AIRLINE FINANCE FOR THE FUTURE

Shaping a Sustainable Future Together
Airlines. IATA. Partners.

Program
## Plenary Session - Setting the Scene

The industry's recovery and restart plan continues to be challenged by the global pandemic, travel has changed, and airline are more than ever attentive to their financial sustainability. It is however observed that as covid related travel restrictions are lifted - travel appetite rapidly picks up. How does the Airline Industry get ready to resume its operations while keeping sustainability a strong focus.

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<td>13:30-13:40</td>
<td><strong>Welcome Address</strong>&lt;br&gt;Including key highlights on Opportunities and Challenges for building Airline Finance for the Future</td>
<td>Muhammad Albakri&lt;br&gt;SVP, Financial Settlement and Distribution Services, IATA</td>
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<td>13:40-13:50</td>
<td><strong>Future of our Industry - what role for Finance?</strong></td>
<td>Wille Walsh&lt;br&gt;Director General, IATA</td>
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<td>13:50-14:00</td>
<td><strong>Industry Resilience &amp; Outlook by IATA Economics</strong></td>
<td>Conrad Clifford&lt;br&gt;SVP and Deputy Director General, IATA</td>
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<td>14:00-14:15</td>
<td><strong>Sustainable Finance – A Global Challenge</strong>&lt;br&gt;Innovation in finance can be a catalyst for sustainability and economic growth. Hear from a Fintech Leader that is making sure frontier markets and currencies are part of this transformation journey.</td>
<td>Elizabeth Rossiello&lt;br&gt;CEO and Founder, AZA Finance and Co-Chair of World Economic Forum's Council on Blockchain</td>
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<td>14:15-15:00</td>
<td><strong>Partnership in Action</strong>&lt;br&gt;Thought Leaders&lt;br&gt;In the context of building the “Airline Finance for the Future and a Sustainable Industry”, airline executive leaders will share their thoughts on the financial challenges brought by the crisis, the shake-up of retailing strategies and urgent need for sustainability.</td>
<td>Ursula Hurley&lt;br&gt;Chief Financial Officer, JetBlue&lt;br&gt;Andrew Parker, Chief of Sustainability, Qantas&lt;br&gt;Elizabeth Rossiello, CEO and Founder, AZA Finance and Co-Chair of World Economic Forum's Council on Blockchain&lt;br&gt;Michael Doersam, Chair of Financial Advisory Council and Chief Financial Officer, Emirates (Moderator)</td>
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Airlines find themselves under even more pressure to reduce their costs. And what about the payment cost aspect? Payment cost have been a challenge for Airlines over the past years. What to consider and how to manage payment costs in an Airline? What are the trade-offs to consider?

Session 2 - Payment, the cashflow challenge
Airlines’ needs to manage payment methods and cards holdback risks in a context where cashflow is crucial for the restart. Industry perspective and Airlines’ considerations debated by the industry experts.

Session 3 - How to plan for leveraging opportunities and avoiding risks?
Are there other elements to consider? Discussing what could be an Airline’s enterprise approach to manage these opportunities and risks in a post-covid environment.
Taxes, Fees and Charges

All members of the aviation supply chain remain in financial distress as a consequence of the COVID Pandemic. While governments provided short-term financial relief measures to airlines, these measures are phasing out in 2021. At the same time, we are seeing unprecedented increases in charges as airports and ANSPs look to recover their losses without consideration of the impact on airlines and traffic recovery. In addition, states are focusing on sustainability but by imposing additional taxation burdens on airlines when other incentive-based mechanisms exist. This session will also look at best practices in OEM markets and IATA’s continuous efforts to promote competition in aftermarket.

15:30-16:15 **Aviation & Energy Taxation**
Taxation as a means to reduce emissions from aviation is ineffective. Nonetheless, initiatives such as the revised European Energy Taxation Directive proposes to tax aviation fuel uplifted in the EU for international flights. This session will discuss the key features of the proposal, its high-level impact on airlines and provide an insight of lessons learnt from the US domestic fuel tax market.

- Kal Siddique
  Senior Advisor, Indirect Tax, Deloitte
- Frédéric Roch
  Head of Tax, AF
- Jon Almeras
  Managing Director, Taxes, A4A
- Pierre Frühling
  Partner, HFW
- Chris Goater
  Head Corporate Communications, IATA (Moderator)

16:15-16:45 **Supply Chain & Stakeholders – Partnering for Value**
This session provides an overview of IATA’s efforts to enhance competition in the MRO aftermarket. Following the 2019 agreement between IATA and CFM, IATA and Rolls-Royce recently announced the signature of a joint statement that clarifies the Rolls Royce’s ongoing commitment to an open and competitive approach to its aftermarket practices. This session will outline the key elements of this commitment.

- Daniel Kanter
  Assistant General Counsel, IATA
- Chris Markou
  Head Operational Cost Management, IATA

16:45-17:15 **Risk and Regulations**
The entire aviation industry suffered significant financial impact during the COVID-19 crisis and as borders start to reopen, many service providers will be trying to restore their balance sheet. It is critical that individual service providers recognize the importance of protecting the financial sustainability of the whole air transport sector and are not just placing the financial burden on the back of their customers. In this session, we are going to discuss the potential impact of COVID-19 on existing regulatory schemes as well as sustainable action the industry stakeholders, governments and regulators can and should take to overcome current challenges among the different stakeholders.

- Alexander Holzrichter
  Senior Director Regulatory Affairs, Lufthansa Group Airlines
- Cathy Mannion
  Commissioner, Aviation Regulation Ireland
The Goal of Sustainability
The path to achieving net zero emissions by 2050 is outlined. As an Industry, our Leaders must remain focused on Sustainability while taking on the challenges from Covid. Various initiatives can enable our commitment and make sure we reach our goal from fleet modernisation, improvements in operation efficiencies, advancing the use of sustainable aviation fuel (SAF).

Sustainable Aviation Fuel
SAF is expected to play the lead role in the bold ambition from the airlines to decarbonize. How much SAF will it take? Are there cost considerations in an energy transition of this scale. What are the leading policy trends and where are the opportunities?

Navigating Voluntary Carbon Markets
Rapid rise of ESG carbon markets as companies seek to fulfill carbon-neutral commitments; to date, more than 1,500 global corporations have announced a commitment to net-zero. This growing dedication to decarbonization is expected to underpin market growth for decades to come. Unlocking the data information needed for compliance and accessing sustainable investments is paramount.

What will it take for achieving sustainability?
Panel discussion between our three speakers and thought Leaders on Sustainability in the Industry and Role for Finance.

- Jonathon Counsell
  Group Head of Sustainability, IAG

- Robert Boyd
  Assistant Director Aviation Environment, Environment and Sustainability, IATA

- Rene Velasquez
  Head of Global Carbon Markets, CBL Markets

- Haldane Dodd
  Executive Director, Air Transport Action Group, (Moderator)
COVID has impacted key risks related to revenue volatility, liquidity, asset values and financing. As airlines emerge from the pandemic, they now face the impact of the climate crisis. How does an airline manage these risks?

13:30-13:55 **Can an Airline Manage Revenue Volatility?**
Airbus has developed a solution to manage revenue volatility risk. They will join us to explain why this would be of value to airlines.

- **Elise Weber**
  Co-founder and Chief Sales & Marketing Officer, Skytra
- **Matthew Tringham**
  Co-founder and Chief Strategy & Product Officer, Skytra

13:55-14:15 **How do Commercial Banks view Airlines?**
Banks are a primary provider of both airline and aircraft financing. We will hear how one bank views the industry from a risk standpoint and their outlook for aircraft financing and interest rates.

- **Philip Ziegler**
  Managing Director, Risk Management, Citibank

14:15-14:35 **Aircraft Valuations – the Impact of Covid and Climate on Values**
The Covid and Climate crises have deeply impaired aircraft values. Our speaker will highlight how this has impacted current values and provide an outlook on future trends.

- **Mike Yeomans**
  Director of Valuations, IBA

14:35-15:00 **Capital Market View of the Industry**
Airlines are raising significant debt funding and the cost and availability of those funds as tied to credit ratings. The session will present a view of the industry from a credit rating perspective and provide insights into the accessibility of capital markets for airlines.

- **Joseph Rohlena**
  Senior Director, Corporates, Fitch
The session will bring an insider view into airline cost management & optimization programs at restart. Our panelists will share how they are carrying out their airline’s priorities. Join us and hear from airline decision makers on existing challenges and their expectations for the next 18 months. How has the COVID pandemic changed the airline cost model? Have there been substantial changes to existing cost models? What are your airline priorities? Establishing a balance between revenue generation and cost efficiencies. What are your airline expectations for the short and long term?

15:30-15:40  **Airline collaboration on Cost Management**

The value of industry collaboration. How airlines and IATA work together in creating standardized cost & performance industry benchmarks on a variety of KPIs to support their cost management activities

Jean Ruiz
Airline Cost Management Program-ACMG
Secretary, IATA

15:40-16:00  **Keynote: New ways to run cost projections**

Listen to Mc Kinsey’s experience on zero-based budgeting (ZBB) in the context of COVID. Learn how ZBB works, and how it is being applied to airlines

Giacomo Palombo
Associate Partner at McKinsey & Company

16:00-16:30  **Panel: What was the Impact of the COVID pandemic on airline cost model?**

Panelists will debate what works best when managing costs in the current context, and what their airline expectations are in the short and long term

- Dimitrios Tziortzis
  Director Finance, Air Canada
- Ashraf Suleman, VP
  Financial Accounting, Saudi Arabian Airlines
- Klemen Ferjan, Chief of Staff, Amerijet
- Jim Holman, Director
  FP&A, Delta Air Lines
- Giacomo Palombo
  Associate Partner at McKinsey & Company
  (Moderator)
An airline that has successfully raised ESG-linked financing will speak on their experience. A panel of airline financing and ESG experts will discuss how sustainability reporting is the key to ESG-Financing. Topics will include the difference between green financing and sustainability-linked financing, sustainability standards, products available in this space, and the role of third parties such as rating agencies and auditors.

15:30-16:30  **Sustainability Reporting: The Key to ESG-Linked Financing**  
Panel discussion  
Sustainable financing for airlines is emerging at the same time sustainability reporting has become a priority for combatting the Climate Crisis. Our panel will explain the key concepts, provide insights into the activities of key stakeholders in this space and how sustainable financing will benefit airlines.

- **Wim Peeters**, Vice President Business Development, EcoVadis  
- **Peter Gassmann**, Managing Director Strategy & Europe and Global ESG Leader, PwC  
- **Asthildur Hjaltadottir**, Chief Regional Officer, GRI  
- **Sarah Pirzada Usmani**  
  Managing Director, Head of Sustainable, Asset & Project Finance, First Abu Dhabi Bank  
- **Tom Egan**  
  Accounting Technical Expert, IATA (Moderator)
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<td><strong>Financial Advisory Council – Priorities for 2022 And BIC Awards</strong></td>
<td>Michael Doersam&lt;br&gt;Chair of Financial Advisory Council and Chief Financial Officer, Emirates</td>
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