


Q4-2022 Preliminary Financial Performance


Avianca Group International Limited

March 2023

 During 2022 we successfully executed on our Business Plan:

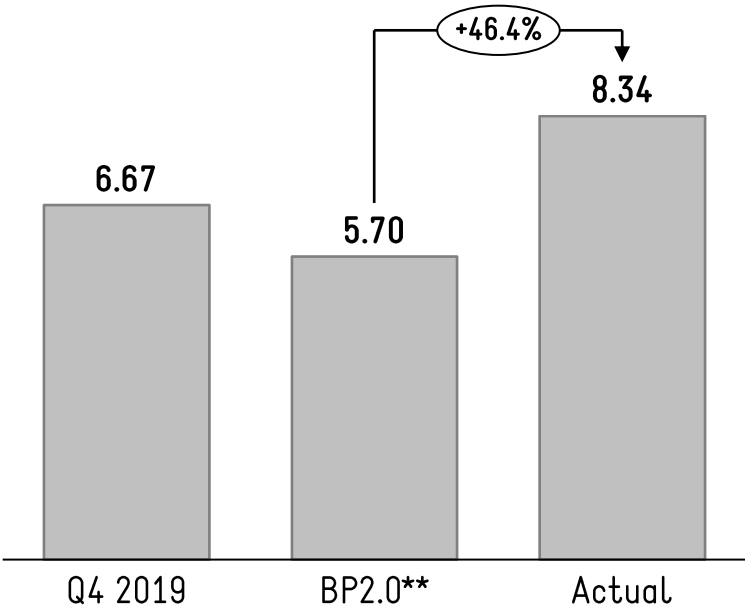
- Avianca generated **\$270 million in EBITDAR*** during Q4 and **\$721 million in EBITDAR*** in 2022, outperforming Business Plan projections.
- The Company achieved a **CASK ex-fuel of 3.9 cents** in December, in line with previous guidance, and remains **on track to achieve CASK ex-fuel target of 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.

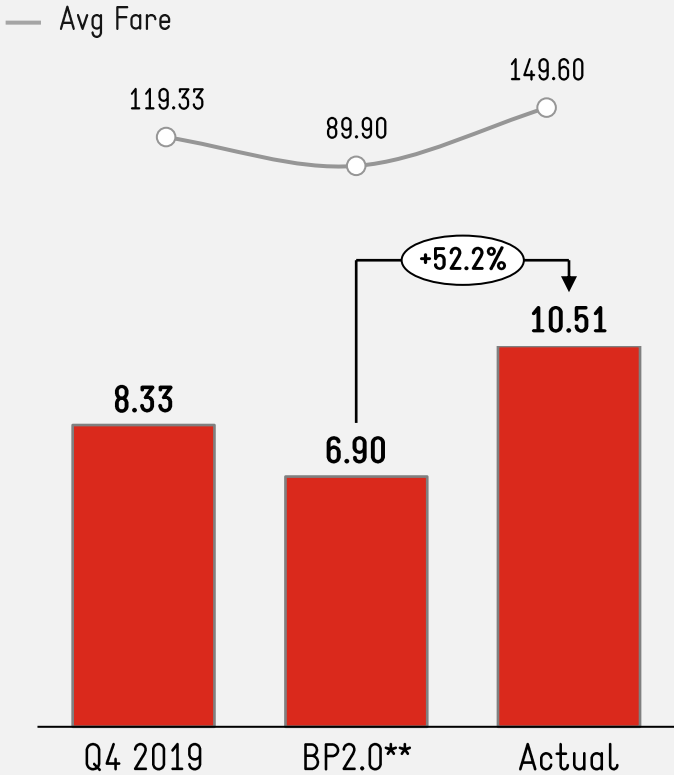
PRASK*




+46.4%

Vs. Q4-22 BP 2.0

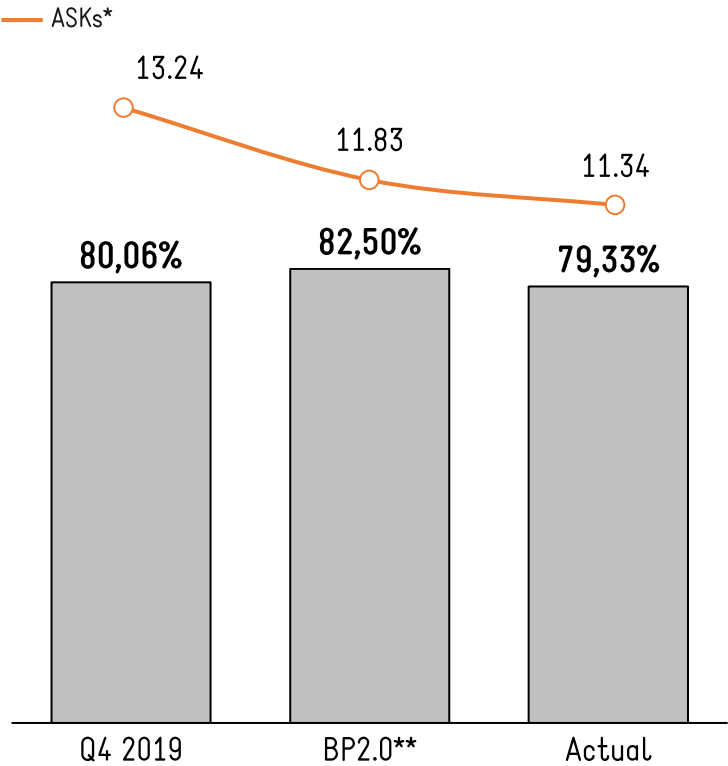
YIELD*



+52.2%

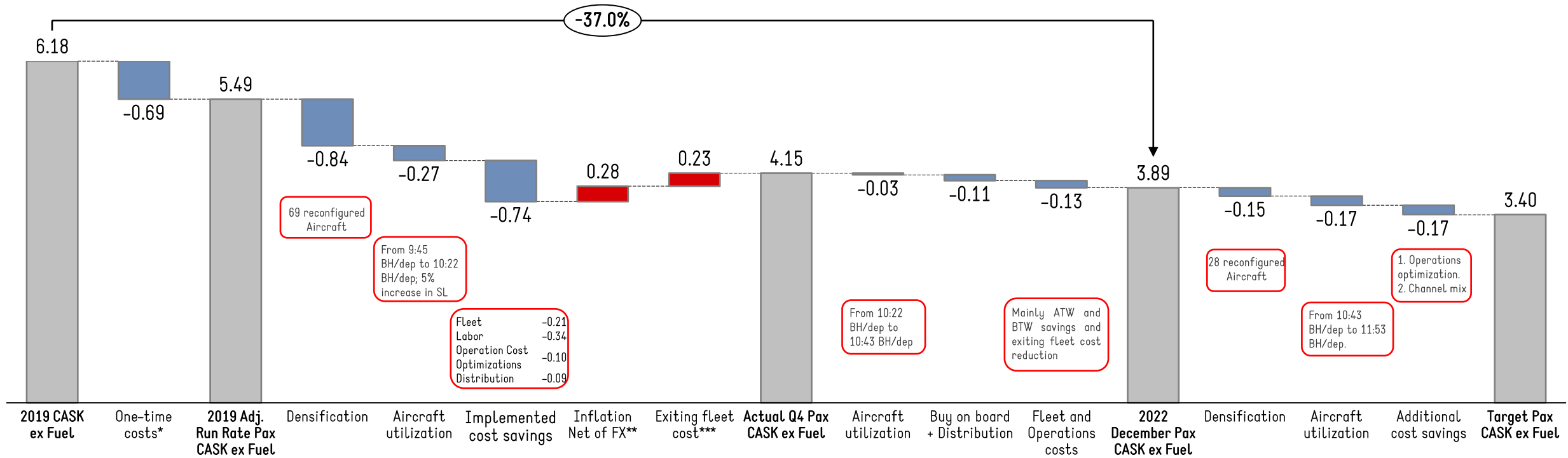
Vs. Q4-22 BP 2.0

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.

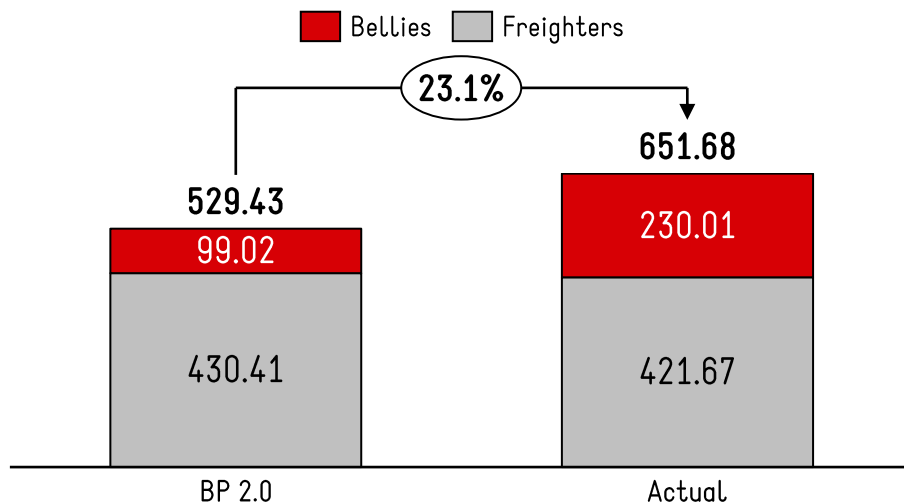
Initiatives being implemented in Q1-23


-  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.

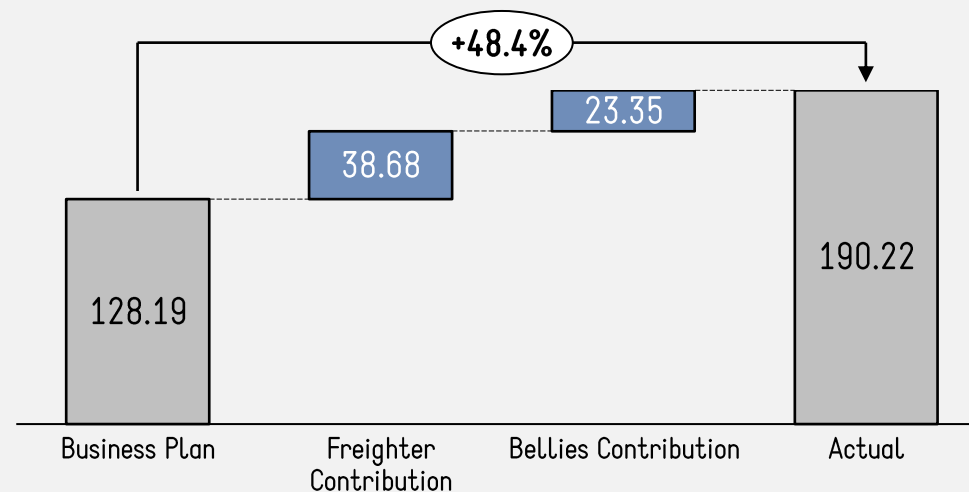
Avianca Cargo revenues outperformed Business Plan in the fourth quarter despite year-end rates rationalization. We expect 2023 results to converge to Business Plan projections.


CAPACITY*



 **+23.1%**
Vs. Q4-22 BP 2.0

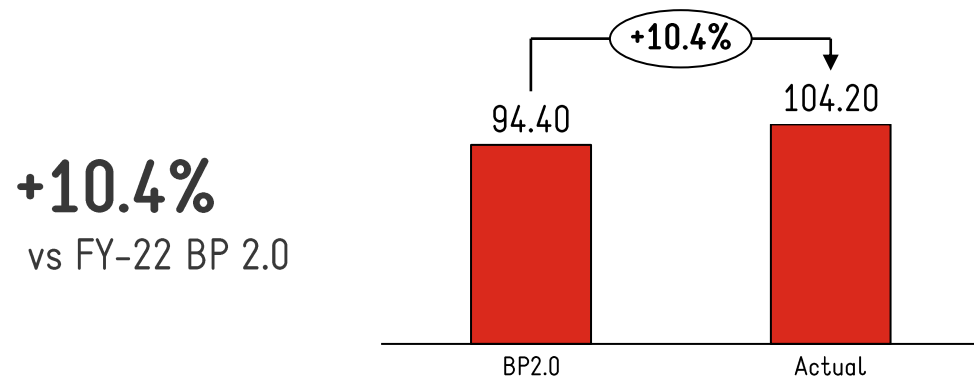
REVENUE**



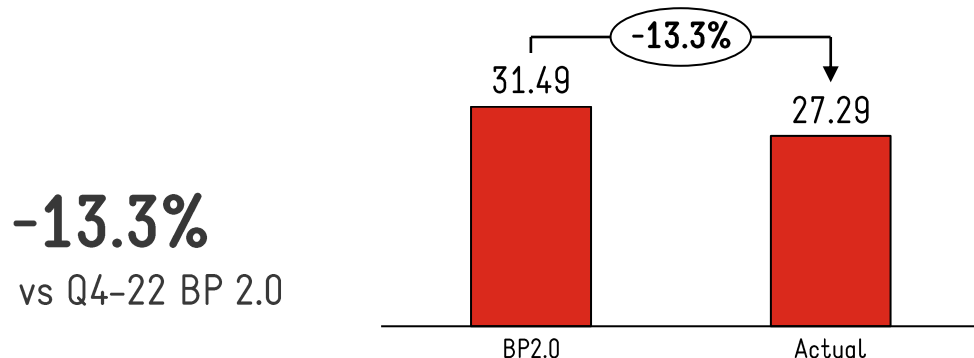
 **+48.4%**
Vs. Q4-22 BP 2.0

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

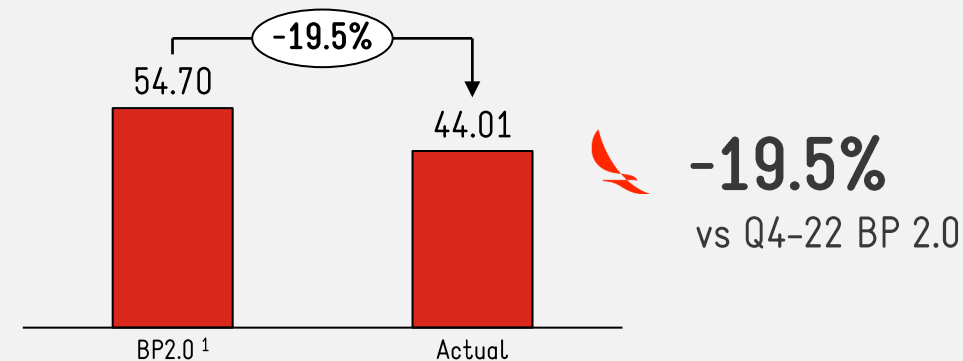


Q4-22 LM CASH EBITDA TO AGIL*



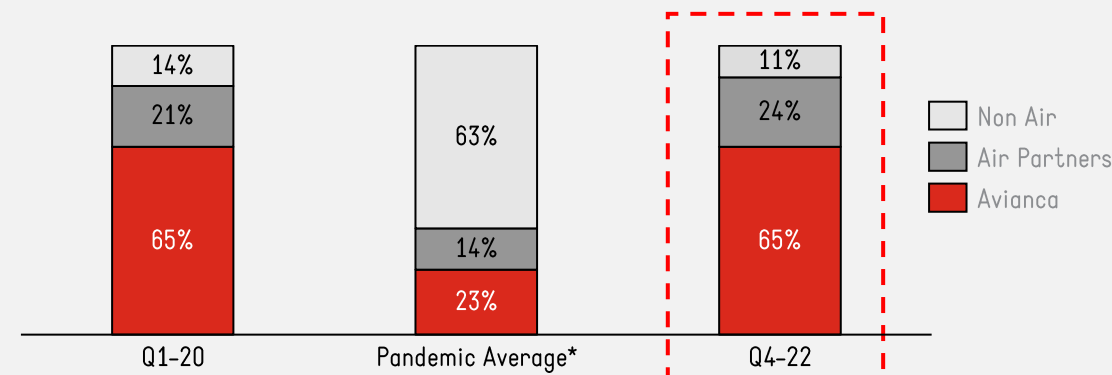
- Decreased third-party gross billings partially offset by a decrease in non-air redemptions.
- SG&A savings offset by year-end labor cost provisions.

Q4-22 THIRD PARTY GROSS BILLINGS¹



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

REDEMPTION MIX



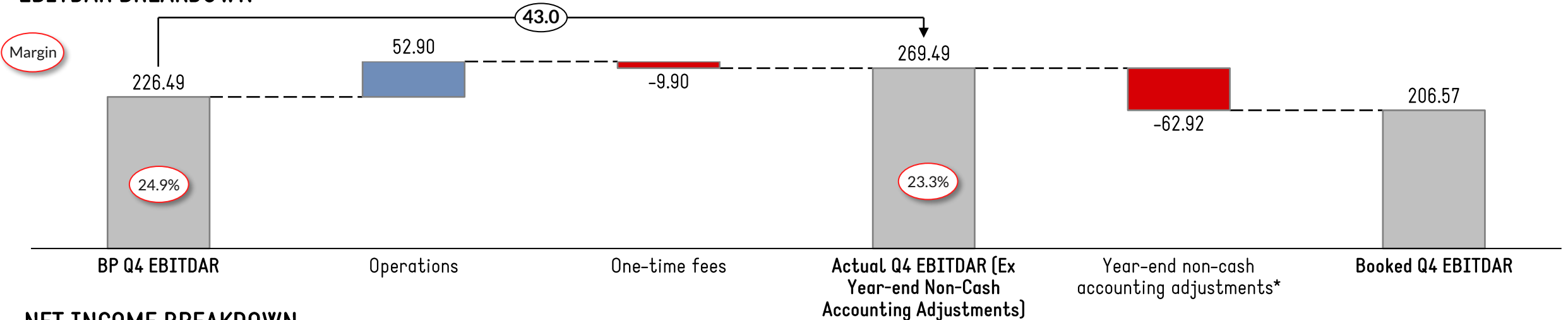
¹ Business Plan Gross Billings excludes Digital Coalition Gross Billings where LifeMiles acts as agent (i.e. Merchandise Value).

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

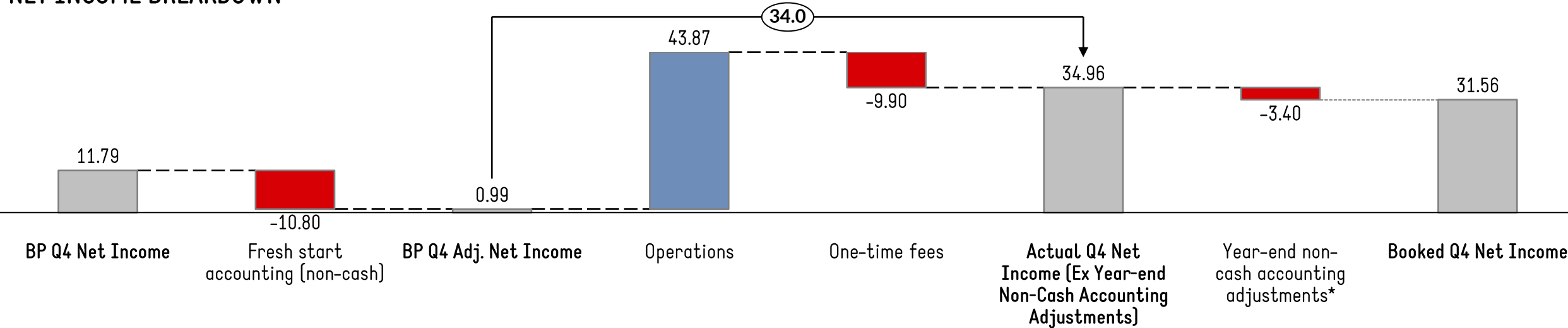
* Pandemic Average refers to the period of time from Q2-20 to Q1-21.

Avianca’s financial performance exceeded Business Plan projections reflecting a successful execution of the new business model.

EBITDAR BREAKDOWN

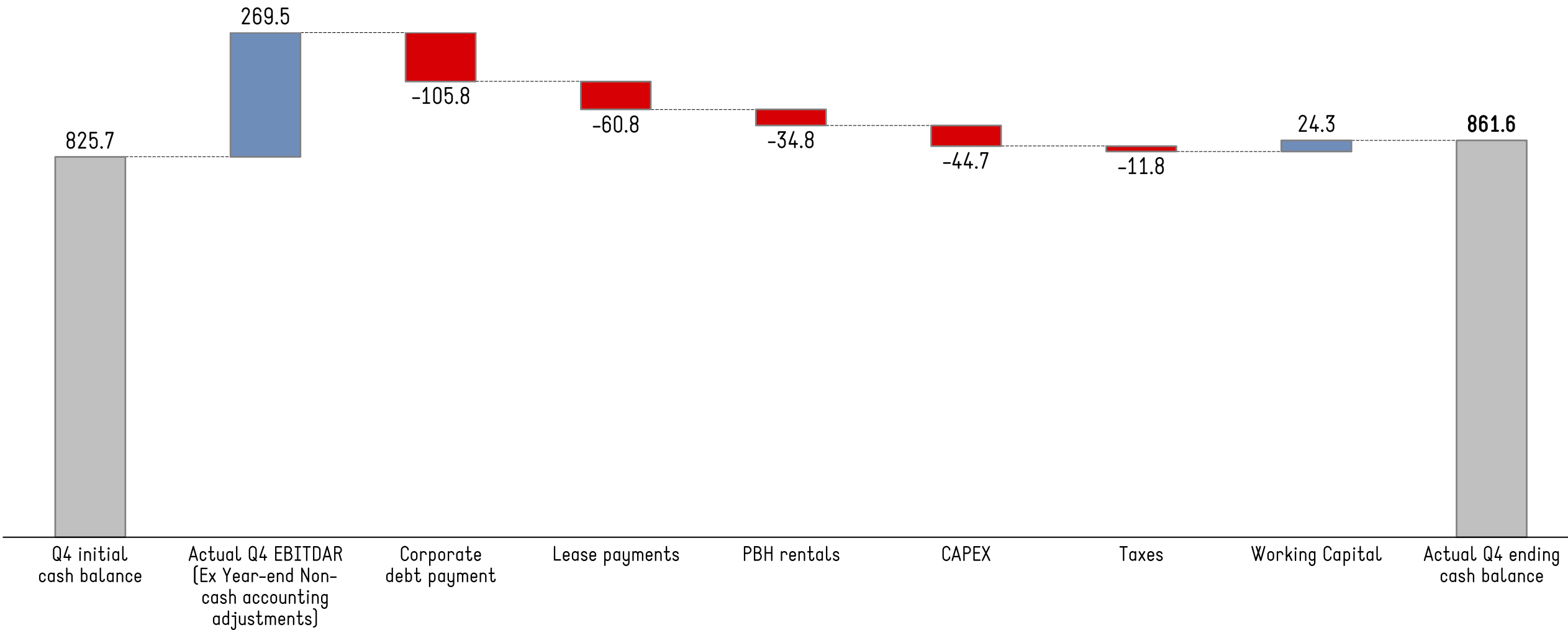


NET INCOME BREAKDOWN



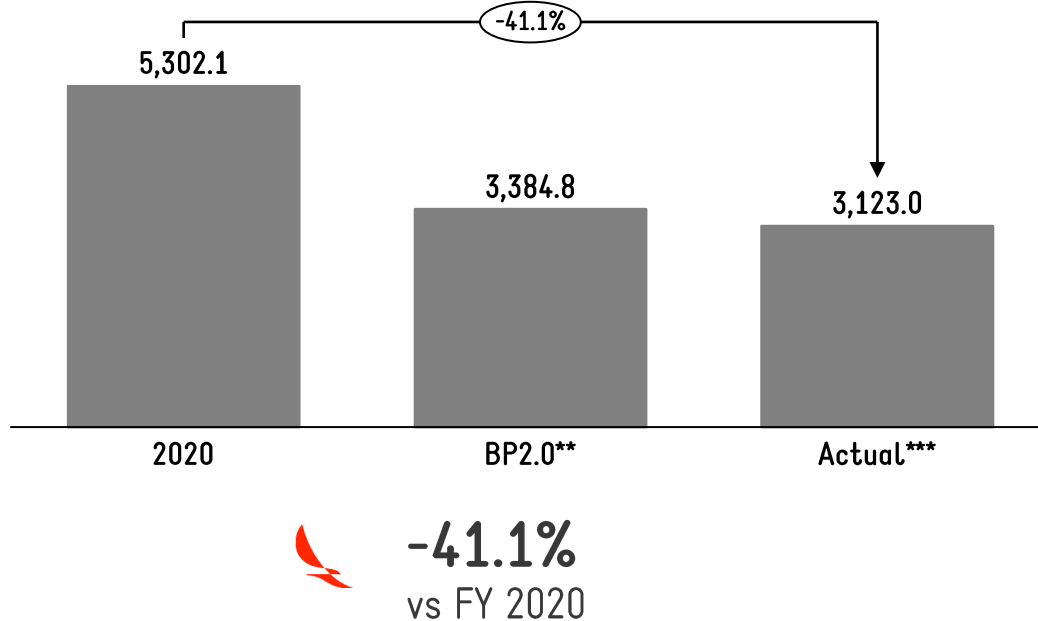
Figures in Millions
*Year-end accounting adjustments are explained in the Appendix.

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

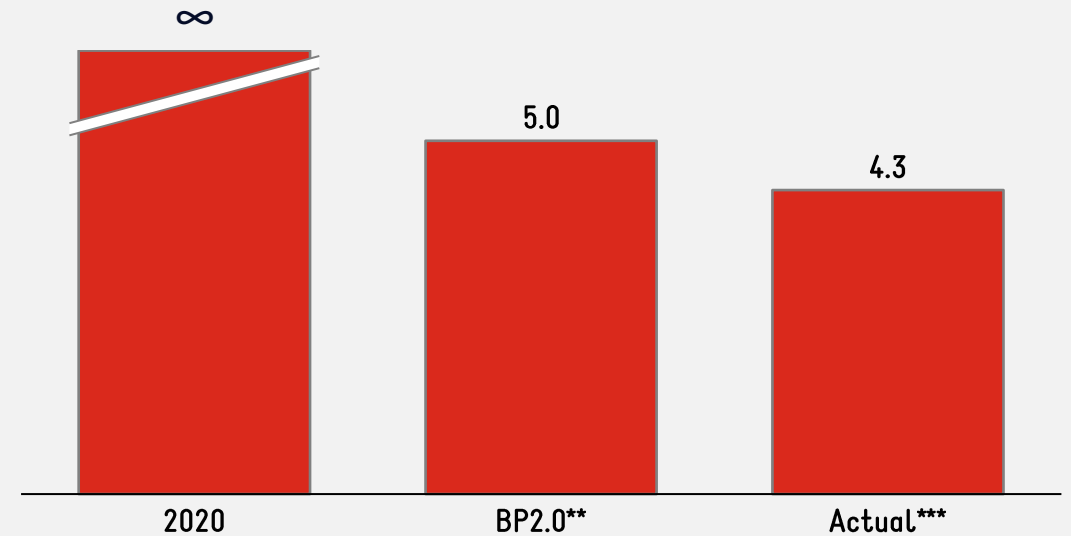


We have significantly reduced leverage, ending the year with a strong balance sheet.

NET DEBT

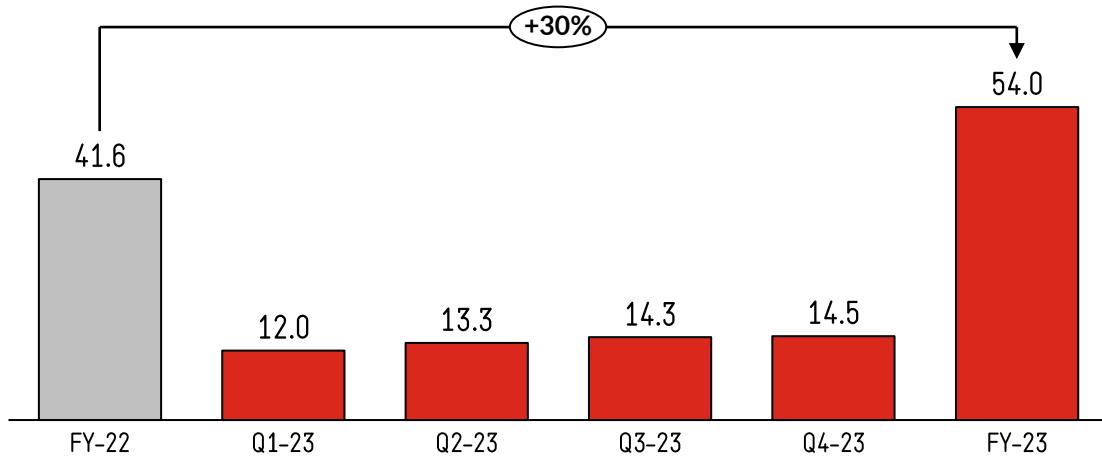


NET DEBT / EBITDAR*

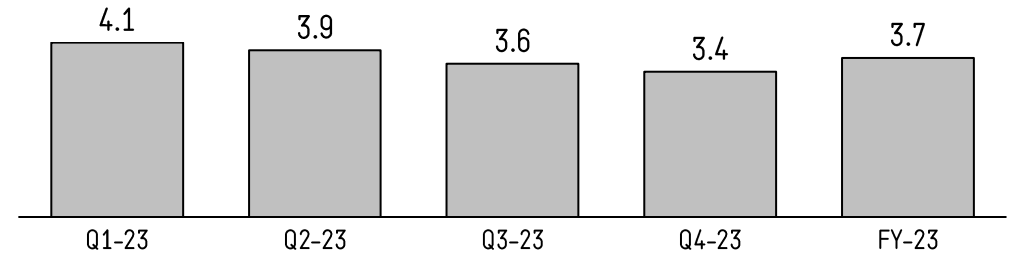


Avianca Group expects a continued strengthened performance despite challenging macroeconomic environment.

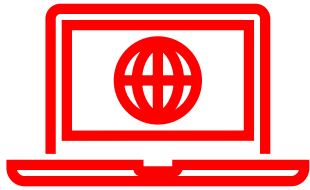
ASKs



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:
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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 adjustmentss, 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
Foreing 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

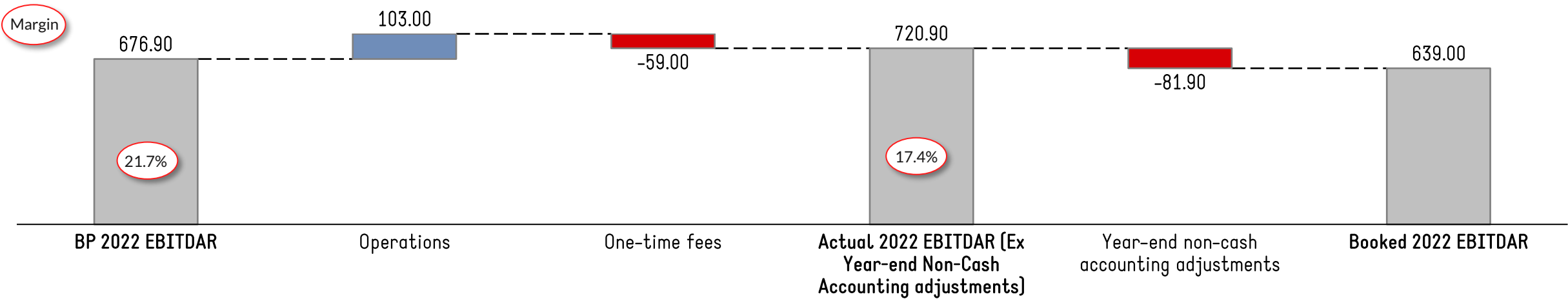
C Accrual change relates to the annual assessment of aircraft conditions and other key factors used to calculate the eventual obligation with lessors. The liability update is offset by the corresponding change in the incremental right-of-use assets without impact in P&L during the quarter.

PAX CASK EX-FUEL RECONCILIATION

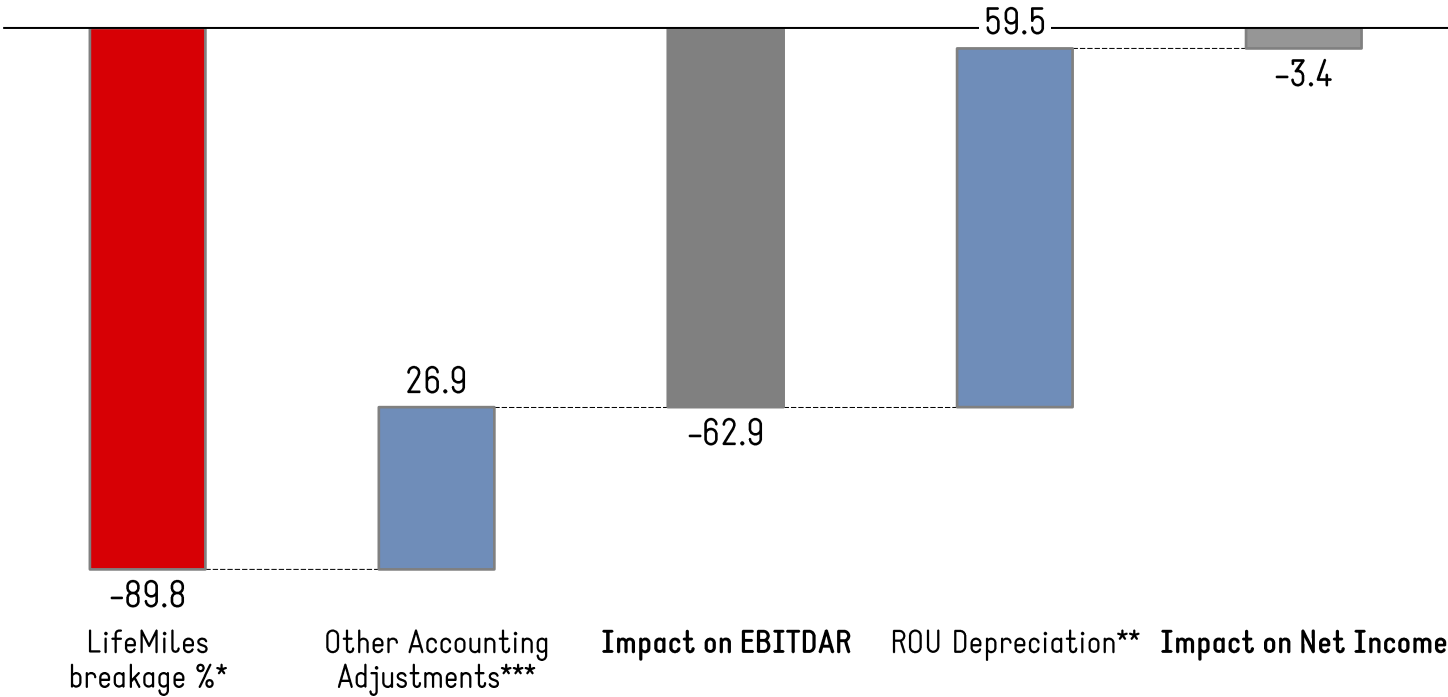
	Q4-22
AGIL Total operational cost (excluding fuel and YE adjustments)	644.5
Freighters segment business cost	77.6
Corporate cost allocation	1.5
IFRS 3 trademark and customer relations intangible amortization	8.9
Total Cargo	88.0
Lifemiles Co. cost of rewards and SG&A costs	39.3
VIP Lounges	2.6
Star Alliance 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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