





Second Quarter 2024 Financial Performance



Avianca Group International Limited

August 9, 2024

-  Avianca Group has continued to execute on its business plan with a core focus on cost management, as we believe cost control is critical to ensure our long-term strategic advantage, enabling us to be less cyclical and to participate in growth across all customer segments.
-  In the quarter, we experienced margin pressures as a result of the significant capacity growth in our markets and the return of seasonality to our business. We increased capacity by 15.8% YoY, in order to strengthen our presence in key domestic Colombia and Central America markets.
-  We have also identified and implemented opportunities to capture additional premium revenue. For example, based on the strong performance of our European Business Class, we extended Business Class service to our Widebody operation in the Americas, and recently reintroduced Narrowbody Business Class on select routes.
-  As a testament to the strength of our cost focus, we delivered the following financial results in a challenging and seasonally weak quarter:
 - EBITDAR¹ was \$221 million, at a 18.8% margin.
 - Passenger CASK ex-fuel fell to 3.9 cents, due to strong cost management.
 - Cash Balance² was \$928 million at June 30th.
 - Net Debt to LTM EBITDAR was 3.3x, notwithstanding our increase in aircraft.


1. EBITDAR reconciliation is available in the appendix.


2. Cash Balance includes Cash and Cash equivalents, Restricted Cash (which is reclassified to Deposits and other assets) and Short-Term Investments.


-  Lifemiles continued to add value with Q2-24 Cash EBITDA contribution of \$39 million, a 37.8% increase relative to Q2-23. In addition, Third Party Gross Billings grew by 20.7% to reach \$59 million at June 30, 2024.
-  Avianca Cargo revenues were \$150 million during the quarter, a 6.7% YoY decrease due to yields contracting in Latin America largely as a result freighter capacity in the industry remaining above pre-pandemic levels; yet revenues were ahead of Business Plan. Positively, our cargo operation continued to lead the flower market from Bogota and Medellin to Miami during April and May for Mother's Day season.

 We also achieved other relevant milestones during the quarter:

- We started operating seven new routes (Pereira-Santa Marta; San Jose-San Salvador-Montreal; Medellin-Santiago; Medellin-Buenos Aires; Medellin-Lima; Medellin-Aruba and San Salvador-Lima), to further consolidate our network, and we now serve 152 routes in 75 destinations. We also increased our daily frequencies from Bogota to Madrid from three to four, fostering further connectivity with Europe.
- We launched our 2023 Sustainability report and presented a new livery in alliance with the Wildlife Conservation Society (WCS).
- We became the official airline of the Colombian, Ecuadorian and Salvadorian Olympic Committees, and of the Colombian and Salvadorian National Soccer Teams.

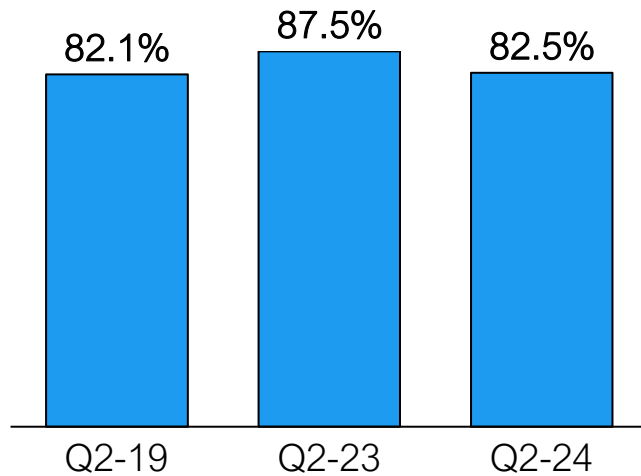
 We started the process of renewing and standardizing our Cargo fleet, with one A330 passenger-to-freighter recently starting operation, and two more expected to be incorporated by 2025.

 As of July 1, 2024, we reintroduced Business Class service on Narrowbody operations from Bogota to 11 key markets in the Americas: Chile, São Paulo, Buenos Aires, Montevideo, Río de Janeiro, Miami, Washington, New York, Boston, Toronto, and Mexico City.

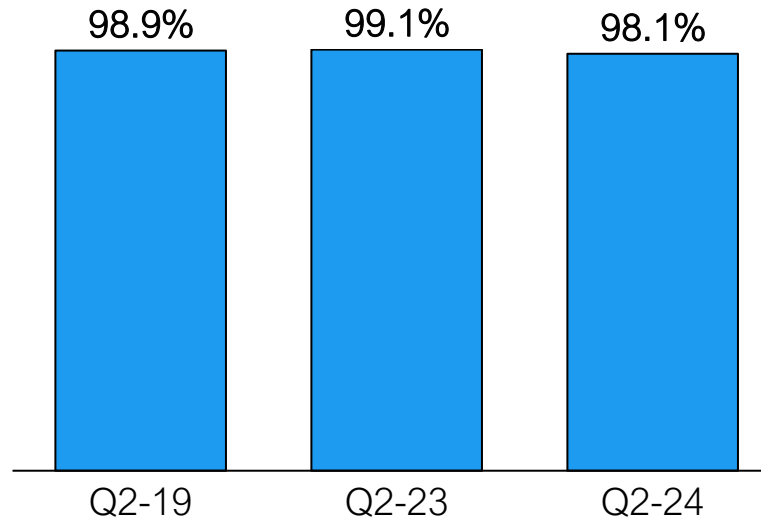
 Going forward, we aim to continue strengthening our service level; improving each step of the travel experience through the incorporation of new technologies, which will also lead to further cost savings; and providing greater connectivity to our customers, including by launching several new routes during the remainder of the year.

Avianca's operational performance remained strong during the quarter.

ON TIME PERFORMANCE

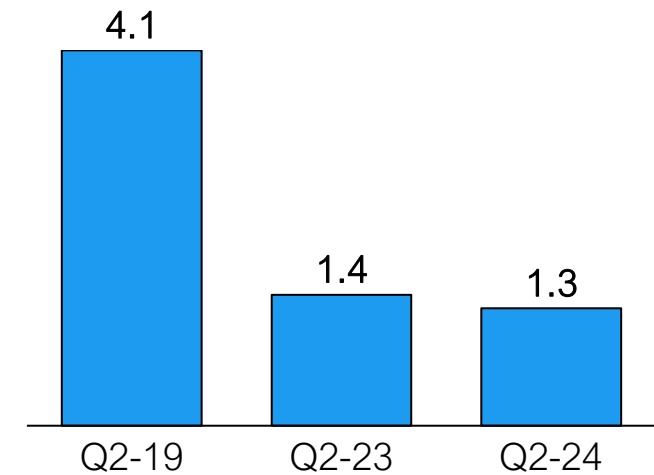


SCHEDULE COMPLETION



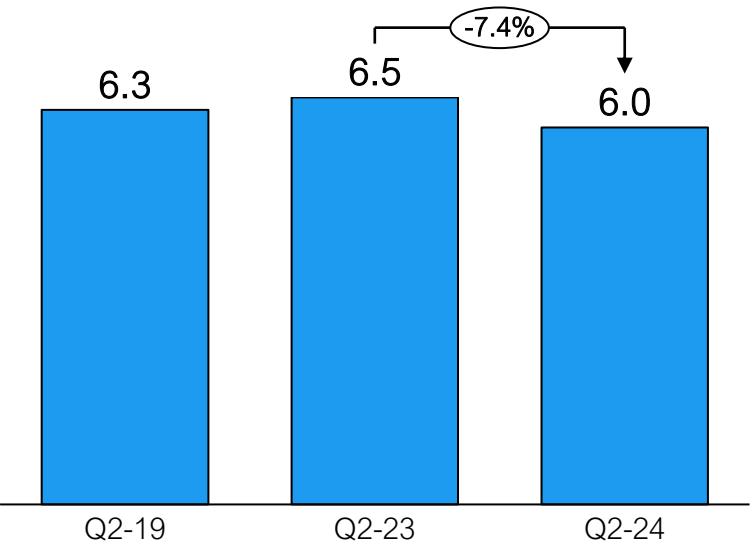
MISHANDLED BAGGAGE

Per 1,000 passengers

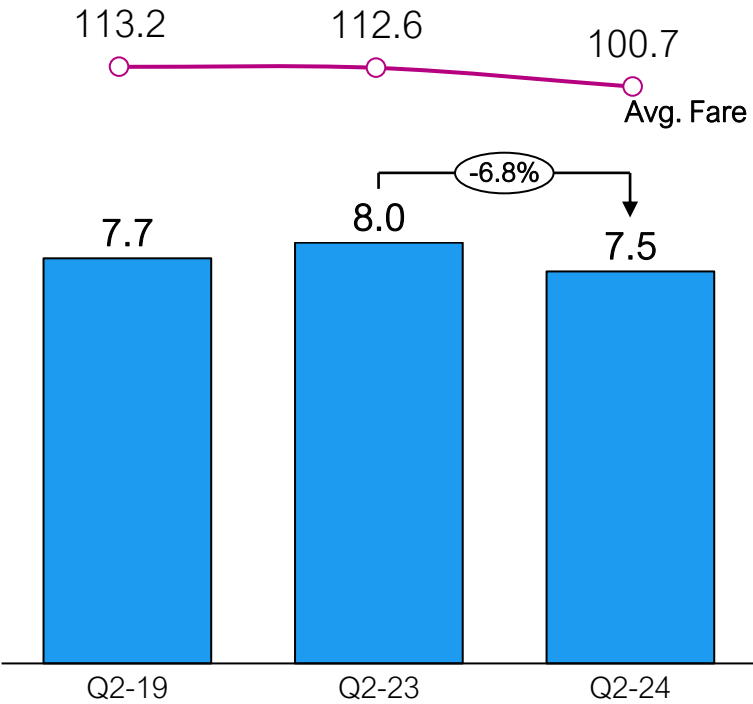


Unit revenue metrics are lower YoY due to competitive pricing pressures related to significant growth in capacity, and the return of seasonality to our business.

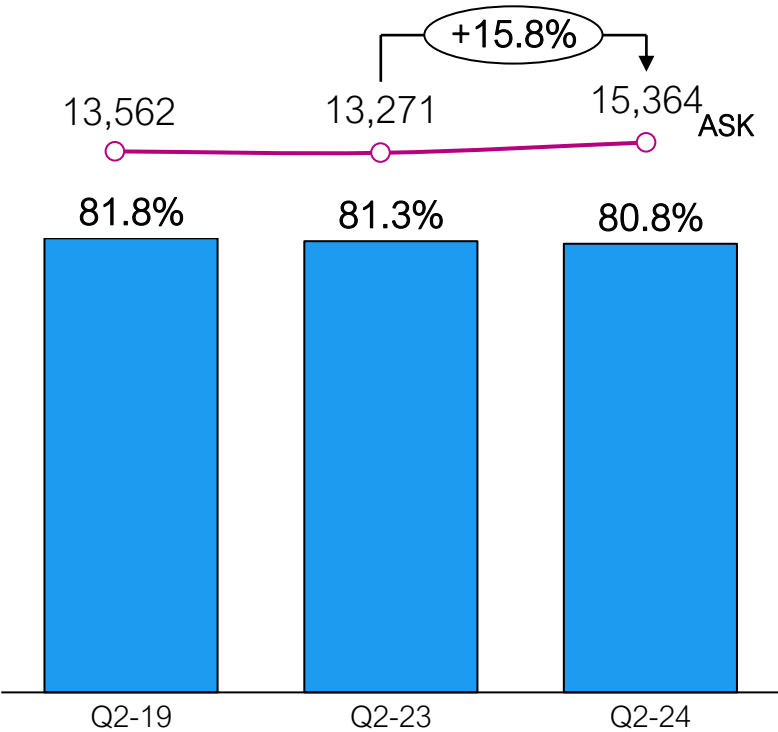
PRASK



YIELD



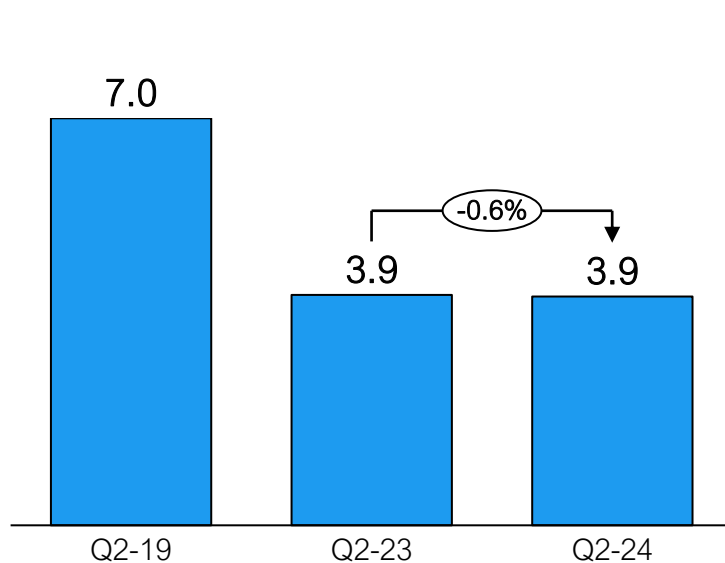
LOAD FACTOR%



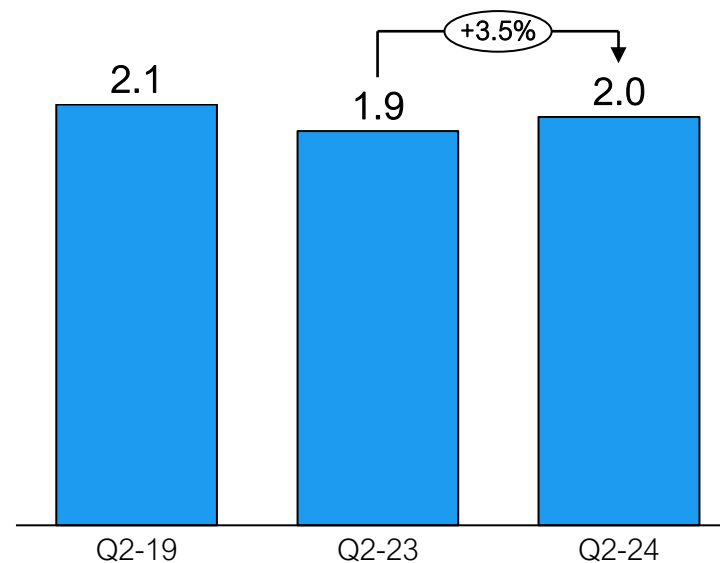
SECOND QUARTER UNIT COST METRICS

Avianca's cost discipline led to a PAX CASK ex-fuel of 3.9 cents, in line with 2Q-23, in spite of the impact of foreign exchange and a lower stage length.

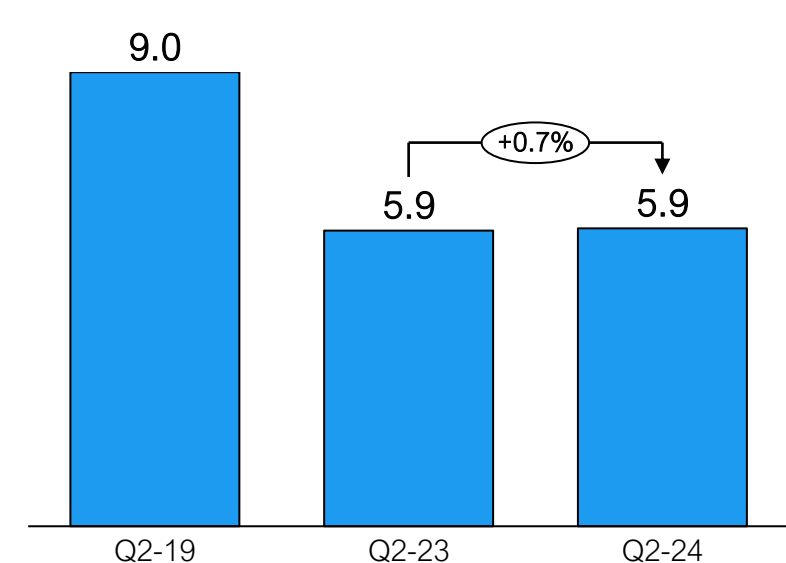
PAX CASK ex-fuel¹



PAX FUEL CASK



TOTAL PAX CASK

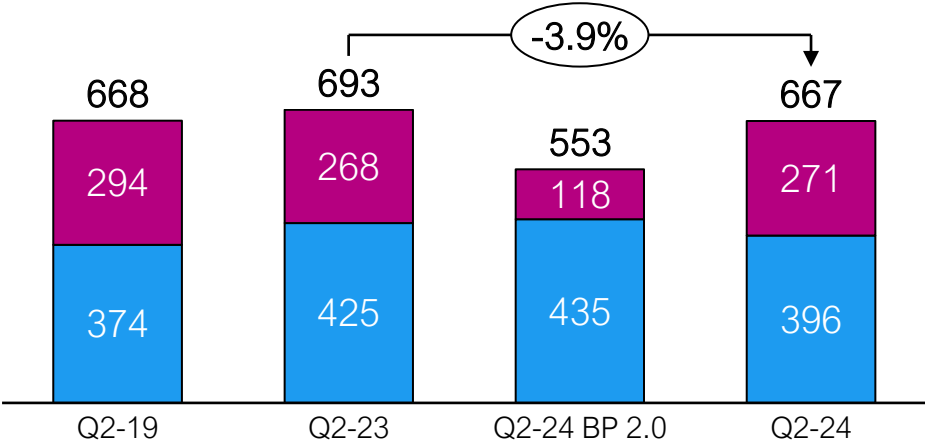


Cargo revenues moderated YoY, nonetheless, revenues were higher than Business Plan.

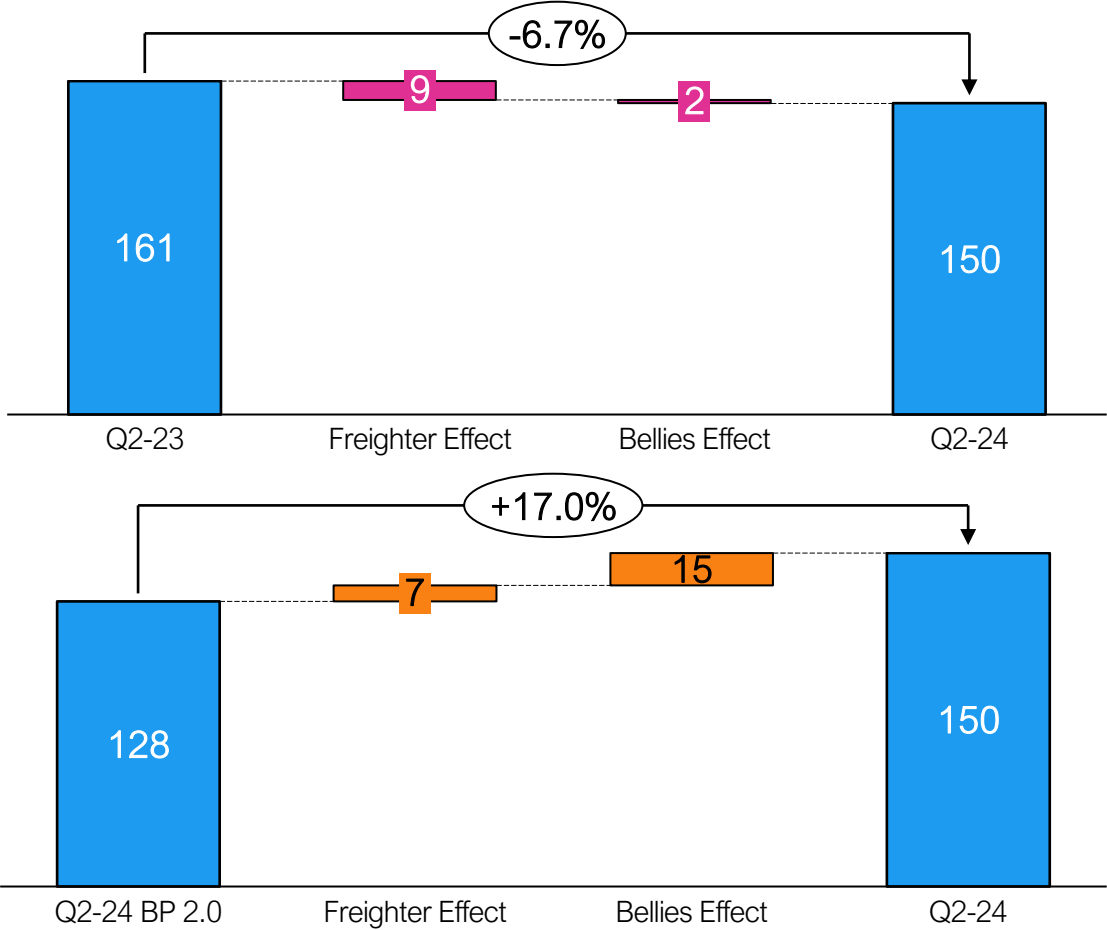
CAPACITY

ATK

Bellies Freighters



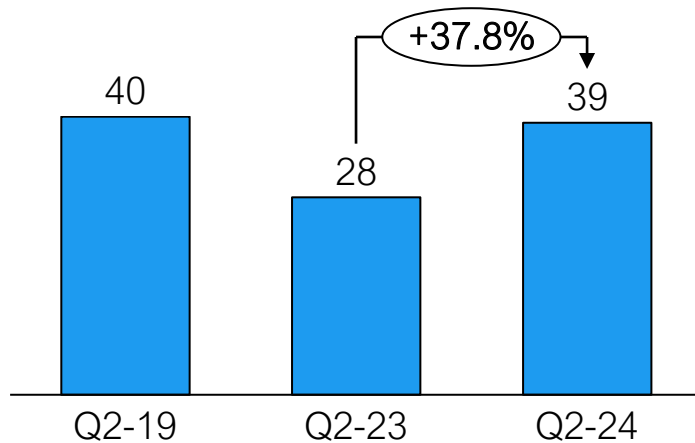
REVENUE




SECOND QUARTER LIFEMILES PERFORMANCE

Lifemiles quarterly performance improved YoY, aligning to pre pandemic levels.

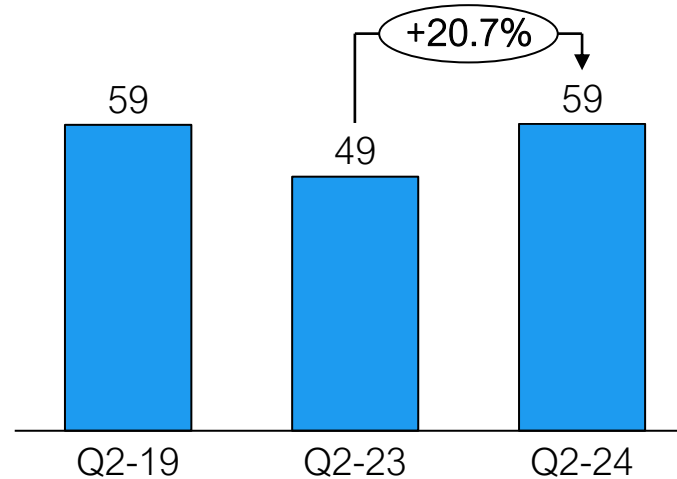
LM CASH EBITDA TO AGIL ¹




 **+37.8%**
vs Q2-23

- Strong performance in third party gross billings, bolstered by lower SG&A.

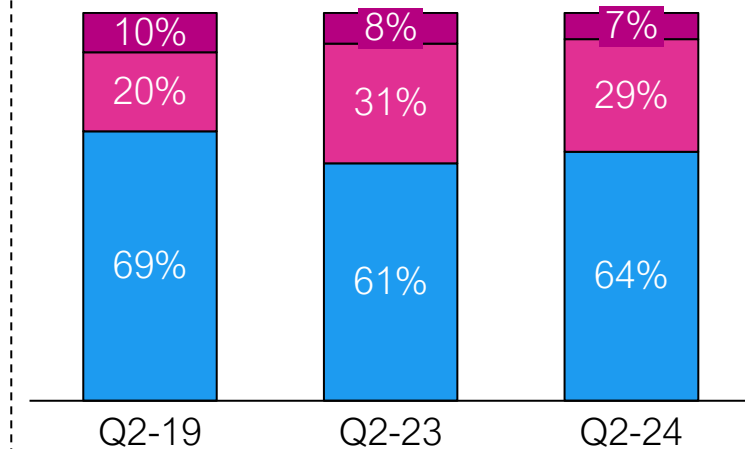
THIRD PARTY GROSS BILLINGS



 **+20.7%**
vs Q2-23

- Strong performance in gross billings across products (Cobrands, Miles Conversions, direct sales to members) and regions.
- Gross Billings are now in line with pre-pandemic levels.

REDEMPTION

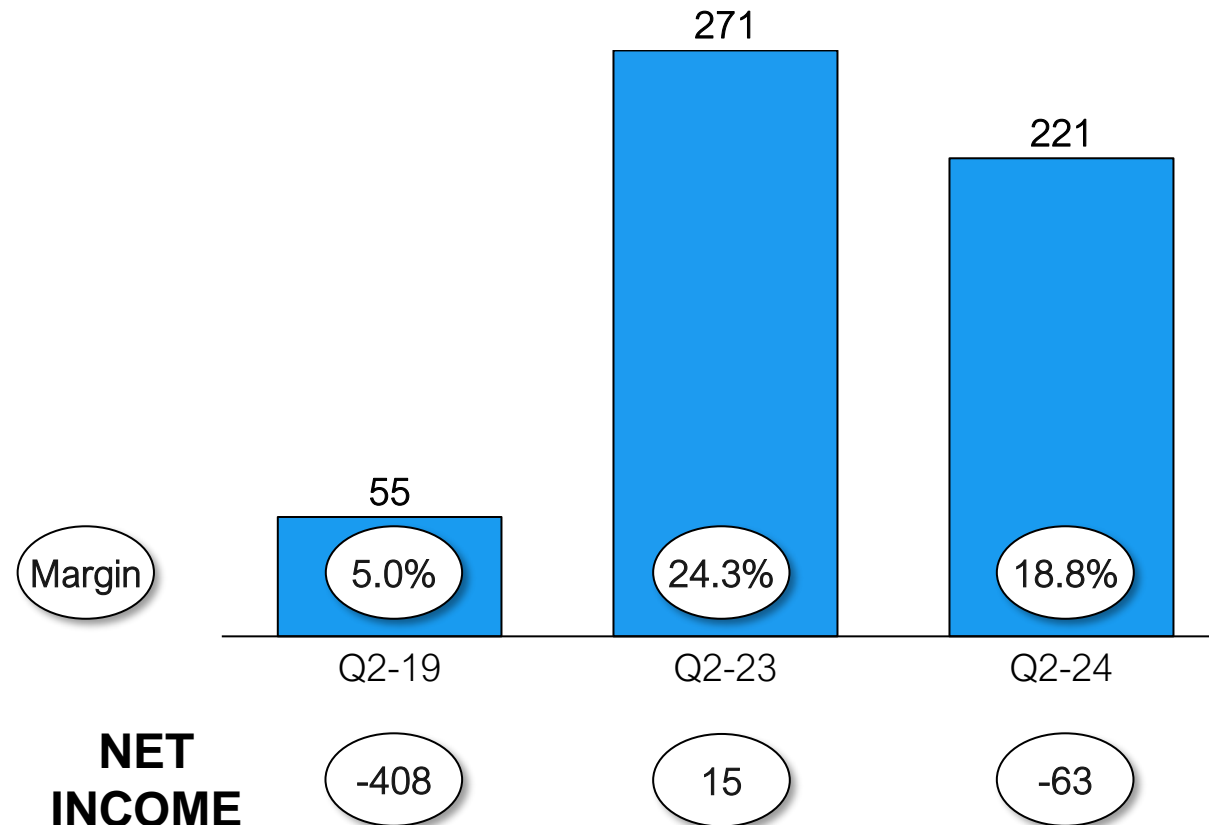


 Non Air  Air Partners  Avianca

- Miles redeemed in Avianca, have increased significantly relative to last year mainly in NAM routes.

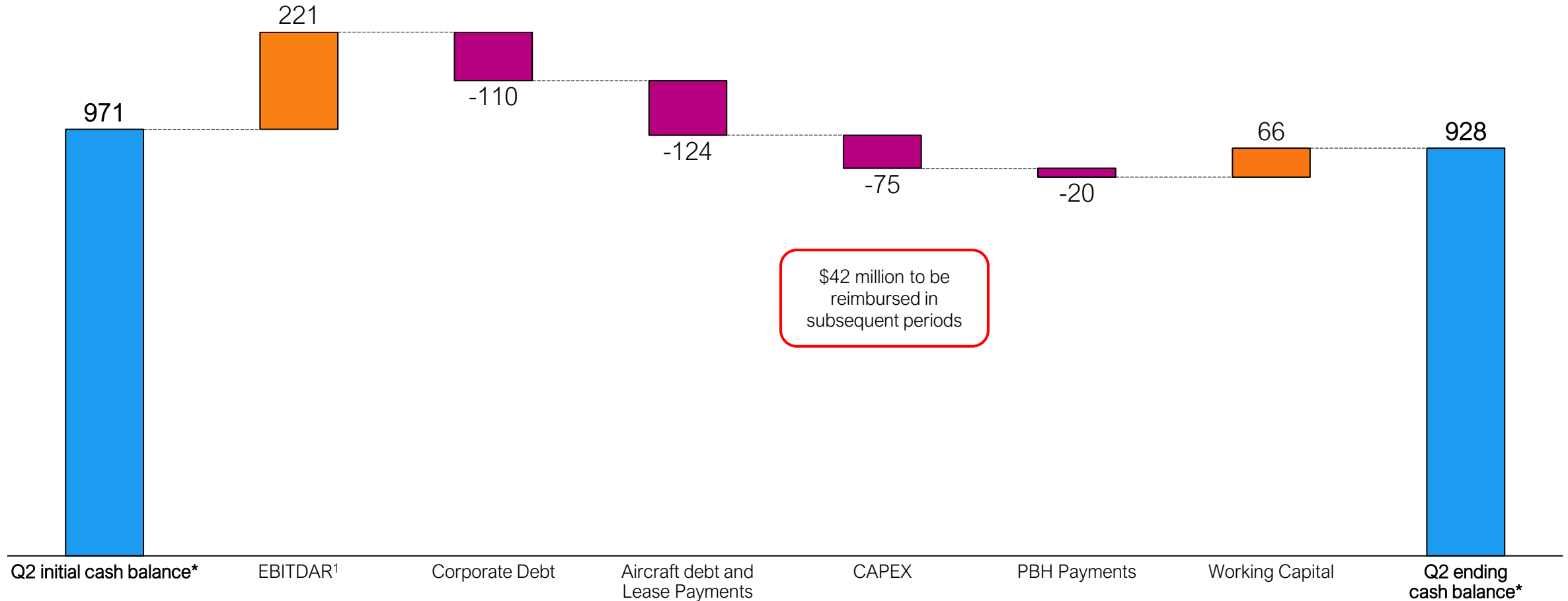
Avianca generated \$221 million in EBITDAR at 18.8% margin, in spite of competitive pricing pressures related to significant capacity growth, and the return of seasonality to our business, reflecting the strength of our cost management.

SECOND QUARTER EBITDAR¹



SECOND QUARTER CASH FLOW

Avianca's cash balance was \$928 million in the quarter, after considering debt payments and timing impacts in Capex.



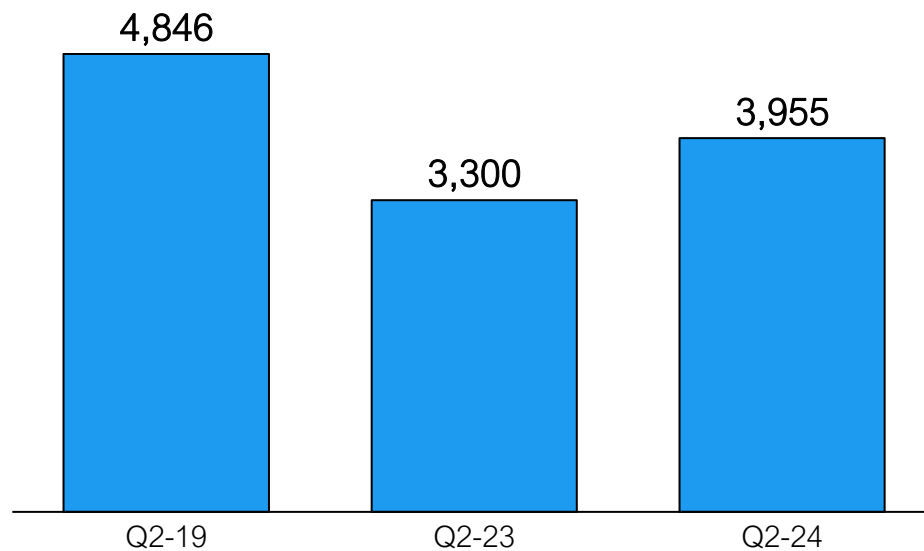
Figures in millions of US Dollars

* Cash Balance includes Cash and Cash equivalents, Restricted Cash (which is reclassified to Deposits and other assets) and Short-Term Investments.

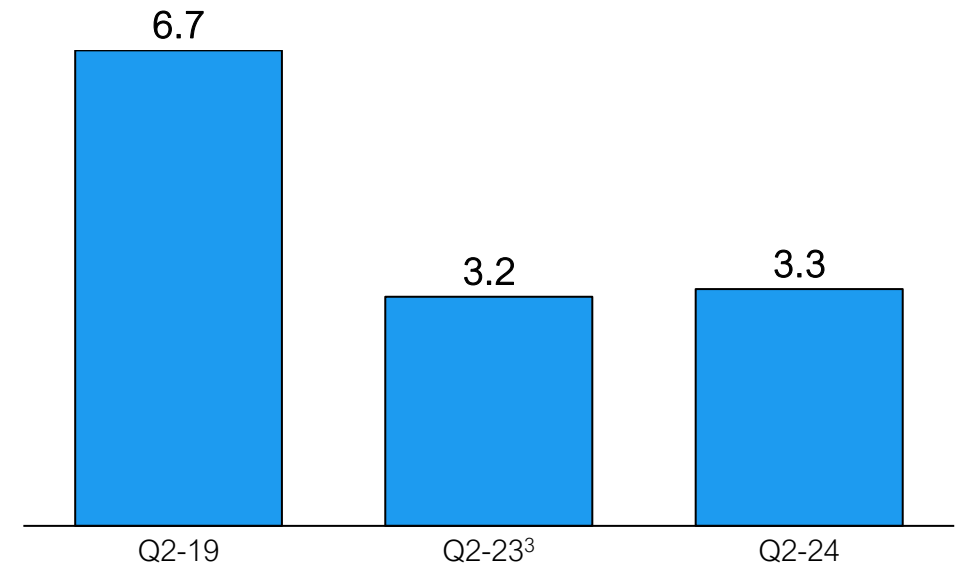
1. EBITDAR reconciliation is available in the appendix.

Avianca's leverage was 3.3x at the end of the quarter, notwithstanding our increase in aircraft.

NET DEBT¹



NET DEBT/LTM EBITDAR²



Figures in millions of US Dollars.

1. Includes Debt and IFRS-16 lease liability.

2. EBITDAR reconciliation is available in the appendix.

3. Excludes 2022 year-end adjustments



Q2 2024 Financial Performance I Appendix

Q2-24 P&L

	Q2-23	Q2-24	Var.
Passenger	655	705	50
Ancillary Revenue	208	221	13
Cargo Revenues	175	165	-10
Loyalty Revenues	67	73	6
Other Revenues	10	13	3
Total Operating Revenues	1,115	1,177	62
Aircraft Fuel	304	352	48
Salaries, Wages And Benefits	124	158	34
Ground Operations	112	130	18
Air Traffic	53	64	11
Flight Operations	26	22	-4
Passenger Services	21	25	4
Maintenance And Repairs	39	49	10
Selling Expenses	102	89	-13
Fees and Other Expenses	64	67	3
Total Operating Costs (ex rentals and D&A)	843	955	112
EBITDAR	271	221	-50
Aircraft Rentals	35	20	-14
Depreciation, Amortization and Impairment	111	130	19
Total Operating Costs	989	1,105	116
EBIT	126	71	-54
Interest and other, net	107	124	18
Profit (Loss) Before Income Tax	19	-53	-72
Income Tax	3	9	6
Net Income	15	-63	-78

	Q2-23	Q2-24	Var.
Operating metrics:			
PAX Departures	53,748	64,142	19.3%
PAX Block Hours	119,498	139,681	16.9%
ASKs (M)	13,271	15,364	15.8%
RPKs (M)	10,787	12,415	15.1%
Passengers (M)	7.7	9.2	19.9%
Revenue metrics:			
Load Factor	81.3%	80.8%	-0.5 p.p
Yield ¹	8.0	7.5	-6.8%
Average Fare ¹	112.6	100.7	-10.5%
PRASK ¹	6.5	6.0	-7.4%
Fuel Cost:			
PAX Gallons (M)	106	110	3.7%
PAX Fuel CASK ²	1.9	2.0	3.5%
Non Fuel Cost:			
PAX CASK ex Fuel ²	3.9	3.9	-0.6%
Total PAX CASK ²	5.9	5.9	0.7%
Profit metrics:			
EBITDAR Margin	24.3%	18.8%	-5.5 p.p
EBIT Margin	11.3%	6.0%	-5.2 p.p
Net Margin	1.4%	-5.3%	-6.7 p.p

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.
Figures in millions of US Dollars.

Q2-24 CASH FLOW

	Q2-23	Q2-24	Var
EBITDAR	271	221	-50
Income tax paid	-13	-29	-16
Working Capital	109	95	-14
Net Cash Flows Provided by Operations	368	288	-80
CAPEX	-66	-83	-17
Other Cash Flows provided by Investing	14	8	-6
Net Cash Flows Provided by Investing	-53	-75	-23
Corporate Debt	-112	-110	2
Financial Leases	0	-15	-15
Fixed Rentals	-83	-109	-26
PBH/ACMI Pax	-35	-20	14
Other Cash Flows provided by Financing	0	0	0
Net Cash Flows Used in Financing	-230	-255	-25
Cash Generation (Burn)	85	-43	-127
Starting Cash Balance (consolidated AGIL)	928	971	43
Ending Cash Balance (consolidated AGIL)	1,013	928	-85

Figures in millions of US Dollars

1. 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.

2. Cash Balance includes Cash and Cash equivalents, Restricted Cash (which is reclassified to Deposits and other assets) and Short-Term Investments.

Q2-24 BALANCE SHEET



	Q1-24	Q2-24
Assets		
Current assets:		
Cash and cash equivalents	691	657
Short-term investments	262	253
Trade and other receivables, net of expected credit losses	270	255
Accounts receivable from related parties	6	7
Current tax assets	235	229
Expendable spare parts and supplies, net of provision for obsolescence	97	101
Prepayments	8	9
Deposits and other assets	32	51
Assets held for sale	11	11
Total current assets	1,612	1,574
Non-current assets:		
Deposits and other assets	136	121
Accounts receivable from related parties	116	119
Intangible assets	1,317	1,304
Goodwill	1,525	1,525
Deferred tax assets	45	46
Right of use assets	3,004	2,990
Property and equipment	962	1,042
Total non-current assets	7,105	7,146
Total assets	8,717	8,720

	Q1-24	Q2-24
Liabilities and equity		
Current liabilities:		
Short-term borrowings and current portion of long-term debt	220	222
Current portion of lease liability	272	271
Accounts payable	555	629
Accounts payable to related parties	0	0
Accrued expenses	89	68
Current tax liabilities	46	43
Provisions for legal claims	29	26
Employee benefits	139	97
Air traffic liability	635	726
Frequent flyer deferred revenue	165	165
Other liabilities	0	0
Total current liabilities	2,150	2,247
Non-current liabilities:		
Long-term debt	2,085	2,028
Long-term lease liability	2,337	2,361
Provisions for return conditions	782	787
Employee benefits	69	64
Deferred tax liabilities	134	133
Frequent flyer deferred revenue	272	271
Other liabilities	0	0
Total non-current liabilities	5,679	5,645
Total liabilities	7,829	7,892
Total Equity	887	827
Total liabilities and equity	8,717	8,720

Figures in millions of US Dollars
Cash Balance includes Restricted Cash of \$17.9 million and \$18.3 million in Q2-24 and Q1-24 respectively, reclassified to Deposits and other assets.

Q2-24 PAX CASK EX-FUEL RECONCILIATION

	Q2-24
AGIL Total operational cost (excluding fuel)	753.3
Cargo and Courier cost	-96.5
Lifemiles cost	-46.5
Other corporate cost	-8.9
Passenger operational cost (excluding fuel)	601.4
ASKs	15,364.3
Pax CASK ex Fuel	3.9