

Avianca Group International Ltd.

JP Morgan Conference

March 2023

 INTRODUCTION TO AVIANCA

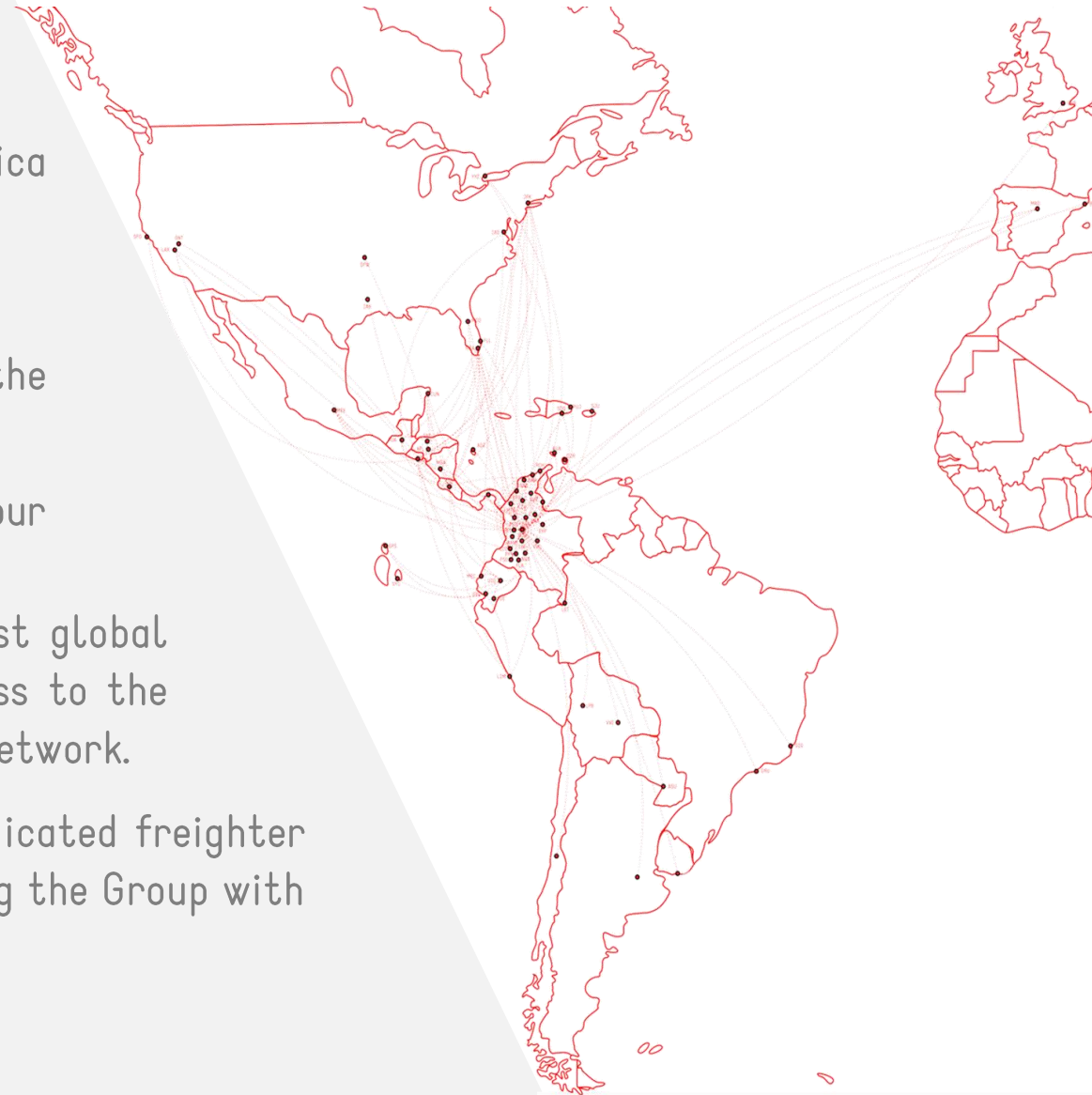
 Q4-22 FINANCIAL PERFORMANCE

Avianca is the leading airline in Colombia, Ecuador, Central America and has one of the largest airline operations in Latin America.

- World's oldest continuously operating airline.
- Over 120 routes, connecting to more than 60 destinations in the Americas and Europe.
- Over 120 passenger aircraft and 11 freighters serving our markets.

Member of Star Alliance since 2012, one of the world's largest global airline alliances, which provides Avianca's customers with access to the routes, destinations, and services of the extensive Star Alliance network.

Our core passenger airline business is complemented by our dedicated freighter operation and LifeMiles, a world-class loyalty program, providing the Group with scale and profitability.



The new Avianca is a portfolio of aviation businesses, the core of which is a cost-efficient narrowbody operation, with complementary entities that provide scale and profitability.

CORE: COST-EFFICIENT POINT-TO-POINT NARROWBODY OPERATION

Avianca's narrowbody operation is the core business and follow all core elements of a LCC, with limited defined exceptions, and the ability to optimize for revenues due to its superior market positioning.



New, densified, and differentiated product optimized for cost.

COMPLEMENTARY BUSINESS ENTITIES



WIDEBODY

- Single fleet operation
- Simplified experience
- Accidental connectivity



CARGO

- Separate freighters
- Also use belly of passenger fleets

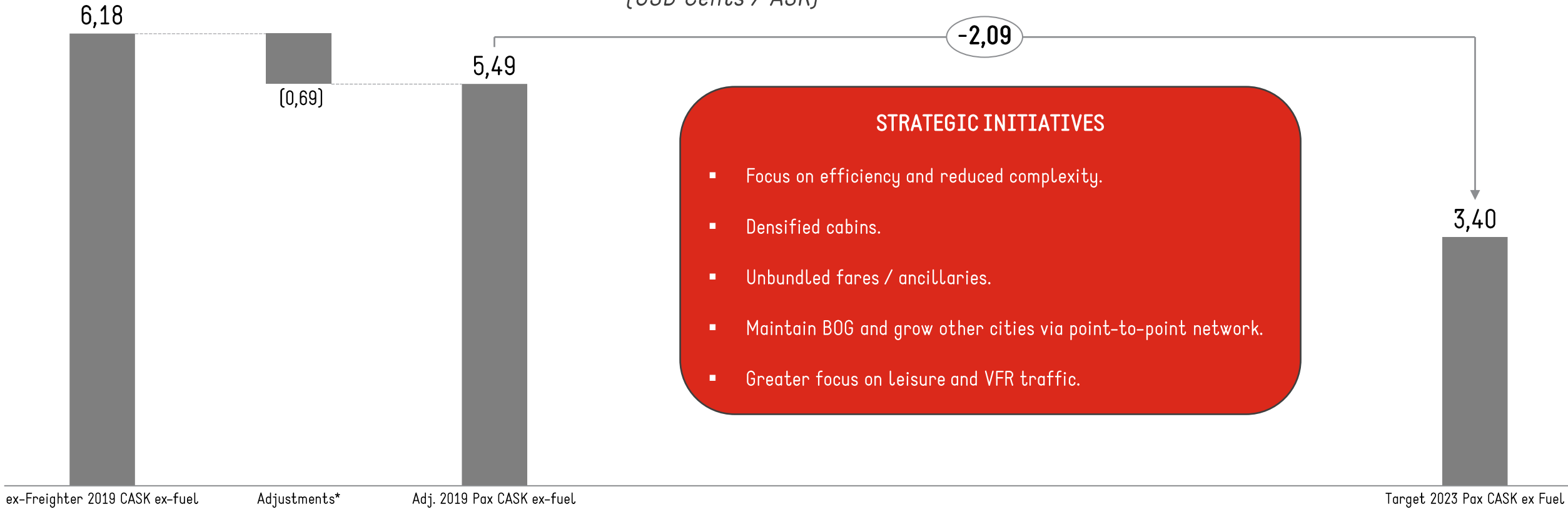


LOYALTY

- Frequent flyer program
- Coalition revenue
- Lounges and benefits

Our new business model will enable us to become a cost-efficient airline.

Evolution of Projected CASK ex-fuel – System
(USD Cents / ASK)



-2,09

3,40

ex-Freighter 2019 CASK ex-fuel

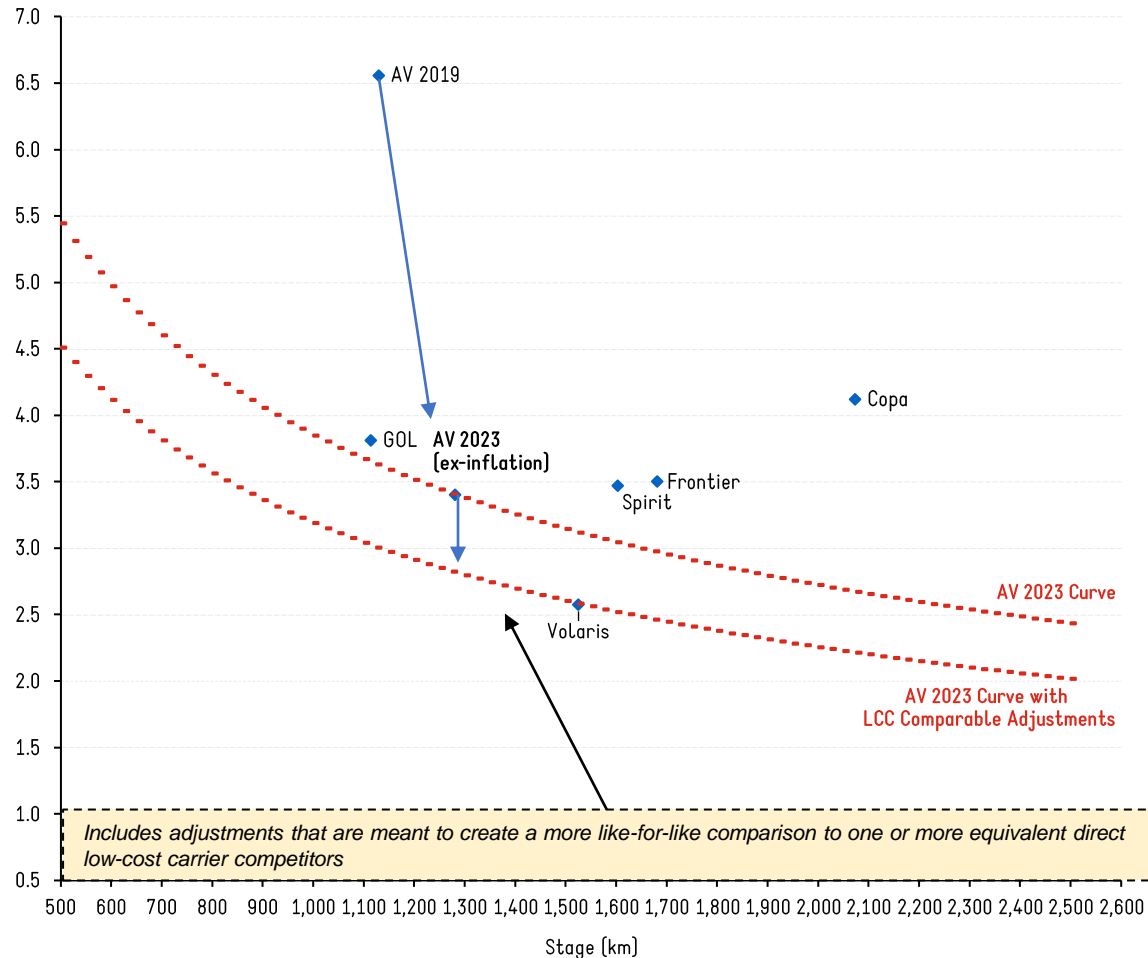
Adjustments*

Adj. 2019 Pax CASK ex-fuel

Target 2023 Pax CASK ex Fuel

*Related to One-time charges in 2019 and Non-Core activities.

Reaching a CASK ex-fuel target of 3.4 cents by 2023 will allow us to achieve one of the lowest cost structures in the region.



Narrowbody Adjusted CASK ex-Fuel¹ versus Stage

Network redesign has increased point-to-point service, and aircraft utilization has improved significantly.



2022 HIGHLIGHTS

-  More than **20** point-to-point routes launched.
-  Over **500** Daily Flights in average
-  + **22 M** Passengers carried

STATISTICS

	2019	Dec-22	YE 2023
Destinations	76	67	81
Routes	123	129	184
Daily departures	655	543	694
Aircraft Operative utilization (BH/Day)	9.5	10.4	11.5

Our operation is geared towards a standardized narrowbody fleet to increase efficiency.


NARROWBODY



 108 AIRCRAFT

 12 AIRBUS A319

 72 AIRBUS A320 CEO

 24 AIRBUS A320 NEO

WIDEBODY



 13 AIRCRAFT

 13 BOEING 787-8

FREIGHTER



 11 FREIGHTERS

 3 AIRBUS A300

 6 AIRBUS A330

 2 BOEING 767



Avianca Premium

Class 12 seats



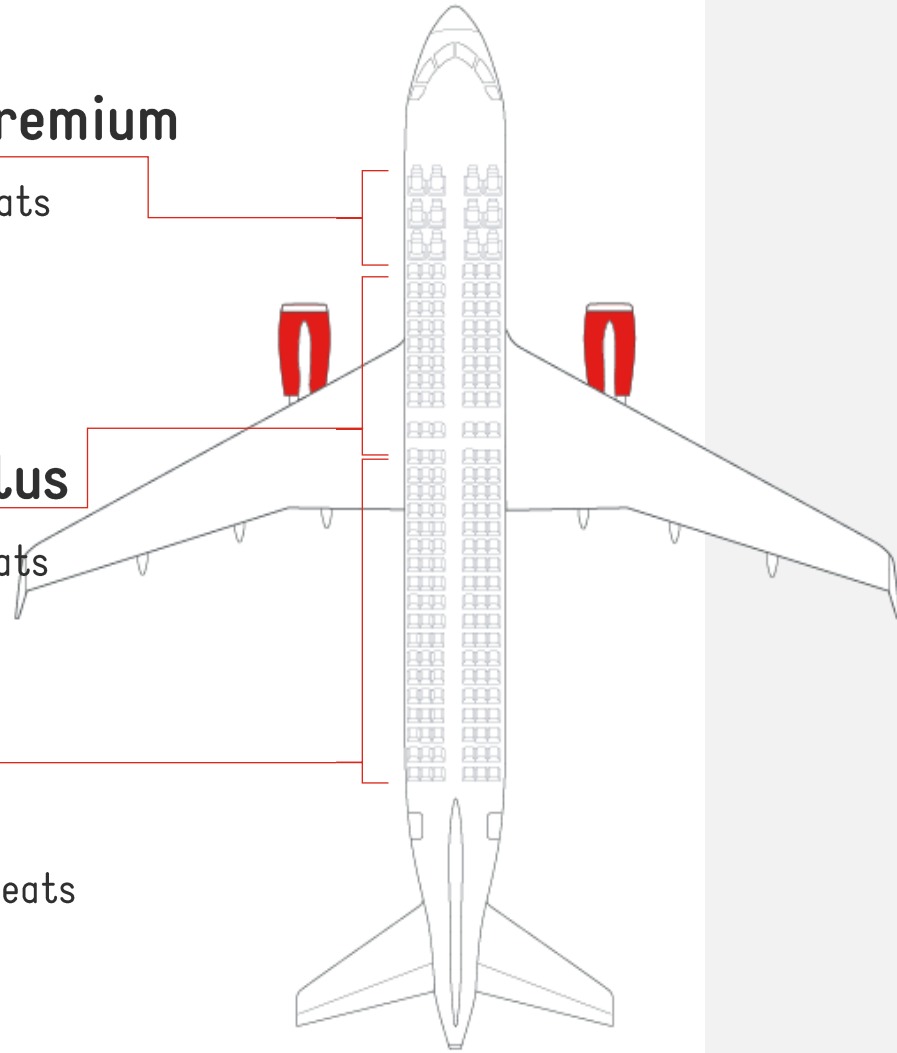
Avianca Plus

Class 60 seats



Economy

Class 108 seats



Densification Progress

(as of Feb '23)



Fully densified

92 Aircraft

To be densified
by June '23

21 Aircraft

Avianca's cargo operations hold the #1 market position in Colombia and #2 in Miami, connecting Latin America with the rest of the world.

Highlights

- ✈ In 2022, we transported over 450K tons of perishables, textiles, pharmaceuticals, technology and more.
- ✈ More than 50 destinations.
- ✈ 11 dedicated freighter aircraft.
- ✈ Avianca's belly cargo capacity provides our cargo customers access to a wider network.



LifeMiles maintains a strong position as the largest and most recognized coalition loyalty program in Colombia and Central America.

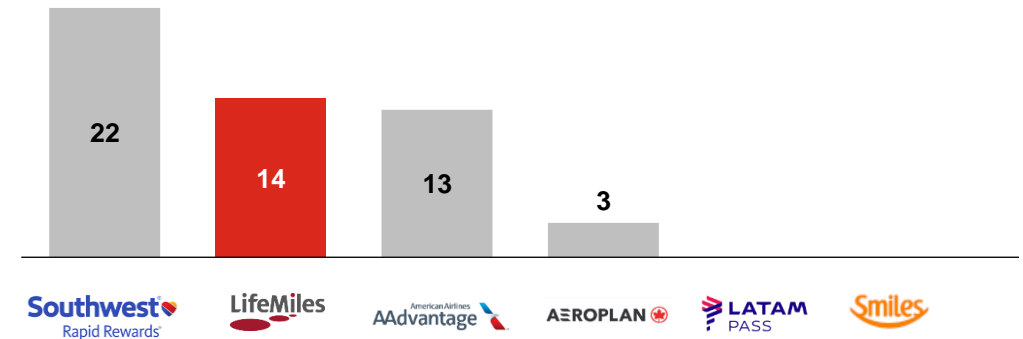
Highlights of the Program

- 11.6+ million loyalty members
- US\$ 202M LTM Dec-22 in Gross Billings
- Winner of 14 Freddie Awards
- Exclusive loyalty program for Avianca
- 542K co-branded credit cards
- +500 commercial partners

Select Partners

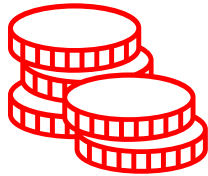


One of the Most Awarded Loyalty Programs across the Americas¹

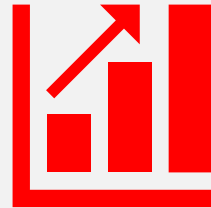


1. Aggregate number of Freddie Awards from 2013 to 2022.

Our business plan projections* show us achieving compelling financial metrics:



CASK ex-fuel
3.4 Cents



EBITDA Margin
>30%






Net Debt/EBITDA
<2.5x




ENVIRONMENTAL

We updated our Sustainability Strategy, in line with our new Business Model and organizational culture.

2022 Highlights

-  **15.3%** Green House Gases (GHG) reduction per transported Passenger
-  **90%** of GHG compensation on our Colombian operations.
-  Achieved an above-industry **B** score on the Carbon Disclosure Project due to our climate change management commitment.

Long-term goals

-  Usage of Sustainable Aviation Fuels on key routes.
-  Substitute single-use plastics on customer-related operations.
-  Adopt a paperless model.




SOCIAL

We reinforced our social impact through strategic alliances and the promotion of a DEI culture.

2022 Highlights

-  Social investment alliances with **10 NGOs**, in 4 scopes: Natural Disasters Response, Child healthcare, nutrition and education, Vital organ transportation and inclusion for people with disabilities.
-  Restructuring of strategic initiatives: **Miles bank, Employee volunteering, In kind donations.**
-  We released our first **DEI manifest.**

Long-term goals

-  Achieve gender equality on our leadership positions.
-  Educate 100% of our customer service team on DEI protocols
-  Measure our ESG impact on the stakeholders.

GOVERNANCE

We are convinced that a solid corporate governance is critical to achieving our goals.

2022 Highlights

-  Implementation of MERO (platform for internal areas to update key ESG metrics on a regular basis).
-  Review and update of our human rights policies.
-  A committee was created to promote and monitor best practices and operational safety.

Our Government

- 30** Members on the General Meeting of Shareholders
- 10** Members on our Board of Directors
- 15** Members on our Executive Leadership Team

Avianca is led by a world class Senior Executive Team.



ADRIAN NEUHAUSER - - Chief Executive Officer

Guides Avianca Group on the successful Business Plan implementation, aiming to position the Company as an industry leader which generates value for stakeholders.



FREDERICO PEDREIRA - Chief Operating Officer

Leads the Company's operations, service, and business model transition by clearly defining and reconfiguring the Avianca product and its overall value proposition.



ROHIT PHILIP - Chief Financial Officer

Focuses on streamlining operations to strengthen the cost structure, reduce debt, improve liquidity and to substantially reduce fleet costs.



MICHAEL SWIATEK - Chief Strategy and Planning Officer

Leads the new Point-to-Point network implementation, in line with the reconfiguration and simplification of the product.



MANUEL AMBRIZ - Chief Commercial Officer

Responsible for the new business model execution, focusing on low-cost pricing, ancillaries, product simplification and digital direct distribution.



MATTHEW VINCETT - Chief Loyalty Officer & LifeMiles CEO

Launched LifeMiles in March 2011. Since then, LifeMiles has become the region's most awarded program, known for innovation & value delivered to members.



RENATO COVELO - Chief People Officer

Primarily responsible for building and aligning Avianca's new corporate culture throughout the organization.



RICHARD GALINDO - Chief Legal Officer

Lead the Company's successful Chapter 11 reorganization and emergence during the COVID-19 pandemic.



FERNANDO LARA - Chief Information Officer

Focuses on ensuring Avianca's technological transformation and stabilization are closely aligned with the Company's new business model.



GABRIEL OLIVA - Executive VP of Avianca Cargo

In charge of leading Avianca Cargo's strategy to become a top-tier Latin America carrier.

A highly knowledgeable Board of Directors supports the management team in the implementation of the new business strategy .



ROBERTO KRIETE - Chairman

Chairman of Kingsland Holdings, Founder and Director of Volaris. Former Director and CEO of TACA Airlines.



SIMON DUFFY

Independent Director of Wizz Air and Nordic Entertainment, experienced in telecoms and commerce.



RICHARD SCHIFTER- Chief of Independent Equity Committee

Senior Advisor at TPG Capital. Former Board Member of American Airlines, US Airways and Ryanair



KERRY PHILIPOVITCH

Former Senior VP – Customer Experience for American Airlines, knowledgeable in airline operations, commercial and customer experience



ADRIAN NEUHAUSER - - Chief Executive Officer

CEO of Avianca Group. Broad experience in Investment Banking, specializing on Aviation industry in Latin America



BOB FORNARO

Board member of WestJet airlines and advisor to Southwest Airlines. Vast experience in the transportation and travel industry.



ALVARO AGUIRRE

Former attorney at Sullivan & Cromwell, with extensive experience serving on public and private BoD.



GONZALO RESTREPO

Large experience serving as member of the board of directors of leading Colombian companies and former CEO of Almacenes Exito.



PATRICK KIBLSKY

Managing partner at Munuga and external advisor to Nexus Partners, specializes in wealth management.





DECLAN RYAN


Founder and Managing Partner at Irelandia Aviation, Co-founder of Ryanair and former Executive Chairman at Viva Air Group.

 INTRODUCTION TO AVIANCA

 Q4-22 FINANCIAL PERFORMANCE

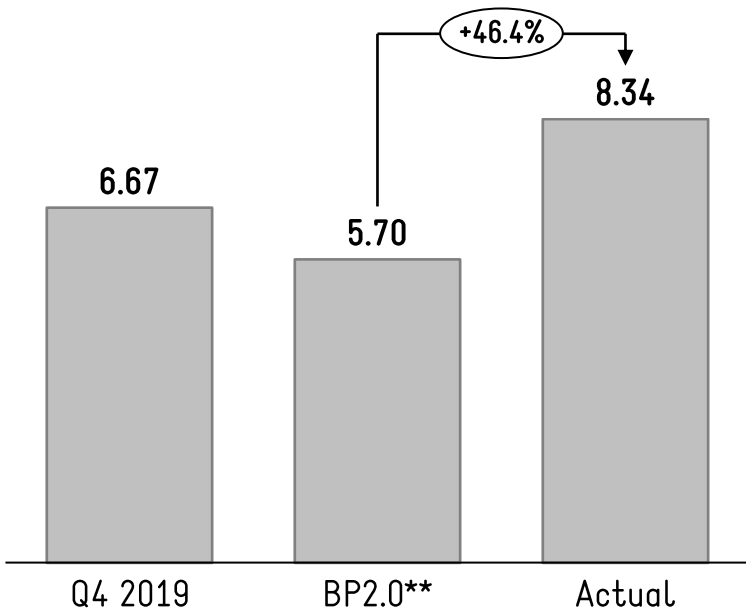
-  During 2022 we successfully executed on our Business Plan:
 - Avianca generated **\$270 million in EBITDAR*** during Q4 and **\$721 million in EBITDAR*** in 2022, outperforming Business Plan projections.
 - The Company achieved a **CASK ex-fuel of 3.9 cents** in December, in line with previous guidance, and remains **on track to achieve CASK ex-fuel target of 3.4 cents** in Q4 of 2023.
 - Generated **\$35 million in cash** during Q4, ending the year with a **strong cash balance of \$862 million**.
 - Net debt of **\$3.1 Billion** at year-end 2022.


-  Viva: the Colombian Civil Aviation authority is revisiting the integration request. Avianca has reiterated its interest in supporting the rescue of Viva and has proposed a comprehensive remedy package to address the authority's concerns.

-  Abra is now a reality. Initial closing on March 1; all shares expected to be contributed by the end of March.

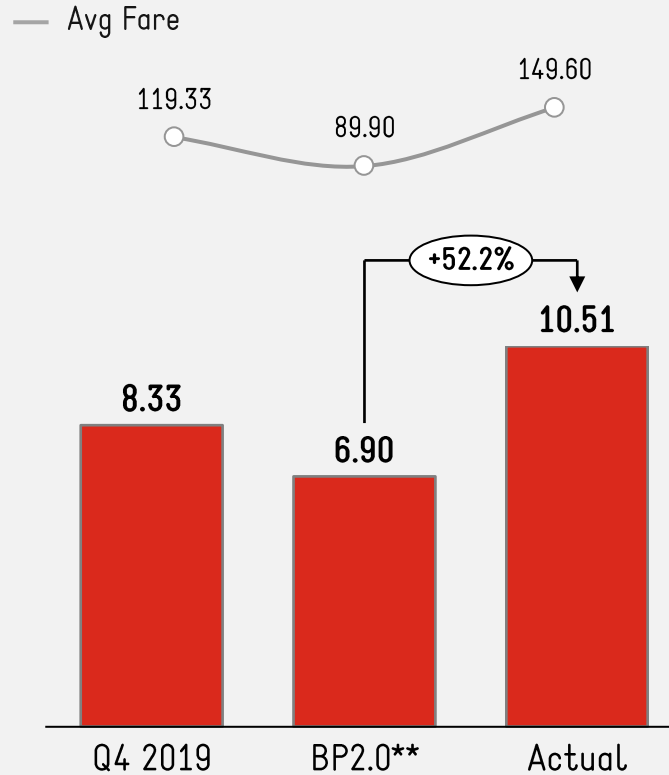
Unit revenues significantly outperformed Business Plan projections, supported by measures implemented which successfully offset the impact of higher fuel prices and unprecedented inflation.


PRASK*



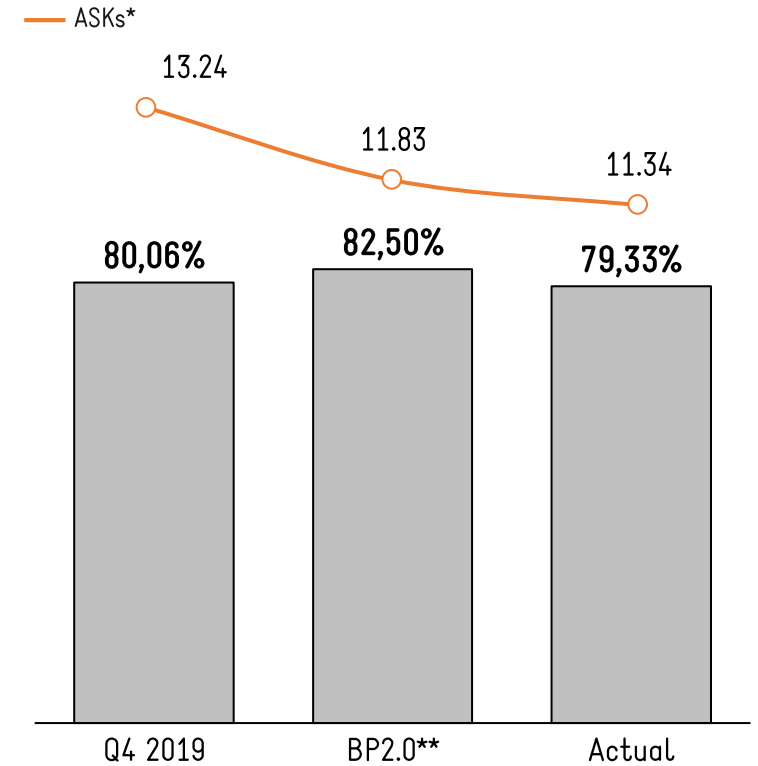
 **+46.4%**
Vs. Q4-22 BP 2.0

YIELD*



 **+52.2%**
Vs. Q4-22 BP 2.0

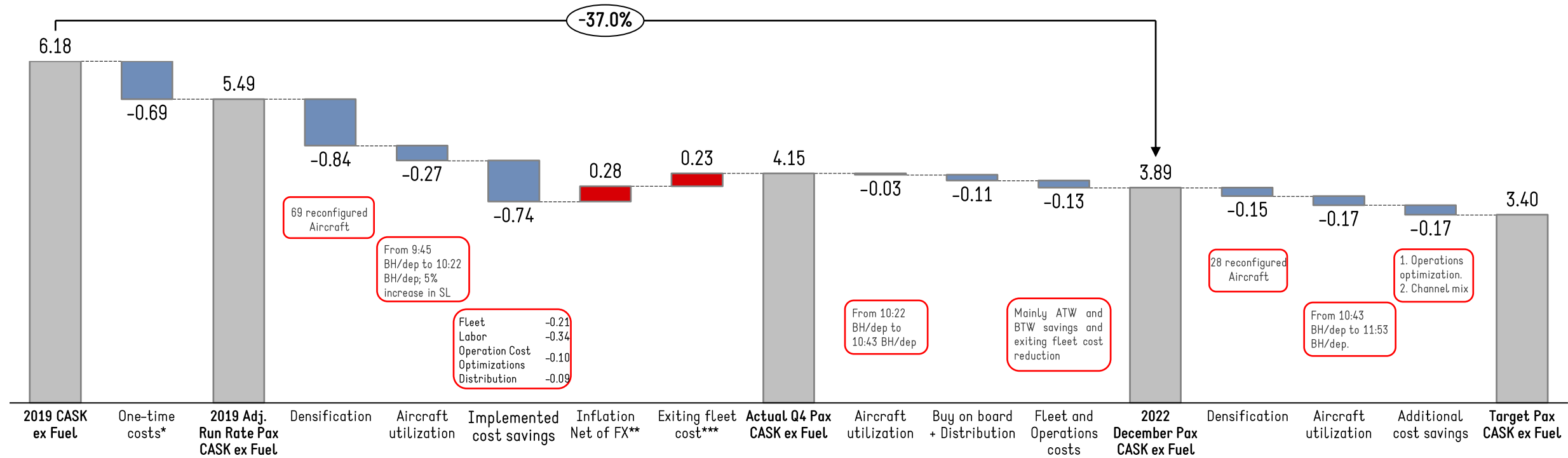
Load Factor%



*ASKs figures are in million, PRASK and Yield in US Cents.

** BP 2.0: Business Plan projections.

Avianca ended December 2022 with a CASK ex-fuel of 3.9 cents, in line with prior guidance. We remain on track to deliver business plan projected passenger CASK ex-fuel of 3.4 cents in Q4-2023.



Q4-22 Key initiatives

- 15 aircraft reconfigured with the final densified seat layout
- 9 new point-to-point routes launched.
- Buy-on-Board implemented on December 1, 2022.

Initiatives being implemented in Q1-23

- 11 aircraft will be reconfigured.
- 2 new point-to-point routes to be launched.

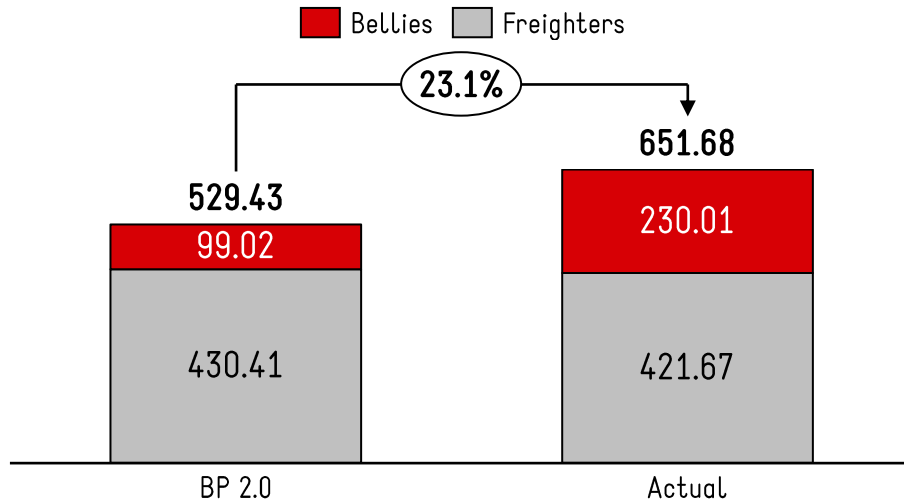
* Including Impairments and Contingencies.

**Cumulative Inflation includes incremental prices of operational expenses (Labor, airport expenses, other operational expenses) partially compensated by Colombian peso depreciation

*** Aircraft Rentals expense increase is related to maintenance PBH, engine management charge and WB rentals due to higher PBH utilization on exiting fleet.

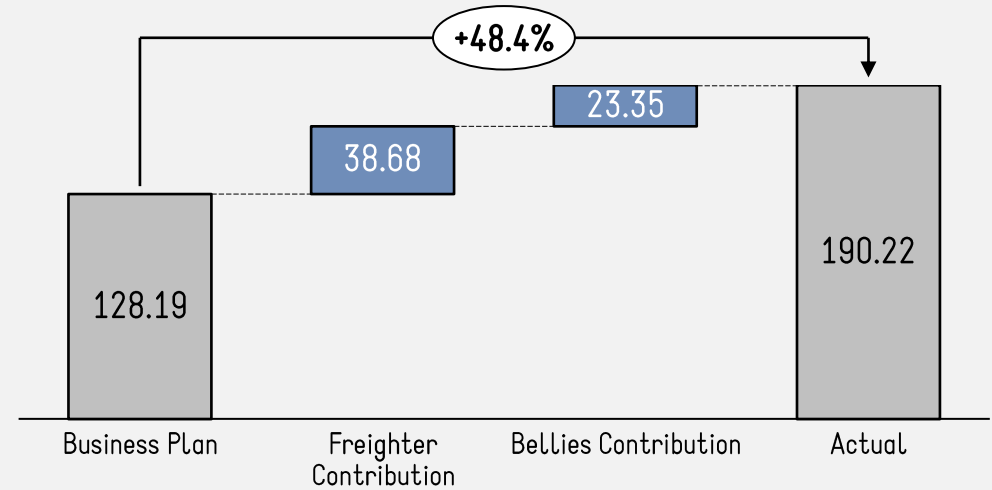
Avianca Cargo revenues outperformed Business Plan in the fourth quarter despite year-end rates rationalization. We expect 2023 results to converge to business plan projections.

CAPACITY*



+23.1%
Vs. Q4-22 BP 2.0

REVENUE**

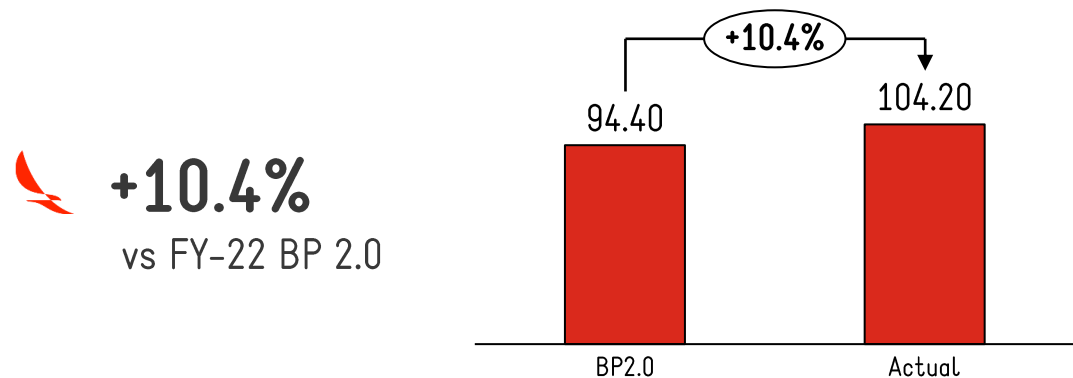


+48.4%
Vs. Q4-22 BP 2.0

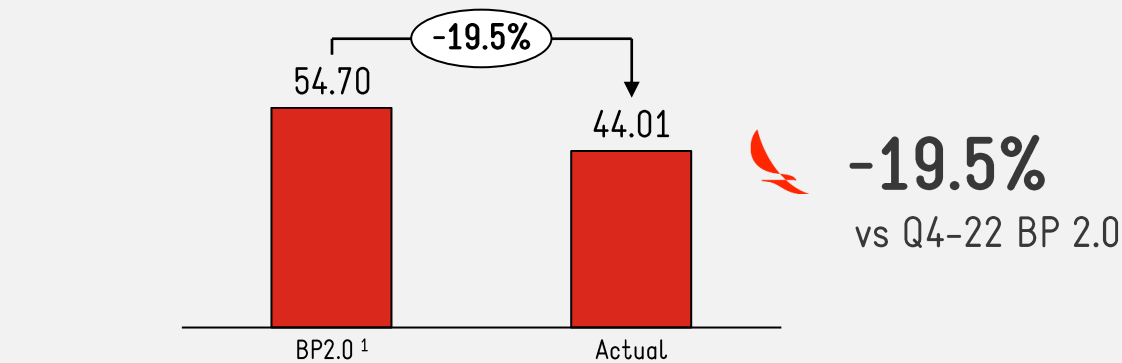
* Figures in Thousands
** Figures in Millions

LifeMiles full year contribution to the Group exceeded business plan by 10% due to a favorable redemption mix, despite the COP depreciation impact on Gross Billings from cobranded cards in Colombia.

FY LM CASH EBITDA TO AGIL

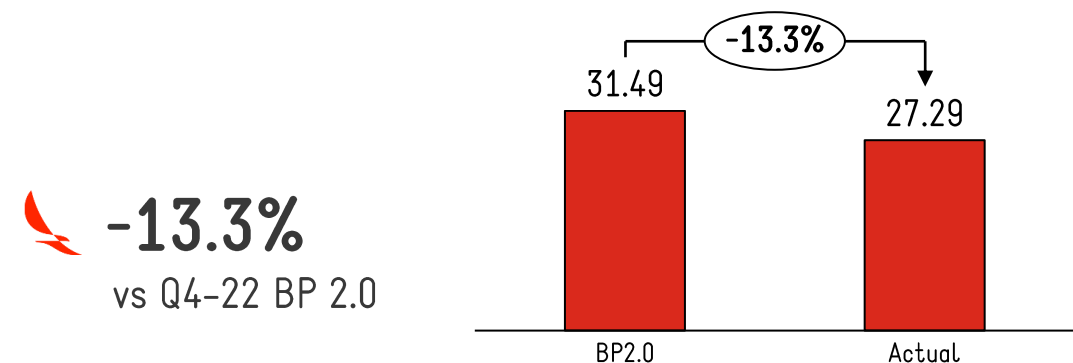


Q4-22 THIRD PARTY GROSS BILLINGS¹



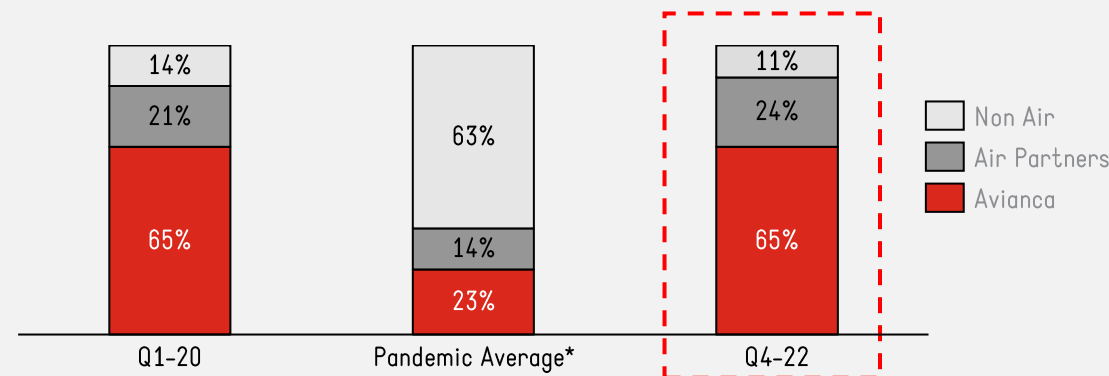
- COP depreciation² on Gross Billings from cobrands in Colombia.
- Closure of our digital coalition virtual marketplace (non-air)

Q4-22 LM CASH EBITDA TO AGIL*



- Decreased third-party gross billings partially offset by a decrease in non-air redemptions.
- SG&A savings offset by year-end labor cost provisions.

REDEMPTION MIX



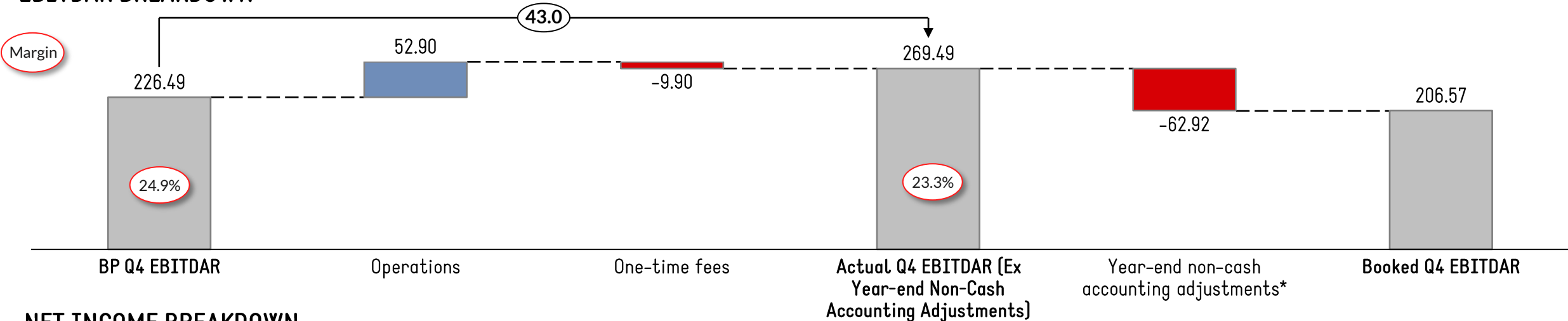
¹ Business Plan Gross Billings excludes Digital Coalition Gross Billings where LifeMiles acts as agent (i.e. Merchandise Value).

² Average COP/USD of ~4,800 vs. ~3,500 in business plan.

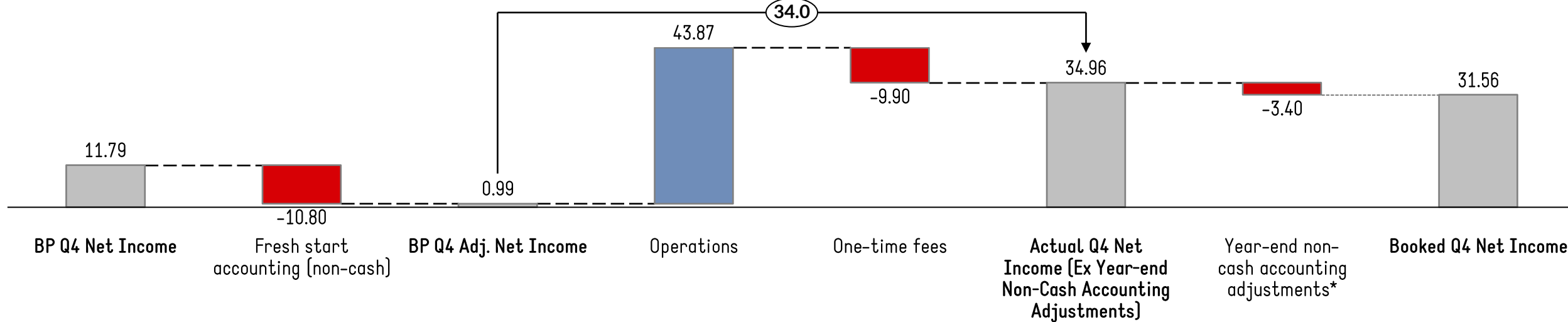
* Pandemic Average refers to the period of time from Q2-20 to Q1-21.

Avianca's financial performance exceeded business plan projections reflecting a successful execution of the new business model.

EBITDAR BREAKDOWN

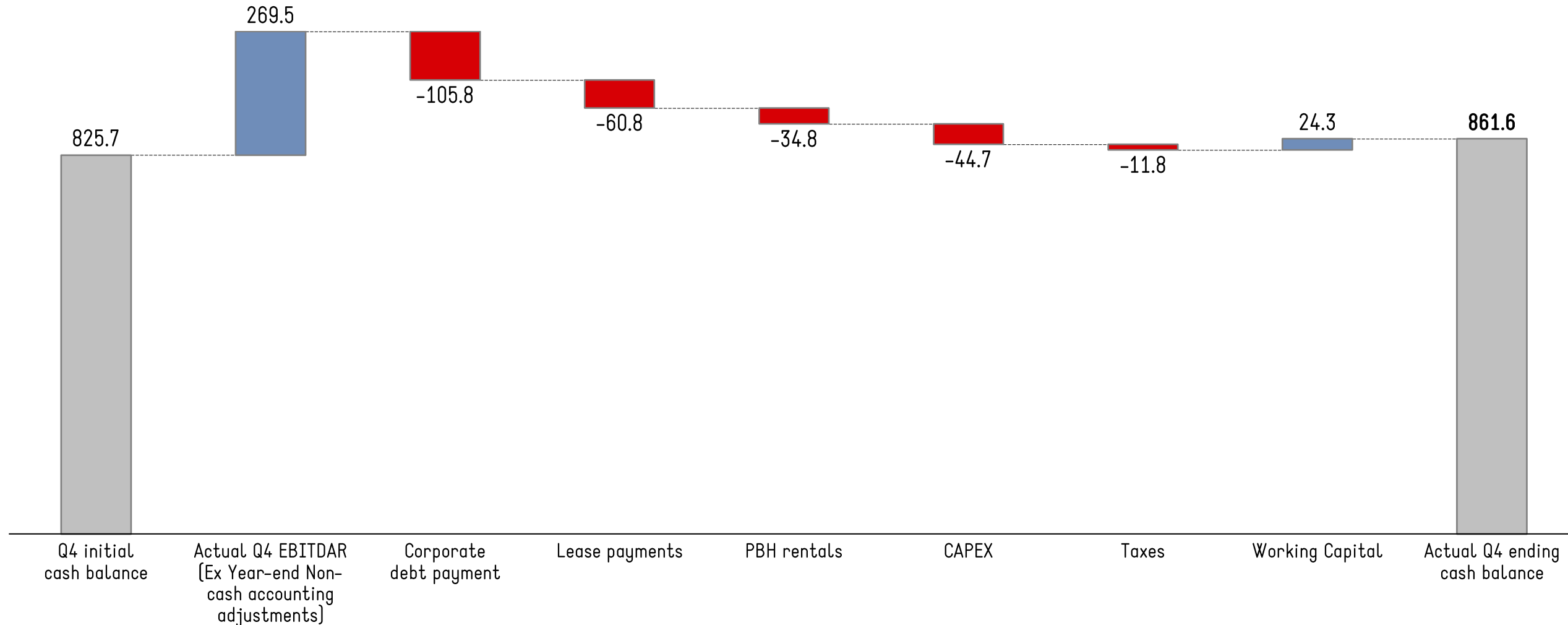


NET INCOME BREAKDOWN



Figures in Millions
*Year-end accounting adjustments are explained in the Appendix.

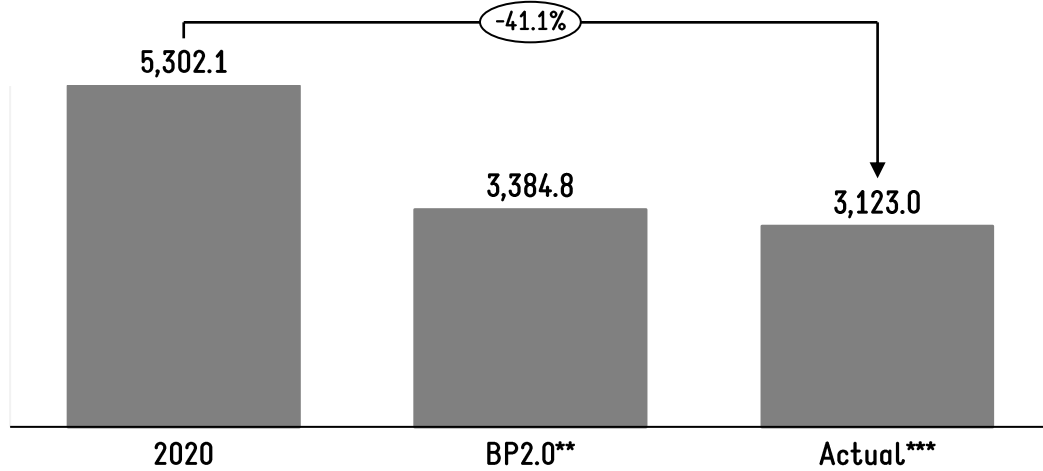
The Company generated \$35 million in cash during fourth quarter 2022 and maintained a strong cash balance of \$861.6 million.



Figures in Millions.

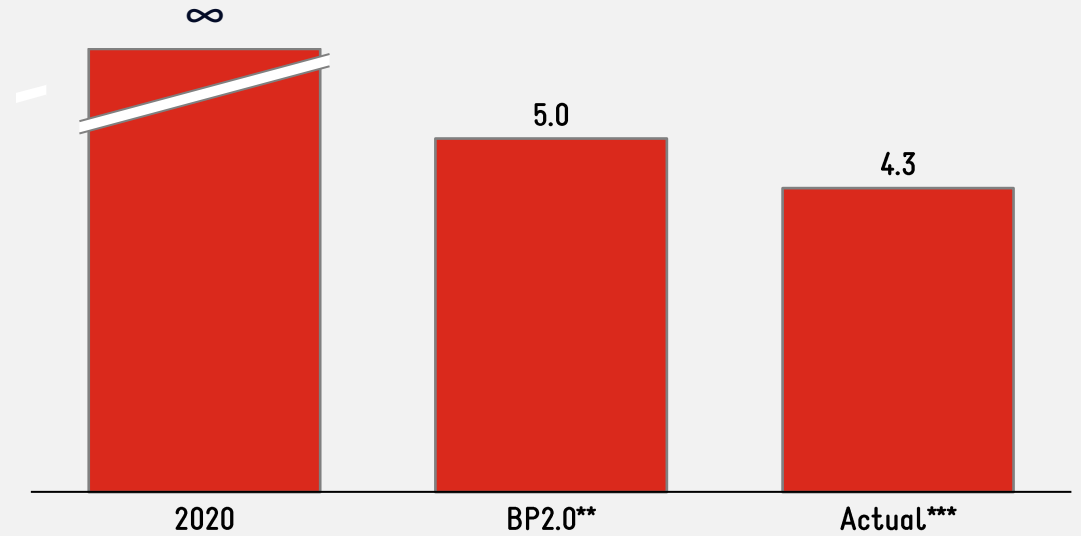
We have significantly reduced leverage, ending the year with a strong balance sheet.

NET DEBT



 **-41.1%**
vs FY 2020

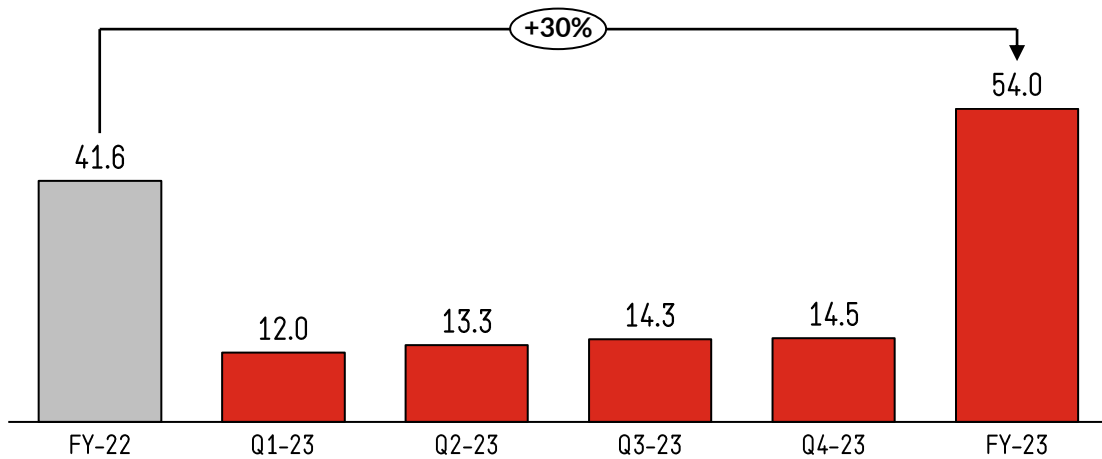
NET DEBT / EBITDAR*



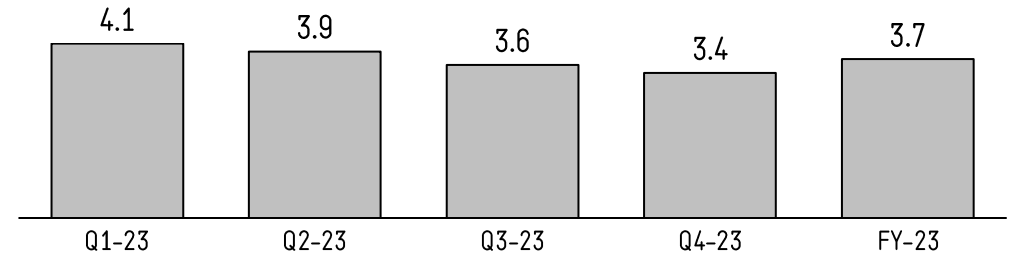
Figures in Millions
 * Excluding Year-end non-cash accounting adjustments
 ** BP 2.0: Business Plan projections
 ***Includes Debt and IFRS-16 Lease Liability

Avianca Group expects a continued strengthened performance despite challenging macroeconomic environment.

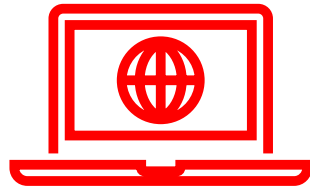
ASKs



CASK ex-fuel



Revamped approach aiming to strengthen communications with our stakeholders and to better position our value statement.



Relaunch of IR Website

Information available to all stakeholders

Investor Conferences

Attendance to Key investors conferences throughout the year



Enhanced Communication

With current and potential investors, buy/sell-side analysts and rating agencies



Thank You



IR CONTACT:
ir@avianca.com

Appendix



Q4-22 P&L

	4Q22 ACTUAL
Passenger	880.8
Ancillary Revenue	64.8
Cargo and Courier	201.0
Loyalty Revenue	-22.1
Other Revenue	31.6
Total Operating Revenue	1,156.2
Aircraft Fuel	379.2
Air Traffic	41.8
Flight Operations	16.9
Ground Operations	103.1
Maintenance And Repairs	45.8
Passenger Services	21.6
Salaries, Wages And Benefits	119.1
Selling Expenses	90.0
Fees and Other Expenses	59.2
One time fees	9.9
Total Operating Expense (Excluding non-cash end of year adjustments, D&A and aircraft rentals)	886.7
EBITDAR (Excluding non-cash end of year adjustments)	269.5
No show revenue corresponding Q1-Q3	-19.0
Loyalty breakage % change	89.8
Airport Fees write off	-7.9
EBITDAR	206.5
Aircraft Rentals	34.8
Depreciation, Amortization and Impairment	106.8
Year end depreciation adjustment	-59.5
Interest Expense	100.2
Interest Income	-5.7
Foreign Exchange Net	5.3
Loss Before Taxes	24.6
Income tax expense-current	-19.6
Income tax expense-deferred	4.5
Net Loss from continuing operations	39.7
Profit from discontinuing Operations*	-8.1
Net Loss for the period	31.6

	4Q22
Departures	50,694
Block Hours	116,683
ASKs (M)	11,343
RPKs (M)	8,999
Passengers (K)	6,321
Load Factor	79.3%
Yield ¹	10.51
Average Fare ¹	149.60
PRASK	8.34
PAX CASK	6.94
PAX CASK ex Fuel	4.15

1. Unit Metric includes passenger "flown" revenue, expired tickets and ancillary revenue
 2. Unit metrics exclude costs related to freighter operation, loyalty and other non-passenger operations

*On February 3, 2023, was announced the sale of SAI to Grupo Talma with no effect on the Avianca's operation.

Q4-22 CASH FLOW

	4Q22 ACTUAL
EBITDAR*	269.5
Income tax paid	-11.8
Working capital (net)	24.3
Net Cash Flows Provided by Operations	282.0
CAPEX	-48.4
Other Cash Flows provided by Investing	3.7
Net Cash Flows Provided by Investing	-44.7
Corporate Debt	-105.8
Aircraft Fixed rentals payments	-60.8
Aircraft PBH payments	-34.8
Other Cash Flows provided by Financing	0.0
Net Cash Flows Used in Financing Activities	-201.4
Total Net Cash Flow	35.9
Starting Cash Balance (consolidated AGIL)	825.7
Ending Cash Balance (consolidated AGIL)	861.6

* Excluding Year-end non-cash accounting adjustments

Q4-22 BALANCE SHEET – ASSETS

Consolidated Statement of Financial Position (M)	Q4 2022	Q3 2022
Assets		
Current assets:		
Cash and cash equivalents	777.5	744.0
Restricted cash	39.2	36.9
Short term investments	44.8	44.8
Total Liquidity	861.6	825.7
Accounts receivable, net	233.8	236.0
Accounts receivable from related parties	—	
Current tax assets	178.4	198.2
A Expendable spare parts and supplies, net	88.6	102.5
Prepaid expenses	15.3	28.0
Deposits and other assets	36.5	22.1
Assets held for sale	26.1	13.4
Total current assets	1,440.1	1,426.0
Non-current assets:		
Deposits and other assets	81.3	77.7
Accounts receivable from related parties	103.3	101.2
B Intangibles	2,893.2	2,950.8
Net defined benefit asset	2.6	57.1
Deferred tax assets	27.4	39.4
Property and equipment, net	2,671.9	2,876.1
Total non-current assets	5,779.7	6,102.3
Total assets	7,219.8	7,528.3

A Fair value of some spare parts of out of fleet aircraft was updated to recognize their obsolesce. The change in the fair value was recorded through Goodwill without impact in P&L pursuant to IFRS 3 (i.e., one-year measurement period from the acquisition date).

B Considers intangible assets' amortization of \$30M in the quarter's results and \$28M update in the fair value of Intangible Assets and Goodwill without impact in P&L also pursuant to IFRS 3.

Q4-22 BALANCE SHEET – LIABILITIES & EQUITY

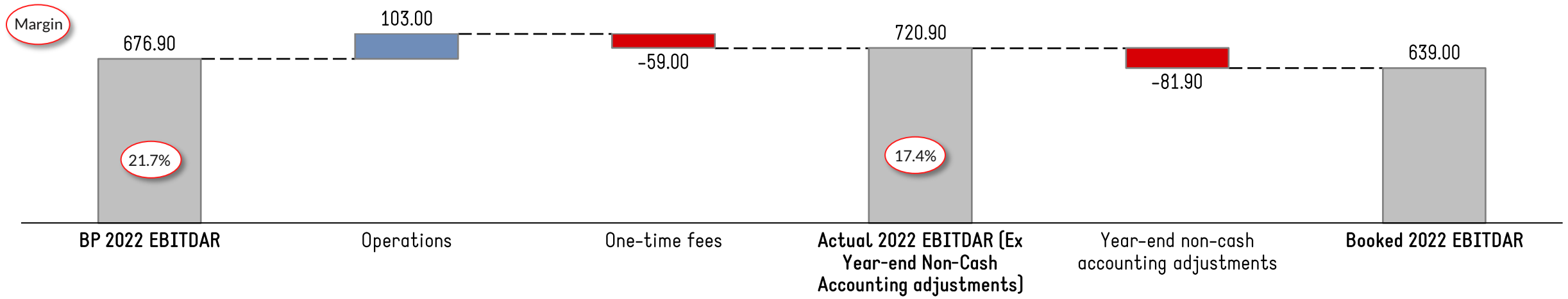
Consolidated Statement of Financial Position (M)	Q4 2022	Q3 2022
Liabilities and equity		
Current liabilities:		
Loans and current portion of long-term debt	213.0	290.9
Accounts payable	429.9	463.2
Accounts payable to related parties	0.0	0.1
Accrued expenses	54.6	38.8
Current tax liabilities	10.1	30.7
Provisions for legal claims	47.1	54.5
Provisions for return conditions	5.5	-
Employee benefits	81.7	70.7
Air traffic liability	589.8	630.8
Frequent flyer deferred revenue	165.2	138.1
Other liabilities	0.3	0.0
Debt – assets held for sale	6.5	6.3
Total current liabilities	1,603.7	1,723.9
Non-current liabilities:		
Long-term debt	3,771.8	3,623.7
C Provisions for return conditions	554.0	746.9
Employee benefits	40.2	30.0
Deferred tax liabilities	155.7	324.5
Frequent flyer deferred revenue	289.8	238.6
Other liabilities	0.1	0.9
Total non-current liabilities	4,811.7	4,964.5
Total liabilities	6,415.3	6,688.5
Equity:		
Common stock	0.0	0.0
Additional paid-in capital	1,146.0	1,146.0
Retained earnings	-336.1	-368.1
Other Comprehensive Income	-21.5	52.7
Total equity attributable to AGIL	788.4	830.5
Noncontrolling interest	16.1	9.4
Total equity	804.5	839.9
Total liabilities and equity	7,219.8	7,528.3

C Accrual change relates to the annual assessment of aircraft conditions and other key factors used to calculate the eventual obligation with lessors. The liability update is offset by the corresponding change in the incremental right-of-use assets without impact in P&L during the quarter.

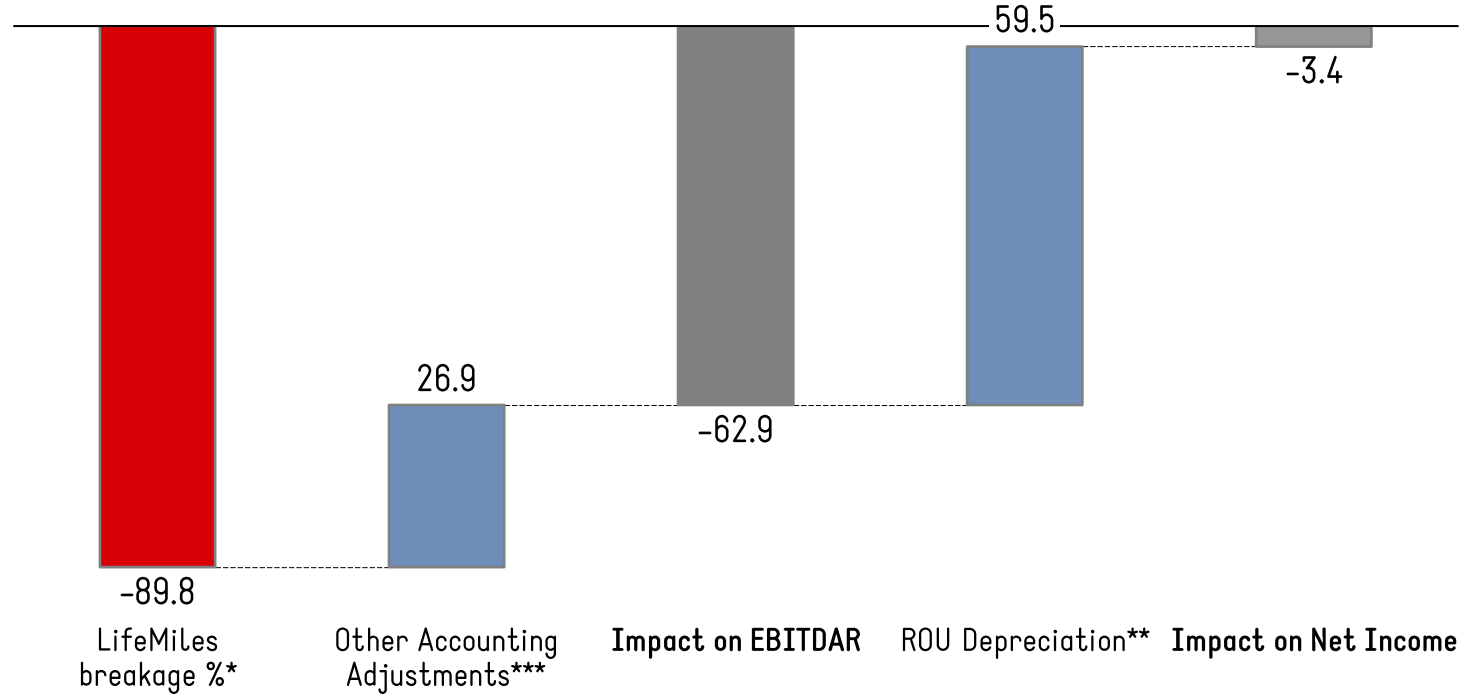
PAX CASK EX-FUEL RECONCILIATION

	Q4-22
AGIL Total operational cost (excluding fuel and YE adjustments)	644.5
Freighters segment business cost	77.6
Corporate cost allocation	1.5
IFRS 3 trademark and customer relations intangible amortization	8.9
Total Cargo	88.0
Lifemiles Co. cost of rewards and SG&A costs	39.3
VIP Lounges	2.6
Star Alliance cost	1.5
Elite benefit	0.7
IFRS 3 trademark and customer relations intangible amortization	5.0
Total Lifemiles	49.1
Latin Logistics and AV courier expense	10.8
IFRS 3 trademark and customer relations intangible amortization	1.3
Total Courier	12.1
M&A and restructuring fees	9.9
Year-end accounting adjustments	14.5
Total One-time expenses	24.4
Passenger operational cost (excluding fuel)	471.0
ASKs	11,343.3
Pax CASK ex Fuel	4.15

**EBITDAR BREAKDOWN
FY 2022**



YEAR-END NON-CASH ACCOUNTING ADJUSTMENTS



*Revenue impact of Lifemiles beakage % change: Decrease on the breakage rate of 16% used for miles, compared to prior rate of 20%.

**Right of Use depreciation adjustments on PBH aircraft: Postponement of Right of Use depreciation to the period in which the fixed rents start, as permitted by IFRS16.B42.(a)(ii).

*** Other Accounting Adjustments include No-show revenues and Airport fees write off

Thank you



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