on a portion of the future revenue stream denominated in US dollars with the lease liabilities denominated in the same currency. The Group applies cash flow hedge accounting model to this hedging relationship, in accordance with IFRS 9 "Financial Instruments".

As at 31 March 2025, lease liabilities in the amount of RUB 184 960 million (31 December 2024: RUB 235,818 million) denominated in US dollars million were designated as a hedging instrument for revenue forecasted for the period 2025 – 2035 in the same amount. The Group expects that this hedging relationship will be highly effective since the future cash outflows on the lease liabilities match the future cash inflows on the revenue being hedged. As at 31 March 2025, accumulated profit from revaluation of lease liabilities of RUB 4 568 million before deferred income tax of RUB 1 142 million (31 December 2024: accumulated loss from revaluation of lease liabilities of RUB 37,000 million before deferred income tax of RUB 9,250 million), representing an effective portion of the hedge, was recognised in the hedge reserve. The loss reclassified from the hedge reserve to profit or loss for 3 months 2025 was RUB 708 million (for 3 months 2024: RUB 0 million).

16. BORROWINGS

	31 March 2025	31 December 2024
<i>Short-term portion of long-term bank borrowings, bonds:</i>		
Short-term portion of long-term borrowings in Russian Roubles	10,632	19,178
Current portion of long-term bonds in Russian Roubles	96	102
Total short-term portion of long-term borrowings less sale and leaseback financing	10,728	19,280
<i>Short-term sale and leaseback financing:</i>		
Short-term sale and leaseback financing in Russian Roubles	356	466
Total short-term portion of long-term borrowings	11,084	19,746
<i>Long-term bank borrowings, bonds and other borrowings:</i>		
Long-term borrowings in Russian Roubles	10,000	-
Long-term bonds in Russian Roubles	24,650	24,650
Long-term borrowings in US Dollars	632	763
Total long-term borrowings less sale and leaseback financing	35 282	25 413
<i>Long-term sale and leaseback financing:</i>		
Long-term sale and leaseback financing in Russian Roubles	15,309	15,309
Total long-term borrowings	50 591	40 722

The Group's compliance with borrowing covenants

Under the terms of all long-term credit agreements recorded as long-term bank borrowings, bonds and other borrowings, the Group is required to comply with certain covenants at the end of each annual and interim reporting period, including the following: timely payment of principal and interest, maintenance of contractual net assets, calculated in accordance with the current legislation of the Russian Federation, the ratio of net debt to EBITDA, indicator of covering interest expenses from operating cash flow, timely provision of accounting, as well as financial statements and other information specified in loan agreements necessary for banks to assess financial condition, absence of debts on taxes and fees to the budget, restrictions on reorganization. The issue documentation of exchange-traded bonds provides for the timely payment of coupon income and principal.

As of 31 March 2025, the Group complied with all terms of the loan agreements and issuance documentation of exchange-traded bonds, and also believes that there are no facts and circumstances related to the Group's compliance with covenants that could lead to the Group's long-term debt obligations becoming short-term within twelve months after the end of the reporting period.

The main changes in borrowings and borrowings during reporting period

The Group partially repaid the loan tranches (fixed interest rate) in the total amount of RUB 8,750 million, received under the credit lines with government-related entity (Bank 1) in 2020 - 2021.

The Group received the loan tranche (floating interest rate) under the credit line with government-related entity (Bank 2) in the total amount of RUB 10 000 million. The loan tranche was unsecured and issued for the period up to January 2028.

As at 31 March 2025 and 31 December 2024 the Group had no assets transferred to secure received borrowings.

As at 31 March 2025 the fair value of borrowings, other than bonds, amounted to RUB 36,638 million (31 December 2024: RUB 35,549 million). As at 31 March 2025 the fair value of bonds amounted to RUB 21,850 million (31 December 2024: RUB 20,808 million).

16. BORROWINGS (CONTINUED)***Exchange bonds programme***

As at 31 March 2025 and 31 December 2024 borrowings of the Group included exchange-listed bonds P01-BO series in Russian Roubles in nominal value of RUB 24,650 million with a maturity in June 2026.

In the second quarter of 2024, PJSC «Moscow Exchange» registered PJSC Aeroflot's P02-BO series Exchange-Traded Bond Programme. The maximum amount of the nominal value of exchange-traded bonds that can be placed under the program is 86,923 million rubles with a maximum maturity of 3,640 days inclusive from the start date of the placement. On 24 April 2025, the first issue of bonds with a maturity of 3 years for a total amount of 45 billion rubles was placed under this Programme. The expected dates and volume of the next bond placements as of the date of issue of these Condensed Consolidated Interim Financial Statements have not been determined.

Undrawn commitments

As at 31 March 2025 the Group was able to raise amount equivalent to RUB 191,020 million in cash (31 December 2024: RUB 168,939 million) available under existing credit lines granted to the Group by various lending institutions.

17. SHARE CAPITAL

As at 31 March 2025 share capital was equal to RUB 4,224 million (as at 31 December 2023: RUB 4,224 million).

	Number of ordinary shares authorised and issued (shares)	Number of treasury shares (shares)	Number of ordinary shares outstanding (shares)
As at 31 December 2024	3,975,771,215	(47,817,796)	3,927,953,419
As at 31 March 2025	3,975,771,215	(47,817,796)	3,927,953,419

As at 31 March 2025 and 31 December 2024, the total number of treasury shares purchased by the Company from shareholders was 47,817,796. These treasury shares carry voting rights in the same proportion as other ordinary shares.

The Company's shares are listed on the Moscow Exchange. As at 31 March 2025 and 31 December 2024, weighted average price was RUB 68.61 and RUB 59.01 per share, respectively.

18. OPERATING SEGMENTS

The Group has a number of operating segments. Except for "Air Transportation", however, none meet the quantitative threshold to qualify as reportable segment. Flight routes information was aggregated in "Air Transportation" segment as passenger flight services on different routes have similar economic characteristics and meet aggregation criteria.

The air transportation operational performance is measured based on internal management reports which are reviewed by the Company's General Director. The air transportation revenues are allocated by flight route based on the geographic destinations of flights. The air transportation revenues by flight routes are used for performance assessment, as the Group believes that such information is the most material in evaluating the results.

Revenues of the other segments mainly include sales revenues from goods on board, in-flight catering services and ground handling.

Segment information is presented based on financial information prepared in accordance with IFRS Accounting Standards.

The Group's assets are located mainly in Russian Federation.

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**18. OPERATING SEGMENTS (CONTINUED)**

Intersegment sales are carried out on market terms and are eliminated upon consolidation.

Three months 2025	Note	Air transportation	Other	Intersegment sales elimination	Total Group
External sales		189,452	790	-	190,242
Intersegment sales		201	8,212	(8,413)	-
Total revenue		189,653	9,002	(8,413)	190,242
Operating profit/(loss)		20,295	(1,193)	-	19,102
Gain from changes in fair value of investments, net					926
Finance income	8				32,638
Finance costs	8				(14,230)
Hedging result	15				(708)
Share in financial results of associates					(147)
Profit before income tax					37,581
Income tax	9				(10,703)
Profit for the period					26,878

Three months 2024	Note	Air transportation	Other	Intersegment sales elimination	Total Group
External sales		172,878	708	-	173,586
Intersegment sales		147	6,339	(6,486)	-
Total revenue		173,025	7,047	(6,486)	173,586
Operating profit/(loss)		31,856	(1,061)	-	30,795
Gain from fair value changes of investments, net					5
Finance income	8				4,809
Finance costs	8				(32,588)
Share in financial results of associates					445
Loss before income tax					3,466
Income tax	9				(2,357)
Profit for the period					1,109

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of financial instruments is determined by the Group using available market information (if any), and appropriate valuation methodologies. However, judgment is necessarily required to interpret market information in order to determine the estimated fair value. Management uses all available market information in estimating the fair value of financial instruments.

19. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets carried at amortised cost. The fair value of instruments with a floating interest rate is normally equal to their carrying value. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates effective on debt capital markets for new instruments with similar credit risk and remaining maturity. Carrying amounts of cash and cash equivalents, except for ready cash (Level 1 in the fair value hierarchy), financial receivables (Note 10), investments and other financial assets are approximately equal to their fair value, and classified as Level 2 in the fair value hierarchy. Carrying amounts of lease security deposits, financial assets under aircraft lease agreements are approximately equal to their fair value, and classified as to Level 3 in the fair value hierarchy.

Financial assets measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are mainly represented by investments in Partner 1 that do not have market quotes. The fair value measurement of Partner 1 cost belong to Level 3 in the fair value hierarchy and are determined through a regular estimation of the expected discounted cash flows, where one or more of the significant inputs is not based on observable market data, including the following: (i) the discount rate determined using the CAPM; (ii) the forecast of passenger traffic and the number of take-off and landing operations based on the evaluation of historical data and public information; (iii) the growth rate of tariffs for ground handling and airport services; and (iv) the amount of capital investments estimated based on the forecast information published by Partner 1.

Liabilities carried at amortised cost. The fair value of financial instruments is measured based on the current market quotes, if any. The estimated fair value of unquoted fixed interest rate instruments with stated maturity was estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity. As at 31 March 2025 and 31 December 2024, the fair value of financial payable (Note 13) was not materially different from its carrying amount. The carrying and fair value of borrowings is disclosed in Note 16. The fair value of financial payable and borrowings, other than bond borrowings, is categorised as Level 2. The fair value of bond borrowings is categorised as Level 1.

During 3 months 2025 and 3 months 2024 there was no transfer between levels 1, 2 or 3 of the fair value hierarchy.

Financial assets measured at amortised cost are as follows:

		31 March 2025	31 December 2024
Cash and cash equivalents		77,696	67,814
Financial receivable	10	32,673	28,697
Short-term financial investments		29,515	37,622
Aircraft lease security deposits		1,260	1,624
Financial assets under lease agreements		81	154
Other non-current assets		958	686
Total financial assets		142,183	136,597

Assets measured at fair value through profit or loss are represented by long-term financial investments in the amount of RUB 7,061 million. and RUB 6,123 million as of 31 March 2025 and 31 December 2024, respectively.

Financial liabilities measured at amortised cost are as follows:

		31 March 2025	31 December 2024
Lease liabilities		557,022	642,541
Financial payable	13	76,189	87,034
Borrowings	16	61,675	60,468
Other non-current liabilities		469	507
Total financial liabilities		695,355	790,550

20. RELATED-PARTY TRANSACTIONS

Parties are generally considered to be related if they are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. When considering relationships with each of the possible related parties, the attention is directed to the economic substance of the relationship, not merely the legal form.

As at 31 March 2025 and 31 December 2024, the outstanding balances with related parties and income and expense items with related parties for 3 months 2025 and 3 months 2024 were disclosed below.

Associates

	31 March 2025	31 December 2024
Assets		
Accounts receivable	50	46
Liabilities		
Accounts payable and accrued liabilities	462	304

The amounts outstanding to and from associates will be settled mainly in cash.

	Three months ended 31 March 2025	31 March 2024
Transactions		
Sales to associates	52	48
Purchase of goods and services from associates	1,051	861

Purchases of goods and services from associates consist primarily of aviation security services.

Government-related entities

As at 31 March 2025 and 31 December 2024 73.77% of the Company's shares were owned by the Russian Federation represented by the Ministry of Finance of the Russian Federation and the Federal Agency for State Property Management. The Group operates in an economic environment where the entities and credit institutions are directly or indirectly controlled by the Russian Government through the relevant government authorities, agencies, affiliations and other organizations (hereinafter the "government-related entities").

The Group applies the exemption from disclosure of individually insignificant transactions and balances with the Russian Government and his related parties because the Government exercises has control, joint control or significant influence over such parties.

The Group has transactions with government-related entities, including but not limited to:

- banking services;
- investments in Partner 1;
- operations under code-sharing agreements;
- lease, including sale and leaseback transactions;
- purchase of aircraft fuel;
- purchase of air navigation and airport services; and
- government subsidies including those provided for compensating of lost income from passenger flights in certain directions under government programmes.

Transactions with such counterparties, as a rule, are carried out in compliance with the same procurement procedures as other operations of the Group, including the determination of the supplier and the price of the contract through tenders, etc.

20. RELATED-PARTY TRANSACTIONS (CONTINUED)***Government-related entities (continued)***

Outstanding balances of cash at settlement, currency and deposit accounts at government-related banks:

	31 March 2025	31 December 2024
Assets		
<i>Cash</i>	46,587	35,848

As at 31 March 2025 deposits placed in government-related banks with state influence maturities exceeding 90 days was about RUB 10,000 million (31 December 2024: RUB 17,400 million).

Accounts payable on deductions to the reserve fund of lessors under lease agreements signed by the Group with government-related entities as at 31 March 2025 amounted to RUB 7,971 million (31 December 2024: RUB 7,413 million) are related to the process of agreeing with the counterparty on the mechanism for reimbursement of financial assets under lease agreements (Note 1).

During 3 months 2025 the Group partially received and repaid the loan tranches received under the credit lines with government-related entities the amounts are disclosed in Note 16.

As at 31 March 2025 the share of liabilities under lease agreements signed by the Group with government-related entities was about 72% (31 December 2024: about 70%).

For 3 months 2025 the share of the Group's transactions with government-related entities was about 14% of revenue (for 3 months 2024: about 11%). In the "Traffic revenue" line item of the Condensed Consolidated Interim Statement of Profit or Loss the Group recognized state subsidies for reimbursement of unreceived revenue by air carriers related to the provision of air transportation of passengers at a special rate in accordance with government programs in the total amount of RUB 2,263 million (for 3 months 2024: RUB 2,246 million), which includes subsidies accrued, but not received, since at the reporting date there was reasonable assurance that they will be received.

For 3 months 2025 the share of the Group's transactions with government-related entities was about 28% of operating costs (for 3 months 2024: about 27%). The Group's operating expenses with government-related entities primarily include the supply of fuels and lubricants, expenses for air navigation services and aircraft maintenance at airports, as well as expenses for code-sharing agreements.

Transactions with the Russian Government also include taxes, levies and customs duty settlements and charges which are disclosed in Notes 6, 9, 10, 13 and 22, as well as revenue from the return of excise duty for aircraft fuel and damper payments in the total amount of RUB 8,260 million (for 3 months 2024 RUB 14,416 million) as part of the "Other operating income/(expenses), net" line item in the Condensed Consolidated Interim Statement of Profit or Loss (Note 7).

The terms of mutual settlements with government-related entities might change in the reporting period depending on the agreement reached on the form of debt settlement, influencing financial assets and cash flows.

Compensation of key management personnel

The remuneration of key management personnel (the members of the Board of Directors and the Management Board as well as key managers of flight and ground personnel who have significant authority and responsibilities on key control and planning decisions of the Group), including constant and variable part of salary and bonuses as well as other compensations, amounted to RUB 361 million for 3 months 2025 (3 months 2024: RUB 301 million).

20. RELATED-PARTY TRANSACTIONS (CONTINUED)

The amount of insurance contributions and contributions to a non-government pension program for key management personnel for 3 months 2025, calculated using the effective rate method, amounted to about RUB 100 million (for 3 months 2024: about RUB 80 million).

These remunerations are mainly represented by short-term payments.

Long-term bonus programmes for management

In 2019 the Company approved a long-term incentive programmes for its key management personnel and members of the Company's Board of Directors. The amounts of payments under the programmes depend on the criteria of Group's passenger traffic, share of international transit from total passenger traffic of the Group and transportation profitability.

As of 31 March 2025, the outstanding amount of the liability under the programmes was RUB 644 million (31 December 2024: RUB 610 million).

21. CAPITAL COMMITMENTS

As at 31 March 2025, the Group had agreements on future acquisition of property, plant and equipment RUB 50,889 million (31 December 2024: RUB 16, 994 million) and intangible assets RUB 14,489 (31 December 2024: RUB 8,337 million) million with third parties including VAT where applicable. These commitments mainly relate to purchase of aircraft equipment and spare parts that meet the criteria for recognition as property, plant and equipment, as well as purchases of software that meets the criteria for recognition as part of the intangible assets. The increase in capital commitments is due to the conclusion of new contracts and new orders for the supply of aircraft engines and other capitalized spare parts in first quarter of 2025.

22. CONTINGENCIES***Operating Environment of the Group***

The Russian economy displays certain characteristics of an emerging market. It is particularly sensitive to oil and gas price fluctuations. The legal, tax and regulatory frameworks of the Russian Federation continue to develop and are subject to frequent changes and varying interpretations.

In 2022, USA, EU, UK and a number of other countries have imposed extensive economic and trade sanctions. The sanctions continue to scale up and effect various areas of activity of Russian companies. A detailed description of the impact of these events and sanctions on the aviation industry and the Group's activity is provided in Note 1.

Sanctions imposed on a number of Russian banks have restricted their access to European financial markets, as well as the international SWIFT system for some of them. The Group promptly responds to changes and new restrictions, guided in its activities by Decrees of the President of the Russian Federation No. 81 dated 1 March 2022 "On additional temporary economic measures to ensure the financial stability of the Russian Federation" and No. 95 dated 5 March 2022 "On the temporary procedure for fulfilling obligations to certain foreign creditors", as well as, if necessary, requesting additional official clarifications from the regulator.

Management is implementing necessary measures to ensure the sustainability of the Group's operations. However, given the high volatility in trade and commodity markets, management's current expectations and estimates may deviate from actual results.

The Group continues to monitor the situation and implement a set of measures to minimize the impact of possible risks on the Group's operations and financial position.

22. CONTINGENCIES (CONTINUED)***Tax contingencies***

The Russian tax system is in a continuous state of evolution, marked by frequent changes in legislation, official pronouncements and court decisions, which in some cases are unclear and contradictory and lead to varying interpretation and uncertainty regarding the tax implications for taxpayers.

Enhanced automation of many control functions empowers the tax authorities to take a stricter stance on identifying tax violations and imposing additional taxes, fines and penalties on taxpayers.

Control activities and tax inspections are limited to a period of up to three years prior to the start of such inspections and are conducted by the territorial tax authorities and the Federal Tax Service of Russia. For taxpayers under the Tax Monitoring regime, the inspection period concludes before October 1 of the year following the reporting period.

These conditions can give rise to tax risks in Russia that could be substantially more significant than in other countries. Based on their interpretations of applicable Russian tax legislation, official pronouncements and court decisions, the Group's management believes that the Condensed Consolidated Interim Financial Statements accurately reflect the tax liabilities. However, in cases where tax authorities interpret tax legislation differently, they have the authority to adjust the calculation of tax liabilities and demand payment. This could impact the Condensed Consolidated Interim Financial Statements.

As of 31 March 2025 and 31 December 2024 management estimates that the Group has no potential liabilities related to tax risks, the probability of which is estimated as "more than insignificant".

Management will vigorously defend the Group's positions and interpretations applied in calculating taxes recognised in these Condensed Consolidated Interim Financial Statements, should these be challenged by the tax authorities.

Insurance

The Group maintains risk insurance, including mandatory insurance in accordance with legislation and voluntary insurance that covers civil liability risks, risks of loss and damage (including aircraft) and medical incidents.

Liquidity management

The Group's Treasury provides flexibility of financing through available credit lines and Group's expected operating results. Within the framework of credit lines provided by various credit organizations, the Group has the ability to secure additional funds (Note 16).

Litigations

During the reporting period, the Group was involved (both as a plaintiff and a defendant) in a number of court proceedings arising in the ordinary course of business. Management is confident that there are no ongoing court proceedings or other claims, which could have a material effect on the operational results and financial position of the Group, beyond what is already included in these Condensed Consolidated Interim Financial Statements.

23. EVENTS AFTER THE REPORTING PERIOD

In March 2025 a new long-term lease agreement was signed for an aircraft with crew with Partner 2. According to the management the leased assets become available for use and should be recognized as right-of-use assets and lease liabilities when the mandatory conditions of the contract are satisfied. A mandatory condition for the commencement of the lease is passing an inspection, the physical inspection was formalised by an act dated 1 April 2025. Currently, the estimated financial impact of the conclusion of the agreement with Partner 2 on the Condensed Consolidated Interim Financial Statements has not been completed.

Information on the issue of the bonds in April 2025 is disclosed in Note 16.