UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In Re. § Case No. 21-11569

Philippine Airlines, Inc. §
Debtor(s) §

☐ Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 12/31/2021 Petition Date: 09/03/2021

Months Pending: 4 Industry Classification: 4 8 1 1

Reporting Method: Accrual Basis ◉ Cash Basis ○

Debtor's Full-Time Employees (current): 4,486

Debtor's Full-Time Employees (as of date of order for relief): 0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☒ Accounts receivable aging
- ☒ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☒ Schedule of payments to professionals
- ☒ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Nilo Thaddeus P. Rodriguez
Signature of Responsible Party

January 15, 2022
Date

Nilo Thaddeus P. Rodriguez
Printed Name of Responsible Party

8F PNB Financial Center, Pres. Diosdado Macapagal Ave., CCP Complex, Pasay City, Philippines
Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefc § 1320.4(a)(2) applies.

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Debtor's Name Philippine Airlines, Inc. Case No. 21-11569

Part 1: Cash Receipts and Disbursements		Current Month	Cumulative
a.	Cash balance beginning of month	$455,187,278	
b.	Total receipts (net of transfers between accounts)	$137,016,275	$1,048,910,657
c.	Total disbursements (net of transfers between accounts)	$128,740,140	$621,180,880
d.	Cash balance end of month (a+b-c)	$463,463,413	
e.	Disbursements made by third party for the benefit of the estate	$0	
f.	Total disbursements for quarterly fee calculation (c+e)	$128,740,140	$621,180,880

Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.)		Current Month
a.	Accounts receivable (total net of allowance)	$429,044,195
b.	Accounts receivable over 90 days outstanding (net of allowance)	$254,475,749
c.	Inventory (Book ◉ Market ○ Other ○ (attach explanation))	$50,314,491
d	Total current assets	$1,027,133,273
e.	Total assets	$4,279,481,894
f.	Postpetition payables (excluding taxes)	$788,002,343
g.	Postpetition payables past due (excluding taxes)	$242,023,839
h.	Postpetition taxes payable	$17,009,198
i.	Postpetition taxes past due	$2,343,086
j.	Total postpetition debt (f+h)	$805,011,541
k.	Prepetition secured debt	$346,893,990
l.	Prepetition priority debt	$262,480,300
m.	Prepetition unsecured debt	$4,925,163,532
n.	Total liabilities (debt) (j+k+l+m)	$6,339,549,363
o.	Ending equity/net worth (e-n)	$-2,060,067,469

Part 3: Assets Sold or Transferred		Current Month	Cumulative
a.	Total cash sales price for assets sold/transferred outside the ordinary course of business	$0	$0
b.	Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	$0	$0
c.	Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	$0	$0

Part 4: Income Statement (Statement of Operations) (Not generally applicable to Individual Debtors. See Instructions.)		Current Month	Cumulative
a.	Gross income/sales (net of returns and allowances)	$183,822,317	
b.	Cost of goods sold (inclusive of depreciation, if applicable)	$118,269,460	
c.	Gross profit (a-b)	$65,552,856	
d.	Selling expenses	$8,292,586	
e.	General and administrative expenses	$6,796,837	
f.	Other expenses	$2,699,551	
g.	Depreciation and/or amortization (not included in 4b)	$1,312,843	
h.	Interest	$9,938,000	
i.	Taxes (local, state, and federal)	$498,672	
j.	Reorganization items	$5,641,468	
k.	Profit (loss)	$32,970,053	$-36,124,285

Debtor's Name Philippine Airlines, Inc. Case No. 21-11569

Part 5: Professional Fees and Expenses

				Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
a.	Debtor's professional fees & expenses (bankruptcy) *Aggregate Total*						
	Itemized Breakdown by Firm						
Add		Firm Name	Role				
Delete	i	See attached exhibit					
Delete	ii						
Delete	iii						
Delete	iv						

				Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
b.	Debtor's professional fees & expenses (nonbankruptcy) *Aggregate Total*						
	Itemized Breakdown by Firm						
Add		Firm Name	Role				
Delete	i	See attached exhibit					
Delete	ii						
Delete	iii						
Delete	iv						
c.	All professional fees and expenses (debtor & committees)						

Part 6: Postpetition Taxes		**Current Month**	**Cumulative**
a.	Postpetition income taxes accrued (local, state, and federal)	$0	$0
b.	Postpetition income taxes paid (local, state, and federal)	$105,473	$177,258
c.	Postpetition employer payroll taxes accrued	$1,793,232	$1,809,984
d.	Postpetition employer payroll taxes paid	$2,445,418	$5,713,700
e.	Postpetition property taxes paid	$13,475	$709,995
f.	Postpetition other taxes accrued (local, state, and federal)	$9,278,958	$19,023,753
g.	Postpetition other taxes paid (local, state, and federal)	$5,465,809	$13,638,264

Part 7: Questionnaire - During this reporting period:

a.	Were any payments made on prepetition debt? (if yes, see Instructions)	Yes ◉	No ○
b.	Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions)	Yes ○	No ◉
c.	Were any payments made to or on behalf of insiders?	Yes ◉	No ○
d.	Are you current on postpetition tax return filings?	Yes ◉	No ○
e.	Are you current on postpetition estimated tax payments?	Yes ◉	No ○
f.	Were all trust fund taxes remitted on a current basis?	Yes ◉	No ○
g.	Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions)	Yes ○	No ◉
h.	Were all payments made to or on behalf of professionals approved by the court?	Yes ○	No ○ N/A ◉

Debtor's Name Philippine Airlines, Inc. Case No. 21-11569

i.	Do you have:	Worker's compensation insurance?	Yes ◉ No ○
		If yes, are your premiums current?	Yes ◉ No ○ N/A ○ (if no, see Instructions)
		Casualty/property insurance?	Yes ◉ No ○
		If yes, are your premiums current?	Yes ◉ No ○ N/A ○ (if no, see Instructions)
		General liability insurance?	Yes ◉ No ○
		If yes, are your premiums current?	Yes ◉ No ○ N/A ○ (if no, see Instructions)
j.	Has a plan of reorganization been filed with the court?		Yes ◉ No ○
k.	Has a disclosure statement been filed with the court?		Yes ◉ No ○
l.	Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930?		Yes ◉ No ○

Part 8: Individual Chapter 11 Debtors (Only)

a.	Gross income (receipts) from salary and wages	$0
b.	Gross income (receipts) from self-employment	$0
c.	Gross income from all other sources	$0
d.	Total income in the reporting period (a+b+c)	$0
e.	Payroll deductions	$0
f.	Self-employment related expenses	$0
g.	Living expenses	$0
h.	All other expenses	$0
i.	Total expenses in the reporting period (e+f+g+h)	$0
j.	Difference between total income and total expenses (d-i)	$0
k.	List the total amount of all postpetition debts that are past due	$0
l.	Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)?	Yes ○ No ◉
m.	If yes, have you made all Domestic Support Obligation payments?	Yes ○ No ○ N/A ◉

Debtor's Name Philippine Airlines, Inc. Case No. 21-11569

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." *See* 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Nilo Thaddeus P. Rodriguez
Signature of Responsible Party

Nilo Thaddeus P. Rodriguez
Printed Name of Responsible Party

Senior Vice President/Chief Financial Officer and Co-
Title

01/15/2022
Date

Philippine Airlines, Inc.	**Case No.**	21-11569 (SCC)
Debtor	**Reporting Period:**	12/1/21 - 12/31/21
	Fed. Tax I.D. No.:	N/A

MOR-1: CASH FLOW STATEMENTS

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	$	133,253,194
Payments to suppliers and employees		(113,815,561)
Interest income received		153,776
Taxes paid		(1,144)
Financing charges paid		(7,823,135)
Net cash used in operating activities		**11,767,130**
CASH FLOWS FROM INVESTING ACTIVITIES		
Refund of various deposits		3,609,305
Net cash from investing activities		**3,609,305**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Long-term obligations		(7,473,401)
Payment of notes payable		-
Cash received from Debtor-in-possession financing		0
Net cash from financing activities		**(7,473,401)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**373,101**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**8,276,135**
CASH AND CASH EQUIVALENTS AT BEGINNING		455,187,278
CASH AND CASH EQUIVALENTS AT END	**$**	**463,463,413**

Philippine Airlines, Inc.	**Case No.**	21-11569 (SCC)
Debtor	**Reporting Period:**	12/1/21 - 12/31/21
	Fed. Tax I.D. No.:	N/A

MOR-2a: BALANCE SHEET

ASSETS		
Current Assets		
Cash and cash equivalents	**$**	463,463,413
Receivables - net		429,044,195
Expendable parts, fuel, materials and supplies		50,314,491
Other current assets		83,636,174
		1,026,458,273
Assets held for sale		675,000
Total Current Assets		**1,027,133,273**
Noncurrent Assets		
Property and equipment		
@ cost		2,474,920,897
@ appraised values		18,794,346
Investment properties		32,846,191
Investment in subsidiaries		335,871,559
Other noncurrent assets		389,915,628
Total Noncurrent Assets		**3,252,348,621**
TOTAL ASSETS	**$**	**4,279,481,894**
LIABILITIES AND EQUITY		
Current Liabilities		
Notes payable	**$**	273,776,031
Accounts payable		386,679,026
Accrued expenses		976,898,659
Unearned transportation revenue		295,234,883
Current portion of long-term obligations		2,283,185,130
Total Current Liabilities		**4,215,773,729**
Noncurrent Liabilities		
Long-term obligations - net of current portion		1,392,971,087
Accrued employee benefits		229,635,020
Reserves and other noncurrent liabilities		451,078,464
Deferred tax liabilities		50,091,063
Total Noncurrent Liabilities		**2,123,775,634**
Total Liabilities		**6,339,549,363**
Equity		
Capital stock		300,467,599
Capital in excess of par		1,830,416
Other equity reserves		27,038,639
Other comprehensive loss		(8,950,338)
Deficit		(2,380,453,785)
Total Equity		**(2,060,067,469)**
TOTAL LIABILITIES AND EQUITY	**$**	**4,279,481,894**

Philippine Airlines, Inc.	**Case No.**	21-11569 (SCC)
Debtor	**Reporting Period:**	12/1/21 - 12/31/21
	Fed. Tax I.D. No.:	N/A

MOR-2b: ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Aging	90 days and less	91 days and beyond	Total
Trade Accounts Receivables	162,789,405	137,052,813	299,842,218
Less: Allowance for Bad Debts	1,291,151	18,450,151	19,741,302
Net Trade Accounts Receivables	161,498,254	118,602,662	280,100,916
Non-Trade Accounts Receivables	13,070,192	214,766,540	227,836,732
Less: Allowance for Bad Debts	-	78,893,453	78,893,453
Net Non-Trade Accounts Receivables	13,070,192	135,873,087	148,943,279
Total Net Accounts Receivable	**174,568,446**	**254,475,749**	**429,044,195**

Philippine Airlines, Inc.	**Case No.**	21-11569 (SCC)
Debtor	**Reporting Period:**	12/1/21 - 12/31/21
	Fed. Tax I.D. No.:	N/A

MOR-2c: POST-PETITION ACCOUNTS PAYABLE AGING

			Past Due		
	Total	**Current**	**(0-30 Days)**	**(31-60 Days)**	**(61-90 Days)**
Postpetition Liabilities Aging	805,011,541	560,644,616	130,973,006	81,927,759	31,466,160

Philippine Airlines, Inc.	**Case No.**	21-11569 (SCC)
Debtor	**Reporting Period:**	12/1/21 - 12/31/21
	Fed. Tax I.D. No.:	N/A

MOR-4: STATEMENT OF OPERATIONS

	FOR THE PERIOD DEC 1-31, 2021	YTD POST-PETITION (SEP 3 TO DEC 31, 2021)
REVENUES		
Passenger	132,272,627	368,208,887
Cargo	42,267,974	149,555,528
Ancillary	6,737,269	17,156,062
Others	2,544,447	7,082,872
	183,822,317	542,003,349
EXPENSES		
Flying operations	76,529,407	296,513,388
Maintenance	17,457,051	73,345,035
Aircraft and traffic servicing	15,510,727	50,558,655
Passenger service	8,772,276	29,327,937
Reservation and sales	8,292,586	25,147,254
General and administrative	10,302,923	37,657,045
	136,864,970	512,549,314
OTHER (INCOME) CHARGES		
Financing charges	13,883,753	56,046,656
Share in net income of an associate	(2,594,330)	(10,647,651)
Other Charges (Income)-net	2,699,552	20,181,551
	13,988,975	65,580,556
NET LOSS BEFORE INCOME TAX	32,968,372	(36,126,521)
INCOME TAX EXPENSE (BENEFIT)	1,144	1,547
NET LOSS	32,967,228	(36,128,068)
OTHER COMPREHENSIVE INCOME (LOSS)		
Other Comprehensive loss, net of deferred income tax effect	2,825	3,783
TOTAL COMPREHENSIVE LOSS	32,970,053	(36,124,285)

Philippine Airlines, Inc.
Debtor

Case No. 21-11569 (SCC)
Reporting Period: 12/1/21 - 12/31/21
Fed. Tax I.D. No.: N/A

MOR-5: PAYMENTS TO INSIDERS AND PROFESSIONALS

INSIDERS

	TOTAL PAID
TOTAL PAYMENTS TO INSIDERS	235,728.68

PROFESSIONALS

NAME	DATE OF COURT ORDER AUTHORIZING RETENTION / EMPLOYMENT		TOTAL AMOUNT APPROVED	AMOUNT PAID CURRENT MONTH	TOTAL PAID TO DATE	TOTAL INCURRED AND UNPAID
Angara Abello Concepcion Regala & Cruz Law Offices	9/30/2021	[1]	0	0	0	0
Debevoise & Plimpton LLP	10/26/2021	[2]	1,336,278.78	1,336,278.78	1,336,278.78	1,336,278.78
Hogan Lovells	9/30/2021	[1]	0	0	0	0
Holman Fenwick Willan Middle East LLP	9/30/2021	[1]	0	0	0	0
Holman Fenwick Willan Singapore LLP	9/30/2021	[1]	0	0	0	0
Kurtzman Carson Consultants LLC (Administrative Agent)	9/9/2021	[3]	398,631.78	398,631.78	398,631.78	398,631.78
Kurtzman Carson Consultants LLC (Claims Agent)	10/26/2021	[4]				
Laguesma Magsalin Consulta & Gastardo	9/30/2021	[1]	0	0	0	0
Lowndes Jordan	9/30/2021	[1]	0	0	0	0
Norton Rose Fulbright LLP Norton Rose Fulbright (Asia) LLP	10/26/2021	[5]	582,401.92	582,401.92	582,401.92	582,401.92
Quisumbing Torres (Baker McKenzie)	9/30/2021	[1]	0	0	0	0
Seabury Securities LLC Seabury International Corporate Finance LLC	10/26/2021	[6]	640,166.63	640,166.63	640,166.63	640,166.63
Stikeman Elliot	9/30/2021	[1]	0	0	0	0
Togut, Segal & Segal LLP	9/30/2021	[1]	25,695.00	25,695.00	25,695.00	25,695.00
Zambrano & Gruba Law Offices	9/30/2021	[1]	0	0	0	0
TOTAL PAYMENTS TO PROFESSIONALS			$ 2,983,174.11	$ 2,983,174.11	$ 2,983,174.11	$ 2,983,174.11

FOOTNOTES

[1] Paid pursuant to the Court's Order Authorizing the Debtor to Employ and Pay Professionals Used in the Ordinary Course of Business [ECF No. 127]

[2] Employment Application a6pproved on 10/26/21 [ECF No. 219].

[3] Paid pursuant to the Court's Order Appointing Kurtzman Carson Consultants LLC as Claims and Noticing Agent for the Debtor Pursuant to 28 U.S.C. § 156(c), 11 U.S.C. § 105(a) and S.D.N.Y. LBR 5075-1 Nunc Pro Tunc to the Petition Date [ECF No. 46].

[4] Employment Application approved on 10/26/21 [ECF No. 217].

[5] Employment Application approved on 10/26/21 [ECF No. 218].

[6] Employment Application approved on 10/26/21 [ECF No. 220]