

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

Consolidated financial statements

December 31, 2024, 2023 and 2022

(With the Independent Auditors' Report)



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

Contents	<u>Page</u>
Independent auditors' report	1 to 3
Consolidated statements of financial position	4
Consolidated statements of profit or loss and other comprehensive income	6
Consolidated statements of changes in equity	8
Consolidated statements of cash flows	11
Notes to the consolidated financial statements	12 to 98





Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Grupo Aeroméxico, S. A. B. de C. V.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Grupo Aeroméxico, S. A. B. de C. V. and subsidiaries (the Company) as of December 31, 2024, 2023 and 2022, the related consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, 2023 and 2022 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.





Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of the incremental borrowing rates used to measure certain lease assets and liabilities.

As discussed in Notes 15 and 21 to the consolidated financial statements, as of December 31, 2024, the Group has reported additions of right-of-use of flight equipment of \$596,431 thousand and related lease liabilities of \$568,117 thousand. As discussed in Note 3 (f), the right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rates as the discount rate. The Group determines its incremental borrowing rates by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

We identified the evaluation of the incremental borrowing rates used to estimate the right of use assets and lease liabilities related to flight equipment as a critical audit matter. Significant auditor judgment was needed given the subjectivity involved in assessing the significant assumptions, specifically the reference rates, credit ratings, country risk and specific adjustments related to the nature of the leased assets, and the sensitivity of the present value of the lease payments to possible changes in the incremental borrowing rates. In addition, specialized skills and knowledge were required to assist in the evaluation of the incremental borrowing rates.





The following are the primary procedures we performed to address this critical audit matter. We evaluated the design of certain internal controls related to the determination of the incremental borrowing rates and related significant assumptions. We involved valuation professionals with specialized skills and knowledge, who assisted in (i) the evaluation of the incremental borrowing rates, including evaluating the significant assumptions identified above using publicly available data, and (ii) developing independent incremental borrowing rates and comparing them to the Group's rates.

KPMG Cárdenas Dosal, S. C

*KPMG
Cárdenas Dosal, S.C.*

We have served as the Company's auditor since 2007.

Mexico City, Mexico
March 28, 2025



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

Consolidated statements of financial position

As of December 31, 2024, 2023 and 2022

(In thousands of US dollars)

	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Assets				
Current assets:				
Cash and cash equivalents	10	\$ 841,997	937,698	842,182
Derivative financial instruments	11	—	334	1,893
Trade and other receivables	14	591,475	618,212	391,272
Due from related parties	7	3,083	1,146	540
Prepayments and deposits	12	70,363	48,721	44,568
Inventories	13	139,721	108,458	96,967
		<u>1,646,639</u>	<u>1,714,569</u>	<u>1,377,422</u>
Total current assets				
Non-current assets:				
Property and equipment, including right-of-use	15	3,206,558	2,787,595	2,643,406
Intangible assets and goodwill	17	1,080,354	1,071,824	1,063,812
Prepayments and deposits	12	160,471	148,929	138,009
Investments in equity accounted investees	18	16,978	27,120	30,181
Other non-current assets		10,841	6,705	2,272
Deferred tax assets	20	261,724	335,020	291,064
		<u>4,736,926</u>	<u>4,377,193</u>	<u>4,168,744</u>
Total non-current assets				
		<u>\$ 6,383,565</u>	<u>6,091,762</u>	<u>5,546,166</u>
Total assets				

The notes on pages 12 to 98 are an integral part of the consolidated financial statements.



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

Consolidated statements of financial position (continued)

As of December 31, 2024, 2023 and 2022

(In thousands of US dollars)

	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Liabilities				
Current liabilities:				
Loans and borrowings, including leases	21	\$ 448,297	523,159	513,976
Trade and other payables	25	1,652,235	1,533,586	1,032,236
Due to related parties	7	786	14,420	445
Provisions	24	117,167	85,850	32,281
Air traffic liability	8	617,196	836,433	784,248
Frequent flyer program	8	287,972	247,226	234,568
Income taxes payable and employee's statutory profit sharing		69,530	28,751	5,224
Total current liabilities		<u>3,193,183</u>	<u>3,269,425</u>	<u>2,602,978</u>
Non-current liabilities:				
Loans and borrowings, including leases	21	3,252,616	2,711,147	2,936,961
Frequent flyer program	8	300,395	268,247	211,443
Provisions	24	207,093	218,890	234,522
Employee benefits	22	209,098	235,841	185,400
Deferred tax liabilities	20	121,094	121,137	105,694
Total non-current liabilities		<u>4,090,296</u>	<u>3,555,262</u>	<u>3,674,020</u>
Total liabilities		<u>7,283,479</u>	<u>6,824,687</u>	<u>6,276,998</u>
Equity (deficit)				
Capital stock	26	3,526,022	4,326,906	4,598,016
Share premium		(2,182,889)	(2,182,889)	(2,182,889)
Statutory reserve		24,750	24,750	24,750
Stock repurchase reserve		29,703	29,703	29,703
Equity accounted investees share of OCI		(6,577)	(6,577)	(6,577)
Remeasurement of defined benefit liability		17,156	13,100	16,351
Accumulated deficit		(2,310,129)	(2,939,921)	(3,212,155)
Total equity (deficit) attributable to equity holders of the Company		<u>(901,964)</u>	<u>(734,928)</u>	<u>(732,801)</u>
Non-controlling interest		<u>2,050</u>	<u>2,003</u>	<u>1,969</u>
Total equity (deficit)		<u>(899,914)</u>	<u>(732,925)</u>	<u>(730,832)</u>
Total equity (deficit) and liabilities		<u>\$ 6,383,565</u>	<u>6,091,762</u>	<u>5,546,166</u>

The notes on pages 12 to 98 are an integral part of the consolidated financial statements.



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

Consolidated statements of profit or loss and other comprehensive income

For the years ended December 31, 2024, 2023 and 2022

(In thousands of US dollars)

	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenues:				
Passenger	8	\$ 5,150,889	4,504,157	3,402,409
Air cargo		296,102	269,948	291,340
Other		172,863	141,992	118,250
Total revenue	9	<u>5,619,854</u>	<u>4,916,097</u>	<u>3,811,999</u>
Operating expenses:				
Jet-fuel		1,236,639	1,310,242	1,414,763
Wages, salaries and benefits	30	1,084,146	896,128	638,313
Maintenance		258,155	232,246	202,688
Aircraft, communication and traffic services		590,967	532,068	445,819
Passenger services		140,834	113,576	85,645
Travel agent commissions		122,147	111,954	73,086
Selling and administrative		406,344	357,551	287,365
Aircraft leasing	16	16,236	23,779	143,482
Depreciation and amortization		655,057	579,780	453,543
Impairment (reversal)		—	3,427	(1,180)
Restructuring (income) expenses, net	32	—	—	(114,088)
Other loss (income), net	29	48,498	36,467	1,382
Share of (gain) loss on equity accounted investees, net of tax	18	(5,858)	3,061	(329,648)
Total operating expenses		<u>4,553,165</u>	<u>4,200,279</u>	<u>3,301,170</u>
Total operating income		<u>1,066,689</u>	<u>715,818</u>	<u>510,829</u>
Finance income (cost)				
Finance income	31	77,901	70,833	15,334
Finance cost	31	(447,373)	(498,972)	(465,911)
Net finance cost		<u>(369,472)</u>	<u>(428,139)</u>	<u>(450,577)</u>
Income before income tax		697,217	287,679	60,252
Income tax expense	19	79,731	14,311	124,477
Income (loss) for the year		<u>\$ 617,486</u>	<u>273,368</u>	<u>(64,225)</u>

The notes on pages 12 to 98 are an integral part of the consolidated financial statements.



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

Consolidated statements of profit or loss and other comprehensive income (continued)

For the years ended December 31, 2024, 2023 and 2022

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

	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Income (loss) for the year		\$ <u>617,486</u>	<u>273,368</u>	<u>(64,225)</u>
Other comprehensive income (OCI), net of income taxes (Notes 20(b) and 22)				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit liability	22	5,755	(4,858)	20,885
Income taxes		(1,699)	1,607	(6,253)
Items that are or may be reclassified to profit or loss				
Equity accounted investees share of OCI	18	—	—	385
Employee benefits remeasurement due to personnel transfers		<u>(95)</u>	<u>(1,100)</u>	<u>(299)</u>
Other comprehensive income (loss) for the year, net of income taxes		<u>3,961</u>	<u>(4,351)</u>	<u>14,718</u>
Total comprehensive income (loss) for the year		\$ <u><u>621,447</u></u>	<u><u>269,017</u></u>	<u><u>(49,507)</u></u>
Income (loss) attributable to:				
Owners of the Company		\$ 617,439	273,334	(64,248)
Non-controlling interest		<u>47</u>	<u>34</u>	<u>23</u>
Income (loss) for the year		\$ <u><u>617,486</u></u>	<u><u>273,368</u></u>	<u><u>(64,225)</u></u>
Total comprehensive income (loss) attributable to:				
Owners of the Company		\$ 621,400	268,983	(49,530)
Non-controlling interest		<u>47</u>	<u>34</u>	<u>23</u>
Total comprehensive income (loss) for the year		\$ <u><u>621,447</u></u>	<u><u>269,017</u></u>	<u><u>(49,507)</u></u>
Earnings per share from continuing operations				
Basic income (loss) per share (US dollars)	27	\$ <u><u>4.62</u></u>	<u><u>2.07</u></u>	<u><u>(0.47)</u></u>
Diluted income (loss) per share (US dollars)	27	\$ <u><u>4.53</u></u>	<u><u>2.00</u></u>	<u><u>(0.47)</u></u>

The notes on pages 12 to 98 are an integral part of the consolidated financial statements.



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

Consolidated statements of changes in equity

For the years ended December 31, 2024, 2023 and 2022

(In thousands of US dollars)

	Attributable to equity holders of the Company									
	Capital stock	Share premium	Statutory reserve	Stock repurchase reserve	Equity accounted investees share of OCI	Remeasurement of defined benefit liability	Accumulated deficit	Total	Non-controlling interest	Total equity (deficit)
Balance as of January 1, 2024	\$ 4,326,906	(2,182,889)	24,750	29,703	(6,577)	13,100	(2,939,921)	(734,928)	2,003	(732,925)
Share base plan (Note 23)	—	—	—	—	—	—	12,448	12,448	—	12,448
Capital stock increase (Note 26(a))	17,660	—	—	—	—	—	—	17,660	—	17,660
Capital stock decrease (Note 26(a))	(818,544)	—	—	—	—	—	—	(818,544)	—	(818,544)
Total comprehensive income for the year:										
Income for the year	—	—	—	—	—	—	617,439	617,439	47	617,486
Other comprehensive income	—	—	—	—	—	4,056	(95)	3,961	—	3,961
Balance as of December 31, 2024	\$ 3,526,022	(2,182,889)	24,750	29,703	(6,577)	17,156	(2,310,129)	(901,964)	2,050	(899,914)

The notes on pages 12 to 98 are an integral part of the consolidated financial statements.



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

Consolidated statements of changes in equity (continued)

For the years ended December 31, 2024, 2023 and 2022

(In thousands of US dollars)

	Attributable to equity holders of the Company									
	Capital stock	Share premium	Statutory reserve	Stock repurchase reserve	Equity accounted investees share of OCI	Remeasurement of defined benefit liability	Accumulated deficit	Total	Non-controlling interest	Total equity (deficit)
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 26(a))	4,057	—	—	—	—	—	—	4,057	—	4,057
Capital stock decrease (Note 26(a))	(275,167)	—	—	—	—	—	—	(275,167)	—	(275,167)
Total comprehensive income for the year:										
Income for the year	—	—	—	—	—	—	273,334	273,334	34	273,368
Other comprehensive loss	—	—	—	—	—	(3,251)	(1,100)	(4,351)	—	(4,351)
Balance as of December 31, 2023	\$ 4,326,906	(2,182,889)	24,750	29,703	(6,577)	13,100	(2,939,921)	(734,928)	2,003	(732,925)

The notes on pages 12 to 98 are an integral part of the consolidated financial statements.



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

Consolidated statements of changes in equity (continued)

For the years ended December 31, 2024, 2023 and 2022

(In thousands of US dollars)

	Attributable to equity holders of the Company									
	Capital stock	Share premium	Statutory reserve	Stock repurchase reserve	Equity accounted investees share of OCI	Remeasurement of defined benefit liability	Accumulated deficit	Total	Non-controlling interest	Total equity (deficit)
Balance as of January 1, 2022	\$ 373,578	77,540	24,750	29,703	(6,962)	1,719	(3,147,608)	(2,647,280)	1,946	(2,645,334)
Capital stock increase - Cash (Note 2(b))	720,000	—	—	—	—	—	—	720,000	—	720,000
DIP Financing commitment premium conversion to capital stock (Note 2(b))	744,393	(72,917)	—	—	—	—	—	671,476	—	671,476
Equity commitment premium (Note 2(b))	108,000	(108,000)	—	—	—	—	—	—	—	—
General unsecured claims conversion to capital stock (Note 2(b))	2,694,450	(2,079,512)	—	—	—	—	—	614,938	—	614,938
Capital stock decrease (Note 26(a))	(42,405)	—	—	—	—	—	—	(42,405)	—	(42,405)
Total comprehensive loss for the year:	—	—	—	—	—	—	(64,248)	(64,248)	23	(64,225)
Loss for the year	—	—	—	—	—	—	(299)	(299)	—	(299)
Other comprehensive income	—	—	—	—	385	14,632	—	14,718	—	14,718
Balance as of December 31, 2022	\$ 4,598,016	(2,182,889)	24,750	29,703	(6,577)	16,351	(3,212,155)	(732,801)	1,969	(730,832)

The notes on pages 12 to 98 are an integral part of the consolidated financial statements.



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

Consolidated statements of cash flows

For the years ended December 31, 2024, 2023 and 2022

(In thousands of US dollars)

	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities				
Income for the year	\$	617,486	273,368	(64,225)
Adjustments for:				
Income tax expense		79,731	14,311	124,477
Depreciation and amortization	15 and 17	655,057	579,780	453,543
Impairment (reversal)		—	3,427	(1,180)
Equity-settled share-based payment transactions		17,660	—	—
Lease liability reversal		—	—	(11,567)
Share of loss (gain) on equity accounted investees, net of tax		(5,858)	3,061	(329,648)
Loss (gain) on sale property and equipment		4,108	5,067	(5,140)
Other restructuring expenses provisions, net		—	—	(102,521)
Provisions, net		192,546	127,888	140,276
Derivative financial loss		334	1,758	790
Employee benefits		20,102	17,167	8,307
Inventory adjustments to net realizable value		28	18	204
Allowance for doubtful accounts		9,774	4,180	4,162
Interest expense, net		241,416	214,379	269,852
Unrealized exchange loss (gain)		3,708	(12,528)	22,595
Employees' statutory profit sharing		41,897	16,425	(369)
		<u>1,877,989</u>	<u>1,248,301</u>	<u>509,556</u>
Trade and other receivables		(42,395)	(106,394)	(167,363)
Due from related parties		(1,937)	(933)	(46)
Inventories		(33,422)	(9,931)	(19,520)
Prepayments and deposits		(30,804)	2,147	32,788
Trade and other payables		5,132	312,968	38,376
Due to related parties		366	302	(3,142)
General unsecured claims liability		—	—	(464,004)
Air traffic liability		(219,237)	57,636	102,683
Frequent flyer program		72,894	69,464	24,592
Interest received		55,465	64,180	15,334
		<u>1,684,051</u>	<u>1,637,740</u>	<u>69,254</u>
Cash generated from operating activities				
Income tax paid		(36,838)	(16,281)	(33,197)
Interest paid	21	<u>(279,700)</u>	<u>(276,342)</u>	<u>(266,365)</u>
		<u>1,367,513</u>	<u>1,345,117</u>	<u>(230,308)</u>
Net cash from (used in) operating activities				
Cash flows from investing activities				
Acquisition of properties and equipment (including major maintenance)	15	(422,837)	(333,208)	(199,867)
Proceeds from sale of properties and equipment	15	2,796	159	3,133
Dividends from equity accounted investees		6,853	—	2,455
Capital stock reimbursement from equity accounted investees		9,147	—	—
Acquisition of subsidiaries net of cash received	6	—	—	(262,949)
Due to related parties		(14,000)	14,000	—
Intangible assets additions	17	(29,078)	(33,237)	(13,700)
Prepayments and deposits for maintenance and acquisition of properties and equipment	12	<u>(41,886)</u>	<u>(53,921)</u>	<u>(50,726)</u>
		<u>(489,005)</u>	<u>(406,207)</u>	<u>(521,654)</u>
Net cash used in investing activities				
Cash flows from financing activities				
Contingent consideration payment	24	(24,059)	—	—
Proceeds from capital stock issuance	2(b) and 26(a)	—	4,057	720,000
Cash paid for capital stock	26 (a)	(818,544)	(275,167)	(42,405)
Proceeds from loans		1,110,000	—	762,500
Repayments of loans	21	(840,914)	(335,865)	(731,725)
Payments of lease liabilities	21	<u>(346,539)</u>	<u>(302,859)</u>	<u>(112,700)</u>
		<u>(920,056)</u>	<u>(909,834)</u>	<u>595,670</u>
Net cash (used in) from financing activities				
(Decrease) increase in cash and cash equivalents				
		(41,548)	29,076	(156,292)
Effect of exchange rate fluctuations on cash held		<u>(54,153)</u>	<u>66,440</u>	<u>19,396</u>
		<u>(95,701)</u>	<u>95,516</u>	<u>(136,896)</u>
Net (decrease) increase in cash and cash equivalents				
Cash and cash equivalents:				
At beginning of year		<u>937,698</u>	<u>842,182</u>	<u>979,078</u>
At end of year	\$	<u><u>841,997</u></u>	<u><u>937,698</u></u>	<u><u>842,182</u></u>

The notes on pages 12 to 98 are an integral part of the consolidated financial statements.



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

Notes to the consolidated financial statements

December 31, 2024, 2023 and 2022

(In thousands of US dollars)

(1) Description of business -

Grupo Aeroméxico, S. A. B. de C. V. (the “Company”) is a company incorporated under the laws of Mexico. The address of the Company is Paseo de la Reforma 243 25th Floor, Colonia Cuauhtémoc, 06500 Mexico City, Mexico. The consolidated financial statements of the Company as of and for the years ended December 31, 2024, 2023 and 2022, comprise the Company and its subsidiaries (together referred to as the “Group” or “Grupo Aeroméxico” and individually as “Group entities”).

The Company was listed on the Mexican Stock Exchange until December 28, 2022 (see Note 26). The principal activity of the Group 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 consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The designation IFRS includes all standards issued by the IASB and related interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

On March 28, 2025, the Company’s Chief Executive Officer and Chief Financial Officer, Andrés Conesa Labastida and Ricardo Sánchez Baker, respectively, authorized the issuance of the accompanying consolidated financial statements and related notes thereto.

In accordance with the General Corporations Law and the Group’s bylaws, the stockholders are empowered to modify the consolidated financial statements after issuance. The accompanying consolidated financial statements will be submitted to the next Stockholders’ Meeting for approval.

(b) Financial restructuring and Chapter 11 emergence-

On June 30, 2020, the Company announced that it initiated, together with its affiliates, Aerovías de México, S. A. de C.V., Aerolitoral, S. A. de C. V. and Aerovías Empresa de Cargo, S. A. de C. V. (together referred as “Debtors”), voluntary Chapter 11 proceedings (“Chapter 11”) before the United States of America Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) to implement a financial restructuring, while continuing to serve customers.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Plan of Reorganization -

On March 17, 2022, (the "Effective Date"), Grupo Aeroméxico emerged from Chapter 11 and the Plan of Reorganization ("PoR") of the Group became effective.

As a result of the PoR, and based on the Stockholders Meeting held on January 14, 2022, the Company increased its capital stock as described as follows:

	<u>Capital stock</u>	<u>Share premium</u>
Cash	\$ 720,000	—
DIP Financing commitment premium conversion to capital stock (1)	744,393	(72,917)
Equity commitment premium (2)	108,000	(108,000)
General unsecured claims conversion to capital stock (3)	<u>2,694,450</u>	<u>(2,079,512)</u>
Total capital stock increase in 2022	<u>\$ 4,266,843</u>	<u>(2,260,429)</u>

- (1) Corresponds to the equity conversion of allowed Tranche 2 DIP ("debtor-in-possession") Financing conversion to new stock.
- (2) Corresponds to a premium payable in new stock in connection with the subscription and purchase of cash-paid of new stock.
- (3) Corresponds to the equity conversion of different unsecured claims liability settlement.

Additionally, key stakeholders funded new exit debt of \$762.5 million in the form of new US dollar denominated Notes ("Exit Financing"). On June 17, 2022, Grupo Aeroméxico concluded the listing on the market of the Republic of Singapore of these Notes issued on March 17, 2022, at an interest rate of 8.50% (see Note 21).

(c) Basis of measurement-

These consolidated 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.

(d) Use of estimates and judgments-

In preparing these consolidated financial statements, Management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

We base our judgments, estimates, and assumptions on historical and forecast information, as well as regional and industry economic conditions in which we or our customers operate, changes to which could adversely affect our estimates. Although we believe we have made reasonable estimates about the ultimate resolution of the underlying uncertainties, no assurance can be given that the final outcome of these matters will be consistent with what is reflected in our assets, liabilities, revenues, and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

Notes 3(e) and 15 – useful lives of property and equipment

Note 3(f) - incremental borrowing rate to estimate the right-of-use assets and lease liabilities

Note 3(i) - impairment

Note 3(l) – revenue recognition: determination if the revenues coming from the services rendered by the Group are recognized at a point in time or over time

Note 24 – leased aircraft return provisions

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, is included in the following notes:

Note 3(l) – air traffic liability and frequent flyer program

Note 20 – deferred tax assets and liabilities

Note 24 – provisions

Note 28 – measurement of loss allowances for expected credit losses for trade accounts receivable and assets from contracts: key assumptions used to determine the weighted average loss rate

Note 33 – contingencies and commitments

(e) Scope of consolidation

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

All Grupo Aeromexico's entities prepare their financial statements as of December 31. All financial statements were prepared applying IFRS as issued by the IASB.

Intercompany transactions and balances relating to consolidated entities have been eliminated.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

During the year ended on December 31, 2024 there were no changes in the number of entities included in the consolidated financial statements (see Note 6), 26 entities in total at the beginning and year-end.

(3) Material accounting policies-

The Group has consistently applied the accounting policies set out below to all periods presented in these consolidated financial statements, except if mentioned otherwise.

The accounting policies have been applied consistently by Group entities.

(a) Basis of consolidation-

i. Business combinations-

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see ii). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see Note 3 (i) ii). Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

If share-based payment awards ("replacement awards") are required to be exchanged for awards held by the acquiree's employees ("acquiree's awards"), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

A step – up acquisition occurs when a shareholder gains control of an entity by acquiring an additional interest in that entity. Under IFRS, the Group remeasured its previously held interest at fair value in 2022.

ii. Subsidiaries-

Subsidiaries are entities controlled by the Group (see Note 6). The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. All entities of the Group prepared their financial statements as of December 31.

iii. Loss of control-

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity. Any resulting gain or loss is recognized in profit or loss.

Any interest retained in the former subsidiary is measured at fair value when control is lost.

iv. Investments in equity accounted investees-

The Group's interests in equity accounted investees as of December 31, 2024 comprise interests, in one joint venture (AM DL MRO JV, S. A. P. I. de C. V. or "MRO").

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Joint ventures are those arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Investments in associates and joint ventures are accounted for using the equity method (equity accounted investees) and are recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence of joint control ceases.

MRO until November 30, 2022 performed major maintenance on aircraft fuselage from nose to tail, mainly to certain fleet of its related parties Aerovías de México, S. A. de C. V., Aerolitoral, S. A. de C. V. and Delta Air Lines, Inc. Beginning December 1, 2022 the MRO leased its assets to third parties.

v. *Transactions eliminated in consolidation-*

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency-

i. Foreign currency transactions-

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost denominated in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within finance income (costs).

(c) Financial instruments-

Non-derivative financial instruments-

Non-derivative financial instruments comprise investments in debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Cash and cash equivalents comprise cash balances and call deposits with original maturities of up to three months or less.

Restricted cash, is presented within cash and cash equivalents and mainly comprises cash balances from Fideicomiso F/1748 (“Fideicomiso” or “Trust”), the consolidated issuer trust used by the Group, to securitize cash flows from credit card ticket sales through offices and travel agencies in Mexico; which will be paid to the holders of the Senior Trust Bonds issued by the Trust. Additionally in 2022, restricted cash also includes a trust deposit to cover any shares payments to be settled in connection to the tender offer as explained in Note 26.

The Group initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Offsetting-

Financial assets and liabilities are offset, and the net amount presented in the statements of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Non-derivative financial assets-

The Group classifies its non-derivative financial assets in the following categories: financial assets at fair value through profit or loss, amortized cost and fair value through other comprehensive income (“OCI”).

The financial assets classification is based on both the business model and the related contractual cash flows characteristics.

i. Financial assets at fair value through profit or loss (“FVTPL”)-

Financial assets are classified at fair value through profit or loss if they are held for trade or if it does not meet the solely payments of principal and interest (“SPPI”) criteria, or if it is defined as such at initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group’s risk management or investment strategy.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Upon initial recognition attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, including any interest or dividend income, are recognized in profit or loss. The fair value is obtained from financial counterparties who act as appraisers.

ii. *Amortized Cost-*

Financial assets are classified at amortized cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, and if they meet the SPPI criteria. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise mainly trade and other receivables.

iii. *Financial assets at fair value through other comprehensive income (“FVTOCI”)-*

Financial assets are classified at fair value through other comprehensive income if they are held within a business model whose objective is achieved by both collecting contractual cash flows that are solely payments of principal and interests and selling financial assets, and if they meet the SPPI criteria. Financial assets at fair value through other comprehensive income are measured at fair value, and changes therein, including any interest or dividend income, are recognized in other comprehensive income. The fair value is obtained from financial counterparties who act as appraisers or is determined based on valuation models using observed data at the market.

Non-derivative financial liabilities-

Financial liabilities are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Fideicomiso F/1748 (“Fideicomiso” or “Trust”), a Group’s subsidiary placed Senior Trust Bonds (“CEBURES”) issued on the Mexican Stock Exchange, for the overall authorized program amounts of Ps.7,000 million, through different series with an original maturity of five years. As of December 31, 2024 the CEBURES accrue variable interest at the rate of Interbank Equilibrium Interest Rate (“TIIE”) + a spread of 168 basis points.

The CEBURES are securitized by cash flows collected from credit card ticket sales through offices and travel agencies in Mexico, transferred to the Trust.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

The Group determined it has control over the Trust, since it is exposed, or has rights, to variable returns from its involvement with the Trust and has the ability to affect those returns through its power over the Trust; therefore, the Trust's debt and restricted cash are included in the Group's consolidated financial statements (see Notes 10 and 21).

The Group has the following non-derivative financial liabilities: loans and borrowings, and trade and other payables.

Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Derivative financial instruments ("DFI") and hedge accounting-

In order to manage the risk associated with fluctuation in jet fuel prices, the Group from time to time selectively uses derivative financial instruments such as Asian options on the price of Jet Fuel 54 ("JF54"). The fair value of the options is obtained using valuation models which depend on the behavior of the referred underlying reference price in an observed period. During 2024, 2023 and 2022 the Group had no DFI on JF54.

Additionally in relation to its exposure to long-term interest rates due to financial debt at variable interest rates, the Group has implemented some strategies to mitigate the adverse risk in future cash flows that could derive from volatility in reference interest rates, specifically TIIE. The Group has purchased DFI's that allowed it to swap variable interest rates from certain long term debt based on TIIE for a fixed interest rate.

During their life, the options are measured at their fair value; when they fail to qualify for a hedging relationship, its effects are recorded in profit or loss of the year as they are not formally assigned as hedging instruments in a qualified hedging relationship. Any hedge ineffectiveness related to JF54 and interest rate derivatives are recorded to the jet fuel line and finance income (loss), respectively, in the consolidated statements of profit or loss.

Before entering into these option agreements, Management must obtain Finance Committee's approval, which determines volumes to mitigate, as well as the reference price of them. The purpose of these operations is to mitigate risks related to fuel price and/or interest rate variances.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Derivatives are recognized initially at fair value. Changes in the fair value are recognized immediately in the income statement as the result of the valuation, which is determined at market value and when not quoted in an observable market is determined based on valuation models using observed market data. Such data can be obtained from financial counterparties who act as appraisers.

Capital stock-

Ordinary shares-

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Repurchase of capital stock (treasury shares)-

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented within share premium. As of December 31, 2024, this reserve is in standby until new stock market registration.

(d) Inventories-

Inventories of spare parts, accessories, materials and supplies are measured at the lower of cost and net realizable value. The cost of inventories is based on average and charged to expense as consumed.

(e) Property and equipment-

i. Recognition and measurement-

Aircraft and other items of property and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use. The costs of leased aircraft in accordance to the lease specification, and borrowing costs are capitalized on the qualifying assets.

Rotable spare parts held by the Group are classified as property and equipment if they are expected to be used over more than one period.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized net within other income in profit or loss.

In the case the Group receives credits from manufacturers in connection with the acquisition of certain aircraft and engines, based on the individual terms and conditions of each agreement those credits are recorded as a reduction of the cost of the related aircraft and engines.

ii. Subsequent costs-

The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

iii. Depreciation-

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation is calculated by the straight-line method, based on each asset's estimated useful life of the equipment determined by Management considering the work of third-party appraisers, which is reviewed periodically and is recorded since such assets are available to operation. Assets leased are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The annual depreciation rates and residual value of the principal asset classes are as follows:

	<u>Rates</u>	<u>% residual value</u>
Flight equipment under financial leases	3.3% to 8%	7-15
Rotable spare parts and accessories	5% to 10%	—
Constructions	5% to 10%	—
Ground equipment	10%	—
Transportation equipment	10% to 25%	—
Furniture	10%	—
Machinery and equipment	10% to 33%	—
Computer equipment	25%	—
Major maintenance	8.33% to 57.14%	—



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

iv. Maintenance costs-

Major maintenance-

Major maintenance costs for owned and leased aircraft (i.e., overhaul repairs to major aircraft components such as engines and landing gears) are accounted for under the “built-in-overhaul” method. The Group recognizes the estimated cost for future major maintenance checks as a separate component of property and equipment (major maintenance). This cost is depreciated over the shorter of the period to the next major maintenance event or the remaining life of the asset, and is reported in the consolidated statements of profit or loss and comprehensive income as part of operating expenses (depreciation and amortization). The costs for subsequent major maintenance checks are capitalized when incurred and depreciated over the shorter of the period to the next major maintenance event or the remaining life of the asset. Cash outflows relating to major maintenance are reported in our consolidated statements of cash flows under the “acquisition of properties and equipment (including major maintenance)” line item as part of “cash flows from investing activities” and the related depreciation expense is reported as a non-cash adjustment to determine “net cash from operating activities”.

Line maintenance-

Disbursements made in connection with ongoing and routine maintenance efforts outside the scheduled major maintenance programs for owned and leased aircraft (i.e., routine inspections of the overall aircraft, including fuselage inspections, and the replacement of minor and smaller spare parts) are expensed as incurred (i.e., when maintenance activities are performed) and are reported in our consolidated statements of profit or loss and comprehensive income as part of the maintenance expense line item under operating expenses. Cash outflows for direct and/or line maintenance are reported in our consolidated statements of cash flows as part of “net cash from operating activities”.

If the Group is contractually committed to either return the aircraft in a certain condition or to compensate the lessor based on the actual condition of the aircraft at the end of the lease term, the Group recognizes during the lease term a provision for leased aircraft returns (see Note 3(j)).

(f) Leases-

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

As a lessee-

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property and equipment the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. This rate comprises significant assumptions such as reference rates, credit ratings, country risk and specific adjustments related to the nature of the nature of the leased assets.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in "property and equipment including right-of-use" and lease liabilities in "loans and borrowings including leases" in the statement of financial position (see Notes 15 and 21).

Short-term leases and leases of low-value assets-

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(g) Intangible assets and goodwill-

Intangible assets are mainly comprised of software, fiduciary rights, partners' contracts and customer relationships, trademark and goodwill.

i. Partners' contracts and customer relationships-

Partners' contracts and customer relationships are considered long-lived assets, some of them with finite lived and others indefinite lived.

Finite lived intangible assets (such as "Aeroméxico Rewards" member base and certain "Partner Contracts") are recorded at cost less accumulated impairment losses and are amortized using the straight-line method over their estimated lives, typically 10 years. The average remaining amortization period of individually significant partners' contracts is 2 years. Aeroméxico Rewards member base's useful life is based on the historical rotation of members and certain Partner Contracts are based on contractual terms.

Indefinite lived intangible assets (such as certain Partners Contracts are recorded at cost less accumulated impairment losses and are not amortized but instead tested for impairment annually, or more frequently, should events or changes in circumstances indicate that these intangibles may be impaired.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Based on the Group's analysis of the provisions of IAS 38 *Intangible Assets* on the determination of the useful life of an intangible asset with a defined or indefinite life, the Group's Management has determined that for certain Partners' Contracts with certain cobranded cards, other airlines and other commercial partners, the useful life is indefinite considering that the risk of non-renewal of these commercial agreements is low, derived from the lack of cost of renewal, automatic renewal conditions, the years of permanence that they have maintained as strategic partners and the economic and commercial benefits that have been obtained from these commercial relationships. These assets were recognized in July 2022 as part of the PLM Premier, S.A.P.I. de C.V. ("PLM") acquisition (see Note 6).

ii. Trademark-

Trademarks which are considered intangible assets with indefinite lives, are recorded at cost less accumulated impairment losses and are not amortized but instead tested for impairment annually, or more frequently, should events or changes in circumstances indicate that the trademarks may be impaired. These intangible assets have an indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate cash flows. See for impairment testing Note 3(i).

iii. Goodwill-

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition and it is measured net of accumulated impairment losses. Goodwill is not amortized, but instead tested annually, or more frequently, should events or changes in circumstances indicate that the goodwill may be impaired.

iv. Other intangible assets-

Intangible assets such as software with specific useful lives are systematically amortized based on the best estimation of their useful lives as per expected future economic benefits.

Fiduciary Rights are contributions to a trust for the development of a project named "Aeroméxico Tower" and are stated at cost less accumulated impairment losses.

v. Amortization-

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets with finite useful lives, and is calculated over the cost of the asset, less its residual value.

Amortization is recognized from the date on which intangible assets with finite useful lives are available for use, since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

The estimated useful lives for the current and comparative periods are as follows:

Software	4 - 7 years
Partners' contracts and customer relationships	10 years

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(h) Prepayments and deposits-

Non-current prepayments and deposits consist primarily of deposits made to the lessors of flight equipment and airport groups; and in accordance with their expiration dates are disclosed as current or non-current assets.

Payments of maintenance deposits are capitalized as an asset upon disbursement. These deposits are considered as maintenance reserves, typically calculated based on flight hours. Such maintenance reserves are reclassified to property and equipment (major maintenance) upon the maintenance service is being performed and is expensed through depreciation based on the Group's maintenance policy.

Current prepayments consist mainly of advertising, IT software licenses, insurances and fuel prepayments. Prepayments are expensed when goods or services are received.

(i) Impairment-

i. Non-derivative financial assets-

The Group recognizes loss allowances for expected credit losses on:

- financial assets measured at amortized cost;
- debt investments measured at fair value through other comprehensive income ("FVTOCI"); and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured at twelve month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit losses.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Measurement of Expected Credit Losses (“ECLs”)

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. Non-financial assets-

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. The Group performs an impairment assessment of long-lived assets at the cash-generating unit (“CGU”) when there are indicators that the carrying value of such assets may not be recoverable. This involves estimating the recoverable amount of the CGU at the greater of its fair value less costs to sell, or value in use using a discounted cash flow model. As of December 31, 2024 the Group has property and equipment, (including right-of-use assets), intangible assets and goodwill, prepayments and deposits, and certain other long-term assets, which represent the CGU.

For intangible assets that have indefinite lives, such as trademarks, fiduciary rights and partners' contracts and customer relationships, the recoverable amount is estimated each year at the same time.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

The partners' contracts and customer relationships with indefinite lives do not have an expiration date nor cost of renewal, and these adjustments were recognized in July 2022 within the PLM acquisition.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

Impairment loss recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Goodwill that forms part of the carrying amount of an investment in an equity accounted investee is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an equity accounted investee is tested for impairment as a single asset when there is objective evidence that the investment in an equity accounted investee may be impaired.

(j) Provisions-

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Provision for leased aircraft returns-

With respect to lease agreements, where the Group is required to return the aircraft with adherence to certain return conditions, provision is made during the lease term. This provision is based on the present value of the expected future cost of meeting the return condition, having regard to the current fleet plan and long-term maintenance schedules. The present value of the return conditions is provided for at the inception of the lease and subject to yearly revisions.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(k) Employee benefits-

i. Defined benefit plans-

The Group has defined benefit plans for part of its employees. Additionally 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 net obligation in respect of defined benefit pension and seniority plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on governmental bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method according to IAS 19 (see Note 22). When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

ii. Termination benefits-

Termination benefits are recognized as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than twelve months after the reporting period, then they are discounted to their present value.

iii. Short-term benefits-

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

iv. Share-based payment transactions-

Equity-settled share based payments in the form of free shares are granted to certain key management personnel subject to certain service and non-market performance conditions. Cost of the awards granted is recognized as an employee expense, with a corresponding increase in equity, over the period vesting. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

(l) Revenue recognition-

i. Air traffic liability and revenue recognition for passenger services and ancillary revenues-

Ticket sales are initially recorded as an air traffic liability (contract liability under IFRS 15) and are recognized as passenger revenue, net of airport charges, when the service is rendered. The liability is also reduced by transportation services previously sold through Aerovías de México, S. A. de C. V. (“Aeroméxico”), rendered by other airlines (in which the Company does not obtain control before the tickets are transferred to the customer therefore acting as an agent on behalf of other airlines, since it only arranges the transportation to be provided by other airlines) and refunds of expired tickets.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

The above-mentioned sales where Aeroméxico acts as an agent, conduct to interline service charges which are part of other commissions revenues, recognized in profit and loss when the service is rendered.

Passenger revenue includes airfare, income for expired tickets (breakage), income for ancillary services (excess baggage and other charges to passengers), and the decrease in compensation costs paid to passengers and the cost from accumulated points from Aeroméxico frequent flyer program “Aeroméxico Rewards”, since they do not represent a separate performance obligation.

The Group records the air traffic liability translating to its functional currency the tickets sold on its different foreign exchange rates at the dates of the original ticket sale.

Breakage revenue from expired tickets is recognized as an ancillary revenue based on the scheduled flight date and the terms and conditions of each ticket in which the Group utilizes its historical experience with refundable and non-refundable tickets and other patterned facts.

When a ticket is sold, the Group is required to charge certain taxes and fees on its passenger tickets. These passenger related taxes and fees include for example value added tax, governmentally imposed airport departure and arrival taxes, airport passenger facility charges, etc. Since the Group has a legal obligation to act as a collection agent with respect to these taxes and fees, such amounts are not part of the passenger revenue. The Group records a liability when these amounts are collected and derecognizes the liability when payments are made to the applicable government agency or operating airport.

Commissions on ticket sales are expensed when the related revenues are recognized within the travel agent commissions expense line. The amount of travel agent commissions through indirect distribution channels for the year ended December 31, 2024, were \$60,632 (2023: \$56,932 and 2022: \$44,025).

ii. Cargo revenue-

Cargo revenue is recognized when the service is rendered.

iii. Other revenues-

Other revenues include mainly revenue from training, charter services, Aeroméxico Rewards redeemed points (see next item) and other, and are recognized in the statement of profit or loss and comprehensive income in the period the services are provided.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

iv. *Frequent flyer liability and revenue recognition for Aeroméxico Rewards Points-*

Aeroméxico Rewards frequent flyer program allows passengers to accumulate Aeroméxico Rewards Points “AR Points” (mainly by flying on the Group’s airlines or its alliance partners and by using services of the program partners for cobranded credit cards, hotel stays, car rentals and others) that entitle them to a choice of various awards. All the AR Points earned by the Aeroméxico Rewards members are accounted as a liability (frequent flyer program) and are recognized as revenue when the awards are redeemed. The amount of revenue recognized by the Group is based on the number of AR Points redeemed in a period in relation to the total number expected to be redeemed, which factors in the Group’s estimate for breakage.

Breakage represents the estimated AR Points that are not expected to be redeemed by the program members. Breakage is estimated by Management based on the terms and conditions of membership and historical accumulation and redemption patterns, as adjusted for changes to any terms and conditions that may affect members’ redemption practices. Changes in breakage are accounted for as follows: in the period of change, the deferred revenue balance (frequent flyer liability) is adjusted as if the revised estimate had been used in prior periods with the offsetting amount recorded as an adjustment to revenue; and for subsequent periods, the revised estimate is used. Breakage is allocated to other income.

(m) **Finance income and costs-**

Finance income comprises interest income on funds invested, changes in the fair value of financial assets at fair value through profit or loss, and net foreign exchange gains that are recognized in profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Group’s right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions or dividends, changes in the fair value of financial assets at fair value through profit or loss, net foreign exchange losses, credit card commissions, impairment losses recognized on financial assets, leases interest and losses on derivative instruments that are recognized in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

(n) **Income tax (“IT”)-**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Current tax is the expected tax payable or receivable. IT payable for the year is determined in conformity with legal and tax requirements for companies in Mexico, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred IT is accounted for under the asset and liability method. Deferred taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill acquired under a business combination. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(o) Employee Statutory Profit Sharing (“ESPS”)-

ESPS payable for the year is determined in conformity with the tax provisions in effect. Under current tax law, companies are required to share 10% of their taxable profits and the limits established in the applicable legislation with their employees. The ESPS is determined by the taxable profit calculated by individual entity level and not under a consolidated basis.

(p) Earnings per share-

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(q) Business concentrations-

The Company's services are provided to a large number of customers without significant concentration with any particular customer.

The main supplier of fuel used by aircraft in Mexico is World Fuel Services México, S. de R. L. de C. V.

(r) Segment reporting-

The Group reports information by segments as established in IFRS 8 *Operating segments*. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group has determined that it has one operating segment: air transportation, identified in the following geographical destinations: (1) Domestic and (2) International. The Group allocates revenues by geographic area based on passenger flight destination.

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

Changes in material accounting policies-

A. Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The Group has adopted *Classification of Liabilities as Current or Non-current Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants* (Amendments to IAS 1) from January 1, 2024.

The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period.

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



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Standards issued but not yet effective -

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

A. IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined Performance Measures ("MPM") are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPM.

The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

B. Other standards

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements:

- *Lack of Exchangeability* (Amendments to IAS 21)
- *Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 and IFRS 7)

(5) Determination of fair values-

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and for disclosure purposes based on the methods described in the next paragraphs. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(a) Property-

The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly.

(b) Derivative securities-

The fair value of Over the Counter ("OTC") derivatives is obtained from the banking counterparty and tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market inputs. Fair values reflect the credit risk of the instrument and include adjustments to take account of our own credit risk when appropriate.

(c) Non-derivative financial liabilities-

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

(d) Debt securities-

The fair value of debt securities is determined by reference to their quoted closing mid-price at the reporting date plus an adjustment to reflect the bid price. If unquoted, the fair value is estimated using a discounted cash flow technique using expected future cash flows and a market related discount rate.

(e) Intangible assets-

The fair value of the partners' contracts and customer relationships and trademark is explained in Note 6B.

(f) Share based payments-

The fair value of shares based payments granted to key management personnel and senior employees is determined by reference to publicly available quoted prices of such shares.

(6) Group entities-

Significant subsidiaries-

The significant consolidated subsidiaries as of December 31, 2024, 2023 and 2022 are shown in the next page.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

<u>Subsidiary</u>	<u>Principal activity</u>	<u>Country of incorporation</u>	<u>Ownership interest %</u>		
			<u>2024</u>	<u>2023</u>	<u>2022</u>
<i>Fully consolidated subsidiaries:</i>					
I. Aerovías de México, S. A. de C. V. and subsidiaries (“Aeroméxico”)	Air transportation services for passengers, goods and cargo	Mexico	100	100	100
a Aerolitoral, S. A. de C. V. (“Aerolitoral”) (1)	Air transportation services for passengers, goods and cargo	Mexico	99.99	99.99	99.99
b Inmobiliaria Avenida Fuerza Aérea Mexicana 416, S. A. de C. V.	Real Estate	Mexico	99.99	99.99	99.99
c Inmobiliaria Boulevard Aeropuerto 161, S. A. de C. V.	Real Estate	Mexico	99.99	99.99	99.99
d Operadora de Franquicias y Productos Aéreos, S. A. de C. V. (“Operadora”)	Trading of franchise system	Mexico	99.99	99.99	99.99
e Sistemas Integrados de Soporte Terrestre en México, S. A. de C. V., holding company of AM Formación Interna, S. A. de C. V.	Services	Mexico	99.99	99.99	99.99
f Aerosys, S. A. de C. V.	Management of investment in shares	Mexico	50.01	50.01	50.01
g Fundación Aeroméxico, A. C.	Obtainig support and assisting in several charitable causes	Mexico	99.99	99.99	99.99
h Centro de Capacitación Alas de América, S. A. de C. V.	Aircraft crew training	Mexico	99.99	99.99	99.99



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

Notes to the consolidated financial statements

(In thousands of US dollars)

<u>Subsidiary</u>	<u>Principal activity</u>	<u>Country of incorporation</u>	<u>Ownership interest %</u>		
			<u>2024</u>	<u>2023</u>	<u>2022</u>
i Administradora Especializada en Negocios, S. A. de C. V. (“Adensa”)	Ground handling services	Mexico	99.99	99.99	99.99
j Estrategias Especializadas en Negocios, S. A. de C. V. (“Esensa”)	Ground handling services	Mexico	50	50	50
k Aerovías Empresa de Cargo, S. A. de C. V.	Air cargo services	Mexico	100	100	100
l Fideicomiso Aeromexico Servicios	Equipment lease	Mexico	100	100	100
m Fideicomiso F/1748	Administration	Mexico	100	100	100
n Empresa de Mantenimiento Aéreo S. A. de C. V.	Aircraft maintenance services	Mexico	100	100	100
o Fideicomiso CIB/4021	Administration	Mexico	100	100	100
II. Integración y Supervisión de Recursos Corporativos, S. A. de C. V.	Services	Mexico	100	100	100
III. Servicios Corporativos Aeroméxico, S. A. de C. V.	Services	Mexico	99.99	99.99	99.99
IV. Corporación Nadmin, S. A. de C. V.	Management of investment on shares	Mexico	100	100	100
V. Aeroméxico Cargo, S. A. P. I. de C. V. (1)	Air cargo services	Mexico	100	100	100
VI. Premium Alliance Services, LLP	Services	United Kingdom	100	100	100
VII. T2 Servicios Aeroportuarios, S. A. de C. V.	Airport services	Mexico	100	100	100



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

Notes to the consolidated financial statements

(In thousands of US dollars)

<u>Subsidiary</u>	<u>Principal activity</u>	<u>Country of incorporation</u>	<u>Ownership interest %</u>		
			<u>2024</u>	<u>2023</u>	<u>2022</u>
VIII. PLM Premier, S. A. P. I. de C. V. (“PLM”), holding company of Loyalty Servicios Profesionales Mundiales, S. A. de C. V. (2)	Design and development of loyalty programs	Mexico	100	100	100
Investments in equity accounted investees:					
I. Aeromexpress, S. A. de C. V.	Air cargo services	Mexico	50	50	50
II. AM DL MRO JV, S. A. P. I. de C. V. (“MRO”) (3)	Aircraft maintenance services	Mexico	50	50	50
III. AM BD GP JV, S. A. P. I. de C. V. (“AM BD”) (3)	Sale of vacation packages	Mexico	51	51	51

- (1) All these companies have an interest in Esensa thus representing consolidated ownership of 100% in such entity.
- (2) Since July 15, 2022 the Group consolidates these subsidiaries (see next item and Note 18).
- (3) The Group maintains joint control in these companies.

Acquisition of subsidiary -

See accounting policy in Note 3 (a) *i - ii*.

On July 15, 2022, the Group acquired 48.86% of the shares and voting interests in PLM. As a result, the Group’s equity interest in PLM increased from 51.14 to 100%, granting it control of PLM (see Note 18 (a) *ii*).

PLM operates the frequent flyer program named “Aeroméxico Rewards”, that allows frequent passengers to accumulate Aeroméxico Rewards Points or “AR Points” that entitle them to a choice of various awards. In addition, AR Points are sold by PLM to commercial partners to use in promotional activity. The fair value attributed to all the AR Points earned by the members, is accounted for by PLM as a liability and recognized as revenue on redemption of the AR Points by the participants to whom they are issued. The fair value of the award is determined based on prices at which the awards are sold to commercial partners.

Included in the identifiable assets and liabilities acquired at the date of acquisition of PLM were inputs (partners’ contracts and customer relationships, trademark, and goodwill) and an organized workforce. The Group determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group concluded that the acquired set was a business.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Taking control of PLM enabled the Group to convert PLM's coalition program to a modern frequent flyer program with a higher engagement of its members. The acquisition promoted an increased activity of the Aeroméxico Rewards program members.

Since the date of acquisition, PLM contributed net revenue of \$43,636 and net profit of \$21,236 to the Group's results for the period ended December 31, 2022. If the acquisition had occurred on January 1, 2022, Management estimated that consolidated revenue would have been \$83,835, and consolidated net profit for the year would have been \$46,010. In determining these amounts, Management assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2022.

A. Consideration transferred –

Grupo Aeroméxico transferred cash of \$430,359 for this transaction and there was an additional contingent consideration up to \$24,000 to certain performance provisions.

Contingent consideration

The Group agreed to pay the selling shareholders in three years' time (calendar years 2022 to 2024) an additional variable consideration ("Earn Out") if the acquiree's cumulative gross billings over this period would be above 97.5% of the estimated gross billing target. The Group included \$24,000 as contingent consideration related to the estimated Earn Out (see Note 24).

B. Identifiable assets acquired and liabilities assumed-

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition:

	<u>Note</u>	
Cash and cash equivalents		\$ 167,410
Trade and other receivables		35,508
Property and equipment, including right-of-use	15	315
Intangible assets and goodwill	17	143,353
Deferred tax assets	19	109,117
Trade and other payables		(43,912)
Deferred revenue (frequent flyer program)		(421,419)
Employee benefits	22	(407)
Total identifiable net assumed liabilities		\$ <u>(10,035)</u>



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Measurement of fair values-

The valuation techniques used for measuring the fair value of material assets acquired were those shown as follows:

Assets acquired	Valuation technique
Intangible assets	<p>The fair value of the Customers' Relationship was determined based on the methodology called <i>Multi-Period Excess Earnings Method</i> ("MPEEM"), which consists of demanding a return on each of the assets, tangible and intangible that contribute to the generation of income by the intangible asset subject to the valuation. It is considered that once the present value of such returns is deducted from the present value of the projected after-tax operating profit of the business, the resulting surplus will correspond to the value of the intangible asset subject to valuation.</p> <p>To estimate the fair value of the Trademark, the <i>Relief from Royalty</i> ("RfR") methodology commonly used to estimate the fair value of this type of intangible assets was used. The application of this methodology is based on the scenario of hypothetical savings of a royalty that is not paid to an independent third party and since the owner owns the intangible asset and does not need to license it from someone else. In the application of Relief from Royalty, royalty transactions are rarely found on products identical to those being valued, since by their very nature they have very particular characteristics.</p> <p>In addition, these transactions commonly report a range of royalties and it is at the discretion and based on the experience of the appraiser, to adjust the most appropriate royalty percentage based on the characteristics of the valued brand and from which the information is obtained.</p>

C. Goodwill-

Goodwill arising from the acquisition has been recognized as shown on the next page.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

	<u>Note</u>	
Consideration transferred	A	\$ 430,359
Fair value on identifiable intangibles (customer relationships and trademark) of PLM	17	346,380
Additional contingent consideration	24	24,000
Carrying amount on pre-existing interest in PLM as a joint venture		479
Fair value on identifiable net assumed liabilities	B	10,035
Share of gain on equity accounted investee	18	<u>(307,680)</u>
Goodwill	17	<u>\$ 503,573</u>

The remeasurement to fair value of the Group's existing 51.14% interest in PLM resulted in a gain of \$307,680 recognized in the share of gain of the equity-accounted investee at the date of acquisition. To estimate this gain, a revenue approach was used based on the methodology of discounted cash flows.

The goodwill is attributable mainly to the synergies expected to be achieved from integrating PLM into the Group's existing business. None of the goodwill recognized is expected to be deductible for tax purposes.

D. Operating segment-

PLM is now part of the consolidated financial statements of Grupo Aeroméxico, Management considers it is also part of the air transportation operating segment, as referred-to in Note 9.

(7) Related party transactions-

Ultimate controlling party-

Grupo Aeroméxico is the parent and ultimate controlling party.

The key management personnel, including board members and principal executives (chief officers, vice presidents and senior directors) compensation of Grupo Aeroméxico as of and during the years ended December 31 was as shown in the next page.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Key management personnel compensation comprised:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 18,360	17,573	13,504
Variable compensation	21,392	8,258	38,535
Share-based payments	14,798	16,742	—
	<u>\$ 54,550</u>	<u>42,573</u>	<u>52,039</u>

Related-party transactions and balances-

Transactions carried out with related parties during the years ended December 31, 2024, 2023 and 2022, are disclosed below:

i. Operations

<u>Revenues:</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Tickets reward (4)	\$ —	—	29,193
Leases (2)	106	75	—
Administrative services (1) and (4)	—	12	50
Marketing, net (4)	—	—	455
Interline, net (3) (a)	131,616	2,472	—
Premier lounges (3) and (4)	1,599	1,292	1,170
Other services (1), (2), (3), (4) and (5)	29	13	1,974
	<u>\$ 133,350</u>	<u>3,864</u>	<u>32,842</u>



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

Notes to the consolidated financial statements

(In thousands of US dollars)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<i>Expenses:</i>			
Purchase of Aeroméxico Rewards Points and Sky Miles (3) and (4)	\$ 5,747	6,686	32,464
Fuel (3)	59,592	84,204	84,854
Interline, net (3) (a)	—	—	39,353
Ramp services, net (3)	37,316	32,143	26,959
Maintenance (2) and (3) (b)	1,322	1,345	717
Frequent flyer redemption costs (4)	—	—	771
Personnel services (3)	2,009	381	382
Freight handling (3)	2,314	1,353	1,296
Interest expenses, net (1), (2) and (4)	499	22	1,636
Other services (1)	197	174	—
	<u>\$ 108,996</u>	<u>126,308</u>	<u>188,432</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”)
- (4) PLM Premier, S. A. P. I. de C. V. (“PLM”). The figures reported for 2022 correspond to the period from January 1 to July 15, 2022 where this related-party was a non-consolidated joint-controlled entity.
- (5) AM BD GP JV, S. A. P. I. de C. V. (“AM BD”)
 - (a) Within this figure is included Delta's interline revenue for \$131,674, \$130,313 and \$138,482 in 2024, 2023, 2022, respectively.
 - (b) In addition, the Group received maintenance services, which based on the respective accounting policies, were capitalized for \$606, \$294, and \$21,123 in 2024, 2023 and 2022, respectively.

ii. Outstanding balance

Balances due from and due to related parties as of December 31, 2024, 2023 and 2022, are as shown in the next page.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Due from:</u>			
MRO	\$ 1	—	434
Delta	3,082	1,146	106
	<u>\$ 3,083</u>	<u>1,146</u>	<u>540</u>
 <u>Due to:</u>			
MRO (1)	\$ —	13,695	—
Aeromexpress	786	714	436
AM BD	—	11	9
	<u>\$ 786</u>	<u>14,420</u>	<u>445</u>

Balances due from and due to related parties relates 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%.

(8) Revenue recognition -

i. 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 with 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.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Passengers	\$ 4,504,774	4,042,806	3,073,462
Ancillaries	646,115	461,351	328,947
	<u>\$ 5,150,889</u>	<u>4,504,157</u>	<u>3,402,409</u>

ii. Air traffic liability-

Ticket sales are initially recorded as an air traffic liability and are recognized as passenger revenue, net of airport charges, when the service is rendered. The liability is also reduced by refunds of expired tickets and transportation services previously sold through Aeroméxico rendered by other airlines, in which the Group does not obtain control before the tickets are transferred to the customer, therefore acting as an agent since it only arranges the transportation to be provided by other airlines.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

In the years ended December 31, 2024, 2023 and 2022, the Group recognized \$329,045, \$256,167, and \$147,765 respectively of passenger revenue for tickets that were included in the air traffic liability balance at the beginning of those periods. The balance of the air traffic liability in general is expected to be recognized in the next twelve months, but due to the COVID-19 pandemic, the Group modified its ticket utilization policy, so the usual terms for a flight to be completed without breakage was extended in the year 2021.

iii. Frequent flyer program-

Aeroméxico Rewards frequent flyer program allows passengers to accumulate AR Points (mainly by flying on the Group's airlines or its alliance partners and by using services of the program partners for cobranded credit cards, hotel stays, car rentals and others) that entitle them to a choice of various awards. All the AR Points earned by the Aeroméxico Rewards members are accounted as a liability (frequent flyer program) and are recognized as revenue when the awards are redeemed. The amount of revenue recognized by the Group is based on the number of AR Points redeemed in a period in relation to the total number expected to be redeemed, which factors in the Group's estimate for breakage. Breakage represents the estimated AR Points that are not expected to be redeemed by the program members. Breakage is estimated by Management based on the terms and conditions of membership and historical accumulation and redemption patterns, as adjusted for changes to any terms and conditions that may affect members' redemption practices.

Since the date of acquisition of PLM on July 15, 2022, the subsidiary contributed revenue of \$106,365 (including \$19,701 of breakage) to the Group's results for the period ended December 31, 2022.

(9) Operating segment-

The Group has one operating 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 Company. The main measure of profit and loss for segment is total operating income.

Geographical revenue segment information is as in the next page.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Domestic	\$ 2,242,026	2,036,773	1,529,434
International	<u>3,377,828</u>	<u>2,879,324</u>	<u>2,282,565</u>
	<u>\$ 5,619,854</u>	<u>4,916,097</u>	<u>3,811,999</u>

Substantially all assets are located in Mexico.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(10) Cash and cash equivalents-

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Bank balances	\$ 540,165	557,228	538,780
Call deposits	275,331	355,642	216,385
Restricted cash	<u>26,501</u>	<u>24,828</u>	<u>87,017</u>
Cash and cash equivalents	<u>\$ 841,997</u>	<u>937,698</u>	<u>842,182</u>

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is described in Note 28.

As of December 31, 2024, 2023 and 2022, the Group has restricted cash amounting to \$26,501, \$24,828 and \$87,017, respectively. The main balance comprises the consolidated issuer trust to securitize cash flows from credit card ticket sales through offices and travel agencies in Mexico and in 2022 includes also a trust deposit to cover any shares payments to be settled in connection to the tender offer as explained in Note 26.

(11) Derivative financial instruments-

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current derivatives - assets	\$ <u>—</u>	<u>334</u>	<u>1,893</u>

As of December 31, 2023 and 2022, the Group had interest rate swaps in force in which the Group pays fixed rates and receives a floating rate indexed to TIIE 28 days. Through these instruments the Group managed risk generated by the volatility of cash flows due to floating interest rate, including those associated with the issuance of the Senior Trust Bonds.

Derivative financial instruments used by the Group and exposure to credit, currency and interest rate risks are disclosed in Note 28.

(12) Prepayments and deposits-

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



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Non-current prepayments and security deposits consist of the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Advances for fleet renewal, including engines and interiors' standardization	\$ 6,875	9,108	7,448
Deposits:			
For the lease of aircraft and engines	40,368	40,229	35,525
With airport groups	47,130	43,073	30,819
Maintenance deposits	46,027	32,416	29,564
Other	<u>20,071</u>	<u>24,103</u>	<u>34,653</u>
	\$ <u>160,471</u>	<u>148,929</u>	<u>138,009</u>

Cash additions of deposits for maintenance and acquisition of properties and equipment amounted to \$41,886 for 2024, \$53,921 for 2023 and \$50,726 for 2022.

(13) Inventories-

Inventories as of December 31, 2024, 2023 and 2022 are comprised as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Spare parts and accessories (1)	\$ 137,212	109,964	98,878
Miscellaneous supplies	<u>12,599</u>	<u>12,039</u>	<u>11,634</u>
	149,811	122,003	110,512
Impairment	<u>(10,090)</u>	<u>(13,545)</u>	<u>(13,545)</u>
	\$ <u>139,721</u>	<u>108,458</u>	<u>96,967</u>

In 2024, inventories of \$57,624 (2023: \$47,070 and 2022: \$39,104) were recognized as an expense during the year which was included in different operating expenses lines.

The inventories are presented to net realizable value. Total write downs in 2024, 2023 and 2022 were of \$5,411, \$6,498 and \$7,094, respectively.

- (1) During 2024, 2023 and 2022 these inventories were guaranteeing a fuel supply contract used in Mexico.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(14) Trade and other receivables, net-

Trade and other receivables as of December 31, 2024, 2023 and 2022, consists of the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Airlines and travel agencies	\$ 7,149	7,272	9,825
Credit cards and customers (1)	231,517	271,005	167,538
Recoverable taxes	358,492	333,032	212,603
Other	<u>6,748</u>	<u>14,871</u>	<u>10,388</u>
	603,906	626,180	400,354
Less allowance for doubtful accounts	<u>(12,431)</u>	<u>(7,968)</u>	<u>(9,082)</u>
Net trade and other receivables	<u>\$ 591,475</u>	<u>618,212</u>	<u>391,272</u>

For aging analysis of our trade and other receivables see Note 28.

- (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 (see Note 21).



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(15) Property and equipment-

Property and equipment, including right-of-use as of December 31, 2024, 2023 and 2022 comprise the following:

	Right-of-use (1)	Flight and other equipment under finance leases	Major maintenance	Flight equipment	Roadable spare parts and accessories	Improvements of flight equipment	Machinery and equipment	Lens-hold investments	Furniture and computer equipment	Construction (1)	Ground and platform equipment	Transportation equipment	Other equipment	Work-in-process	Land	Total
Cost or deemed cost																
Balance as of January 1, 2024	\$ 515,469	2,226,618	735,114	212,452	101,382	71,903	46,785	88,658	24,668	22,404	17,593	10,648	32,781	13,190	13,269	4,432,734
Additions (2)	—	596,431	422,300	—	19,627	10,965	537	2,168	1,769	—	3,886	259	937	15,631	—	1,073,710
Disposals (3)	—	(103,781)	(4,297)	—	(9,062)	(14,110)	(5,281)	(18,215)	(758)	—	(649)	(755)	(1,789)	(1,391)	—	(106,088)
Transfers	(40,000)	—	—	40,000	—	—	73	—	—	—	—	—	(73)	—	—	—
Balance as of December 31, 2024	\$ 495,469	3,019,268	1,155,117	252,452	111,947	68,758	42,114	52,611	25,679	22,404	19,830	10,152	31,856	27,430	13,269	5,346,356
Balance as of January 1, 2023	\$ 560,717	2,159,617	457,612	187,204	89,674	69,450	46,145	87,092	23,019	22,443	16,628	10,639	30,156	9,377	13,269	3,782,742
Additions (2)	—	409,887	278,152	—	18,283	18,859	1,040	6,377	2,627	—	729	692	2,638	3,813	—	743,097
Disposals (3)	—	(42,886)	(650)	—	(6,575)	(16,546)	(400)	(24,811)	(978)	(59)	(164)	(83)	(13)	—	—	(93,105)
Transfers	(25,248)	—	—	25,248	—	—	—	—	—	—	—	—	—	—	—	—
Balance as of December 31, 2023	\$ 535,469	2,526,618	735,114	212,452	101,382	71,903	46,785	68,658	24,668	22,404	17,593	10,648	32,781	13,190	13,269	4,432,734
Balance as of January 1, 2022	\$ 560,717	2,138,111	411,452	178,704	86,188	60,364	74,076	92,618	36,229	22,808	18,793	10,248	33,226	5,427	13,269	3,742,590
Additions (2)	—	878,967	158,658	12,000	8,512	12,644	2,994	—	980	—	9	859	340	3,950	—	1,078,833
Disposals (3)	—	(857,461)	(111,898)	(3,500)	(5,026)	(2,578)	(30,225)	(5,777)	(14,994)	(565)	(1,974)	(1,068)	(3,410)	—	—	(1,059,336)
PLM acquisition effect (see Note 6)	—	—	—	—	—	—	—	211	104	—	—	—	—	—	—	315
Balance as of December 31, 2022	\$ 560,717	2,159,617	457,612	187,204	89,674	69,450	46,145	87,092	23,019	22,443	16,628	10,639	30,156	9,377	13,269	3,782,742
Depreciation																
Balance as of January 1, 2024	\$ 179,745	717,761	380,940	113,998	46,406	37,149	38,491	49,339	20,435	13,571	10,826	8,238	28,242	—	—	1,645,139
Depreciation for the year	171,50	381,818	194,080	17,759	5,514	5,286	2,389	4,956	1,546	517	1,383	591	1,717	—	—	644,508
Disposals (3)	—	(94,953)	(2,984)	—	(1,320)	(14,099)	(5,272)	(18,215)	(706)	—	(543)	(745)	(1,012)	—	—	(139,849)
Transfers	(20,640)	—	—	20,640	—	—	177	—	—	—	—	—	(17)	—	—	—
Balance as of December 31, 2024	\$ 176,650	1,004,626	572,036	152,397	50,600	28,336	35,625	36,086	21,075	14,088	11,668	8,084	28,930	—	—	2,196,796
Balance as of January 1, 2023	\$ 176,650	379,721	226,927	92,041	43,424	41,984	36,489	66,148	18,942	13,095	9,872	7,563	26,480	—	—	1,139,336
Depreciation for the year	19,523	353,623	154,216	5,527	4,607	6,066	2,383	6,764	1,131	515	1,106	746	1,773	—	—	557,982
Disposals (3)	—	(15,383)	(203)	—	(1,625)	(10,901)	(381)	(23,573)	362	(59)	(152)	(71)	(13)	—	—	(521,739)
Transfers	(16,430)	—	—	16,430	—	—	—	—	—	—	—	—	—	—	—	—
Balance as of December 31, 2023	\$ 179,745	717,761	380,940	113,998	46,406	37,149	38,491	49,339	20,435	13,571	10,826	8,238	28,242	—	—	1,645,139
Balance as of January 1, 2022	\$ 156,465	532,844	259,450	90,059	40,715	36,908	64,189	63,303	32,707	13,087	10,888	7,579	28,561	—	—	1,316,351
Depreciation for the year	20,187	295,659	89,482	5,482	4,341	8,054	3,023	8,610	1,463	370	1,329	786	1,329	—	—	446,413
Disposals (3)	—	(449,082)	(102,005)	(5,500)	(1,652)	(2,578)	(30,723)	(5,765)	(15,238)	(362)	(1,943)	(802)	(3,410)	—	—	(617,430)
Balance as of December 31, 2022	\$ 176,650	379,721	226,927	92,041	43,424	41,984	36,489	66,148	18,942	13,095	9,872	7,563	26,480	—	—	1,139,336
Carrying amounts																
As of December 31, 2024	\$ 319,216	2,014,642	581,081	100,665	61,347	40,422	6,489	16,531	4,044	8,216	8,162	2,008	2,926	27,430	13,269	3,206,558
As of December 31, 2023	\$ 355,726	1,898,867	354,174	98,854	54,976	34,754	8,294	19,319	4,233	8,833	6,567	2,410	4,539	13,190	13,269	2,787,695
As of December 31, 2022	\$ 384,667	1,779,896	230,685	95,163	46,826	27,566	9,656	20,944	4,077	9,348	6,956	2,476	3,676	9,377	13,269	2,643,406

(1) Total right-of-use net carrying amount for \$2,333,858, \$2,164,583 and \$2,163,963 in December 31, 2024, 2023 and 2022, respectively.

(2) Cash used in additions of property and equipment during 2024, 2023 and 2022 are \$422,837, \$333,208, and \$199,867 respectively.

(3) Cash proceeds from the sale of property and equipment during 2024, 2023 and 2022 are \$2,796, \$1159 and \$3,133 respectively.

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

Notes to the consolidated financial statements

(In thousands of US dollars)

- (4) Lease agreements for the land on which the maintenance facilities and other buildings are located establish that such facilities will be transferred to the Federal Government upon termination of the lease agreements without any consideration to the Group. The most important agreements expire between 2028 and 2033.

Finance leases-

Finance leases in 2024 include two Boeing B787-8 airplanes (same number in 2023 and 2022), with last maturing in 2029; six Boeing B737 NG airplanes (eight in 2023 and nine in 2022), the last of which will mature in 2027, and one flight simulator for the Boeing B-737 MAX maturing in 2029 (same number in 2023 and 2022).

The equipment leased under finance leases, secures the lease obligations. As of December 31, 2024, the net carrying amount of leased equipment was \$319,216 (2023: \$355,726 and 2022: \$384,067).

Property and equipment under construction-

As of December 31, 2024, 2023 and 2022, the estimated costs to conclude projects and work in progress amount to \$26,030, \$11,340 and \$9,376, respectively.

Impairment loss and subsequent reversal

As of December 31, 2024, 2023 and 2022, there are no losses from impairment in the value of these assets, evaluated in accordance with provisions of IAS 36 *Impairment of Assets*.

(16) Leases-

See accounting policy in Note 3(f).

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.

Flight equipment and property leases were entered into years ago as combined leases of flight equipment and properties.

The Group leases flight equipment under a number of lease arrangements, which were classified as leases under IAS 17 (see Note 15).

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.

Information about leases for which the Group is a lessee is presented on the next page.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

i. Right-of-use assets-

Right-of-use net assets for \$2,333,858, \$2,164,583 and \$2,163,963 in December 31, 2024, 2023 and 2022, respectively related to leased property and flight equipment that do not meet the definition of investment property are presented as property and equipment (see Note 15).

ii. Amounts recognized in profit or loss-

Total rental expenses related to short-term leases or low-value assets (including also Power by the Hour (“PBH”) leases for flight equipment) during the years ended December 31, 2024, 2023 and 2022, are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Aircraft leasing	\$ 16,236	23,779	143,482
Real estate	<u>6,263</u>	<u>6,424</u>	<u>5,158</u>
	<u>\$ 22,499</u>	<u>30,203</u>	<u>148,640</u>

iii. Leases conditions-

Main leases are as follows:

- (a) In 2024, the Group maintained in total 149 aircraft and 39 engines (2023: 149 aircraft and 40 engines and 2022: 144 aircraft and 39 engines) with different terms, with the last expiring in 2036.

During 2024, 2023 and 2022, the Group renewed certain lease agreements, extending their original maturity dates, which are presented as a liability at the end of those years (see Note 33).

The aforementioned agreements are partially guaranteed by security cash deposits. In addition, the most significant obligations assumed under this modality are listed as follows:

- Maintain all records, licenses and required authorizations by aviation authorities throughout the term of the lease agreement, by making the related payments.
 - Provide maintenance to the leased equipment in accordance with the respective maintenance program.
 - Insure the equipment in accordance with the amounts and risks established in each agreement.
 - Provide certain financial information to the lessor.
 - Comply with technical conditions for returning the aircraft.
- (b) The Group entered into leasing contracts for airport facilities, a portion of which are in the process of being renewed.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

- (c) Cash payments of principal of leases amounted to \$346,539, \$302,859 and \$112,700 in 2024, 2023 and 2022, respectively.

(17) Intangible assets and goodwill-

	Intellectual Property (1)	Software	Fiduciary Rights (2) Indefinite Life	Partners' Contracts and Customer Relationships (3)		Trademark Indefinite Life	Goodwill	Total
				Indefinite Life	Finite Life			
Cost								
Balance as of								
January 1, 2024	\$ —	86,594	63,280	375,512	47,294	61,895	503,573	1,138,148
Additions	—	29,078	—	—	—	—	—	29,078
Disposals	—	(25,312)	—	—	—	—	—	(25,312)
Balance as of December 31, 2024	\$ —	90,360	63,280	375,512	47,294	61,895	503,573	1,141,914
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	\$ —	86,594	63,280	375,512	47,294	61,895	503,573	1,138,148
Balance as of								
January 1, 2022	\$ 9,769	53,842	63,280	—	—	—	—	126,891
Additions	—	13,700	—	—	—	—	—	13,700
PLM business combination (see Note 6)	—	5,032	—	375,512	47,294	61,895	503,573	993,306
Disposals	(9,769)	(19,026)	—	—	—	—	—	(28,795)
Balance as of December 31, 2022	\$ —	53,548	63,280	375,512	47,294	61,895	503,573	1,105,102



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

Notes to the consolidated financial statements

(In thousands of US dollars)

		<u>Intellectual Property (1)</u>	<u>Software</u>	<u>Fiduciary Rights (2) Indefinite Life</u>	<u>Partners' Contracts and Customer Relationships (3)</u>		<u>Trademark Indefinite Life</u>	<u>Goodwill</u>	<u>Total</u>
					<u>Indefinite Life</u>	<u>Finite Life</u>			
<u>Amortization</u>									
Balance as of January 1, 2024	\$	—	29,808	—	—	19,236	—	—	49,044
Amortization for the year		—	7,724	—	—	12,824	—	—	20,548
Disposals		—	(25,312)	—	—	—	—	—	(25,312)
Balance as of December 31, 2024	\$	—	12,220	—	—	32,060	—	—	44,280
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	\$	—	29,808	—	—	19,236	—	—	49,044
Balance as of January 1, 2022	\$	—	33,789	—	—	—	—	—	33,789
Amortization for the year		—	6,718	—	—	6,412	—	—	13,130
Disposals		—	(19,482)	—	—	—	—	—	(19,482)
Balance as of December 31, 2022	\$	—	21,025	—	—	6,412	—	—	27,437
<u>Impairment</u>									
Balance as of January 1, 2024	\$	—	—	17,280	—	—	—	—	17,280
Impairment for the year		—	—	—	—	—	—	—	—
Balance as of December 31, 2024	\$	—	—	17,280	—	—	—	—	17,280
Balance as of January 1, 2023	\$	—	—	13,853	—	—	—	—	13,853
Impairment for the year (4)		—	—	3,427	—	—	—	—	3,427
Balance as of December 31, 2023	\$	—	—	17,280	—	—	—	—	17,280



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

Notes to the consolidated financial statements

(In thousands of US dollars)

	Intellectual Property (1)	Software	Fiduciary Rights (2) Indefinite Life	Partners' Contracts and Customer Relationships (3)		Trademark Indefinite Life	Goodwill	Total
				Indefinite Life	Finite Life			
Balance as of January 1, 2022	\$ 9,769	—	13,853	—	—	—	—	23,622
Impairment for the year	—	—	—	—	—	—	—	—
Utilization	(9,769)	—	—	—	—	—	—	(9,769)
Balance as of December 31, 2022	—	—	13,853	—	—	—	—	13,853
Carrying amounts								
As of December 31, 2024	\$ —	78,140	46,000	375,512	15,234	61,895	503,573	1,080,354
As of December 31, 2023	\$ —	56,786	46,000	375,512	28,058	61,895	503,573	1,071,824
As of December 31, 2022	\$ —	32,523	49,427	375,512	40,882	61,895	503,573	1,063,812

- (1) Intellectual property received as a partial payment on the disposal of shares of PLM.
- (2) 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.
- (3) Includes contracts with third parties attached to our Aeroméxico Rewards frequent flyer program, including the program member base.
- (4) For the year ended December 31, 2023, the Group recognized \$3,427 losses for impairment, related to a decline in the fair value of corporate office buildings.

(18) Investments in equity accounted investees-

Investment in equity accounted investees as of December 31, 2024, 2023 and 2022, are comprised as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Interest in joint ventures	\$ 16,978	27,120	30,181



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(a) Joint Ventures—

The Group classifies all interest in joint arrangements as joint ventures, as the Group has rights only to the net assets of such arrangements.

The Group has the following joint arrangements:

i. Joint venture with Delta-

Grupo Aeroméxico and Delta established a Joint Venture AM DL MRO JV, S. A. P. I de C. V. (“MRO”) to render maintenance, repair and major overhaul of aircraft services in Queretaro, Mexico. MRO offered the aforementioned services to Grupo Aeroméxico, Delta and other third party airlines.

On November 30, 2022 the MRO ceased its major maintenance operations transferring personnel and most of its assets to a third party during December 2022 and first quarter of 2023. Beginning December 1, 2022 the MRO leased its assets to third parties.

The following summarizes financial information to the carrying amount of the Group’s interest in MRO:

Percentage ownership interest	<u>2024</u> 50.0%	<u>2023</u> 50.0%	<u>2022</u> 50.0%
Current assets	\$ 46,421	79,220	103,544
Non-current assets	18,536	16,723	24,927
Current liabilities	(1,564)	—	(61,141)
Non-current liabilities	<u>(29,436)</u>	<u>(41,703)</u>	<u>(6,968)</u>
Net assets (100%)	\$ <u>33,957</u>	<u>54,240</u>	<u>60,362</u>
Carrying amount of interest in joint venture	\$ <u>16,978</u>	<u>27,120</u>	<u>30,181</u>
Revenues	\$ 12,908	16,456	147,001
Operating expenses	<u>2,320</u>	<u>5,393</u>	<u>128,407</u>
Profit (100%)	<u>10,588</u>	<u>11,063</u>	<u>18,594</u>
Group’s share of profit	5,294	5,532	9,297
Additional share of profit from prior years	<u>564</u>	<u>(8,593)</u>	<u>—</u>
Group’s share of profit	\$ <u>5,858</u>	<u>(3,061)</u>	<u>9,297</u>



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

Notes to the consolidated financial statements

(In thousands of US dollars)

For the year ended December 31, 2022, the Group recognized through other comprehensive income \$385 of effects regarding certain adjustments reported by the MRO joint venture in its equity structure, maintaining its current ownership interest.

ii. *Joint venture Aeroméxico Rewards-*

The Group maintained until July 15, 2022 a joint venture with Aimia Inc., Montreal - Canada - (“Aimia”). Such joint venture (PLM) manages the Group’s frequent flyer loyalty program called Aeroméxico Rewards.

Grupo Aeroméxico and Aimia entered into several agreements to manage PLM jointly. Some of the most significant agreements included a commercial participation agreement, management services agreement, loan facility agreement and the pre-paid seat asset agreement.

The Group recognized PLM as a joint venture until July 15, 2022, even though it maintained 51.14% ownership interest, since all relevant activities required unanimous approval between the two parties.

On July 15, 2022 the Group equity interest in PLM increased from 51.14% to 100% and PLM became a fully owned subsidiary from that date (see Note 6).

The following table summarizes the financial information of PLM as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The profit and loss information for 2022 presented in the table includes the results of PLM for the period from January 1 to July 15, 2022, when PLM became a subsidiary on such date.

	<u>2022</u>
Revenues	\$ 39,930
Operating expenses	16,690
Finance and other income	3,126
Income tax expense	<u>1,592</u>
Profit (100%)	<u>24,774</u>
Group’s share of profit (a)	<u>\$ 12,671</u>

(a) In addition for the year ended December 31, 2022, the Group recognized a gain of \$307,680 resulting from the remeasurement to fair value of the Group interest in PLM (see Note 6).

(19) **Income tax (“IT”)-**

The IT law imposes an IT rate of 30%.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

The total income tax expense (benefit) for the years ended December 31, 2024, 2023 and 2022, is as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current tax expense	\$ 57,885	41,217	12,896
Deferred tax expense (benefit)	<u>21,846</u>	<u>(26,906)</u>	<u>111,581</u>
Total income tax expense	<u>\$ 79,731</u>	<u>14,311</u>	<u>124,477</u>

(a) Reconciliation of effective tax rate:

	<u>2024</u>		<u>2023</u>		<u>2022</u>	
	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>
Income (loss) for the year		617,486		273,368		(64,225)
Total income tax expense	11 %	<u>79,731</u>	5 %	<u>14,311</u>	207 %	<u>124,477</u>
Income, excluding income tax		697,217		287,679		60,252
Income tax using the Group's domestic tax rate	30 %	209,165	30 %	86,304	30 %	18,076
Equity in the results of associated companies not subject to taxation	— %	(1,757)	— %	918	(164 %)	(98,894)
Non-deductible expenses	6 %	42,712	7 %	21,167	45 %	27,402
Tax effects of inflation	(4 %)	(24,478)	(7 %)	(21,709)	(25 %)	(15,266)
(Recognition) de-recognition of deferred tax assets (previously reserved / recognized) (1)	(21 %)	(144,952)	8 %	21,754	278 %	167,375
Effects of movements in taxable foreign exchange rates	10 %	71,251	(27 %)	(77,433)	— %	(128)
Others, mainly differences in functional currency translation variance	(10 %)	<u>(72,210)</u>	(6 %)	<u>(16,690)</u>	43 %	<u>25,912</u>
	11 %	<u>79,731</u>	5 %	<u>14,311</u>	207 %	<u>124,477</u>

- (1) This effect relates to the recognition / de-recognition of net operating losses (NOL's) that were previously reserved / recognized since the Group deemed that such NOL's might not be currently recoverable.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Various jurisdictions have implemented, or are in the process of implementing, Pillar Two tax legislation based on the framework published by the Organization for Economic Co-operation and Development (OECD). Pillar Two tax laws might be enacted in certain jurisdictions in which the Group operates in 2024 and some of the mechanisms to implement the tax laws might become effective in 2025. The Group is assessing the effects of the Pillar Two rules, but there are not expected to have a significant impact on the Group's consolidated financial statements.

(20) Deferred tax assets and liabilities-

(a) Recognized deferred tax assets and liabilities-

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and liabilities, as of December 31, 2024, 2023 and 2022, are presented on below:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Deferred tax assets:			
Allowance for doubtful accounts	\$ 215	—	—
Accruals	135,561	126,810	88,198
Air traffic liability	11,353	96,832	158,153
Lease liabilities	593,273	499,655	484,507
Net operating losses carry forward	99,042	19,924	—
Advances from customers	182,731	179,132	136,020
Employee benefits	51,881	59,633	47,253
Other provisions (mainly leased aircraft returns)	<u>81,769</u>	<u>132,353</u>	<u>130,880</u>
Deferred tax assets	<u>1,155,825</u>	<u>1,114,339</u>	<u>1,045,011</u>
Deferred tax liabilities:			
Inventories	39,444	37,266	33,301
Property and equipment, including right-of-use	669,164	557,793	565,803
Prepaid expenses	10,755	11,094	13,210
Amortizable expenses	171,620	127,750	89,478
Others	<u>124,212</u>	<u>166,553</u>	<u>157,849</u>
Deferred tax liabilities	<u>1,015,195</u>	<u>900,456</u>	<u>859,641</u>
Net deferred tax assets, recorded in the statements of financial position	<u>\$ 140,630</u>	<u>213,883</u>	<u>185,370</u>



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

Notes to the consolidated financial statements

(In thousands of US dollars)

In assessing the recoverability of deferred tax assets, Management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies past in making this assessment.

As of December 31, 2024, gross operating tax loss carry forwards expire (ten years) are as shown below:

<u>Year</u>	<u>Adjusted for tax inflation through December 31, 2024</u>
2025	\$ 33,350
2026	10,756
2027	83,912
2028	185,162
2029	202,293
2030	615,192
2031	160,865
2032	840,464
2033	39,601
2034	—

Tax losses carryforwards and other assets, unrecognized deferred tax assets-

Deferred tax assets have not been recognized in respect of the following tax losses carryforwards and other assets because it is not probable that future taxable profit will be available against which certain subsidiaries of the Group can use the benefits therefrom:

	<u>2024</u>		<u>2023</u>		<u>2022</u>	
	<u>Gross</u>	<u>Tax Effect</u>	<u>Gross</u>	<u>Tax Effect</u>	<u>Gross</u>	<u>Tax Effect</u>
Tax losses	\$ 1,841,455	552,437	2,816,651	844,995	2,687,013	806,104
Other assets	514,743	154,423	514,743	154,423	514,743	154,423
	<u>\$ 2,356,198</u>	<u>706,860</u>	<u>3,331,394</u>	<u>999,418</u>	<u>3,201,756</u>	<u>960,527</u>



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(b) Movement in temporary differences during the year-

	January 1, 2024	Recognized in income	Recognize in equity	Foreign exchange variance	December 2024
Property and equipment (includes right-of-use)	\$ (557,793)	(111,371)	—	—	(669,164)
Intangible assets	(259,635)	(23,418)	—	—	(283,053)
Inventories	(37,266)	(2,178)	—	—	(39,444)
Air traffic liability	96,832	(85,479)	—	—	11,353
Lease liabilities	499,655	93,618	—	—	593,273
Provisions	59,633	(7,752)	—	—	51,881
Other items (including loss carry- forwards)	412,457	114,734	(1,699)	(49,708)	475,784
	<u>\$ 213,883</u>	<u>(21,846)</u>	<u>(1,699)</u>	<u>(49,708)</u>	<u>140,630</u>
		January 1, 2023	Recognized in income	Recognized in equity	December 31, 2023
Property and equipment (includes right-of-use)	\$	(556,061)	(1,732)	—	(557,793)
Intangible assets		(218,946)	(40,689)	—	(259,635)
Inventories		(32,653)	(4,613)	—	(37,266)
Air traffic liability		150,475	(53,643)	—	96,832
Lease liabilities		475,139	24,516	—	499,655
Provisions		41,730	17,903	—	59,633
Other items (including tax loss carry- forwards)		325,686	85,164	1,607	412,457
	\$	<u>185,370</u>	<u>26,906</u>	<u>1,607</u>	<u>213,883</u>
				PLM acquisition/ business combinatio	December 2022
Property and equipment (includes of-use)	\$ (547,001)	(9,060)	—	—	(556,061)
Intangible assets	(68,861)	(42,768)	—	(107,317)	(218,946)
Inventories	(28,176)	(4,477)	—	—	(32,653)
Air traffic liability	144,339	6,136	—	—	150,475
Lease liabilities	559,966	(84,827)	—	—	475,139
Provisions	45,755	(4,025)	—	—	41,730
Other items (including loss carry- forwards)	195,382	27,440	(6,253)	109,117	325,686
	<u>\$ 301,404</u>	<u>(111,581)</u>	<u>(6,253)</u>	<u>1,800</u>	<u>185,370</u>



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(21) Loans and borrowings, including leases-

The features of the loans and borrowings, including leases comprising this caption and guarantees as of December 31, 2024, 2023 and 2022, are described as shown below:

Description	Currency	Nominal interest rate	Year of maturity	2024	2023	2022
<i>Loan secured by the collection of credit card sales in the United States of America ("USA") (2)</i>	US	<i>SOFR rate plus 325 basis points</i>	2024	\$ —	\$ 63,076	\$ 147,176
<i>Senior Trust Bonds ("CEBURES") issued in Mexico, securitized by the collection of credit card sales in Mexico (3)</i>	Ps.	<i>TIE rate plus 168 basis points (TIE rate plus 138 to 168 basis points in 2023 and 2022)</i>	2025	52,558	143,930	215,222
<i>Loans secured by the Ex-Im Bank in the USA</i>	US	<i>Fixed annual rate between 0.97% and 1.03%</i>	2023	—	—	549
<i>Loans secured by the Ex-Im Bank in the USA</i>	US	<i>Fixed annual rate 2.34%</i>	2023	—	—	1,146
<i>Loans secured by the Ex-Im Bank in the USA</i>	US	<i>Fixed annual rate 2.33%</i>	2024	—	2,102	10,390
<i>Singapore market listed and secured notes (formerly Chapter 11 Exit Financing) (1) (4)</i>	US	<i>Fixed annual rate 8.5%</i>	2027	—	662,530	762,500
<i>Senior Secured Notes AEROMX 29 (1) (4)</i>	US	<i>Fixed annual rate 8.25%</i>	2029	500,000	—	—
<i>Senior Secured Notes AEROMX31 (1) (4)</i>	US	<i>Fixed annual rate 8.625%</i>	2031	610,000	—	—
Total Loans				1,162,558	871,638	1,136,983
<i>Financial leasing of flight and other equipments, supported by the Ex-Im Bank in the United States of America (1)</i>	US	<i>Fixed annual rate 2.33%</i>	2029	71,353	87,143	102,571
<i>Financial leasing of flight and other equipments, supported by the Ex-Im Bank in the United States of America (1)</i>	US	<i>Fixed annual rate 2.54%</i>	2027	24,857	35,458	45,794



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Description	Currency	Nominal interest rate	Year of maturity	2024	2023	2022
<i>Financial leasing of flight and other equipments, supported by the Ex-Im Bank in the United States of America (1)</i>	US	<i>Fixed annual rate 1.37%</i>	2026	11,214	19,503	27,680
<i>Finance leases of flight equipment</i>	US	<i>Fixed annual rates between 3.16% to 3.57%</i>	2024	—	1,547	10,378
<i>Financial lease of flight simulator</i>	US	<i>Fixed annual rate 6.88%</i>	2029	6,051	7,032	7,949
Total Financial Leasing				113,475	150,683	194,372
Lease Liabilities (IFRS 16)				2,438,437	2,216,859	2,125,995
Total Lease Liabilities				2,551,912	2,367,542	2,320,367
Total Loans and Borrowings, including Leases				3,714,470	3,239,180	3,457,350
Total Borrowing Costs				(13,557)	(4,874)	(6,413)
Total Net Loans and Borrowings, including Leases				3,700,913	3,234,306	3,450,937
<i>Less current installments of financial debt</i>				(89,046)	(183,572)	(228,090)
<i>Less current installments of leases</i>				(359,251)	(339,587)	(285,886)
Net current installments of Loans and Borrowings, including Leases				(448,297)	(523,159)	(513,976)
Non-current debt				3,266,173	2,716,021	2,943,374
Borrowing Costs				(13,557)	(4,874)	(6,413)
Net non-current Loans and Borrowings, including Leases				\$3,252,616	\$2,711,147	\$2,936,961



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

Notes to the consolidated financial statements

(In thousands of US dollars)

- (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 assets.

As of December 31, 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 2023 and 2022, the Group contracted interest rate Swaps, allowing to pay fixed rate (see Note 28).
- (4) In November 2024, Grupo Aeroméxico concluded the offering of debt instruments in the form of Senior Secured Notes (guaranteed by Aeroméxico, Aerolitoral, PLM and Aerovías Empresa de Cargo, S.A. de C.V.) of \$500 million due 2029 with a coupon of 8.250% and \$610 million due 2031 with a coupon of 8.625% (together the “Notes”). The proceeds from the offering of the Notes were used to redeem in full the senior secured notes due 2027 previously issued by Grupo Aeroméxico, with an aggregate principal amount outstanding of \$662.5 million, and the remainder for general corporate purposes. The Notes were offered in the United States only to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”) and outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act.

In August 2024, Aeroméxico signed a \$200 million syndicated revolving loan agreement guaranteed by Grupo Aeroméxico and Aerolitoral, with SOFR rate plus 285 basis points and a three-year timeframe. As of December 31, 2024, the Group has not utilized this credit facility.

Likewise, there are obligations in some contracts to notify of changes of shareholders and any adverse modification of the financial situation. Furthermore, some contracts foresee the possibility of an early termination and describe circumstances to obtain temporary waivers.

All the loans had installments throughout the year. As of December 31, 2024, future maturities of loans and borrowings, net of borrowing costs are as shown in the next page.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

<u>Year</u>	<u>Loans (a)</u>	<u>Financial leasing</u>	<u>Leases</u>	<u>Total</u>
Current - 2025	\$ 52,558	36,488	359,251	448,297
Non-current:				
2026	—	31,628	340,482	372,110
2027	—	20,966	330,188	351,154
2028	—	18,617	312,684	331,301
2029	488,049	5,776	266,167	759,992
2030 and thereafter	608,394	—	829,665	1,438,059
Total non-current	1,096,443	76,987	2,079,186	3,252,616
Total loans and borrowings	\$ 1,149,001	113,475	2,438,437	3,700,913

(a) Loans are presented net of borrowing costs of \$13,557.

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

	<u>Loans and borrowings</u>	<u>Lease liabilities</u>	<u>Total</u>
Balance as of January 1, 2024	\$ 1,017,447	2,216,859	3,234,306
Proceeds for loans and borrowings	1,110,000	—	1,110,000
Repayments of borrowings	(840,914)	(346,539)	(1,187,453)
Total changes from financing cash flows	269,086	(346,539)	(77,453)
Effects of movements in foreign exchange rates	(15,031)	—	(15,031)
Other changes –			
New leases	—	568,117	568,117
Interest expense	78,908	183,949	262,857
Other finance costs accrued	34,024	—	34,024
Interest and other finance costs paid	(96,574)	(183,126)	(279,700)
Other interest reversed, net	(25,384)	(823)	(26,207)
Balance as of December 31, 2024	\$ 1,262,476	2,438,437	3,700,913



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

Notes to the consolidated financial statements

(In thousands of US dollars)

There are established conditions to finance the renewal of the Company's fleet (see Note 33).

(22) 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 has not funded its seniority premium obligation, which amounts to \$24,775, \$21,924 and \$16,187 as of December 31, 2024, 2023 and 2022, respectively, included in the total employee benefits balances as of the same dates.

(a) Composition of plan assets-

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Equity securities	\$ 49	52	51
Government bonds	<u>766</u>	<u>844</u>	<u>630</u>
	<u>\$ 815</u>	<u>896</u>	<u>681</u>



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(b) Movements in the present value of the defined benefit-

		<u>2024</u>	<u>2023</u>	<u>2022</u>
Defined benefit obligations as of January 1	\$	236,737	186,081	187,137
Benefits paid by the plan		(12,661)	(7,753)	(7,893)
Current service costs		11,676	7,555	3,175
Interest cost		18,994	18,061	14,097
Personnel transfer cost (1)		57	331	250
PLM defined obligations as of July 15, 2022		—	—	407
Foreign exchange variance		(39,292)	27,028	10,948
Other, including curtailment gain and seniority premium adjustment		<u>67</u>	<u>76</u>	<u>(1,198)</u>
		215,578	231,379	206,923
Remeasurement of defined benefit liability losses/(gains) recognized in other comprehensive income:				
Financial assumptions		(15,168)	6,477	(16,461)
Demographic assumptions		9,177	777	115
Experience adjustments		<u>326</u>	<u>(1,896)</u>	<u>(4,496)</u>
Defined benefit obligations as of December 31	\$	<u>209,913</u>	<u>236,737</u>	<u>186,081</u>

The Group expects to pay \$3,687 in contributions to its defined benefit plans in 2025.

(1) For the years ended December 31, 2024, 2023 and 2022, the Group recognized \$38, \$769 and \$43 respectively, additional prior years cost for personnel transfers through retained earnings.

(c) Movement in the present value of plan assets-

		<u>2024</u>	<u>2023</u>	<u>2022</u>
Fair value of plan assets as of January 1	\$	896	681	627
Actual return on plan assets		69	215	54
Foreign exchange variance		<u>(150)</u>	<u>—</u>	<u>—</u>
Fair value of plan assets as of December 31	\$	<u>815</u>	<u>896</u>	<u>681</u>



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(d) Remeasurement of defined benefit liability gains and (losses) recognized in other comprehensive income-

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cumulative amount as of January 1	\$ 18,500	23,359	2,456
Personnel transfer cost	38	769	43
Recognized during the year	5,665	(5,358)	20,842
Effects of movements in foreign exchange rates	<u>52</u>	<u>(270)</u>	<u>18</u>
Cumulative amount as of December 31 (1)	\$ <u>24,255</u>	<u>18,500</u>	<u>23,359</u>

(1) The effect in other comprehensive income is presented net of tax.

(e) Actuarial assumptions-

Significant assumptions used in determining the net period cost of the plans are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Expected rate of return on plan assets	10.64 %	9.00 %	9.40 %
Discount rate	10.64 %	9.00 %	9.40 %
Rate of compensation increase	4.54 %	4.54 %	4.54 %
Remaining average labor life (over benefit obligations)	14 years	14 years	14 years

The assumed discount rates are derived from rates available on government bonds for which the timing and amounts of payments match the timing and the amounts of our projected pension payments.

(f) Sensitivity analysis-

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected the defined benefit obligation by the accounts shown below as of December 31, 2024:

	<u>Increase</u>	<u>Decrease</u>
Discount rate (0.5% movement)	\$ <u>(5,989)</u>	<u>6,305</u>
Rate of compensation (0.5% movement)	\$ <u>5,922</u>	<u>(5,671)</u>



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(23) Share-based payment arrangements-

A. Description of share-based payment arrangements

As of December 31, 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 conditions with vesting periods 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 conditions with vesting periods up to 3 years.

The key terms and conditions related to the grants under these programs as of December 31, 2024 are as follows; all awards are to be settled by the physical delivery of shares.

Grant date / employees entitled	Number of shares	Vesting conditions
Shares granted to key management personnel and senior employees-		
December 22, 2022	909,090	6 months to 3 years' service from grant date.
December 22, 2022	2,721,790	2-3 years' service from grant date, subject to the achievement of certain non-market performance goals.
February 28, 2023	354,850	6 months to 4 years' service from grant date.
August 27, 2024	200,110	6 months to 3 years' service from grant date.
	(2,265,534)	Accumulated number of exercised or forfeited restricted shares.
Total restricted shares	1,920,306	

B. Measurement of fair values –

The fair value of the above-mentioned restricted shares at grant date amounts in the range of Ps.184.78 to Ps.341.75 pesos per share. The shares have been deposited and are part of a Mexican Trust (see Note 26).

C. Reconciliation of outstanding restricted shares –

The number of outstanding restricted shares under the program were as shown in the next page.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

	2024	
	<u>Number of shares</u>	<u>Ps. weighted fair value per share at grant date</u>
Outstanding at January 1	3,490,208	184.78
Granted during the year	200,110	341.75
Exercised during the year	(1,745,566)	187.97
Forfeited during the year	(24,446)	184.78
Outstanding at December 31	<u>1,920,306</u>	<u>198.24</u>
	2023	
	<u>Number of shares</u>	<u>Ps. weighted fair value per share at grant date</u>
Outstanding at January 1	2,269,985	184.78
Increase due the change in estimate	1,360,895	184.78
Granted during the year	354,850	184.78
Exercised during the year	(345,502)	184.78
Forfeited during the year	(150,020)	184.78
Outstanding at December 31	<u>3,490,208</u>	<u>184.78</u>
	2022	
	<u>Number of shares</u>	<u>Ps. weighted fair value per share at grant date</u>
Outstanding at January 1	—	—
Granted during the year	2,269,985	184.78
Exercised during the year	—	—
Forfeited during the year	—	—
Outstanding at December 31	<u>2,269,985</u>	<u>184.78</u>



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

Notes to the consolidated financial statements

(In thousands of US dollars)

In addition to the stocks exercised in these programs during the year ended December 31, 2024, the Group granted 38,856 shares to certain Board members (2023: 80,289 shares).

D. Expense recognized in profit or loss—

During 2024, the expense recognized in profit or loss amounts to \$16,655 (2023: \$19,304 and 2022: \$0).

(24) Provisions-

	Leased aircraft returns (1)	Employees' restructure	Litigation	Contingent consideration	Total
Balance as of January 1, 2024	\$ 270,989	—	9,751	24,000	304,740
Additions	95,092	—	6,149	59	101,300
Utilization	<u>(55,996)</u>	<u>—</u>	<u>(1,725)</u>	<u>(24,059)</u>	<u>(81,780)</u>
	310,085	—	14,175	—	324,260
Less non-current portion	<u>(207,093)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(207,093)</u>
Current balance as of December 31, 2024	<u>\$ 102,992</u>	<u>—</u>	<u>14,175</u>	<u>—</u>	<u>117,167</u>
Balance as of January 1, 2023	\$ 235,728	—	7,075	24,000	266,803
Additions	50,000	—	3,090	—	53,090
Utilization	<u>(14,739)</u>	<u>—</u>	<u>(414)</u>	<u>—</u>	<u>(15,153)</u>
	270,989	—	9,751	24,000	304,740
Less non-current portion	<u>(218,890)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(218,890)</u>
Current balance as of December 31, 2023	<u>\$ 52,099</u>	<u>—</u>	<u>9,751</u>	<u>24,000</u>	<u>85,850</u>
Balance as of January 1, 2022	\$ 171,690	11,923	7,154	—	190,767
Additions	67,967	—	—	24,000	91,967
Utilization	<u>(3,929)</u>	<u>(11,923)</u>	<u>(79)</u>	<u>—</u>	<u>(15,931)</u>
	235,728	—	7,075	24,000	266,803
Less non-current portion	<u>(210,522)</u>	<u>—</u>	<u>—</u>	<u>(24,000)</u>	<u>(234,522)</u>
Current balance as of December 31, 2022	<u>\$ 25,206</u>	<u>—</u>	<u>7,075</u>	<u>—</u>	<u>32,281</u>

(a) See note 6A. regarding PLM acquisition.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

- (1) We expect the economic outflow of the current portion of our leased aircraft return provision over the next 12 months based on our fleet plan. On a yearly basis the fleet plan is revised and new return terms might be negotiated with lessors which affect the classification of short and long term balance.

(25) Trade and other payables-

Group trade and other payables are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Suppliers	\$ 1,355,243	1,262,092	842,227
Other taxes	274,901	244,680	174,815
Salaries and benefit payable	<u>22,091</u>	<u>26,814</u>	<u>15,194</u>
Total current liabilities	<u>\$ 1,652,235</u>	<u>1,533,586</u>	<u>1,032,236</u>

(26) Stockholders' equity-

(a) Structure of capital stock-

As of December 31, 2021, the Company's capital stock was represented by 742,747,940 ordinary shares, nominative, with no par value, 5,000 shares represented the fixed portion and 742,742,940 shares represented the variable portion.

On March 17, 2022, the Company reported that it had concluded its PoR, successfully completed its financial restructuring process, and emerged from its Chapter 11 Restructuring Process. Consequently, and on March 17, 2022 (a) certain capital stock increases agreed during the process, which included new cash invested including commitment fees, DIP financing conversion debt to capital stock and recognized claims conversion to capital stock, (b) the dilution of the former shares representing the Company's capital stock to represent less than 0.01% of Grupo Aeromexico's new capital stock, and (c) the concentration (reverse split) of all the previous and new shares using a conversion factor of one new share for each 5,000,000 shares existing at that time issued by the Company, all became effective. Consequently, the new listed shares outstanding of the Company amounted to 136,423,959 (excluding 13,642,396 treasury shares pending subscription), resulting in a total authorized capital of 150,066,355 shares.

On April 28, 2022, the Shareholders of the Company resolved in favor of using shares held in treasury for purposes of supporting a Management Incentive Program ("MIP"), as further approved and allocated by the Compensation Committee.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

As part of its obligations under that certain Registration Rights Agreement dated March 17, 2022, the Company had to cancel the registration of shares before the National Securities Registry (“*Registro Nacional de Valores*” or “RNV”) and their corresponding listing on the Mexican Stock Exchange (“BMV”). As such, and in accordance with Section II of Article 108 of the Mexican Securities Exchange Law (“LMV”). On October 11, 2022, the Company launched a public cash tender offer of shares (the “Offer”) which expired on November 8, 2022, at a purchase price per share of Ps.184.78 pesos (“Price per Share”). On November 16, 2022, the Company settled the Offer purchasing all 4,751,255 participating shares, representing approximately 3.48% of outstanding shares, at Ps.184.78 pesos per share (which was calculated pursuant to Article 108, Section I, paragraph (b) of the LMV).

On December 8, 2022, the Compensations Committee approved to use 4,751,255 treasury shares for purposes of the MIP. Such 4,751,255 shares were subscribed and paid through a Mexican Trust and are going to be allocated among MIP beneficiaries as determined by the Compensations Committee. The use of 4,751,255 shares for such purposes neutralized any dilution effect from the 4,751,255 shares acquired via the Offer.

As established in the LMV, the Company incorporated an irrevocable management trust (the “Delisting Trust”) to acquire at the Price per Share any shares that were not initially acquired by the Company during the initial Offer period. The period during which shareholders that did not participate in the Offer could sell their shares to the Delisting Trust at the Price per Share expired on July 14, 2023. Upon expiration of said period, the Company acquired, via the Delisting Trust, an additional 243,352 shares at the Price per Share (\$2,319 in total). Said acquisition resulted in a neutral effect, since (i) such 243,352 shares acquired by the Delisting Trust were transferred to the Company and subsequently placed as treasury shares and (ii) an equivalent number of 243,352 shares were immediately subscribed and paid by a separate Mexican Trust managing the stock compensation plan of the Company, resulting in such 243,352 newly subscribed and paid shares being added into such Trust.

On December 13, 2023, the Shareholders of the Company resolved in favor of (i) carrying out a capital stock decrease, without canceling shares, in favor of the shareholders for an amount of \$2.00 dollars per share representing the Company’s share capital (\$272,848 in total); and (ii) not cancelling the 13,642,396 treasury shares and to use them – in addition to support a MIP – in a potential primary offering of shares.

For the year 2023, 425,791 shares were assigned to certain key management personnel (including 80,289 to certain Board members) equivalent to \$4,057.

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*”).



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

Notes to the consolidated financial statements

(In thousands of US dollars)

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 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 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.

On November 11, 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).

For the year 2024, 1,784,422 shares were assigned to certain key management personnel (including 38,856 to certain Board members) equivalent to \$17,660.

As of December 31, 2024, 2023 and 2022, the capital stock of the Company is represented by 136,423,959 ordinary shares, nominative, with no par value, out of which 5,000 shares represented the fixed portion and 136,418,959 shares represented the variable portion.

(b) Restrictions on stockholders' equity-

Five percent of net income of the year must be appropriated to the statutory reserve, until it reaches one-fifth of capital stock. As of December 31, 2024, the statutory reserve for \$24,750 has not reached the required amount.

Stockholders contributions restated as provided for by the tax law, may be refunded to stockholders tax-free, to the extent that such contributions equal or exceed stockholders' equity.

Retained earnings and other stockholders' equity accounts, on which no income taxes have been paid, are subject to income taxes in the event of distribution, at the rate of 30%, payable by the Company; consequently, the stockholders may only receive 70% of such amounts.

(c) Capital management-

During the period the Group has been publicly traded, and from time to time the Group purchased its own shares on the market; the timing of these purchases depended on market prices (see Note 3(c) last paragraph). Buy and sell decisions were made on a specific transaction basis and the Group did not have a defined share buy-back plan.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(d) Retained earnings-

For the year ended December 31, 2024, Grupo Aeroméxico has an equity deficit of \$2,285,379 (net of statutory reserve), meaning it has lost over two-thirds of its equity capital and, in accordance with Mexican law this may be cause for its dissolution, at the legal request of any interested party with outstanding claims.

(27) Earnings per share-

A. Basic earnings per share

The calculation of basic EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding:

i. Profit (loss) attributable to ordinary shareholders

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Profit (loss) for the year, attributable to the owners of the Company	\$ <u>617,439</u>	<u>273,334</u>	<u>(64,225)</u>

ii. Weighted-average number of ordinary shares (basic)

	Note	<u>2024</u>	<u>2023</u>	<u>2022</u>
Issued ordinary shares at January 1		136,423,959	136,423,959	742,747,940
PoR dilution of former shares		–	–	(742,747,940)
New authorized ordinary shares		–	243,352	150,066,355
Treasury shares pending subscription		–	(243,352)	(13,642,396)
Shares held in a Mexican Trust		<u>(2,784,394)</u>	<u>(4,568,816)</u>	<u>(4,751,255)</u>
Weighted-average number of ordinary shares at December 31		<u>133,639,565</u>	<u>131,855,143</u>	<u>131,672,704</u>
Basic income (loss) per share (US dollars)		\$ <u>4.62</u>	<u>2.07</u>	<u>(0.47)</u>



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

Notes to the consolidated financial statements

(In thousands of US dollars)

B. Diluted earnings per share

The calculation of diluted EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment to the effects of all dilutive potential ordinary shares:

	Note	<u>2024</u>	<u>2023</u>	<u>2022</u>
iii. Weighted-average number of ordinary shares (diluted)				
Weighted-average number of ordinary shares (basic)		133,639,565	131,855,143	131,672,704
Dilutive ordinary shares through a Mexican Trust		<u>2,784,394</u>	<u>4,568,816</u>	<u>4,751,255</u>
Weighted-average number of ordinary shares (diluted) at December 31	26	<u>136,423,959</u>	<u>136,423,959</u>	<u>136,423,959</u>
Diluted income (loss) per share (US dollars)		<u>\$ 4.53</u>	<u>2.00</u>	<u>(0.47)</u>

(28) Financial instruments and risk management-

(a) Overview-

The Group is exposed to different financial risks that are common in the industry and that could have an impact in the financial results. These financial risks are grouped as following:

- a) Credit risk
- b) Liquidity risk
- c) Market Risk
 - Foreign currency risk
 - Jet-fuel price fluctuations
 - Interest rate risk

The Group's risk management program reviews periodically the exposures to the above identified risks and tries to minimize the potential adverse effects on the net margin thorough different initiatives, including a selective usage of financial derivatives instruments. The Group uses different methods to assess and manage different types of risks to which it is exposed, including sensitivity analysis and statistical analysis.

This Note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Grupo Aeroméxico contracts financial derivative instruments in Over the Counter ("OTC") markets to keep the exposure at levels acceptable to the Group's risk appetite. All financial derivative instruments in the Group's portfolio are held for hedging purposes, although some of them and due to changes in the economic variables have not met the requirements to be considered as hedging instruments.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Risk management framework-

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit and Finance Committees oversee how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee. The Finance Committee reviews periodically the execution of the risk management policies approved by the board related to market risks (interest rate, foreign exchange and jet fuel fluctuations), and to credit and liquidity risks.

(b) Credit risk-

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Recorded financial assets from contracts represent the maximum credit exposure.

Evaluation of the expected credit loss from individual clients is stated at January 1st, and December 31, 2024. The Group uses an allowance matrix to measure the ECLs of trade receivable from individual customers, which comprise a very large number of small balances.

i. Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	Carrying amount		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 841,997	937,698	842,182
Other financial instruments, including derivatives	—	334	1,893
Trade and other receivables	<u>591,475</u>	<u>618,212</u>	<u>391,272</u>
	<u>\$ 1,433,472</u>	<u>1,556,244</u>	<u>1,235,347</u>



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

Notes to the consolidated financial statements

(In thousands of US dollars)

In order to mitigate the credit risk arising from deposits in banks and investments in financial instruments, the Group only conducts business with financial instruments that have locally AAA investment grade rating. The Group also mitigates this risk by diversifying its investments in several counterparties in accordance with board approval policy.

Trade and other receivables-

The Group's services are provided to a large number of customers without significant concentration with any one of them.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The Group as many other airlines, performs its selling activities through the International Air Transport Association ("IATA") mechanisms that regulate the financial transactions between airlines and travel agents. Also high volume of selling transactions is made through credit cards where receivables are due from financial institutions.

In addition to the above mentioned clients, the Group also has some direct sales to large corporations and governmental agencies.

The maximum exposure to credit risk for trade receivables as of December 31, 2024, 2023 and 2022, by type of customer is shown in Note 14, including recoverable taxes over which the Group has so far not experienced impairment losses.

Impairment losses-

The aging of trade receivables and the related impairment at the reporting date are shown as follows:

	2024			2023			2022		
	Gross	Impairment	%	Gross	Impairment	%	Gross	Impairment	%
Not past due	\$ 154,846	2,167	(1.4)	243,858	259	(0.1)	148,536	1,182	(0.8)
Past due between									
0-30 days	62,848	329	(0.5)	24,807	293	(1.2)	18,395	400	(2.2)
Past due between									
31-120 days	16,061	5,210	(32.4)	4,579	2,383	(52.0)	6,007	3,075	(52.0)
Past due for more									
than one year	4,911	4,725	(96.2)	5,033	5,033	(100.0)	4,425	4,425	(100.0)
	<u>\$ 238,666</u>	<u>12,431</u>		<u>278,277</u>	<u>7,968</u>		<u>177,363</u>	<u>9,082</u>	

* Percentages reflect the weighted average loss rate.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Balance as of January 1	\$ 7,968	9,082	9,098
Impairment increase (decrease) recognized	<u>4,463</u>	<u>(1,114)</u>	<u>(16)</u>
Balance as of December 31	<u>\$ 12,431</u>	<u>7,968</u>	<u>9,082</u>

No collaterals are held or other credit enhancements for the impaired loans.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics-geographic region, age of customer relationship and type of product purchased.

Loss rates are based on actual credit loss experience over the past twelve months. Additionally, the Group applies a forward-looking approach data to a 100% impairment of delinquency from government transactions over 120 days.

(c) Liquidity risk-

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

We operate a global business with international operations that are subject to economic and political events beyond our control.

The Group monitors its cash flow requirements on constant basis. The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations (see Note 21).



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

Notes to the consolidated financial statements

(In thousands of US dollars)

i. Exposure to liquidity risk-

The following are the remaining contractual maturities of financial liabilities at the balance sheet date on December 31, 2024, 2023 and 2022. Carrying amounts are presented net of prepaid expenses and not discounted.

<u>December 31, 2024</u>	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>2 or less months</u>	<u>2-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>5 years</u>
<u>Loans in USD</u>							
(Fixed rate)	\$ 1,096,443	1,678,856	—	155,738	93,863	146,475	1,282,780
<u>Financial Leasing</u>							
In USD	\$ 113,475	119,251	9,062	29,962	33,331	42,475	4,421
<u>CEBURES –</u>							
Securitized in Ps.	\$ 52,558	54,906	4,768	45,747	4,391	—	—
<u>Leases –</u>							
<u>Liabilities</u>	\$ 2,438,437	3,153,249	98,579	431,986	490,239	1,203,986	928,459
<u>December 31, 2023</u>	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>2 or less months</u>	<u>2-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>5 years</u>
<u>Loans in USD</u>							
(SOFR - Spread)	\$ 63,076	65,398	7,482	57,916	—	—	—
<u>Loans in USD</u>							
(Fixed rate)	\$ 659,758	856,193	2,471	57,383	57,738	737,184	1,417
<u>Financial Leasing</u>							
In USD	\$ 150,683	151,323	9,444	29,728	35,397	72,333	4,421
<u>CEBURES –</u>							
Securitized in Ps.	\$ 143,930	155,558	24,423	65,261	65,874	—	—
<u>Leases –</u>							
<u>Liabilities</u>	\$ 2,216,859	2,864,793	96,137	385,100	413,316	1,061,416	908,824



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

Notes to the consolidated financial statements

(In thousands of US dollars)

<u>December 31, 2022</u>	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>2 or less months</u>	<u>2-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>5 years</u>
<u>Loans in USD</u>							
(Libor - Spread)	\$ 147,176	178,143	19,513	89,522	69,108	–	–
<u>Loans in USD</u>							
(Fixed rate)	\$ 768,172	880,640	–	49,943	22,828	807,869	–
<u>Financial Leasing</u>							
In USD	\$ 194,371	207,920	17,891	38,915	40,936	89,659	20,519
<u>CEBURES –</u>							
Securitized in Ps.	\$ 215,223	242,913	19,745	92,665	73,025	57,448	–
<u>Leases –</u>							
Liabilities	\$ 2,125,995	2,766,733	84,498	348,458	399,852	974,724	959,201

(d) Market risk-

The Group is exposed to different financial risks that could have an impact in the financial results.

i. Foreign currency risk-

Foreign exchange risk is originated when the Group performs transactions and maintains monetary assets and liabilities in currencies that are different from the functional currency of the Group. Most of the Group's exposure is associated to fluctuations in other currencies, mainly Mexican pesos. Considering our methodology for translating monetary assets and liabilities denominated in foreign currencies to our functional currency, in 2024, 2023 and 2022, approximately 40%, 36% and 29% of the Group's expenses and 4%, 2% and 5%, of its revenues, respectively, are denominated to other currencies. Regarding our passenger revenues, we record the air traffic liability by translating to our functional currency the tickets sold at the different foreign exchange rates at the dates of the original ticket sale.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Currency risk

A summary of the quantitative currency risk for the Group, which was informed to its Management is as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Monetary assets	\$ 1,096,036	1,020,451	616,574
Monetary liabilities	<u>(1,474,696)</u>	<u>(999,418)</u>	<u>(770,546)</u>
Net currency risk in the statement of financial position	\$ <u>(378,660)</u>	<u>21,033</u>	<u>(153,972)</u>

The following significant exchange rates with respect to the US Dollar were applied during the year:

	<u>Average rate</u>			<u>Reporting date spot rate</u>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Mexican Peso	<u>18.26</u>	<u>17.78</u>	<u>20.14</u>	<u>20.27</u>	<u>16.89</u>	<u>19.36</u>

Sensitivity analysis-

A strengthening of the US Dollar, as indicated below, against the Mexican peso as of December 31, 2024, 2023 and 2022, would have affected profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	<u>Effect</u>
December 31, 2024	
US Dollar (10% strengthening)	\$ <u>34,423</u>
December 31, 2023	
US Dollar (10% strengthening)	\$ <u>(1,912)</u>
December 31, 2022	
US Dollar (10% strengthening)	\$ <u>13,997</u>



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

Notes to the consolidated financial statements

(In thousands of US dollars)

ii. *Jet-fuel price fluctuations-*

The main market risk associated with the industry is the variation in fuel prices. The Group mitigates this risk through derivative instrument contracts, usually options and combination of options. In addition, depending on market conditions, the Group applies fare increases or fuel surcharges to airplane tickets in order to partially mitigate the impact of higher fuel prices.

Fluctuations in jet-fuel prices largely depend on local or worldwide economic and political conditions. Among those conditions are the global supply and demand for oil, decisions taken by Organization of Petroleum Exporting Countries ("OPEC"), global refining capacity, stock levels of crude oil, and weather and geopolitical factors.

Our annual consumption of Jet-fuel and the corresponding derivatives used during the year are shown in the following table:

(Amounts in thousands of Gallons)	<u>2024</u>	<u>2023</u>	<u>2022</u>
Annual Consumption (Gal JF54)	462,533	433,727	390,818
Derivatives on JF54 (Gal JF54)	—	—	—
Amount Hedged (%)	—	—	—

A reduction in the Jet-fuel price positively affects the Group through a reduction in costs, while an increase has an adverse effect on the Group's performance.

During 2024, 2023 and 2022, the Group had a consumption of 462.5, 433.7 and 390.8 million gallons of Jet-Fuel which bought at an average price of 2.67, 3.05 and 3.65 USD/Gal respectively. These prices include transportation and supply surcharges.

The Group has paused its fuel hedging activity to cover between 40% to 60% of its annual projected fuel consumption for the fiscal years 2024, 2023 and 2022.

Sensitivity analysis-

If the Jet-fuel price would have changed 50c or 75c USD/Gal upward or downward, the Group would have paid / (saved) the following amounts:

<u>Changes in JF</u>	<u>0.50(+)</u>	<u>0.50(-)</u>	<u>0.75(+)</u>	<u>0.75(-)</u>
Direct Purchase of JF54	231,267	(231,267)	346,900	(346,900)

Amounts in thousands USD



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

Notes to the consolidated financial statements

(In thousands of US dollars)

iii. Interest rate risk-

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The fluctuation in interest rates depends heavily on the state of the global economy. An improvement in long-term economic prospects tends to move long-term rates upward while a drop tends to be associated with periods of slow economic growth.

The Group mitigates interest risk by managing the proportion of floating and fixed rate debt. As of December 31, 2024, 2023 and 2022, 96%, 80% and 73%, respectively of the Group's financial debt is under fixed-rate contracts.

Grupo Aeroméxico is exposed to changes in the TIIE (MXN denominated asset and liabilities) interest rate.

As of December 31, 2023 and 2022, the Group had interest rate Swaps in force in which the Group pays fixed rate receiving a floating rate indexed to TIIE 28 days. Through these instruments the Group made the risk management generated by the variability of flows to floating interest rate, within the Fideicomiso F/1748, whose Trustee is the Group, had outstanding at December 31, 2023 and 2022, interest rate Swap type strategies for its two former series (AERMxCB 19 and AERMxCB 17). At December 31, 2024 the Group has not any interest rate Swap instrument.

The next table represents the position at risk for the Group as of December 31, 2024:

	<u>Assets</u>	<u>Liabilities</u>
Short Term		
Investments		
Investment US/Ps.	\$ 275,331	–
Debt		
US loans		
Financial lease	–	36,488
Ps. Loans		
TIIE + Spread	–	52,558
	<u>\$ 275,331</u>	<u>89,046</u>



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

Notes to the consolidated financial statements

(In thousands of US dollars)

	<u>Assets</u>	<u>Liabilities</u>
Long Term		
Debt		
US loans		
Fixed rate	\$ —	1,110,000
Financial lease	—	76,987
	<u>—</u>	<u>1,186,987</u>
	\$ <u>—</u>	<u>1,186,987</u>

The following table represents the risk position for the Group as of December 31, 2024, 2023 and 2022, corresponding to the derivative rate financial instruments (amounts in million of Ps.):

Derivative Financial Instruments	Notional Amount		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Fixed rate instruments			
Interest rate Swaps	<u>—</u>	<u>(530)</u>	<u>(1,590)</u>
Variable rate instruments			
Interest rate Swaps	<u>—</u>	<u>530</u>	<u>1,590</u>
Fuel hedge instruments-			

For the years ended December 31, 2024, 2023 and 2022 the Group temporarily cancelled its call spread options to cover the exposure for its fuel purchases. For more information in connection with these instruments, see Note 3(c) and point (ii) *Jet-fuel price fluctuations* within this Note.

Sensitivity Analysis-

Debt-

The following cash flow sensitivity analysis considers the position exposed to variable interest rates.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Banco de México's target interest rate decrease by 125 BP in 2024, going from 11.25% 10.00%. Along the same lines, the FED decrease the rate of reference by 75 BP. In addition to the above-mentioned changes, if average annual interest rates had changed to the degree shown, the impact on results would have been the following:

	2024		2023		2022	
	+50 BP	-50	+50 BP	-50	+50 BP	-50
Loans in US						
SOFR (LIBOR in 2022)						
+ Spread	\$ —	—	550	(550)	988	(988)
	\$ —	—	550	(550)	988	(988)
Loans in Ps.						
TIIE + Spread	\$ 407	(407)	1,052	(1,052)	1,250	(1,250)
	\$ 407	(407)	1,052	(1,052)	1,250	(1,250)

Grupo Aeroméxico does not account for fixed rate liabilities at fair value through profit and loss and they are not related to any fair value hedging relationships, thus no fair value sensitivity analysis is performed.

Investments-

The Group also has exposure to movements in interest rates arising from its portfolio of interest rate sensitive assets. This risk is mitigated through the investment policy approved by the Finance Committee, where limits to long-term and fixed rate assets are stipulated.

Sensitivity for the investment portfolio is not possible to obtain based on the credit rating of the assets in its portfolio.

(e) Fair value hierarchy-

Financial instruments carried at fair value should be presented by valuation method. Three different levels have been defined giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The different levels are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs are not based on observable market data (unobservable inputs).



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(f) Fair values versus carrying amounts-

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position are presented in the following tables as of December 31, 2024, 2023 and 2022, including their hierarchy levels based on the business model determined by the Group. The tables do not include information of the assets and liabilities not measured at their fair value, if their carrying amounts are a reasonable approximation of their fair value.

The tables below present fair value of financial assets/liabilities at their book value in the statements of financial position as of December 31, 2024, 2023 and 2022, respectively.

Financial assets at fair value

As of December 31, 2023

	<u>Note</u>	<u>Other interest rate swaps</u>
<u>Book value:</u>		
Fair value for trading instruments	11	\$ <u><u>334</u></u>
<u>Fair value:</u>		
Level 1		\$ —
Level 2		334
Level 3		<u>—</u>
Total		\$ <u><u>334</u></u>

As of December 31, 2022

	<u>Note</u>	<u>Other interest rate swaps</u>
<u>Book value:</u>		
Fair value for trading instruments	11	\$ <u><u>1,893</u></u>
<u>Fair value:</u>		
Level 1		\$ —
Level 2		1,893
Level 3		<u>—</u>
Total		\$ <u><u>1,893</u></u>



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

Notes to the consolidated financial statements

(In thousands of US dollars)

**Loans and borrowings not carried out at fair value
As of December 31, 2024**

	<u>Note</u>	<u>Loans in US (SOFR - Spread)</u>	<u>Loans in Ps. (TIE - Spread)</u>	<u>Loans in US (Fixed rate)</u>	<u>Financial leasing of flight equipment in US</u>
<u>Book value:</u>					
Loans and borrowings	21	\$ —	52,558	1,096,443	113,475
<u>Fair value:</u>					
Level 1		—	—	—	—
Level 2		—	52,996	1,389,163	111,465
Level 3		—	—	—	—
Total		\$ —	52,996	1,389,163	111,465

**Loans and borrowings not carried out at fair value
As of December 31, 2023**

	<u>Note</u>	<u>Loans in US (SOFR - Spread)</u>	<u>Loans in Ps. (TIE - Spread)</u>	<u>Loans in US (Fixed rate)</u>	<u>Financial leasing of flight equipment in US</u>
<u>Book value:</u>					
Loans and borrowings	21	\$ 63,076	143,930	659,758	150,683
<u>Fair value:</u>					
Level 1		—	—	—	—
Level 2		61,748	130,674	597,059	132,575
Level 3		—	—	—	—
Total		\$ 61,748	130,674	597,059	132,575



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

Notes to the consolidated financial statements

(In thousands of US dollars)

**Loans and borrowings not carried out at fair value
As of December 31, 2022**

	<u>Note</u>	<u>Loans in US (LIBOR - Spread)</u>	<u>Loans in Ps. (TIE - Spread)</u>	<u>Loans in US (Fixed rate)</u>	<u>Financial leasing of flight equipment in US</u>
<u>Book value:</u>					
Loans and borrowings	21	\$ 147,176	215,223	768,172	194,371
<u>Fair value:</u>					
Level 1		-	-	-	-
Level 2		145,007	169,808	908,501	197,654
Level 3		-	-	-	-
Total		\$ 145,007	169,808	908,501	197,654

(g) 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.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Financial instruments not measured at fair value:

Type	Valuation technique
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 shares, loans from associates and finance lease liabilities.

ii. Transfers between Levels 1 and 2

There were no transfers between Level 2 to Level 1 (nor Level 1 to 2) in 2024, 2023 and 2022.

iii. Level 3 fair values

The Group did not present any of the fair values of its financial instruments as Level 3 during 2024, 2023 and 2022.

(h) Capital management-

From time to time the Group purchases its own shares on the market; the timing of these purchases depends on market prices. Buy and sell decisions are made on a specific transaction basis and the Group does not have a defined share buy-back plan.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(29) Other loss (income), net-

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<i>Other income:</i>			
Net gain from sale of property and equipment/obsolete material	\$ —	—	9,880
Taxes recoveries	3,505	934	1,456
Leases recoveries	11,960	3,634	3,505
Other	<u>3,308</u>	<u>—</u>	<u>4,890</u>
Total other income	<u>18,773</u>	<u>4,568</u>	<u>19,731</u>
<i>Other expenses:</i>			
Labor and other contingencies	6,149	1,040	—
Net loss from sale of property and equipment/obsolete material	5,196	4,508	—
Value added tax non-collectible	45,926	27,390	21,113
Contingent Value Rights expense (1)	10,000	7,500	—
Other	<u>—</u>	<u>597</u>	<u>—</u>
Total other expenses	<u>67,271</u>	<u>41,035</u>	<u>21,113</u>
Other loss (income), net	<u>\$ 48,498</u>	<u>36,467</u>	<u>1,382</u>

(1) Consideration offered to general unsecured creditors that hold one or more claims classified in Class 3(c) and/or Class 3(d) under in connection with Group's PoR.

(30) Wages, salaries and benefits-

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Wages and salaries	\$ 968,068	793,824	567,459
Compulsory social security contributions	104,402	94,749	67,679
Expenses related to defined benefit plans	<u>11,676</u>	<u>7,555</u>	<u>3,175</u>
	<u>\$ 1,084,146</u>	<u>896,128</u>	<u>638,313</u>



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(31) Finance income and finance costs-

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Interest income on bank deposits and other investments	\$ 55,465	64,180	15,334
Net foreign exchange gain	22,436	–	–
Other financial income	<u>–</u>	<u>6,653</u>	<u>–</u>
Finance income	<u>77,901</u>	<u>70,833</u>	<u>15,334</u>
Interest expense on financial liabilities	78,908	99,433	125,913
Letters of credit commissions	222	66	3,782
Credit card commissions (a)	107,632	98,969	85,237
Lease interest	183,949	177,520	145,764
Interest on employee obligation	18,994	18,061	14,097
Interest on leased aircraft return provision (b)	10,641	–	–
Derivative financial loss	334	1,758	790
Net foreign exchange loss	–	88,385	58,433
Bank fees	4,633	6,390	5,863
Interest paid to related parties	504	23	1,624
Other financial costs (mainly Exit Financing early termination costs in 2024 and DIP commissions in 2022)	<u>41,556</u>	<u>8,367</u>	<u>24,408</u>
Finance costs	<u>447,373</u>	<u>498,972</u>	<u>465,911</u>
Net finance cost recognized in profit and loss	<u>\$ (369,472)</u>	<u>(428,139)</u>	<u>(450,577)</u>

- (a) Represents the finance cost to collect immediately all sales transactions held through credit cards. All other credit cards commissions associated with incentive sales promotions are considered part of selling expenses.
- (b) Since 2024, the Group recognizes as part of its finance costs, the corresponding interest computed for the lease aircraft return provision.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(32) Restructuring (income) expenses, net-

Special items are those items that in Management's view are to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Group's financial performance.

Special items recorded within operating expenses for the year ended December 31, 2022 regarding the Group's financial restructuring under Chapter 11, consisted of the following:

	<u>2022</u>
Gain for rejected flight equipment and other leased aircraft restructuring effects	\$ (59,962)
Professional fees associated with Chapter 11 advisors	65,365
General unsecured claim settlements	(107,924)
Credit due to lease liabilities cancellation	<u>(11,567)</u>
Restructuring (income) expenses, net recognized in profit and loss as operating expenses	\$ <u><u>(114,088)</u></u>

Flight equipment and other leased aircraft restructuring effects

In 2022, the remaining lease terms for three aircraft were reduced, creating short – term liabilities, therefore the reduction of the right-of-use and lease liability balances generated a profit with upon cancellation.

Chapter 11 professional fees

Due to the financial restructuring under Chapter 11, the Group faced additional administrative expenses regarding the fees paid to its external advisors.

General unsecured claim settlements

As part of the PoR the Group recognized \$(107.9) million in 2022 (at its expected value) different claims promoted by different claimants. This estimated item represented the expected value of the general unsecured claim settlements based upon the anticipated distributions under the proposed PoR. This additional estimate was the result of the process of reconciling different claims received against the Group's books and to solve claims disputes, after such the Group was able to make a reliable estimate of the final claims pool in terms of the expected value of such claims. The main items refer to lessors and employees' unions claims.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

Lease liabilities cancellation

Corresponds to some lease liability cancellations, representing a non-cash item in 2022 for \$11.6 million, recognized as a restructuring item within the operating results.

(33) 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.

As of December 31, 2024, the Group has the following significant contingencies and commitments:

Contingencies:

- a. There are labor lawsuits in process for approximately \$16.9 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 \$8.3 million, which is considered sufficient to cover possible outflows.
- b. In 2015, the Mexican Economic Federal Antitrust Commission (*Comisión Federal de Competencia Económica* or "COFECE") initiated an investigation against Aeroméxico and other Mexican airlines for alleged monopolistic practices in the airline sector supposedly carried out between April 2008 and February 2010. In connection with this investigation, Aeroméxico received a fine of Ps.86.2 million 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 Mexican Supreme Court ("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 a subsequent event, on February 12, 2025 the SCJN issued a final resolution favorable to COFECE revoking the lower court's decision. As of the date of issuance of these consolidated financial statements, the full text of the SCJN decision has not been published (see Note 34 b)).



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

Notes to the consolidated financial statements

(In thousands of US dollars)

- c. On January 26, 2024, the US Department of Transportation (“DOT”) issued a tentative Order to Show Cause (the “Order”) to 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.
- d. 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:

- a. The financial commitments related to leases and financial debt, are disclosed in Notes 15 and 21.
- b. The Group has entered into agreements for services (in addition to those expressly disclosed in this Note), materials and accessories, of which the most important are those related to fuel. The amounts are limited to those specified in the purchase orders. In addition the Group also has various service contracts with regard to maintenance service for its fleet.
- c. In view of the fact that the Group participates in the “Sky Team” (“alliance”), it is required to operate on the basis of the respective contract, particularly as concerns:
 - I. Compliance with the alliance requirements, which include among others the accomplishment with security, service and trademark standards, access to frequent passenger rewards programs, etc;
 - II. Compliance with the operating conditions to which participants are subject; participants must periodically submit accounts to the “alliance” and undergo inspection;
 - III. Making proportional contributions to fund the alliance advertising budget and the annual operating budget.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

The contract specifies a number of cases for early termination with no responsibility, such as insolvency and liquidation. Furthermore, the participants may be terminated in the event of noncompliance. Among the reasons for termination are the sale of assets and the Group being acquired by an airline outside the alliance. With the exception of termination by official mandate without responsibility for either of the parties, any other reasons attributable to the Group leading to withdrawal from the alliance would be subject to a conventional penalty payable by the Group equivalent to 10.5 million euros. The contract expired in June 21, 2020, and was renewed for subsequent five-year periods.

- d. In 2015, we entered into a Joint Cooperation Agreement (“JCA”) with Delta that has received antitrust immunity from U.S. and Mexican regulators. The JCA with Delta, and the antitrust immunity we have been granted by Department of Transportation (“DOT”) and Mexican regulators in connection therewith, is of strategic significance to the Group because it permits both companies to coordinate pricing, network and scheduling, among other commercial activities, on Mexico-US routes, ensuring that we are able to provide coherent and seamless service to our passengers.

DOT’s grant of antitrust immunity was effective as of May 5, 2017 and was limited to five years’ duration. The JCA is subject to periodic reviews by government authorities including, for example, a pending review by the DOT of a joint application by Delta and Grupo Aeroméxico to renew the DOT’s approval of, and grant of antitrust immunity to, the JCA following the expiration of the five-year term. The DOT approval and antitrust immunity grant remain in effect pending DOT action on the renewal application, for which there is no defined procedural timeline (see Contingency item c. within this same Note).

In addition, the Group has entered into shared code and frequent flyer agreements with other airlines.

- e. Fleet renewal.

The Group has the following agreements as of December 31, 2024:

- (i) During 2024, six Boeing B737 MAX and two B787-9 were incorporated to the fleet.
- (ii) During the year 2024 the Group has been following on with the fleet renewal program. In 2024, the Group signed incremental operational lease commitments for two B737 MAX and in addition to the current commitments for eighteen B737 MAX and three B787-9 to be received during 2025-2026.
- (iii) During the year 2024, the Group exercised extension rights of some Boeing B737-800 NG and Embraer E190.



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

Notes to the consolidated financial statements

(In thousands of US dollars)

(34) Subsequent events-

As of March 28, 2025, the date of issuance of these consolidated financial statements, the most significant subsequent events in regard to the December 31, 2024 consolidated financial statements and for the year then ended are as follows:

- a)** Uncertainty in fuel prices consumed by the Company. As of March 28, 2025, the price reached 2.44 dollars per gallon, and at December 31, 2024, was 2.44 dollars per gallon, and the average in 2024 was 2.67 dollars per gallon.
- b)** In connection with the legal challenge filed by Aeroméxico against to the Ps.86.2 million fine imposed by COFECE in 2019 for alleged monopolistic practices in the airline sector supposedly carried out between 2008 and 2019, on February 12, 2025, the SCJN issued a final resolution favorable to COFECE that revoked the March 2022 lower court's decision that nullified the fine (see Note 33 b.).
- c)** The Group has signed service agreements within the normal course of its operation.

