

**Grupo Aeroméxico, S. A. B. de C. V.
and subsidiaries (formerly Grupo Aeroméxico,
S. A. P. I. de C. V. and subsidiaries)**

Condensed Consolidated Interim
Financial Statements (Unaudited)

As of September 30, 2024 and December 31, 2023 and
for the nine-month and three-month periods ended
September 30, 2024 and 2023

Grupo Aeroméxico, S. A. B. de C. V. and subsidiaries
(formerly Grupo Aeroméxico, S. A. P. I. de C. V. and subsidiaries)

Condensed consolidated interim statements of financial position

As of September 30, 2024 and December 31, 2023

(In thousands of US dollars)

	Note	2024	2023
Assets			
Current assets:			
Cash and cash equivalents		\$ 712,353	937,698
Derivative financial instruments	21	—	334
Trade and other receivables	10	637,715	618,212
Due from related parties	6	818	1,146
Prepayments and deposits		60,649	48,721
Inventories		132,988	108,458
		1,544,523	1,714,569
Total current assets			
Non-current assets:			
Property and equipment, including right-of-use	11	3,179,984	2,787,595
Intangible assets and goodwill	12	1,073,014	1,071,824
Prepayments and deposits	9	159,172	148,929
Investments in equity accounted investees		18,266	27,120
Other non-current assets		11,531	6,705
Deferred tax assets		272,072	335,020
		4,714,039	4,377,193
Total non-current assets			
		\$ 6,258,562	6,091,762
Total assets			

The notes on pages 8 to 34 are an integral part of the condensed consolidated interim financial statements.

Grupo Aeroméxico, S. A. B. de C. V. and subsidiaries
(formerly Grupo Aeroméxico, S. A. P. I. de C. V. and subsidiaries)

Condensed consolidated interim statements of financial position (continued)

As of September 30, 2024 and December 31, 2023

(In thousands of US dollars)

	Note	2024	2023
Liabilities			
Current liabilities:			
Loans and borrowings, including leases	13	\$ 449,090	523,159
Trade and other payables	16	1,583,345	1,533,586
Due to related parties	6	772	14,420
Provisions	15	107,784	85,850
Air traffic liability		751,802	836,433
Frequent flyer program		287,579	247,226
Income taxes payable and employee's statutory profit sharing		54,375	28,751
Total current liabilities		3,234,747	3,269,425
Non-current liabilities:			
Loans and borrowings, including leases	13	2,835,731	2,711,147
Frequent flyer program		243,561	268,247
Provisions	15	204,205	218,890
Employee benefits	14	216,287	235,841
Deferred tax liabilities		107,817	121,137
Total non-current liabilities		3,607,601	3,555,262
Total liabilities		6,842,348	6,824,687
Equity (deficit)			
Capital stock	18	3,933,965	4,326,906
Share premium		(2,182,889)	(2,182,889)
Statutory reserve		24,750	24,750
Stock repurchase reserve		29,703	29,703
Equity accounted investees share of OCI		(6,577)	(6,577)
Remeasurement of defined benefit liability		13,134	13,100
Accumulated deficit		(2,397,911)	(2,939,921)
Total equity (deficit) attributable to equity holders of the Company		(585,825)	(734,928)
Non-controlling interest		2,039	2,003
Total equity (deficit)		(583,786)	(732,925)
Total equity (deficit) and liabilities		\$ 6,258,562	6,091,762

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Grupo Aeroméxico, S. A. B. de C. V. and subsidiaries
(formerly Grupo Aeroméxico, S. A. P. I. de C. V. and subsidiaries)

Condensed consolidated interim statements of profit or loss and other comprehensive income

For the nine-month and three-month periods ended September 30, 2024 and 2023

(In thousands of US dollars)

	Note	Nine-month period		Three-month period	
		2024	2023	2024	2023
Revenues:					
Passenger	7	\$ 3,840,952	3,245,257	1,373,968	1,258,154
Air cargo		213,888	196,010	72,928	65,675
Other		129,859	98,245	42,932	38,848
Total revenue	8	4,184,699	3,539,512	1,489,828	1,362,677
Operating expenses:					
Jet-fuel		960,213	967,598	314,201	348,868
Wages, salaries and benefits		798,585	645,849	267,970	248,442
Maintenance		185,147	147,128	67,873	47,194
Aircraft, communication and traffic services		438,912	390,163	156,743	144,139
Passenger services		106,137	82,452	37,732	32,071
Travel agent commissions		90,524	79,296	32,064	33,285
Selling and administrative		293,955	257,151	103,032	93,524
Aircraft leasing	11	11,408	18,454	3,324	5,666
Depreciation and amortization		470,825	413,771	164,846	145,243
Impairment		—	1,750	—	—
Other loss (income), net		26,528	19,564	16,618	7,375
Share of (gain) loss on equity accounted investees, net of tax		(7,147)	4,490	(6,176)	4,490
Total operating expenses		3,375,087	3,027,666	1,158,227	1,110,297
Total operating income		809,612	511,846	331,601	252,380
Finance income (cost):					
Finance income	22	115,003	48,028	27,355	41,184
Finance cost	22	(305,399)	(371,331)	(104,534)	(105,675)
Net finance cost		(190,396)	(323,303)	(77,179)	(64,491)
Income before income tax		619,216	188,543	254,422	187,889
Income tax expense	20	77,171	9,351	59,040	9,318
Income for the period		\$ 542,045	179,192	195,382	178,571

The notes on pages 8 to 34 are an integral part of the condensed consolidated interim financial statements.

Grupo Aeroméxico, S. A. B. de C. V. and subsidiaries
(formerly Grupo Aeroméxico, S. A. P. I. de C. V. and subsidiaries)

Condensed consolidated interim statements of profit or loss and other comprehensive income (continued)

For the nine-month and three-month periods ended September 30, 2024 and 2023

(In thousands of US dollars, except for earnings per share)

	Note	Nine-month period		Three-month period	
		2024	2023	2024	2023
Income for the period		\$ 542,045	179,192	195,382	178,571
Other comprehensive income (OCI), net of income taxes					
Items that will not be reclassified to profit or loss					
Remeasurement of defined benefit liability		48	—	(1,115)	—
Income taxes		(14)	—	335	—
Other comprehensive income (loss) for the period, net of income taxes		34	—	(780)	—
Total comprehensive income for the period		\$ 542,079	179,192	194,602	178,571
Income attributable to:					
Owners of the Company		\$ 542,010	179,166	195,371	178,560
Non-controlling interest		35	26	11	11
Income for the period		\$ 542,045	179,192	195,382	178,571
Total comprehensive income attributable to:					
Owners of the Company		\$ 542,044	179,192	194,591	178,571
Non-controlling interest		35	—	11	—
Total comprehensive income for the period		\$ 542,079	179,192	194,602	178,571
Earnings per share from continuing operations					
Basic earnings per share (US dollars)	19	\$ 3.97	1.31	1.43	1.31
Diluted earnings per share (US dollars)	19	\$ 4.06	1.35	1.46	1.35

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Grupo Aeroméxico, S. A. B. de C. V. and subsidiaries
(formerly Grupo Aeroméxico S. A. P. I. de C. V. and subsidiaries)

Condensed consolidated interim statements of changes in equity

For the nine-month periods ended September 30, 2024 and 2023

(In thousands of US dollars)

	Attributable to equity holders of the Company							Total equity	
	Capital stock	Share premium	Statutory reserve	Stock repurchase reserve	Equity accounted investees share of OCI	Remeasurement of defined benefit liability	Accumulated deficit		Non-controlling interest
Balance as of January 1, 2024	\$ 4,326,906	(2,182,889)	24,750	29,703	(6,577)	13,100	(2,939,921)	2,003	(732,925)
Capital stock increase (Note 17)	16,331	—	—	—	—	—	—	—	16,331
Capital stock decrease (Note 17)	(409,272)	—	—	—	—	—	—	—	(409,272)
Total comprehensive income for the period:	—	—	—	—	—	—	542,010	35	542,045
Other comprehensive income	—	—	—	—	—	34	—	1	35
Balance as of September 30, 2024	<u>\$ 3,933,965</u>	<u>(2,182,889)</u>	<u>24,750</u>	<u>29,703</u>	<u>(6,577)</u>	<u>13,134</u>	<u>(2,397,911)</u>	<u>2,039</u>	<u>(583,786)</u>

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Grupo Aeroméxico, S. A. B. de C. V. and subsidiaries
(formerly Grupo Aeroméxico S. A. P. I. de C. V. and subsidiaries)

Condensed consolidated interim statements of changes in equity

For the nine-month periods ended September 30, 2024 and 2023

(In thousands of US dollars)

		Attributable to equity holders of the Company									
		Equity									
		Capital stock	Share premium	Statutory reserve	Stock repurchase reserve	OCI	Remeasurement of defined benefit liability	Accumulated (deficit)	Total	Non-controlling interest	Total equity
Balance as of January 1, 2023	\$ 4,598,016	(2,182,889)	24,750	29,703	(6,577)	16,351	(3,212,155)	(732,801)	1,969	(730,832)	
Capital stock increase (Note 17)	3,325	—	—	—	—	—	—	3,325	—	3,325	
Repurchase of shares (Note 18)	(2,155)	—	—	—	—	—	—	(2,155)	—	(2,155)	
Total comprehensive income for the period:											
Income for the period	—	—	—	—	—	—	179,166	179,166	26	179,192	
Balance as of September 30, 2023	<u>\$ 4,599,186</u>	<u>(2,182,889)</u>	<u>24,750</u>	<u>29,703</u>	<u>(6,577)</u>	<u>16,351</u>	<u>(3,032,989)</u>	<u>(552,465)</u>	<u>1,995</u>	<u>(550,470)</u>	

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Grupo Aeroméxico, S. A. B. de C. V. and subsidiaries
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Condensed consolidated interim statements of cash flows

For the nine-month periods ended September 30, 2024 and 2023

(In thousands of US dollars)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities			
Income for the period		\$ 542,045	179,192
Adjustments for:			
Income tax expense		77,171	9,351
Depreciation and amortization		470,825	413,771
Impairment		—	1,750
Share of (gain) loss on equity accounted investees, net of tax		(7,147)	4,490
Loss on sale property and equipment	11	3,488	2,766
Provisions, net		144,165	70,517
Derivative financial loss		334	1,375
Employee benefits		13,238	12,506
Inventory adjustments to net realizable value		29	22
Allowance for doubtful accounts		2,836	3,124
Interest expense, net		147,425	170,424
Unrealized exchange (gain) loss		(22,974)	897
Employee's statutory profit sharing		24,000	—
Equity-settled share-based payment transactions	17	16,331	—
		<u>1,411,766</u>	<u>870,185</u>
Trade and other receivables		(73,839)	(134,673)
Due from related parties		328	(366)
Inventories		(26,214)	(13,399)
Prepayments and deposits		(15,303)	(13,853)
Trade and other payables		(5,127)	108,100
Due to related parties		352	163
Air traffic liability		(84,631)	117,452
Frequent flyer program		15,667	59,707
Interest received		<u>46,546</u>	<u>43,863</u>
Cash generated from operating activities		<u>1,269,545</u>	<u>1,037,179</u>
Employees' statutory profit sharing and income tax paid		(41,099)	(15,287)
Interest paid	13	<u>(192,494)</u>	<u>(211,031)</u>
Net cash from operating activities		<u>1,035,952</u>	<u>810,861</u>
Cash flows from investing activities			
Acquisition of properties and equipment (including major maintenance)	11	(343,597)	(250,163)
Proceeds from sale of properties and equipment		1,713	139
Dividends from equity accounted investees		6,853	—
Capital stock reimbursement from equity accounted investees		9,147	—
Due to related parties		(14,000)	—
Intangible assets additions	12	(16,514)	(15,915)
Financial assets		—	(12,196)
Prepayments and deposits for maintenance and acquisition of properties and equipment		<u>(25,377)</u>	<u>(17,073)</u>
Net cash used in investing activities		<u>(381,775)</u>	<u>(295,208)</u>
Cash flows from financing activities			
Contingent consideration payment	15	(24,059)	—
Cash paid for capital stock		(409,272)	(2,155)
Repayments of loans	13	(156,162)	(230,740)
Payments of lease liabilities	13	<u>(254,463)</u>	<u>(225,633)</u>
Net cash used in financing activities		<u>(843,956)</u>	<u>(458,528)</u>
(Decrease) increase in cash and cash equivalents		<u>(189,779)</u>	<u>57,125</u>
Effect of exchange rate fluctuations on cash held		<u>(35,566)</u>	<u>45,049</u>
Net (decrease) increase in cash and cash equivalents		<u>(225,345)</u>	<u>102,174</u>
Cash and cash equivalents:			
At beginning of period		<u>937,698</u>	<u>842,182</u>
At end of period		<u>\$ 712,353</u>	<u>944,356</u>

The notes on pages 8 to 34 are an integral part of the condensed consolidated interim financial statements.

Grupo Aeroméxico, S. A. B. de C. V. and subsidiaries

Notes to the condensed consolidated interim financial statements

As of September 30, 2024 and December 31, 2023 and for the nine-month and three-month periods ended September 30, 2024 and 2023

(In thousands of US dollars)

(1) Reporting entity-

Grupo Aeroméxico, S. A. B. de C. V. (the “Company”) is a company incorporated under the laws of Mexico, domiciled in Paseo de la Reforma 243 25th Floor, Colonia Cuauhtémoc, 06500 Mexico City, Mexico. These condensed consolidated interim financial statements (“interim financial statements”) as of September 30, 2024 and December 31, 2023 and for the nine-month and three-month periods ended September 30, 2024 and 2023 comprise the Company and its subsidiaries (together referred to as the “Group” or “Grupo Aeroméxico” and individually as “Group’s entities”).

These interim financial statements have been prepared to comply with certain reporting financial information obligations of the Group.

The Group’s principal activity is to provide air transport services for passengers, goods and cargo and loyalty program, inside and outside of Mexico, training and management services, franchise systems commercialization and management of investment in shares.

(2) Basis of preparation-

a) Statement of compliance-

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group’s last annual consolidated financial statements as of December 31, 2023, 2022 and 2021 and for the years in the three-year period ended December 31, 2023 (“last annual consolidated financial statements”). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements.

On November 4, 2024 the Company’s Chief Executive Officer and Chief Financial Officer, Andrés Conesa Labastida and Ricardo Sánchez Baker, respectively, authorized the issuance of the accompanying interim financial statements and related notes thereto.

Grupo Aeroméxico, S. A. B. de C. V. and subsidiaries

Notes to the condensed consolidated interim financial statements

(In thousands of US dollars)

b) Basis of measurement-

These condensed consolidated interim financial statements are presented in US Dollar (“\$” “dollar” or “US”), which is the Group’s functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals we provide, and percentages may not precisely reflect the absolute figures.

c) Scope of consolidation-

These condensed consolidated interim financial statements include Grupo Aeroméxico, S. A. B. de C. V. and all entities that are controlled directly or indirectly by Grupo Aeroméxico.

Balances and transactions between consolidated related parties have been eliminated.

(3) Use of judgments and estimates-

In preparing these condensed consolidated interim financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by Management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

Measurement of fair values-

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Grupo Aeroméxico, S. A. B. de C. V. and subsidiaries

Notes to the condensed consolidated interim financial statements

(In thousands of US dollars)

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in Note 21.

(4) Changes in material accounting policies and new standards and interpretations not yet adopted-

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in the annual consolidated financial statements as of December 31, 2023, except for changes as disclosed in these financial statements.

Changes in material accounting policies-

The Group has adopted *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants* – Amendments to IAS 1, as issued in 2020 and 2022, for the first time in its 2024 condensed consolidated interim financial statements. The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2024. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current liabilities that are subject to covenants within 12 months after the reporting period.

The Group does not have any transactions that are affected by the other newly effective accounting standards and amendments.

Grupo Aeroméxico, S. A. B. de C. V. and subsidiaries

Notes to the condensed consolidated interim financial statements

(In thousands of US dollars)

Standards issued but not yet effective-

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after January 1, 2024 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed consolidated interim financial statements.

(5) Group entities-

Significant subsidiaries-

During the nine-month period ended September 30, 2024, there were no changes in the number of entities included in the condensed consolidated interim financial statements, which amount to 26, at the end of the period.

(6) Related parties-

Ultimate controlling party-

Grupo Aeroméxico is the parent and ultimate controlling party.

Related-party transactions and balances-

Transactions carried out with related parties, for the nine-month and three-month periods ended September 30, 2024 and 2023, are as follows:

i. Operations

	Nine-month periods ended September 30		Three-month periods ended September 30	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Income:				
Leases (2)	\$ 85	—	21	—
Interline, net (3)	96,516	—	42,541	—
Premier lounges (3)	982	920	252	296
Other services (1) and (2)	22	33	7	8
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total income	\$ <u>97,605</u>	<u>953</u>	<u>42,821</u>	<u>304</u>

Grupo Aeroméxico, S. A. B. de C. V. and subsidiaries

Notes to the condensed consolidated interim financial statements

(In thousands of US dollars)

	Nine-month periods ended September 30		Three-month periods ended September 30	
	2024	2023	2024	2023
	Expenses:			
Purchase of Sky Miles, net (3)	\$ 4,277	4,370	2,867	1,584
Fuel (3)	48,896	64,288	12,434	20,954
Ramp services, net (3)	28,811	24,474	11,048	8,382
Freight handling, net (3)	1,179	957	385	509
Interline, net (3)	—	8,809	—	2,083
Personnel services (3)	1,980	283	678	95
Interest expense, net (2)	499	—	83	—
Other services (1) and (2)	153	140	48	68
	<u>85,795</u>	<u>103,321</u>	<u>27,543</u>	<u>33,675</u>
Total expenses	\$ <u>85,795</u>	<u>103,321</u>	<u>27,543</u>	<u>33,675</u>

- (1) Aeromexpress, S. A. de C. V. (“Aeromexpress”)
(2) AM DL MRO JV, S. A. P. I. de C. V. (“MRO”)
(3) Delta Air Lines, Inc. (“Delta”)

ii. Outstanding balance

Balances due from and due to related parties as of September 30, 2024 and December 31, 2023 are as follows:

	2024	2023
Due from:		
Delta	\$ 801	1,146
MRO	17	—
	<u>818</u>	<u>1,146</u>
	\$ <u>818</u>	<u>1,146</u>
Due to:		
MRO (1)	\$ —	13,695
Aeromexpress	763	714
AM BD GP JV, S.A.P.I. de C.V.	9	11
	<u>772</u>	<u>14,420</u>
	\$ <u>772</u>	<u>14,420</u>

Grupo Aeroméxico, S. A. B. de C. V. and subsidiaries

Notes to the condensed consolidated interim financial statements

(In thousands of US dollars)

Balances due from and due to related parties relate to non-interest-bearing payables with no specific maturity and are for its nature, at short-term.

(1) Within this balance one transaction stipulates an annual interest rate of 5.82%.

Key management personnel compensation comprised:

	<u>Nine-month periods</u> <u>ended September 30</u>		<u>Three-month periods</u> <u>ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 13,194	12,286	4,625	4,674
Variable compensation	21,166	8,054	225	269
Share - based payments	11,395	7,471	4,702	6,529
	<u>\$ 45,755</u>	<u>27,811</u>	<u>9,552</u>	<u>11,472</u>

(7) Revenue recognition-

Passenger revenue-

Passenger revenue is primarily composed of passenger airfare and ancillary related services which do not represent a separate performance obligation to those associated to the passenger's flight, such as excess baggage and other passenger charges, breakage from expired tickets, and the decrease in compensation costs paid to passengers and the cost from accumulated points from the Group's frequent flyer program Aeroméxico Rewards.

Our business and route network are subject to seasonal fluctuations. As such, our results for any interim period are not necessarily indicative for the entire year and we tend to experience higher volumes of air travel, and therefore higher revenues and operating results, during certain periods of the year as compared to others.

The demand for our services is usually comparatively high in July and August (due to high demand for vacation travel), March and April (corresponding to the Easter holiday) and December (due to the Christmas holiday), while the demand is usually comparatively low in the months of February, September and October. Because a large part of our focus is on business passengers, we believe that our business passenger client segment partially offsets the seasonal fluctuations that characterize visiting friends and relatives and leisure travel.

Grupo Aeroméxico, S. A. B. de C. V. and subsidiaries

Notes to the condensed consolidated interim financial statements

(In thousands of US dollars)

	Nine-month periods ended September 30		Three-month periods ended September 30	
	2024	2023	2024	2023
Passengers	\$ 3,362,663	2,911,421	1,192,535	1,129,487
Ancillaries	478,289	333,836	181,433	128,667
Total passenger revenues	\$ 3,840,952	3,245,257	1,373,968	1,258,154

(8) Operating segments-

The Group has one reportable segment, air transportation. This is based on the Group's internal reporting structure to the Chief Operating Decision Maker which is the CEO of the Group. The main measure of profit and loss for the segment is total operating income.

Geographical revenue segment information for the nine-month and three-month periods ended September 30, 2024 and 2023 are as follows:

	Nine-month periods ended September 30		Three-month periods ended September 30	
	2024	2023	2024	2023
Domestic	\$ 1,695,154	1,450,808	567,439	554,799
International	2,489,545	2,088,704	922,389	807,878
	\$ 4,184,699	3,539,512	1,489,828	1,362,677

Substantially all assets are located in Mexico.

(9) Prepayments and deposits-

Current prepayments consist mainly of prepaid advertising, IT software licenses and fuel prepayments.

Grupo Aeroméxico, S. A. B. de C. V. and subsidiaries

Notes to the condensed consolidated interim financial statements

(In thousands of US dollars)

Non-current prepayments and security deposits as of September 30, 2024 and December 31, 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Advances for fleet renewal, including engines and interiors' standardization	\$ 6,883	9,108
Deposits:		
For the lease of aircraft and engines	40,247	40,229
With airport groups	40,940	43,073
Maintenance deposits	43,021	32,416
Other	<u>28,081</u>	<u>24,103</u>
	<u>\$ 159,172</u>	<u>148,929</u>

(10) Trade and other receivables, net-

Trade and other receivables as of September 30, 2024 and December 31, 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Airlines and travel agencies	\$ 8,534	7,272
Credit cards and customers (1)	243,255	271,005
Recoverable taxes	358,209	333,032
Other	<u>35,794</u>	<u>14,871</u>
	645,792	626,180
Less allowance for doubtful accounts	<u>(8,077)</u>	<u>(7,968)</u>
Total trade and other receivables	<u>\$ 637,715</u>	<u>618,212</u>

- (1) Collection from sales related to certain Mexican credit cards are guaranteeing the Senior Trust Bonds ("CEBURES") issued by the Group and also the collection related to certain credit cards in the United States.

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(In thousands of US dollars)

(11) Property and equipment, including right of-use-

(a) Acquisitions and disposals-

For the nine-month periods ended September 30, 2024 and 2023, the Group acquired assets at cost, excluding associated debt, for \$343,597 and \$250,163, respectively.

For the nine-month period ended September 30, 2024, the acquisitions were mainly flight equipment for an amount of \$23,362, major maintenance for \$272,733 and other assets for \$47,502 (in 2023 related to flight equipment for \$33,071, major maintenance for \$206,060 and other assets for \$11,032).

Assets with a carrying amount of \$11,713 were disposed during the nine-month period ended September 30, 2024, (\$16,023 for the nine-month period ended September 30, 2023), with a net loss of the sale of property and equipment of \$3,488 and \$2,766, respectively in the same periods, which are registered in other loss (income) line.

(b) Depreciation and amortization-

The accumulated depreciation of property and equipment as of September 30, 2024 and December 31, 2023 was \$1,983,795 and \$1,645,139, respectively.

(c) Leases-

Leases as lessee -

The Group leases flight equipment and properties. The leases typically run for a period of 2 to 12 years, with an option to renew the lease after that date. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The Group leases flight equipment under a number of leases, which were classified as finance leases under IAS 17.

The Group leases IT equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

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Information about leases for which the Group is a lessee is presented below.

i. Right-of-use assets-

Right-of-use assets for \$2,347,530 and \$2,164,583 as of September 30, 2024 and December 31, 2023, respectively, related to leased property and flight equipment that do not meet the definition of investment property are presented as property and equipment.

ii. Amounts recognized in profit of loss-

Total rental expenses related to short-term leases or low-value assets during the nine-month and three-month periods ended September 30, 2024 and 2023, are as follows:

	<u>Nine-month periods ended September 30</u>		<u>Three-month periods ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Aircraft leasing	\$ 11,408	18,454	3,324	5,666
Real estate	<u>4,452</u>	<u>5,250</u>	<u>1,224</u>	<u>2,066</u>
	<u>\$ 15,860</u>	<u>23,704</u>	<u>4,548</u>	<u>7,732</u>

iii. Leases conditions-

Main leases are as follows:

As of September 30, 2024, the Group maintained in total 150 aircraft and 37 engines (December 31, 2023: 150 aircraft and 40 engines) with different terms, with the last expiring in 2036.

(d) Property and equipment under construction-

As of September 30, 2024 and December 31, 2023 the estimated costs to conclude projects and work in progress amount to \$18,879 and \$11,340, respectively.

(e) Impairment loss-

As of September 30, 2024 and December 31, 2023, there are no losses from impairment in the value of these assets, evaluated in accordance with IAS 36 *Impairment of Assets*.

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(In thousands of US dollars)

(12) Intangible assets and goodwill-

	Software	Fiduciary Rights (1) Indefinite life	Partners' Contracts and Customer Relationships (2) Indefinite Life	Finite Life	Trademark Indefinite Life	Goodwill	Total
<u>Cost</u>							
Balance as of							
January 1, 2024	\$ 86,594	63,280	375,512	47,294	61,895	503,573	1,138,148
Additions	16,515	—	—	—	—	—	16,515
Disposals	(25,312)	—	—	—	—	—	(25,312)
Balance as of September 30, 2024	\$ <u>77,797</u>	<u>63,280</u>	<u>375,512</u>	<u>47,294</u>	<u>61,895</u>	<u>503,573</u>	<u>1,129,351</u>
Balance as of							
January 1, 2023	\$ 53,548	63,280	375,512	47,294	61,895	503,573	1,105,102
Additions	33,237	—	—	—	—	—	33,237
Disposals	(191)	—	—	—	—	—	(191)
Balance as of December 31, 2023	\$ <u>86,594</u>	<u>63,280</u>	<u>375,512</u>	<u>47,294</u>	<u>61,895</u>	<u>503,573</u>	<u>1,138,148</u>
<u>Amortization</u>							
Balance as of							
January 1, 2024	\$ 29,808	—	—	19,236	—	—	49,044
Amortization for the period	5,707	—	—	9,618	—	—	15,325
Disposals	(25,312)	—	—	—	—	—	(25,312)
Balance as of September 30, 2024	\$ <u>10,203</u>	<u>—</u>	<u>—</u>	<u>28,854</u>	<u>—</u>	<u>—</u>	<u>39,057</u>
Balance as of							
January 1, 2023	\$ 21,025	—	—	6,412	—	—	27,437
Amortization for the year	8,974	—	—	12,824	—	—	21,798
Disposals	(191)	—	—	—	—	—	(191)
Balance as of December 31, 2023	\$ <u>29,808</u>	<u>—</u>	<u>—</u>	<u>19,236</u>	<u>—</u>	<u>—</u>	<u>49,044</u>

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	<u>Software</u>	<u>Fiduciary Rights (1)</u> <u>Indefinite life</u>	<u>Partners' Contracts and Customer Relationships (2)</u>		<u>Trademark Indefinite Life</u>	<u>Goodwill</u>	<u>Total</u>
			<u>Indefinite Life</u>	<u>Finite Life</u>			
Impairment							
Balance as of January 1, 2024	\$ —	17,280	—	—	—	—	17,280
Impairment for the period	—	—	—	—	—	—	—
Balance as of September 30, 2024	\$ —	17,280	—	—	—	—	17,280
Balance as of January 1, 2023	\$ —	13,853	—	—	—	—	13,853
Impairment for the year	—	3,427	—	—	—	—	3,427
Balance as of December 31, 2023	\$ —	17,280	—	—	—	—	17,280
Carrying amounts							
As of September 30, 2024	\$ 67,594	46,000	375,512	18,440	61,895	503,573	1,073,014
As of December 31, 2023	\$ 56,786	46,000	375,512	28,058	61,895	503,573	1,071,824

(1) Corresponds to the rights received for the former Group's corporate office building located in Mexico City, contributed to a trust, in a manner that it can be considered in the development of a new property, whereby other trustees will provide the necessary constructions to the development of the project called "Aeroméxico Tower", in which the Group will own 9,000 square meters of future space.

(2) Includes contracts with third parties attached to our Aeroméxico Rewards frequent flyer program, including the program member base.

(13) Loans and borrowings, including leases-

The features of the loans and borrowings, including leases comprising this caption and guarantees as at September 30, 2024 and December 31, 2023 are described in the following page.

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(In thousands of US dollars)

Description	Currency	Nominal interest rate	Year of maturity	2024	2023
<i>Loan secured by the collection of credit card sales in the United States of America (2)</i>	US	<i>SOFR rate plus 325 basis points</i>	2024	\$ —	\$ 63,076
<i>Senior Trust Bonds (“CEBURES”) issued in Mexico, securitized by the collection of credit card sales in Mexico (2) (3)</i>	Ps.	<i>TIE rate plus 168 basis points (TIE rate plus 138 to 168 basis points in 2023)</i>	2025	67,823	143,930
<i>Loans secured by the Ex-Im Bank in the United States of America</i>	US	<i>Fixed annual rate 2.33%</i>	2024	—	2,102
<i>Singapore market listed and secured notes (1)(4)</i>	US	<i>Fixed annual rate 8.5%</i>	2027	662,530	662,530
Total Loans				730,353	871,638
<i>Financial leasing of flight and other equipment, supported by the Ex-Im Bank guarantees in the United States of America (1)</i>	US	<i>Fixed annual rate of 2.33%</i>	2029	75,335	87,143
<i>Financial leasing of flight and other equipment, supported by the Ex-Im Bank guarantees in the United States of America (1)</i>	US	<i>Fixed annual rate of 2.54%</i>	2027	27,532	35,458
<i>Financial leasing of flight and other equipment, supported by the Ex-Im Bank guarantees in the United States of America (1)</i>	US	<i>Fixed annual rate 1.37%</i>	2026	13,297	19,503

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(In thousands of US dollars)

Description	Currency	Nominal interest rate	Year of maturity	2024	2023
<i>Finance leases of flight equipment</i>	US	<i>Fixed annual rate between 3.16% to 3.57%</i>	2024	—	1,547
<i>Finance leases of flight simulator</i>	US	<i>Fixed annual rate of 6.88%</i>	2029	6,302	7,032
Total Financial Leasing				122,466	150,683
Lease Liabilities (IFRS 16)				2,435,722	2,216,859
Total Lease Liabilities				2,558,188	2,367,542
Total Loans and Borrowings, including Leases				3,288,541	3,239,180
Total Borrowing Costs				(3,720)	(4,874)
Total Net Loans and Borrowings, including Leases				3,284,821	3,234,306
<i>Less current installments of financial debt</i>				(90,603)	(183,572)
<i>Less current installments of leases</i>				(358,487)	(339,587)
Net current installments of Loans and Borrowings, including Leases				(449,090)	(523,159)
Non-current debt				2,839,451	2,716,021
Borrowing costs				(3,720)	(4,874)
Net non-current Loans and Borrowings, including Leases				\$ 2,835,731	\$ 2,711,147

- (1) Some of the contracts establish certain commitments for the Group, including: to comply with affirmative and negative covenants; to provide certain financial information and reports of fleet variances; to comply with conditions and terms agreed upon with third parties, mainly as concerns to payment of documented commitments; as well as restrictions for the Group for selling or transferring all or a significant portion of its assets.

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As of September 30, 2024, the Group is in compliance with its covenants.

- (2) This loan establishes a financial covenant related to collections coverage ratio which represented the payment guarantee.
- (3) At December 31, 2023, the Group contracted interest rate Swaps, allowing to pay fixed rate.
- (4) Senior Secured Notes issued by Grupo Aeroméxico, and guaranteed by Aerovías de México, S. A. de C. V. ("Aeroméxico"), Aerolitoral, S. A. de C. V. ("Aerolitoral") and Aerovías Empresa de Cargo, S.A. de C. V.

On August 2024 Aeroméxico signed a \$200 million syndicated revolving loan agreement and guaranteed by Grupo Aeroméxico and Aerolitoral, with SOFR rate plus 285 basis points and a three-year timeframe. As of September 30, 2024 the Group has not utilized this credit facility.

All the loans had installments throughout the year. As of September 30, 2024, future maturities of loans and borrowings, net of borrowing costs are as follows:

<u>Year</u>	<u>Loans</u>	<u>Financial leasing</u>	<u>Leases</u>	<u>Total</u>
Current:				
September 30, 2025	\$ 54,324	36,279	358,487	449,090
Non-current:				
September 30, 2026	13,498	33,555	330,398	377,451
September 30, 2027	658,810	23,662	318,174	1,000,646
September 30, 2028	—	18,494	304,309	322,803
September 30, 2029	—	10,122	270,725	280,847
September 30, 2030 and thereafter	—	355	853,629	853,984
Total non-current	<u>672,308</u>	<u>86,188</u>	<u>2,077,235</u>	<u>2,835,731</u>
Total loans and borrowings	<u>\$ 726,632</u>	<u>122,467</u>	<u>2,435,722</u>	<u>3,284,821</u>

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(In thousands of US dollars)

Reconciliation of movements of liabilities to cash flows arising from financing activities-

	<u>Loans and</u>	<u>Lease</u>	<u>Total</u>
	<u>borrowings</u>	<u>liabilities</u>	
Balance January 1, 2024	\$ 1,017,447	2,216,859	3,234,306
Repayments of borrowings	(156,162)	(254,463)	(410,625)
Effects of movements in foreign exchange rates	(13,046)	—	(13,046)
Other changes-			
New leases	—	473,326	473,326
Interest expense	58,160	135,811	193,971
Interest paid	(58,201)	(134,293)	(192,494)
Other interest accrued (reversed), net	901	(1,518)	(617)
	<u> </u>	<u> </u>	<u> </u>
Balance as of September 30, 2024	\$ <u>849,099</u>	<u>2,435,722</u>	<u>3,284,821</u>

(14) Employee benefits-

The Group has defined pension and retirement plans covering some of its employees. The benefits of such plans are calculated based on salary levels, years of service, mortality and expected future salary increase. The Group periodically makes contributions to trust funds based on actuarial calculations to finance part of the cost of these plans. The trust funds are mainly invested in fixed-income securities. Actuarial calculations for these plans result in accumulated benefit obligations in excess of the plan assets.

Seniority premiums are provided to all employees under the Mexican Labor Law. The Law provides that seniority premiums are payable, based on salary and years of service, to employees who resign or are terminated after at least fifteen years of service. Under the Law, benefits are also payable to employees who are dismissed.

The Group's defined benefit costs amounted \$21,613 and \$21,775 during the nine-month periods ended September 30, 2024 and 2023, respectively (\$5,028 and \$7,566 for the three-month periods ended September 30, 2024 and 2023, respectively).

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(In thousands of US dollars)

(15) Provisions-

	Leased aircraft returns	Litigations	Contingent consideration (1)	Total
Balance as of January 1, 2024	\$ 270,989	9,751	24,000	304,740
Additions	73,584	–	59	73,643
Utilization	(41,665)	(670)	(24,059)	(66,394)
	<u>302,908</u>	<u>9,081</u>	<u>–</u>	<u>311,989</u>
Less non-current portion	(204,205)	–	–	(204,205)
Balance as of September 30, 2024	<u>\$ 98,703</u>	<u>9,081</u>	<u>–</u>	<u>107,784</u>
Balance as of January 1, 2023	\$ 235,728	7,075	24,000	266,803
Additions	50,000	3,090	–	53,090
Utilization	(14,739)	(414)	–	(15,153)
	<u>270,989</u>	<u>9,751</u>	<u>24,000</u>	<u>304,740</u>
Less non-current portion	(218,890)	–	–	(218,890)
Balance as of December 31, 2023	<u>\$ 52,099</u>	<u>9,751</u>	<u>24,000</u>	<u>85,850</u>

(1) Corresponds to an earnout performance provision regarding PLM Premier, S.A.P.I. de C.V. acquisition.

(16) Trade and other payables-

Group trade and other payables as of September 30, 2024 and December 31, 2023 are as follows:

	2024	2023
Suppliers	\$ 1,279,293	1,262,092
Other taxes	251,959	244,680
Salaries and benefits payable	<u>52,093</u>	<u>26,814</u>
Total trade and other payables	<u>\$ 1,583,345</u>	<u>1,533,586</u>

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(17) Share-based payment arrangements-

A. Description of share-based payment arrangements

As of September 30, 2024 the Group had the following share-based payment arrangements.

i. Restricted shares programs-

On December 22, 2022, the Group granted restricted shares to certain key management personnel and senior employees subject to certain service and non-market performance conditions with vesting periods from 6 months to 3 years.

On February 28, 2023, the Group established a new plan to grant restricted shares to certain key management personnel and senior employees subject to certain service and non-market performance conditions with vesting up to 4 years.

On August 27, 2024, the Group established a new plan to grant restricted shares to certain key management personnel and senior employees subject to certain service and non-market performance conditions with vesting up to 3 years.

The key terms and conditions related to the grants under these programs as of September 30, 2024 are as follows; all awards are to be settled by the physical delivery of shares.

Grant date / employees entitled	Number of instruments	Vesting conditions
Shares granted to key management personnel and senior employees-		
December 22, 2022	909,090	6 months to 3 years' service form grant date.
December 22, 2022	2,721,790	2-3 years' service form grant date, subject to the achievement of certain non-market performance goals.
February 28, 2023	354,850	6 months to 4 years' service form grant date.
August 27, 2024	200,110	6 months to 3 years' service form grant date.
	(2,230,042)	Accumulated number of exercised or forfeited shares.
Total restricted shares	1,955,798	

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B. Measurement of fair values –

The fair value of the above-mentioned restricted shares at grant date amounts in the range of Ps184.78 to Ps341.75 pesos per share. The shares have been deposited and are part of a Mexican Trust.

C. Reconciliation of outstanding restricted shares –

The number of outstanding restricted shares under the program were as follows:

	<u>September 30, 2024</u>	
	<u>Number of shares</u>	<u>Ps. fair value per share at grant date</u>
Outstanding at January 1	3,490,208	184.78
Granted during the period	200,110	341.75
Exercised during the period	(1,710,074)	184.78
Forfeited during the period	(24,446)	184.78
	<u>1,955,798</u>	<u>200.84</u>
Outstanding at September 30, 2024	<u>1,955,798</u>	<u>200.84</u>

The value of the total shares delivered during the nine-month period ended on September 30, 2024 amounted to \$16,331.

	<u>December 31, 2023</u>	
	<u>Number of shares</u>	<u>Ps. fair value per share at grant date</u>
Outstanding at January 1	2,269,985	184.78
Increase due to the change in estimate	1,360,895	184.78
Granted during the period	354,850	184.78
Exercised during the period	(345,502)	184.78
Forfeited during the period	(150,020)	184.78
	<u>3,490,208</u>	<u>184.78</u>
Outstanding at December 31, 2023	<u>3,490,208</u>	<u>184.78</u>

In addition to the stocks exercised in this program during the year ended on December 31, 2023, the Group granted 80,289 shares to certain Board members.

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(18) Stockholders' equity-

Structure of capital stock-

On April 30, 2024, the transformation of the Company and adoption of the new corporate regime of "*Sociedad Anónima Bursátil de Capital Variable*" (S. A. B. de C. V. or publicly traded corporation) was authorized through an Ordinary and Extraordinary General Stockholders' Meeting carried out on such date. This amended transformation was previously authorized by the Mexican Foreign Investment Regulator ("*Dirección General de Inversión Extranjera*").

On July 25, 2024, the Shareholders of the Company resolved in favor of carrying out a capital stock decrease, without canceling shares, in favor of the shareholders for an amount of \$3.00 dollars per share representing the Company's share capital (\$409,272 in total).

On July 26, 2024, the Mexican Securities Regulator ("*Comisión Nacional Bancaria y de Valores*") authorized the registration of the Company's shares in the National Share Registry ("*Registro Nacional de Valores*" or "*RNV*"). As such, the transformation of the Company into a S.A.B. de C.V. or publicly traded corporation is effective since July 26, 2024. Although the Company's shares are now registered in the RNV, their corresponding listing with the Mexican Stock Exchange ("*Bolsa Mexicana de Valores*" or "*BMV*") and with the New York Stock Exchange ("*NYSE*") will only be carried out when the Company launches the initial public offering of the American Depositary Shares ("*ADS*") representing its shares in the United States of America.

As of September 30, 2024 and December 31, 2023 the capital stock of the Company is represented by 136,423,959 outstanding shares, nominative, with no par value, 5,000 shares representing the fixed portion and 136,418,959 shares representing the variable portion.

(19) Earnings per share-

The calculation of the basic earnings per share at September 30, 2024 was based on the income for the nine-month period of \$542,045 (September 30, 2023: \$179,192), and for the three-month period ended September 30, 2024 of \$195,382 (September 30, 2023: \$178,571) and a weighted average number of ordinary shares outstanding of 136,423,959 (September 30, 2023: 136,423,959). The Company has 2,858,742 diluted potential ordinary shares as of September 30, 2024 (September 30, 2023: 4,401,907).

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(20) Income tax expense-

Income tax expense is recognized at an amount determined by multiplying the profit before tax for the interim reporting period by Management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the interim period. As such, the effective tax rate in the condensed consolidated interim financial statements may differ from Management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations for the nine months ended September 30, 2024 was 12% (2023: 5%).

(21) Financial instruments, fair value and risk management-

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial assets at fair value-

December 31, 2023	Interest rate swaps
<i>Book value:</i>	
<i>Fair value for trading instruments</i>	334
<i>Fair value:</i>	
<i>Level 1</i>	—
<i>Level 2</i>	334
<i>Level 3</i>	—
Total	334

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Loans and borrowings not carried out at fair value -

	Loans in USD	Loans in Ps.		Financial leasing of flight equipment in USD
September 30, 2024	(SORF - Spread)	(TIE - Spread)	Loans in US (Fixed rate)	
Loans and borrowings				
Book value	–	67,823	658,810	122,466
Fair value				
<i>Level 1</i>	–	–	–	–
<i>Level 2</i>	–	63,434	610,502	115,079
<i>Level 3</i>	–	–	–	–
Total	–	63,434	610,502	115,079

	Loans in USD	Loans in Ps.		Financial leasing of flight equipment in USD
December 31, 2023	(SORF - Spread)	(TIE - Spread)	Loans in US (Fixed rate)	
Loans and borrowings				
Book value	63,076	143,930	666,791	143,650
Fair value				
<i>Level 1</i>	–	–	–	–
<i>Level 2</i>	61,748	130,674	597,059	132,575
<i>Level 3</i>	–	–	–	–
Total	61,748	130,674	597,059	132,575

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B. Measurement of fair values

I. Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Financial instruments measured at fair value:

Type	Valuation technique
Corporate debt securities	Market comparison / discounted cash flow: The fair value is estimated considering present value calculated using discount rates derived from quoted yields of securities with similar maturity and credit rating that are traded in active markets.

Financial instruments not measured at fair value:

Interest rate swaps	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps as well as the collateral granted or receivable. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.
Other financial liabilities*	Discounted cash flows: The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.

* Other financial liabilities include secured and unsecured bank loans, unsecured bond issues, convertible notes - liability component, redeemable preference share, loans from associates and finance lease liabilities.

II. Transfers between Levels 1 and 2

There have been no transfers from Level 2 to Level 1 (nor Level 1 to 2).

III. Level 3 fair values

There were no financial instruments presented within Level 3.

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(In thousands of US dollars)

(22) Finance income and finance costs-

The Group's finance income and finance costs for the nine-month and three-month periods ended September 30, 2024 and 2023 are presented below:

	Nine-month periods ended September 30		Three-month periods ended September 30	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest income on bank deposits and other investments	\$ 46,546	43,863	12,892	22,057
Net foreign exchange gain	68,457	—	14,463	14,963
Other financial income	—	4,165	—	4,164
Finance income	115,003	48,028	27,355	41,184
Interest expense on financial liabilities	56,806	78,720	17,728	25,193
Letters of credit commissions	82	63	—	40
Credit card commissions	82,644	77,028	26,296	27,317
Lease interest	135,811	134,348	47,497	44,652
Interest on employee obligation	14,706	13,503	4,629	4,708
Interest on leased aircraft return provision	4,800	—	4,800	—
Derivative financial loss	334	1,375	—	448
Net foreign exchange loss	—	56,006	—	—
Bank fees	4,110	4,305	1,450	1,139
Interest paid to related parties	504	—	92	—
Other financial costs	5,602	5,983	2,042	2,178
Finance costs	305,399	371,331	104,534	105,675
Net finance cost recognized in profit and loss	\$ (190,396)	(323,303)	(77,179)	(64,491)

(23) Contingencies and commitments-

Liabilities for loss contingencies are recorded when it is probable that a liability has been incurred and the amount thereof can be reasonably estimated. When a reasonable estimation cannot be made, qualitative disclosure is provided in the notes to the consolidated financial statements. Contingent revenues, earnings or assets are not recognized until realization is assured.

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(In thousands of US dollars)

As of September 30, 2024 the Group has the following significant contingencies:

Contingencies:

- a) There are labor lawsuits in process for approximately \$17.2 million. This amount represents the plaintiffs' expectation, without considering backdated salaries that might be accrued in the event that the court sentences do not favor the Group. The Group has reserved an amount of \$9.1 million, which is considered sufficient to cover possible outflows.

- b) In June 2023, the Aviation Pilots Union of Mexico (Asociación Sindical de Pilotos Aviadores de México or "ASPA") filed a claim against Aerovías de México, S. A. de C. V. ("Aeroméxico") arguing that certain provisions in the corresponding collective bargaining agreements ("CBA") executed with them for the period between 2020 and 2024 should be null and void, because they establish a differentiated treatment with respect to certain labor conditions applicable to Aeroméxico's pilots according to their hiring date, which could be deemed as discriminatory. The CBA provides two regimes, one applicable to pilots hired prior to 2010 and the other one, applicable to pilots hired after 2010. As such, ASPA argued that having two regimes based on the pilots' hiring date is discriminatory. In October 2023, the labor court rejected ASPA's claim and declared that the provisions of the CBA challenged by ASPA are applicable and not arbitrary. The court also declared that the provisions in the CBA are reasonable and follow the terms agreed at the time of their negotiations.

On April 26, 2024, the upper court in charge of resolving the appeal filed by ASPA against the judicial declaration that the provisions of the CBA are applicable and not arbitrary ruled in favor of Aeroméxico, upholding the lower court's decision. On May 30, 2024, ASPA appealed before the Mexican Supreme Court ("SCJN"), and on August 13, 2024, the SCJN agreed to hear the case. On August 19, 2024, Aeroméxico challenged the SCJN decision to hear the case. We did not establish a contingency reserve in connection with this case (see Note 24 b)).

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- c) In 2015, the Mexican Economic Federal Antitrust Commission (“*Comisión Federal de Competencia Económica*” or “COFECE”) initiated an investigation against Aeroméxico for alleged monopolistic practices in the airline sector. In connection with this investigation, Aeroméxico received a fine of Ps.86.2 million pesos in 2019. On April 25, 2019, Aeroméxico filed constitutional relief proceedings (“*juicio de amparo*”) challenging the fine. On March 28, 2022, the competent district court nullified COFECE’s resolution and the fines against the Company. On April 11, 2022, COFECE presented an appeal (“*recurso de revisión*”) challenging the district court’s decision. On March 7, 2023, COFECE requested that the SCJN exercise jurisdiction under the argument that it was necessary for the SCJN to establish conclusive case law on the matter. On April 3, 2023, the SCJN agreed to exercise jurisdiction over the case and, on May 18, 2023, the SCJN acknowledged receipt of the case files. As of the date of the issuance of these consolidated financial statements, the case is pending before the SCJN.
- d) On January 26, 2024, the US Department of Transportation (“DOT”) issued a tentative Order to Show Cause (the “Order”) to Delta Air Lines, Inc. (“Delta”) and Aeroméxico, tentatively terminating the antitrust immunity (“ATI”) granted to their Joint Cooperation Agreement (“JCA”) by October 26, 2024. Rather than evaluating potential consumer and competitive benefits of renewing the ATI and balancing them against potential harms, the Order alleges that the Mexican Government has taken certain actions in violation of the USA - Mexico Air Transport Agreement (i.e. relocation of all-cargo operations to the Aeropuerto Internacional Felipe Angeles or “AIFA” and capacity reductions at the Aeropuerto Internacional de la Ciudad de México or “AICM”) that – in DOT’s opinion – precludes them from granting antitrust immunity to the JCA. Delta and Aeroméxico timely filed joint objections to the Order on February 23, 2024. The Order will cease to be tentative and become final once the DOT issues the corresponding final order.
- e) Additionally, the Group has lawsuits and claims (filed by the Group and against it) arising during the normal course of its operations. The Group with the support of its legal advisors considers that the final result of these matters will not have a significant adverse effect on its financial position and results.

Commitments:

As of September 30, 2024, there are no significant commitments in addition to those referred-to in the latest annual financial statements.

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Notes to the condensed consolidated interim financial statements

(In thousands of US dollars)

(24) Subsequent events-

As of November 4, 2024, date of issuance of these condensed consolidated interim financial statements, the most significant subsequent events are as follows:

- a) Uncertainty in fuel prices consumed by the Group. As of November 4, 2024, the price reached 2.50 dollars per gallon, and at September 30, 2024 was 2.31 dollars per gallon.
- b) On October 16, 2024 the SCJN resolved in favor of Aeroméxico and agreed not to hear the case regarding the contingency explained in Note 23 b).