



AEROMEXICO REPORTS 1Q23 RESULTS

Mexico City, Mexico, April 19, 2023 - Grupo Aeromexico S.A.P.I. de C.V. ("Aeromexico") today reported financial results for the first quarter 2023.

Peso (MXN) amounts were converted to US dollars (USD) solely for the convenience of the reader at the rate of 18.1052 MXN:USD as of March 31, 2023, and 19.9112 MXN:USD as of March 31, 2022. Such conversion should not be construed as a representation that the MXN amounts actually represent such USD amounts or could be converted into USD at the indicated rate.

All figures are expressed in U.S. dollars unless otherwise indicated.

KEY FINANCIAL HIGHLIGHTS FOR THE FIRST QUARTER 2023

- Aeromexico's capacity, measured in available seat kilometers (ASKs), increased by 24.9% year over year, primarily driven by the sequential recovery in domestic and international markets.
- Aeromexico's 1Q23 revenue reached \$1.1 billion: a 64.5% increase as compared to the same period of 2022. During the quarter, revenue per ASK (RASK) increased by 31.8% year over year.
- EBITDAR amounted to \$215.0 million; a \$64.7 million dollar increase year over year.
- First quarter 2023 EBIT recorded \$77.2 million; a \$115.5 million improvement as compared to the same period of 2022.
- Cost per ASK (CASK) in dollars, excluding fuel, was 5.1¢. This is a 3.2% decrease as compared to the same quarter of 2022.
- During the quarter, the Company amortized more than \$40 million in financial debt. Aeromexico's cash position as of March 31, 2022, amounted to \$795.1 million.



Daniel Medellín Enríquez
SVP Financial Planning & Investor Relations
dmedellin@aeromexico.com

Ricardo Sánchez Baker
CFO
rsbaker@aeromexico.com

Financial Standards

All figures are expressed in millions of U.S. dollars unless otherwise indicated. Aeromexico's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Financial Reporting Standards Council ("IASB").

| Financial KPIs | Three Months Ended March 31 | | |
|---|-----------------------------|---------|----------|
| | 1Q23 | 1Q22 | Var. % |
| Total revenue | 1,066.2 | 648.0 | 64.5 |
| EBITDAR* | 215.0 | 150.3 | 43.0 |
| EBITDAR margin* (% of Revenue) | 20.2% | 23.2% | (3 p.p.) |
| Total operating income (loss) | 77.2 | (38.3) | N.A. |
| Operating Margin (% of Revenue) | 7.2% | (5.9%) | N.A. |
| Net Income (loss) | (22.8) | (155.4) | N.A. |
| Net Income (loss) Margin (% of Revenue) | (2.1%) | (24.0%) | N.A. |
| Key Operating Indicators | 1Q23 | 1Q22 | Var. % |
| Total ASKs (millions) | 12,428 | 9,954 | 24.9 |
| Total RPKs (millions) | 9,869 | 7,408 | 33.2 |
| Load factor on scheduled flights (%) | 80.1% | 75.6% | 4.5 p.p. |
| Passengers ('000) | 5,756 | 4,142 | 39.0 |
| On-Time departure performance within 15 minutes (%) | 81% | 77% | 4 p.p. |
| Total liters of fuel ('000) | 385,515 | 310,491 | 24.2 |
| Yield (USD cents)** | 8.2 | 7.0 | 17.8 |
| Total revenue / ASK (USD cents) | 8.6 | 6.5 | 31.8 |
| Passenger revenue / ASK (USD cents) | 6.5 | 5.2 | 25.7 |
| Total cost / ASK (USD cents) | 7.9 | 7.8 | 1.9 |
| Total cost excluding fuel / ASK (USD cents) | 5.1 | 5.2 | (3.2) |

Figures may not sum to total due to rounding.

* This metric is not defined under IFRS but has been included for reference given its relevance to the Company's performance. EBITDAR is defined as earnings before interest, taxes, depreciation, amortization, and rental costs.

** Estimated as passenger revenues (excluding ancillaries) divided by RPKs of itinerary flights.

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Market Conditions

- **Post pandemic recovery.** Recovery in the domestic and international markets continued. During the first quarter of 2023, Aeromexico ASKs were 25% above the first quarter of 2022.

- **Exchange rate.** During the first quarter the Mexican peso recorded an 8.8% appreciation year over year from a \$20.54 pesos per dollar average exchange rate in 1Q22 to \$18.74 pesos per dollar in 1Q23. The quarter-end exchange rate was \$18.11 pesos per dollar as compared to \$19.91 pesos per dollar at the end of 1Q22, a 9.1% appreciation.
- **Fuel price.** During 1Q23, fuel cost per liter in dollars increased by 13.0%, from an average of 81¢ per liter during 1Q22 to an average of 92¢ per liter during 1Q23.
- **Inflation.** Annual inflation as of March 2023 was 6.9%, a 0.6 pp decrease when compared to 2022.
- **Economic activity.** The Mexican economy continued to show a slight recovery during the first quarter of 2023. On a year over year basis, the Global Economic Activity Indicator grew 3.6% in January 2023, as compared to the same month of the previous year.

1Q 2023 Revenue

Recovery in the domestic and international markets continued. Revenue initiatives continued delivering positive results. 1Q23 total revenue increased by 64.5%, as compared to the same period of 2022, reaching \$1.1 billion. Domestic revenue increased by 67.2%, while international revenue grew 60.7%.

Total ASKs in 1Q23 increased by 24.9% as compared to the same period of 2022, with international ASKs increasing by 20.2% and domestic ASKs by 33.4%. International ASKs accounted for 62.4% of Aeromexico's total ASKs, a 2.4 pp decrease when compared to 1Q22.

In 1Q23, total passenger revenue reached \$963.7 million; a 69.5% year over year increase. Aeromexico transported 5 million 756 thousand passengers during the quarter, a 39.0% increase as compared to 1Q22.

During 1Q23, the number of passengers on international routes increased by 29.0%, while domestic passengers increased by 43.4%.

First quarter air cargo revenue totaled \$66.5 million, an 8.3% decrease versus the same quarter of 2022, with a 5% increase in capacity levels, measured in available ton-kilometers (ATKs).

1Q 2023 Operating Expenses

During 1Q23, total operating expenses including aircraft leases, depreciation and amortization totaled \$989.0 million, a 44.1% increase as compared to the same period of 2022. This increase was mainly explained by volume increase, higher fuel prices and inflationary pressures.

Fuel expenses amounted to \$353.8 million in 1Q23, a 40.3% increase as compared to the same quarter of 2022. The latter was mainly driven by (i) the increase in fuel price, which was 13.0% higher than the price recorded on 1Q23; and (ii) the increase in volume recorded during the quarter. Average fuel price in 1Q23 was 92¢ per liter as compared to 81¢ per liter during 1Q22. Fuel burn per ASK decreased by 0.6% as compared to 1Q22, due to a more efficient fleet mix.

Other operating costs including passenger services, travel agent commissions and selling and administrative expenses in 1Q23 increased by 39.6% as compared to 1Q22. This increase was

mainly driven by higher passenger volume, given the negative impact on passenger volumes recorded in 1Q22 due to Omicron.

Aircraft rent, depreciation and amortization expenses totaled \$137.8 million in 1Q23, that is \$19.3 million below the first quarter of 2022, mainly due to the positive results in the renegotiation of lease agreements.

1Q 2023 EBITDAR

EBITDAR amounted to \$215.0 million during 1Q23; a \$64.7 million improvement as compared to the same period of 2022.

1Q 2023 Operating Income

Operating income during the first quarter recorded \$77.2 million, a \$115.5 million year over year improvement. Operating margin was 7.2% as compared to a negative 5.9% margin in 1Q22. This result is the highest that the company has ever delivered for a first quarter.

1Q 2023 Net Financing Cost

During 1Q23, net financing cost decreased by 26.8%, from \$138 to \$101 million, as compared to the same period of last year. It is worth noting that according to IFRS, this financing cost includes the imputed financial cost associated to operating leases.

1Q 2023 Net Income (loss)

Net loss totaled \$22.8 million in 1Q23, as compared to a \$155.4 million net loss recorded in 1Q22. This is a \$132.6 million year over year improvement.

Comments to the Consolidated Statements of Financial Position and Cash Flow

Aeromexico's cash position as of March 31, 2023, amounted to \$795.1 million. Excluding restricted cash, Aeromexico's cash balance amounted to \$694.8 million. The Company generated \$151.7 million in net cash from operating activities.

At the end of the first quarter, the Company's leverage, measured as adjusted net debt to EBITDAR stood at 3.0 times, as compared to 3.8 times at the end of 1Q2022, both figures computed under IFRS 16. Amortizations of financial debt during the first quarter of the year totaled \$41.0 million.



Fleet

During 1Q23, Grupo Aeromexico received 4 Boeing 737-MAX aircraft.

Grupo Aeromexico's operating fleet comprised 147 aircraft as of March 31, 2023, with an average age of 7.8 years.

Operating Fleet

| Fleet | 4Q20 | 4Q21 | 4Q22 | 1Q23 |
|---------------------------|------------|------------|------------|------------|
| B-787 | 19 | 18 | 19 | 20 |
| B-737-700 | 5 | 5 | 1 | 0 |
| B-737-800 | 30 | 36 | 36 | 35 |
| B-737 MAX 8 | 6 | 21 | 33 | 33 |
| B-737 MAX 9 | - | 6 | 13 | 17 |
| Aeromexico | 60 | 86 | 102 | 105 |
| E-190 | 47 | 47 | 42 | 42 |
| Aeromexico Connect | 47 | 47 | 42 | 42 |
| Grupo Aeromexico | 107 | 133 | 144 | 147 |



Grupo Aeroméxico S.A.B. de C.V. and Subsidiaries

Consolidated Statements of Profit or Loss and other Comprehensive Income

| | Three months ended March 31 | | | Three months ended March 31 | | |
|---|-----------------------------|----------------|--------------|------------------------------|--------------|--------------|
| | (MXN Millions) | | | (USD Millions) ^{1/} | | |
| | <u>2023</u> | <u>2022</u> | <u>Var %</u> | <u>2023</u> | <u>2022</u> | <u>Var %</u> |
| Revenues: | | | | | | |
| Passenger | 17,447 | 11,322 | 54.1% | 964 | 569 | 69.5% |
| Air cargo | 1,204 | 1,444 | -16.6% | 66 | 73 | -8.3% |
| Other | 652 | 136 | 378.2% | 36 | 7 | 425.9% |
| Total revenue | 19,303 | 12,902 | 49.6% | 1,066 | 648 | 64.5% |
| Operating expenses: | | | | | | |
| Jet-fuel | 6,405 | 5,019 | 27.6% | 354 | 252 | 40.3% |
| Wages, salaries and benefits | 3,494 | 2,735 | 27.8% | 193 | 137 | 40.5% |
| Maintenance | 923 | 815 | 13.3% | 51 | 41 | 24.6% |
| Aircraft, communication and traffic services | 2,190 | 1,883 | 16.3% | 121 | 95 | 27.9% |
| Passenger services | 462 | 354 | 30.6% | 26 | 18 | 43.6% |
| Travel agent commissions | 377 | 273 | 37.9% | 21 | 14 | 51.7% |
| Selling and administrative | 1,458 | 1,182 | 23.4% | 81 | 59 | 35.7% |
| Aircraft leasing | 109 | 847 | -87.1% | 6 | 43 | -85.8% |
| Depreciation and amortization | 2,386 | 2,281 | 4.6% | 132 | 115 | 15.0% |
| Impairment (reversal) | - | 628 | NA | - | 32 | NA |
| Restructuring expenses | - | (2,313) | NA | - | (116) | NA |
| Other (income) loss, net | 101 | 29 | 247.5% | 6 | 1 | 282.2% |
| Share of gain on equity accounted investees, net of tax | - | (67) | NA | - | (3) | NA |
| Total operating expenses | 17,906 | 13,665 | 31.0% | 989 | 686 | 44.1% |
| Total operating income (loss) | 1,397 | (763) | NA | 77 | (38) | NA |
| Net finance Cost | (1,832) | (2,753) | NA | (101) | (138) | NA |
| Income (loss) before income tax | (435) | (3,516) | NA | (24) | (177) | NA |
| Income tax | (22) | (422) | NA | (1) | (21) | NA |
| Net Income (loss) for the year | (413) | (3,095) | NA | (23) | (155) | NA |

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Grupo Aeroméxico S.A.B. de C.V. and Subsidiaries
Consolidated Statements of Financial Position

| | As of 31st (MXN Millions) | | As of 31st (USD Millions) ^{1/} | |
|--|------------------------------|-----------------|--|-----------------|
| | <u>Mar 2023</u> | <u>Dec 2022</u> | <u>Mar 2023</u> | <u>Dec 2022</u> |
| Assets | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | 14,395 | 16,306 | 795 | 842 |
| Derivative financial instruments | 31 | 37 | 2 | 2 |
| Trade and other receivables | 8,450 | 7,576 | 467 | 391 |
| Due from related parties | 13 | 10 | 1 | 1 |
| Prepayments and deposits | 1,188 | 863 | 66 | 45 |
| Inventories | 1,886 | 1,877 | 104 | 97 |
| Total current assets | 25,962 | 26,669 | 1,434 | 1,377 |
| Non-current assets: | | | | |
| Property and equipment, including right-of-use | 49,576 | 51,020 | 2,738 | 2,635 |
| Other non-current assets | 28,424 | 29,046 | 1,570 | 1,500 |
| Total non-current assets | 78,000 | 80,066 | 4,308 | 4,135 |
| Total assets | 103,962 | 106,735 | 5,742 | 5,513 |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Loans and borrowings, including leases | 9,998 | 9,951 | 552 | 514 |
| Others | 41,088 | 40,341 | 2,269 | 2,084 |
| Total current liabilities | 51,085 | 50,292 | 2,822 | 2,598 |
| Total non-current liabilities | 67,281 | 71,135 | 3,716 | 3,674 |
| Total liabilities | 118,366 | 121,427 | 6,538 | 6,272 |
| Total equity (deficit) | (14,404) | (14,691) | (796) | (759) |
| Total equity and liabilities | 103,962 | 106,735 | 5,742 | 5,513 |

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Grupo Aeroméxico S.A.B. de C.V. and Subsidiaries
Consolidated Statements of Cash Flows

| | Three months ended March 31 (MXN Millions) | | | Three months ended March 31 (USD Millions) ^{1/} | | |
|---|---|-----------------|-----------------|---|--------------|----------------|
| | 2023 | 2022 | Var \$ | 2023 | 2022 | Var \$ |
| Operating cash | 3,502 | (1,560) | 5,062 | 193 | (78) | 272 |
| Working capital | 750 | (8,382) | 9,133 | 41 | (421) | 462 |
| Cash generated from operating activities | 4,252 | (9,943) | 14,195 | 235 | (499) | 734 |
| Employees' statutory profit sharing and income tax paid | (238) | (21) | (217) | (13) | (1) | (12) |
| Interest paid | (1,268) | (1,632) | 364 | (70) | (82) | 12 |
| Net cash (used in) from operating activities | 2,746 | (11,596) | 14,342 | 152 | (582) | 734 |
| Net cash used in investing activities | (1,728) | (552) | (1,176) | (95) | (28) | (68) |
| Net cash from financing activities | (2,361) | 20,008 | (22,369) | (130) | 1,005 | (1,135) |
| Effects of exchange rate fluctuations | (569) | 114 | (683) | (31) | 6 | (37) |
| Net (decrease) increase in cash and cash equivalents | (1,911) | 7,974 | (9,885) | (106) | 400 | (506) |
| Cash and cash equivalents: | | | | | | |
| At beginning of year | 16,306 | 20,039 | (3,733) | 901 | 1,006 | (106) |
| At end of year | 14,395 | 28,013 | (13,618) | 795 | 1,407 | (612) |

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