




Q2-2023 Financial Performance

Avianca Group International Limited

August 2023

-  Avianca achieved robust second quarter 2023 results in a seasonally challenging quarter.
 - The Company generated **\$271.3 million** in EBITDAR with a **24.3% margin**; \$88.7 million ahead of Business Plan. In addition, Net Income was \$15.4 million.
 - Passenger CASK ex-fuel was \$3.9 cents during second quarter 2023, as compared to prior guidance of \$3.8 cents. Avianca's Passenger CASK ex-fuel guidance was updated to a range of \$3.7 cents to \$3.8 cents by the fourth quarter 2023, as compared to prior guidance of \$3.4 cents, due to COP/USD exchange rates, inflation and temporary fleet expenses. The Group remains committed to achieving a best-in-class cost structure and continues executing on its Business Plan.
 - The Company's cash balance increased by \$84.8 million, reaching a total of \$1,013.2 million at June 30, 2023.
 - Avianca further deleveraged during second quarter 2023, as Net Debt to LTM EBITDAR fell to 3.2x.
-  LifeMiles cash EBITDA increased 11% year on year. Cargo revenues and margins were ahead of Business Plan projections, though lower compared to last year.
-  Abra: We are closely working with GOL on capturing synergies and will provide guidance later on.

Avianca continues to strengthen its operations to deliver a safe, on-time, and standard service.

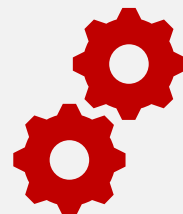


On Time Performance

87.5%

Q2-23

Avianca was recognized as the world's most punctual airline in May and June¹.



Utilization

11:19 H/day

Q2-23

Our redesigned and more efficient network configuration has resulted in significantly improved aircraft utilization.



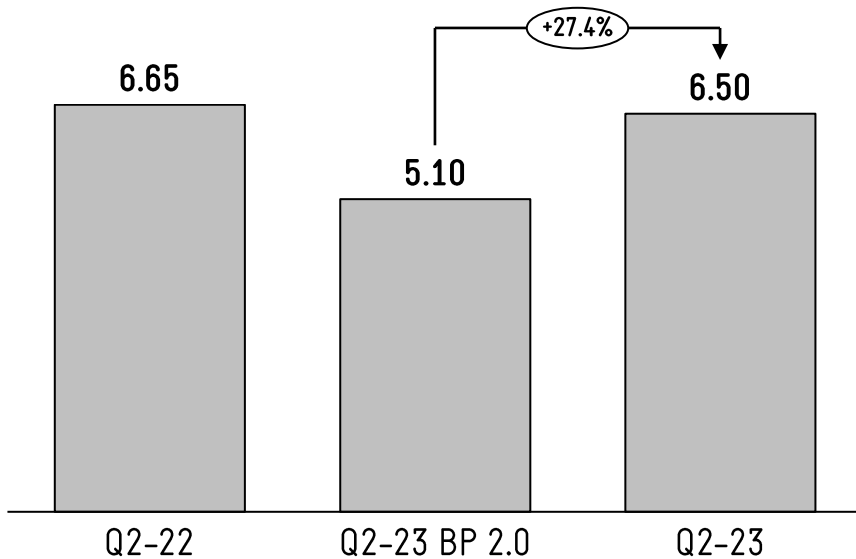
NB Densification


100%

104 narrowbody aircraft were reconfigured with a brand-new cabin, increasing capacity by an additional 20% and ensuring a standardized product.

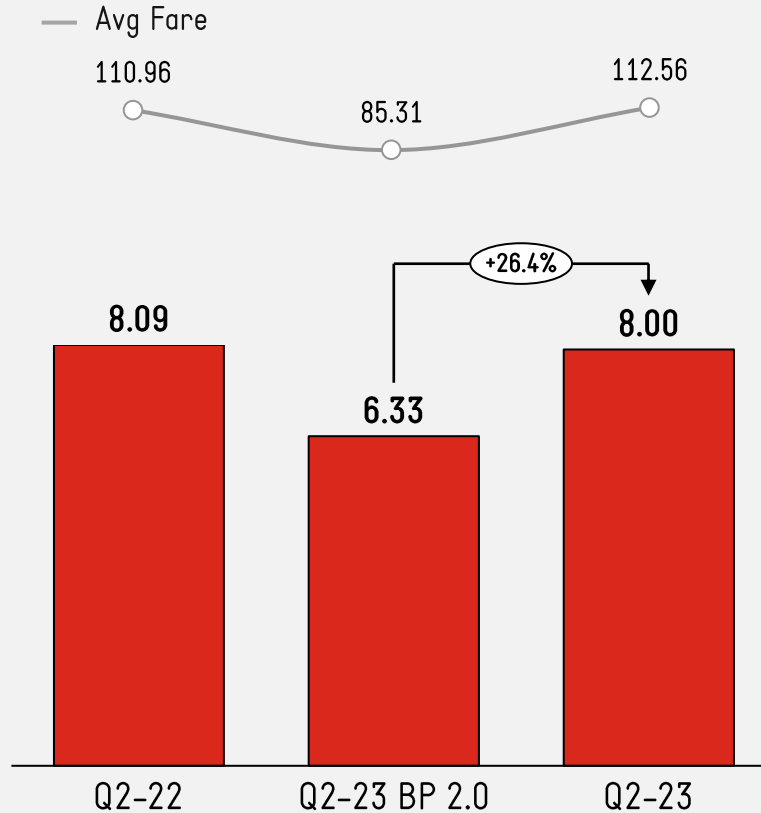
Unit revenues outperformed projections while load factor continued to strengthen during the quarter.


PRASK*



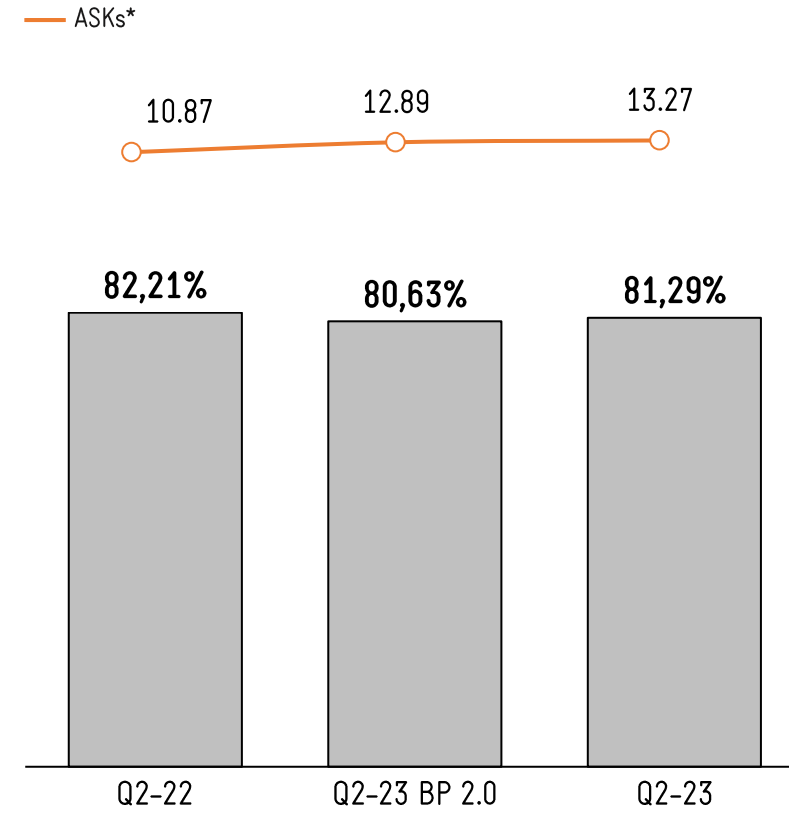
 **+27.4%**
Vs. Q2-23 BP 2.0

YIELD*



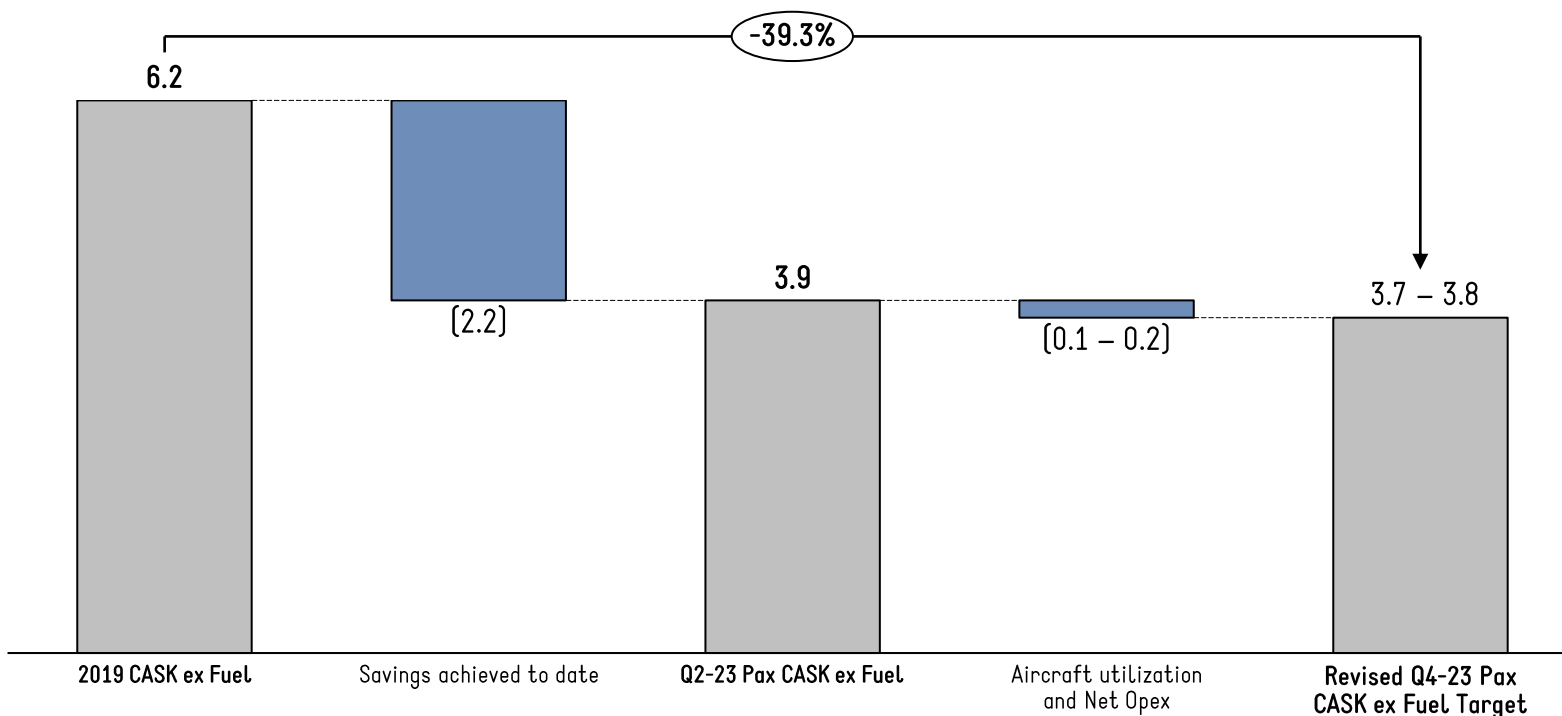
 **+26.4%**
Vs. Q2-23 BP 2.0

LOAD FACTOR%



BP 2.0: Business Plan projections.
*ASKs figures are in billion, PRASK and Yield in US Cents.

Avianca ended Q2-2023 with a Pax CASK ex-fuel of 3.9 cents, and has revised its PAX CASK ex fuel guidance to a range of 3.7 cents to 3.8 cents by the fourth quarter 2023, from prior guidance of 3.4 cents. The Group remains committed to achieving a best-in-class cost structure and continues executing on its Business Plan.

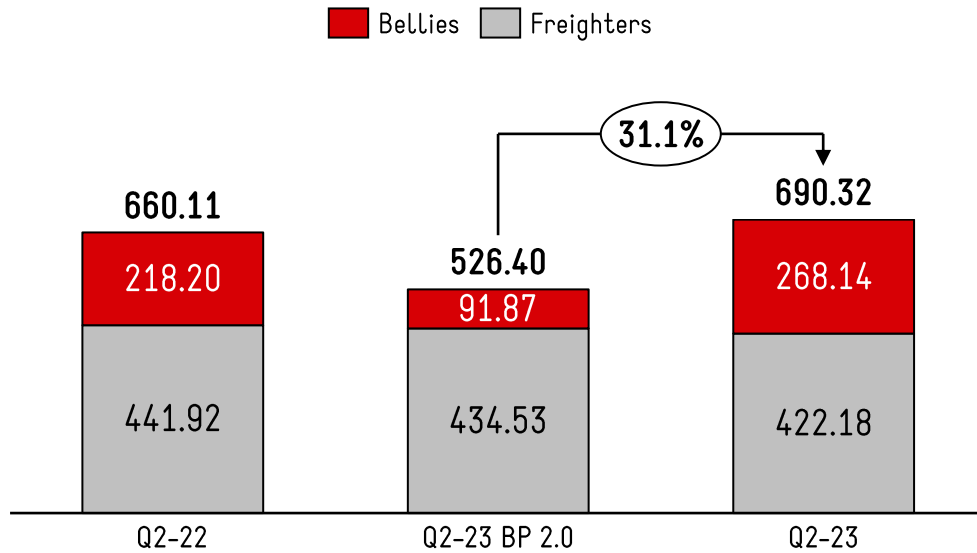


Revised Q4-23 Pax Cask ex Fuel target has increased due to:

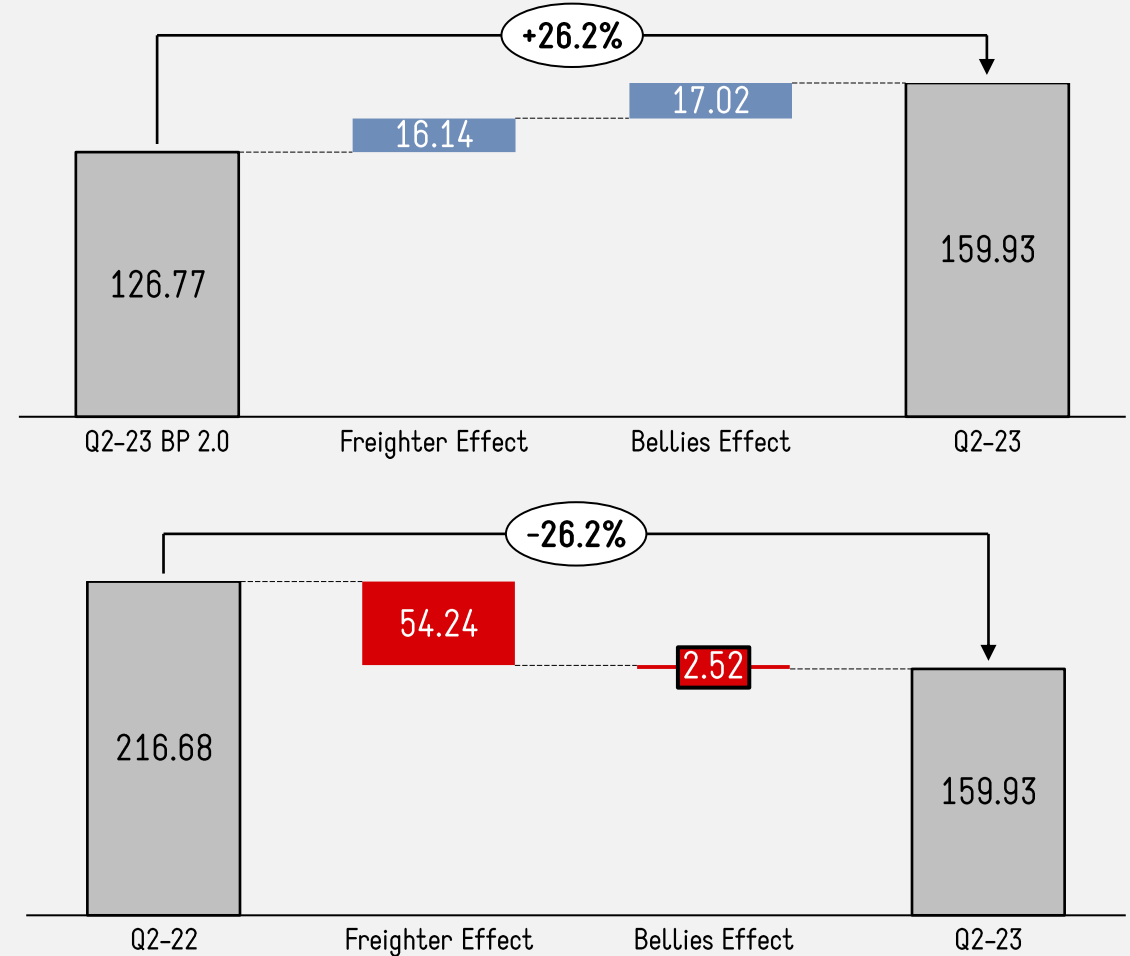
- Higher dollar value of COP expenses as the peso strengthened relative to the US dollar.
- Rising inflationary pressure on most of AGIL's operational expenses, primarily on salaries.
- Temporary fleet costs related to incremental wet leases and incremental PBH due to WB fleet delays.
- Changes in domestic/international route mix that led to increased airport fees and crew expenses.

Avianca Cargo revenues were ahead of Business Plan projections, though lower compared to last year.

CAPACITY

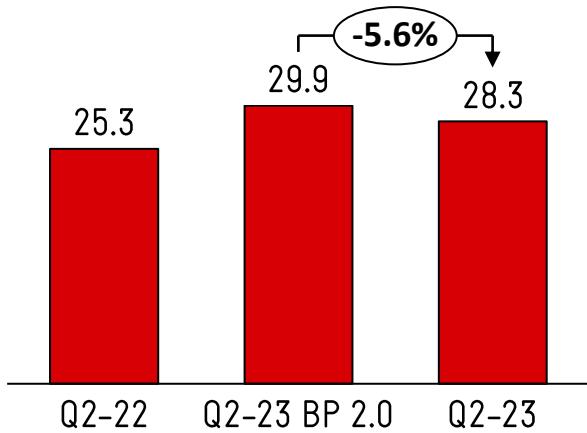


REVENUE



LifeMiles continued to generate an important Cash EBITDA contribution to the Group.

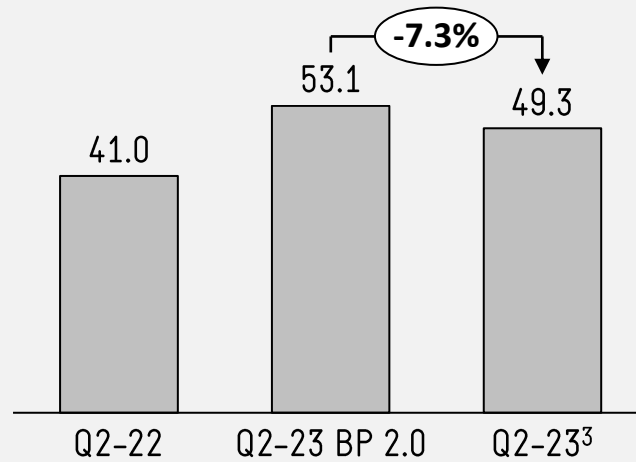
LM CASH EBITDA TO AGIL¹



-5.6%
vs Q2-23 BP 2.0

- Decreased third-party Gross Billings, partially offset by decreased non-air redemptions and SG&A.

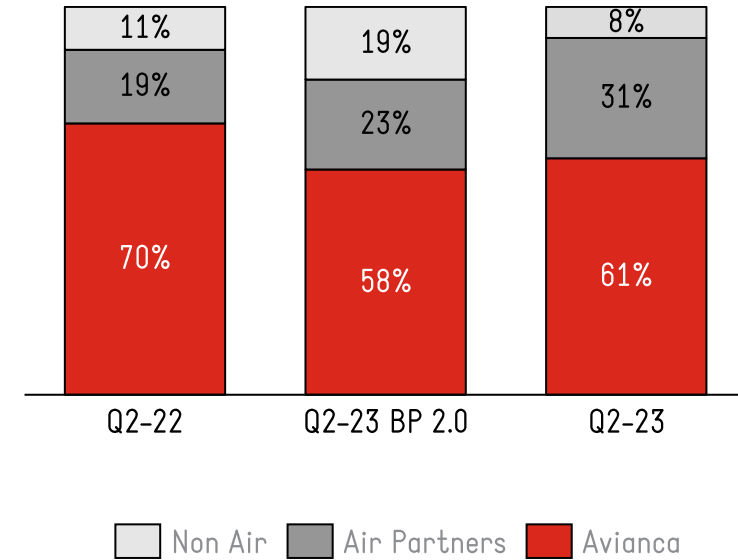
THIRD PARTY GROSS BILLINGS²



-7.3%
vs Q2-23 BP 2.0

- GB impacted by COP/USD depreciation and the closure of digital coalition.

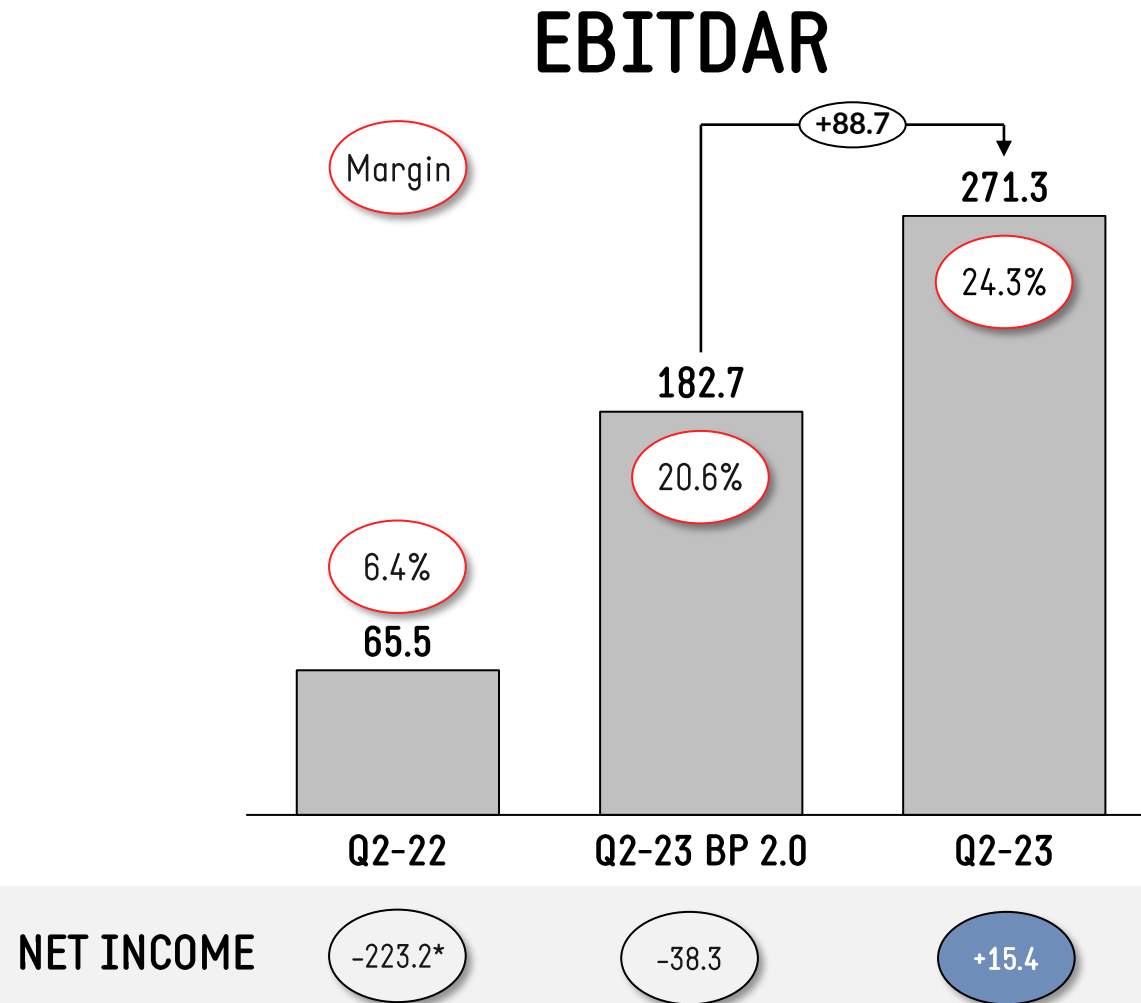
REDEMPTION



- Miles redeemed in Air Partners (non-competing routes) have increased significantly relative to last year due to increased miles sales in North America

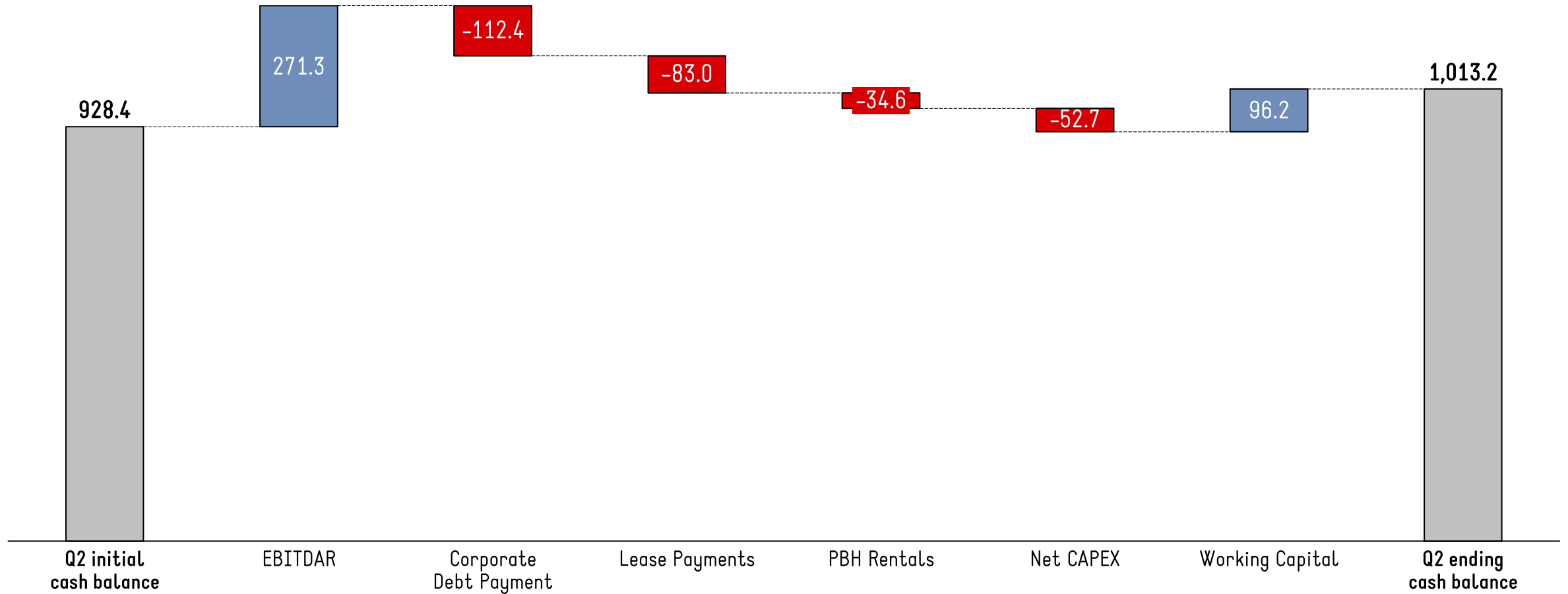
1. Net of intercompany transactions.
 2. Business Plan Gross Billings excludes Digital Coalition Gross Billings where LifeMiles acts as agent (i.e. Merchandise Value).
 3. Impacted by COP devaluation: Average COP/USD of ~ 4,425 vs 3,500 in Business Plan.

The Company again delivered robust financial results as EBITDAR reached \$271.3 million, with a 24.3% EBITDAR margin.



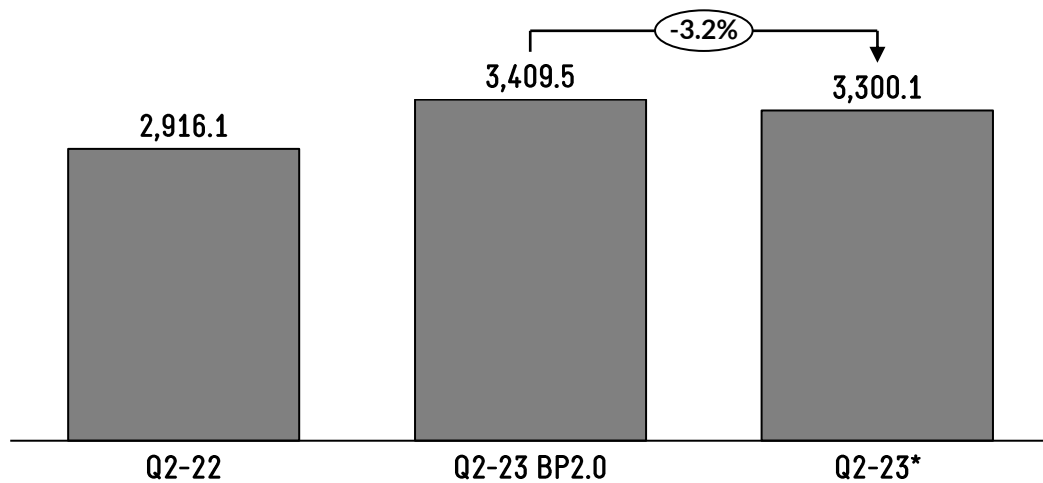
BP 2.0: Business Plan projections.
 Figures in Millions
 * Q2-22 P&L was revised, for further detail please refer to Note 23 on our Q2-23 Financial Statements – page #48.

Cash generation for the period reached \$84.8 million, reaching a solid \$1,013.2 million cash balance at June 30, 2023.



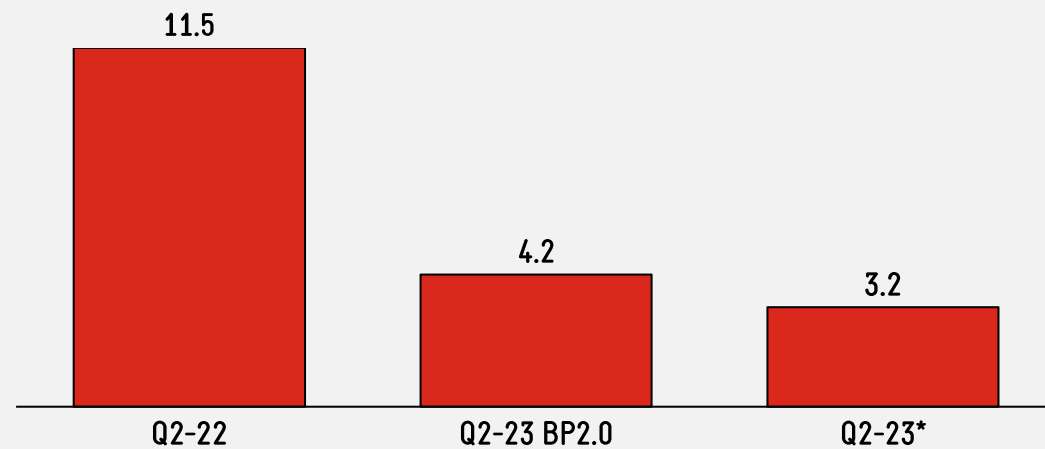
Strong financial results led to a significant deleverage: Net Debt/ LTM EBITDAR fell to 3.2x by quarter's end.

NET DEBT



-3.2%
vs Q2-23 BP2.0

NET DEBT/LTM EBITDAR*



Thank You



IR CONTACT:
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Appendix



	Q2-22 ³	Q2-23	Var.
Passenger	573.2	654.9	81.7
Ancillary Revenue	149.1	207.9	58.8
Cargo Revenues	226.5	175.3	-51.2
Loyalty Revenues	60.1	66.7	6.6
Other Revenues	14.4	10.0	-4.4
Total operating revenue	1,023.3	1,114.7	91.4
Aircraft fuel	451.7	303.7	-148.0
Air traffic	41.8	52.8	11.0
Flight operations	18.5	25.9	7.3
Ground operations	102.5	112.2	9.7
Maintenance and repairs	43.4	39.0	-4.4
Passenger services	26.8	20.9	-5.9
Salaries, wages, and benefits	116.2	123.9	7.7
Selling expenses	83.4	101.6	18.2
Fees and other expenses	73.6	63.6	-10.0
Total Operating Costs (ex D&A+Rentals)	957.8	843.4	-114.4
EBITDAR	65.5	271.3	205.8
Rentals	78.5	34.6	-43.8
Depreciation and amortization	75.7	111.2	35.4
Total Operating Costs	1112.0	989.2	-122.8
EBIT	-88.7	125.5	214.2
Interest Net	99.3	109.2	9.9
Foreign exchange, net	0.5	2.5	2.1
Income (Loss) before income tax	-187.6	18.8	206.4
Total tax expenses	26.8	3.4	-23.4
Net Income from continuing operations	-214.4	15.4	229.8
Loss from discontinuing operations	-8.8	0.0	8.8
Net Income (Loss) for the period	-223.2	15.4	238.6

PAX SEGMENT	Q2-22	Q2-23	Var.
Departures	49,588	53,648	8.2%
Block Hours	109,138	119,498	9.5%
ASKs (M)	10,866	13,271	22.1%
RPKs (M)	8,933	10,787	20.8%
Passengers (M)	6.5	7.7	17.7%
Load Factor	82.2%	81.2%	-1.12 p.p.
Yield ¹	8.1	8.0	-1.1%
Average Fare ¹	111.0	112.6	1.5%
PRASK ¹	6.6	6.5	-2.2%
PAX CASK ²	8.1	5.9	-27.6%
PAX CASK ex Fuel ²	4.6	3.9	-14.6%

1. Unit metrics includes passenger "flown" revenue, expired tickets and ancillary revenue.

2. Unit metrics exclude costs related to freighter operation, loyalty and other non-passenger operations.

3. Q2-22 P&L was revised, for further detail please refer to Note 23 on our Q2-23 Financial Statements – page #48.

	Q2-22	Q2-23	Var.
EBITDAR	65.5	271.3	205.8
Income tax paid	-22.0	-12.5	9.5
Working capital (net)	-27.2	108.7	135.9
Net Cash Flows Provided by Operations	16.3	367.6	351.3
CAPEX	-40.3	-66.4	-26.1
Other Cash Flows provided by Investing	-102.0	13.7	115.7
Net Cash Flows Provided by Investing	-142.3	-52.7	89.6
Corporate Debt	-115.8	-112.4	3.3
Aircraft Fixed rentals payments	-19.2	-83.0	-63.8
Aircraft PBH payments	-78.5	-34.6	43.8
Other Cash Flows provided by Financing	28.9	0.0	-28.9
Net Cash Flows Used in Financing Activities	-184.6	-230.1	-45.5
Total Net Cash Flow	-310.6	84.8	395.4
Starting Cash Balance (consolidated AGIL)	1,214.9	928.4	-286.5
Ending Cash Balance (consolidated AGIL)	904.3	1,013.2	109.0

Notes:

1. Differs from the Q2-2022 Financial Performance presentation due to reclassifications in certain items.

- The difference with financial statements is that this Cash flow statement starts from EBITDAR and Aircraft rentals (PBH payments) are included in cash flows provided by financing activities, while Cash flow from financial statements starts from Net Income and Aircraft rentals (PBH payments) are included in cash flows provided by operations.

- Total liquidity of \$1,013.2M includes Cash, Restricted Cash and Short-Term Investments.

	Q1-23	Q2-23
Assets		
Current assets:		
Cash and cash equivalents	754.9	775.3
Restricted cash	40.4	40.7
Short term investments	133.1	197.2
Accounts receivable, net	244.3	238.2
Accounts receivable from related parties	—	0.1
Current tax assets	190.3	194.7
Net defined benefit asset	18.9	33.3
Expendable spare parts and supplies, net	93.6	97.1
Prepaid expenses	11.7	13.7
Deposits and other assets	50.0	48.8
Assets held for sale	15.9	15.9
Total current assets	1,553.0	1,655.1
Non-current assets:		
Deposits and other assets	90.8	103.3
Accounts receivable, net	2.6	—
Accounts receivable from related parties	105.5	107.8
Intangibles	2,879.3	2,863.0
Deferred tax assets	27.2	29.7
Property and equipment, net	2,931.5	3,071.0
Total non-current assets	6,036.9	6,174.7
Total assets	7,589.8	7,829.9

	Q1-23	Q2-23
Liabilities and equity		
Current liabilities:		
Loans and current portion of long-term debt	258.7	361.5
Accounts payable	444.2	463.9
Accounts payable to related parties	0.0	0.0
Accrued expenses	59.5	63.8
Current tax liabilities	15.3	15.4
Provisions for legal claims	44.7	42.3
Provisions for return conditions	11.9	7.6
Employee benefits	69.5	73.6
Air traffic liability	662.0	757.7
Frequent flyer deferred revenue	160.1	157.1
Other liabilities	0.4	0.3
Total current liabilities	1,726.4	1,943.3
Non-current liabilities:		
Long-term debt	3,990.9	3,951.7
Provisions for return conditions	589.4	639.1
Employee benefits	45.7	57.5
Deferred tax liabilities	154.7	149.3
Frequent flyer deferred revenue	282.4	276.3
Other liabilities	0.2	0.1
Total non-current liabilities	5,063.4	5,074.0
Total liabilities	6,789.7	7,017.3
Equity:		
Common stock	0.0	0.0
Share premium	1,146.0	1,146.0
Retained earnings	(349.6)	(335.1)
Other Comprehensive Income	(11.8)	(14.9)
Total equity attributable to AGIL	784.6	796.0
Noncontrolling interest	15.5	16.6
Total equity	800.1	812.6
Total liabilities and equity	7,589.8	7,829.9

	Q2-23
AGIL Total operational cost (excluding fuel)	685.5
Freighters segment business cost	83.6
IFRS 3 trademark and customer relations intangible amortization and corporate cost allocation	13.5
Latin Logistics and AV courier expense	10.9
IFRS 3 trademark and customer relations intangible amortization	1.2
Total Cargo and Courier	109.2
Lifemiles Co. cost of rewards and SG&A costs	37.4
VIP Lounges, Star Alliance cost and Elite benefit	9.3
IFRS 3 trademark and customer relations intangible amortization	4.0
Total Lifemiles	50.7
Other non-pax related adjustments	2.7
Passenger operational cost (excluding fuel)	522.9
ASKs	13,270.9
Pax CASK ex Fuel	3.9