

AEROMEXICO REPORTS 1Q21 RESULTS

Mexico City, Mexico, April 20th, 2021 - Grupo Aeromexico S.A.B. de C.V. ("Aeromexico") (BMV: AEROMEX), today reported its unaudited consolidated results for the first quarter 2021.

KEY FINANCIAL HIGHLIGHTS FOR THE FIRST QUARTER 2021

- On June 30th, 2020 Aeromexico announced that it and certain of its affiliates had filed voluntary Chapter 11 petitions in the United States ("Chapter 11") to implement a financial restructuring, while continuing to serve customers. The Company intends to use the Chapter 11 process to strengthen its financial position and liquidity, protect and preserve its operations and assets and implement necessary operational changes to address the impact of the ongoing COVID-19 pandemic.
- Grupo Aeromexico's first quarter capacity, measured in available seat kilometers (ASKs), increased by 7.3% compared to fourth quarter 2020, primarily driven by a sequential recovery in the international market. Total ASKs for the first quarter decreased by 37.5% year-on-year due to the impact of the COVID-19 pandemic.
- Grupo Aeromexico's first quarter 2021 revenue reached \$6.9 billion pesos, a 51.3% year-on-year decrease. During the quarter, revenue per ASK (RASK) in pesos decreased by 22.2% year-on-year.
- EBITDAR for the period amounted to negative \$398 million pesos, an improvement of \$1.5 billion pesos versus fourth quarter of 2020 and a year-on-year decrease of \$1.9 billion pesos. First quarter 2021 operating loss amounted to \$3.4 billion pesos, an improvement of \$2.9 billion pesos compared to fourth quarter 2020 and a year-on-year decrease of \$1.7 billion pesos.
- Cost per ASK (CASK) in pesos was \$1.458 pesos, a 29.1% decrease compared to fourth quarter 2020 and a 4.6% year-on-year increase. CASK in dollars reached \$0.072 dollars, a 27.8% decrease compared to fourth quarter 2020 and a 3.0% year-on-year increase. These results reflect efficiencies achieved after the successful implementation of initiatives aimed to reduce structural cost despite a 37.5% reduction in capacity (measured in ASKs).
- Aeromexico's cash position as of March 31st, 2021, amounted to \$18.0 billion pesos, equivalent to approximately \$881 million dollars.
- As at March 31st, 2021, Grupo Aeromexico's operating fleet comprised 106 aircraft.

MANAGEMENT DISCUSSION AND ANALYSIS

Aeromexico announced on June 30th that it and certain of its affiliates had filed voluntary Chapter 11 petitions in the United States (“Chapter 11”) to implement a financial restructuring, while continuing to serve customers. Aeromexico will remain to operate and offer services to its customers and contracting from its suppliers the goods and services required for operations. The Company will continue to use the advantages of the Chapter 11 proceeding to strengthen its financial position and liquidity, protect and preserve operations and assets, and implement the necessary adjustments to manage the impact of COVID-19.

In October 2020, the United States Bankruptcy Court approved on a final basis Grupo Aeromexico’s DIP financing facility including the approval of commitments for up to US\$1 billion of DIP financing, distributed in a senior secured Tranche 1 facility of US\$200 million, and a senior secured Tranche 2 facility of US\$800 million. The funding of US\$100 million of tranche 1 loans under the DIP Facility, was approved the same month, which was a condition precedent to the availability of the undrawn portion of the tranche 1 loans (US\$100 million), as well as the tranche 2 loans (available for an initial draw of US\$175 million); such remaining availability under tranche 1 and the initial availability under Tranche 2 will be drawn in a single draw once the remaining conditions precedent to such draw are satisfied. Subsequently, and subject to the fulfilment of additional conditions and milestones, additional draws in minimum amounts of US\$100 million would be made available to the Company.

In November 2020, the United States Bankruptcy Court approved conditions for requesting the disbursement of the undrawn portion of the Tranche 1 facility of US\$100 million and the initial availability under Tranche 2 of US\$175 million.

Aeromexico satisfactorily concluded negotiations in Collective Bargaining Agreements (Contratos Colectivos de Trabajo) with the Unions on January 27. The agreements were essential to receive the third disbursement of the remaining Tranche 2 facility. On February 24, 2021 Aeromexico received the third and final disbursement of US\$625 million.

Aeromexico has been successful in managing its network on a flight by flight basis ensuring that its operations are cash generative. During the first quarter, the Company saw some recovery in travel demand supported by the strengthening of its domestic and international network.

The company remains committed to safely expand flight service in the coming months, in line with local regulations and customer demand, in full compliance with the highest health standards and protocols.

Financial Standards

All figures are expressed in millions of pesos unless otherwise indicated. Grupo Aeromexico’s financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Financial Reporting Standards Council (IASB).



1Q21 RESULTS



| Financial Highlights | Three Months Ended March 31st | | |
|---|-------------------------------|----------|------------------|
| | 2021 | 2020 | Var 2021 vs 2020 |
| Total Revenue (MXP million) | 6,850 | 14,074 | (51.3%) |
| EBITDAR (MXP million) * | (398) | 1,511 | (126.3%) |
| EBITDAR Margin* (% of Revenue) | (5.8%) | 10.7% | (16.55) p.p. |
| Operating Profit / Loss (MXP million) ** | (3,445) | (1,790) | 92.4% |
| Operating Margin (% of Revenue) ** | (50.3%) | (12.7%) | (37.6) p.p. |
| Consolidated Net Loss (MXP million) | (4,192) | (2,508) | 67.1% |
| Controlling Interest Net Margin (% of Revenue) | (61.2%) | (17.8%) | (43.37) p.p. |
| Profit/(loss) per share (pesos) | (6.145) | (3.6792) | 67.0% |
| Operating Highlights | | | |
| Total ASKs (millions) | 7,111 | 11,371 | (37.5) % |
| Total RPKs (millions) | 4,714 | 8,634 | (45.4) % |
| Load factor on scheduled flights (%) | 68.8% | 76.0% | (9.4) % |
| Passengers ('000) | 3,157 | 4,179 | (24.4) % |
| On-Time departure performance within 15 minutes (%) | 91.8% | 85.1% | 7.8 % |
| Total liters of fuel ('000) | 231,489 | 378,987 | (38.9) % |
| Yield (pesos)*** | 1.064 | 1.360 | (21.8) % |
| Total revenue / ASK (pesos) | 0.963 | 1.238 | (22.2) % |
| Passenger revenue / ASK (pesos) | 0.727 | 1.023 | (28.9) % |
| Total cost / ASK (pesos) | 1.458 | 1.394 | 4.6 % |
| Total cost / ASK (USD) | 0.072 | 0.070 | 3.0 % |
| Total cost / ASK excluding fuel (pesos) | 1.142 | 1.059 | 7.9 % |
| Total cost / ASK excluding fuel (USD) | 0.056 | 0.053 | 6.3 % |

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.

** Operating Profit/Loss.

*** Estimated as passenger revenues divided by RPKs of itinerary flights.



Market Conditions

Grupo Aeromexico operated in an environment characterized by the following market conditions during the first quarter of 2021:

- **COVID-19.** In spite of the current challenging environment, the market showed encouraging signs of recovery. Aeromexico's first quarter deployed 7.3% more capacity compared to fourth quarter 2020 with substantial improvements in the international market which grew by 14.4% when compared to the fourth quarter 2020.
- **Exchange rate depreciation.** Compared to the first quarter of 2020, the Mexican peso depreciated an average of 1.5% relative to the U.S. dollar, from an average exchange rate of \$19.98 pesos to \$20.28 pesos to the dollar. By the end of the first quarter of 2021, the peso had appreciated by 12.9% year-on-year relative to the dollar, from \$23.48 pesos to \$20.44 pesos to the dollar.
- **Fuel Price.** Compared to the first quarter of 2020, fuel cost per liter in pesos decreased by 3.5% from \$10.06 to \$9.70 pesos.
- **Inflation.** The annual inflation rate as of March 2021 was 4.67%¹.
- **Economic activity.** Mexican economic activity continues to show softness. The Global Economic Indicator (IGAE) decreased on average by 4.2%² during January 2021 versus January 2020.

Revenue

First quarter 2021 revenue reached \$6.9 billion pesos. Year-on-year total revenue decreased by 51.3%, mainly due to the reduced operations derived from the impact of the COVID-19 pandemic, particularly in international markets, many of which were subject to entry and/or exit restrictions.

Compared to fourth quarter 2020, ASKs increased by 7.3% during the first quarter. Year-on-year ASKs decreased by 37.5% for first quarter of 2021. International ASKs increased by 14.4% while domestic capacity decreased by 0.7% versus fourth quarter 2020. Year on year international and domestic ASKs decreased by 50.1% and 7.2% respectively, reflecting the much stronger pace of demand recovery in domestic relative to international markets. International ASKs accounted for 56.2% of Grupo Aeromexico's total ASKs, 14.3 p.p. lower than the first quarter of 2020, as Aeromexico tailored its capacity deployment to the current shape of demand.

Total passenger revenue reached \$5.0 billion pesos during the first quarter of 2021, a 57.1% decrease year-on-year. Grupo Aeromexico transported 3 million 157 thousand passengers; an 8.4% increase compared to the fourth quarter, and a 24.4% decrease compared to the first quarter of 2020. The number of passengers on international routes increased by 24.9% versus fourth quarter 2020 and decreased by 56.9% year-over-year, while the number of passengers on domestic routes increased by 5.1% versus fourth quarter 2020 and decreased by 7.6% compared to the first quarter of 2020. First quarter 2021 passenger ticket revenue on international flights represented 46.6% of total passenger ticket revenue, with domestic passenger ticket revenues accounting for the remaining 53.4%.

During first quarter, Aeromexico's Branded Products strategy, combining a focus on premium fare product upsell and ancillary products yielded positive results. Aeromexico implemented several



¹BANXICO April 2021

²INEGI, April 2021

initiatives designed to monetize select product attributes including baggage and flexibility policies. These initiatives contributed to a 7.6% increase in ancillary revenue versus fourth quarter 2020.

First quarter cargo revenue increased by 14.0% year-on-year to \$1.1 billion pesos, in spite of the 37.5% capacity reduction which shows the strength of the cargo operation.

Operating Expenses

First quarter 2021 operating expenses, including aircraft leases, depreciation and amortization, totaled \$10.3 billion pesos, a 35.1% year-on-year decrease, reflecting our cost transformation initiatives as well as the capacity reductions related to the COVID-19 pandemic.

The Company recognized restructuring costs of \$606 million in its quarterly results. In the restructuring costs line the Company also is booking a benefit of \$1.1 billion pesos associated to the lease liability cancellation which was substituted by Power by the Hour agreements reached with lessors. This benefit offsets the lease amortization expense for flight equipment rights of use in accordance with IFRS 16.

CASK in pesos was \$1.458 pesos, a 29.1% decrease compared to fourth quarter 2020 and an 4.6% year-on-year increase. CASK in dollars reached \$0.072 dollars, a 27.8% decrease compared to fourth quarter 2020 and a 3.0% year-on-year increase. The Company has been successful in implementing initiatives to reduce its structural cost. Thus, CASK excluding fuel in pesos was \$1.142 pesos, a 7.9% increase versus the first quarter 2020 and CASK excluding fuel in dollars reached \$0.056 dollars, a 6.3% increase year-on-year, despite a 37.5% reduction in capacity compared to first quarter 2020.

First quarter fuel expenses amounted to \$2.2 billion pesos, an increase of 27.7% compared to the fourth quarter 2020, driven by a 3.5% increase in fuel consumption and a 23.4% increase on fuel cost per liter in pesos. On a year-on-year basis, fuel expenses decreased 41.1% driven by 3.5% lower peso-denominated fuel prices per liter, and a 38.9% decrease in fuel consumption year-on-year.

First quarter 2021 salaries and related expenses decreased by 28.3%, year-on-year, driven by the agreements with the Unions and the implementation of the optimization plan carried out by the Company. Maintenance expenses decreased by 40.9%, year-on-year reflecting the lower level of operations. Communications and traffic expenses decreased year-on-year by 38.0%, principally due to capacity reductions.

First quarter 2021, distribution costs decreased by 44%, year-on-year, principally due to capacity adjustments. Administration and Information Systems expenses decreased by 25%, year-on-year, driven by the decrease in capacity and the successful implementation of cost transformation initiatives. Associated company equity income totaled \$62 million pesos, a \$76.0 million peso increase year-over-year.

First quarter leasing, depreciation and amortization expenses totaled \$3.0 billion pesos. This represented a \$255 million-peso decrease compared to the first quarter 2020, mainly due to the adjustments in fleet derived from fleet rejections.

EBITDAR

First quarter EBITDAR was negative \$398 million pesos, an improvement of \$1.5 billion pesos, compared to the negative \$1.9 billion EBITDAR reported in fourth quarter 2020.



Operating Income

First quarter 2021 operating loss was \$3.4 billion pesos, an improvement of \$2.9 billion pesos compared to the \$6.4 billion operating loss reported in fourth quarter 2020.

Net Income / Loss

Grupo Aeromexico reported a net loss of \$4.2 billion pesos for the first quarter of 2021, an improvement of \$5.5 billion pesos compared to fourth quarter 2020.

During the quarter the company recorded net \$77 million pesos of exchange-related losses. This net effect includes functional currency adjustments and the impact of exchange rate related operating adjustments.



Comments to the Consolidated Statements of Financial Position and Cash Flow

Grupo Aeromexico ended the first quarter 2021 with a cash balance of \$18.0 billion pesos, equivalent to \$881 million dollars, including restricted cash. Excluding restricted cash, Aeromexico's cash balance amounted to \$16.4 billion pesos, equivalent to \$803 million dollars.

Cash flow summary (figures in millions of pesos)

| Description | YTD March |
|--|-----------|
| Cash and cash equivalents at the beginning of the period | 8,239 |
| Net cash flow from operating activities | (4,086) |
| Net cash flow from investing activities | (213) |
| Net cash flow from financing activities | 14,185 |
| Increase/(Decrease) in cash and cash equivalents | 9,886 |
| Effect of exchange rate changes on cash and cash equivalents | (111) |
| Net increase/(decrease) in cash and cash equivalents | 9,775 |
| Cash and cash equivalents at the end of period | 18,014 |

Majority stockholders' deficit was \$37.7 billion pesos at the end of first quarter 2021.

As of March 31st, 2021, Grupo Aeromexico had a total of 682,119,793 common shares outstanding, with 60,628,147 shares repurchased by the Company as part of its share repurchase program. The Company also had a total of 23,102,153 treasury shares outstanding.



Fleet

During the quarter, Grupo Aeromexico redelivered one Boeing 787-8. Grupo Aeromexico's operating fleet comprised 106 aircraft. During the first quarter all six Boeing 737 MAX aircraft recommenced flying.

As of March 31st, 2021, the average age of Grupo Aeromexico's operating fleet was 9.2 years.

Operating Fleet

| Fleet | 1Q20 | 4Q20 | 1Q21 |
|---------------------------|------------|------------|------------|
| B-787 | 19 | 19 | 18 |
| B-737-700 | 9 | 5 | 5 |
| B-737-800 | 35 | 30 | 30 |
| B-737 MAX 8 | - | 5 | 6 |
| Aeromexico | 63 | 59 | 59 |
| E-170 | 9 | 0 | 0 |
| E-190 | 47 | 47 | 47 |
| Aeromexico Connect | 56 | 47 | 47 |
| Grupo Aeromexico | 119 | 106 | 106 |



Analyst Coverage

| Bank | Analyst | E-mail |
|---------------|---------------------------|--|
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Consolidated Statement of Comprehensive Income

| Millions of pesos | Three months ended March 31st | | | | |
|--|-------------------------------|---------------|----------------|----------------|----------------|
| | 2021 | % | 2020 | % | VAR |
| Total Revenue | 6,850 | 100.0% | 14,074 | 100.0% | (51.3%) |
| Domestic Passenger Ticket Revenue | 2,659 | 38.8% | 4,546 | 32.3% | (41.5%) |
| International Passenger Ticket Revenue | 2,321 | 33.9% | 7,076 | 50.3% | (67.2%) |
| Ancillary Passenger Revenue | 531 | 7.7% | 1,084 | 7.7% | (51.0%) |
| Total Passenger Ticket Revenue | 5,511 | 80.5% | 12,706 | 90.3% | (56.6%) |
| Air Cargo | 1,150 | 16.8% | 1,009 | 7.2% | 14.0% |
| Charter Flights | 5 | 0.1% | 18 | 0.1% | NA |
| Other Revenues | 184 | 2.7% | 342 | 2.4% | (46.2%) |
| Operating Costs | 6,953 | 101.5% | 11,062 | 78.6% | (37.1%) |
| Salaries and Related Costs | 2,565 | 37.4% | 3,580 | 25.4% | (28.3%) |
| Aircraft Fuel | 2,246 | 32.8% | 3,811 | 27.1% | (41.1%) |
| Maintenance | 728 | 10.6% | 1,233 | 8.8% | (40.9%) |
| Aircraft, Communication and Traffic Services | 1,259 | 18.4% | 2,030 | 14.4% | (38.0%) |
| Passenger Services | 155 | 2.3% | 408 | 2.9% | (62.0%) |
| Selling & Administrative Expenses | 1,007 | 14.7% | 1,490 | 10.6% | (32.5%) |
| Effects from Associated Companies | (62) | (0.9%) | 14 | 0.1% | (547.5%) |
| Other income / costs (net) | (12) | (0.2%) | (3) | 0.0% | NA |
| Restructuring costs | (638) | (9.3%) | 0 | 0.0% | NA |
| Total Operating Expenses | 7,248 | 105.8% | 12,563 | 89.3% | (42.3%) |
| EBITDAR | (398) | NA | 1,511 | 10.7% | NA |
| Leases, Depreciation & Amortization | 3,047 | NA | 3,302 | 48.2% | NA |
| Impairment | 0 | NA | 0 | 0.0% | NA |
| Total Expenses | 10,295 | NA | 15,865 | 112.7% | (35.1%) |
| Operating Profit (Loss) | (3,445) | NA | (1,790) | (12.7%) | NA |
| Financial Income and Losses | 1,529 | 22.3% | 1,731 | 12.3% | (11.7%) |
| Exchange Rate Impact | 77 | 1.1% | (177) | (1.3%) | NA |
| Financial Net Costs | 1,606 | 23.4% | 1,554 | 11.0% | 3.3% |
| Income Before Taxes | (5,050) | NA | (3,345) | (23.8%) | NA |
| Taxes | (859) | (12.5%) | (836) | (5.9%) | NA |
| Net Income | (4,192) | NA | (2,508) | (17.8%) | NA |



Consolidated Statement of Financial Position

| ITEMS | As of March | As of | Var 2021 vs 2020 | |
|--|-----------------|-----------------|------------------|-------------|
| | 31st | December | | |
| | 2021 | 31st | \$ | % |
| | 2021 | 2020 | | |
| Assets | | | | |
| Cash & Cash Equivalents | 16,418 | 7,382 | 9,036 | 122.4 |
| Restricted Cash | 1,596 | 819 | 777 | 94.9 |
| Financial Assets and Short Term Investments | | 38 | (38) | NA |
| Derivative Financial Assets | | | | |
| Accounts Receivable Net | 4,109 | 3,656 | 453 | 12.4 |
| Related Parties | 146 | 113 | 33 | 29.2 |
| Prepaid Expenses | 486 | 374 | 112 | 29.9 |
| Inventories | 1,397 | 1,360 | 37 | 2.7 |
| Total Current Assets | 24,152 | 13,742 | 10,410 | 75.8 |
| Fixed Assets & Right of Use, Net | 54,335 | 55,252 | (917) | (1.7) |
| Others | 12,395 | 11,390 | 1,005 | 8.8 |
| Total Assets | 90,882 | 80,384 | 10,498 | 13.1 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Financial | 76,575 | 63,555 | 13,020 | 20.5 |
| Leases | | | | |
| Operating | | | | |
| Others | 35,748 | 33,866 | 1,882 | 5.6 |
| Total Current Liabilities | 112,323 | 97,421 | 14,902 | 15.3 |
| Long Term Liabilities | | | | |
| Financial | 10,747 | 9,351 | 1,396 | 14.9 |
| Leases | | | | |
| Operating | | | | |
| Others | 5,505 | 6,564 | (1,059) | (16.1) |
| Total Long Term Liabilities | 16,252 | 15,915 | 337 | 2.1 |
| Total Liabilities | 128,575 | 113,336 | 15,239 | 13.4 |
| Stockholders Equity | (37,693) | (32,952) | (4,741) | 14.4 |
| Total Liabilities and Stockholders Equity | 90,882 | 80,384 | 10,498 | 13.1 |

