

Volaris Corporate Presentation

March 2024



volaris



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Attendance and the exercise of voting rights are subject to compliance with the change of control provisions set forth in Clause Eight of the Company's by-laws. Note that pursuant to such provision, a position that results in a number equal or greater than 5% of Volaris' total outstanding shares requires the prior written authorization of the Board of Directors.

Significant experience navigating volatility and driving profitable growth throughout the cycle



2006 - 2020

Setting the stage

- 2006: Volaris starts operations
- 2008: Global Financial Crisis
- 2009: Launching of U.S. routes
- 2010: Indigo Partners' investment
- 2012: Fare unbundling strategy
- 2013: IPO at NYSE and BMV
- 2015: Secondary follow-on equity offering
- 2016: First NEO delivery

2020 - 2021

Turning the COVID crisis into an opportunity

- Volaris had the fastest post-COVID recovery among all listed carriers worldwide
- Primary follow-on equity offering to accelerate growth
- Filled the void left by competitors while preserving a healthy balance sheet

2022 and beyond

Volaris today

- Strong position in the Mexican Domestic market
- One of the largest foreign airline operators in the U.S.
- Expanding international footprint with three Airline Operator Certificates (AOCs): Mexico, Costa Rica and El Salvador
- Growing unit revenues, managing costs, and driving profitability despite Pratt & Whitney engine's accelerated inspections
- Continuing to turn challenges into opportunities...

Latin America's largest ULCC



33.5 Million

Passengers

In 2023

\$3.3B USD

Total operating revenue

In 2023

211

Routes

132 domestic and 79 international

72

Airports

43 domestic and 29 international

~450

Average Daily Flights

3

Air Operator Certificates

Mexico, Costa Rica and El Salvador

134

Aircraft

59% NEO, average age of 5.9 years

13.2

Block hours

Per day of total productive fleet in 4Q'23

138

NEO orderbook with Airbus

112 A321neo and 26 A320neo

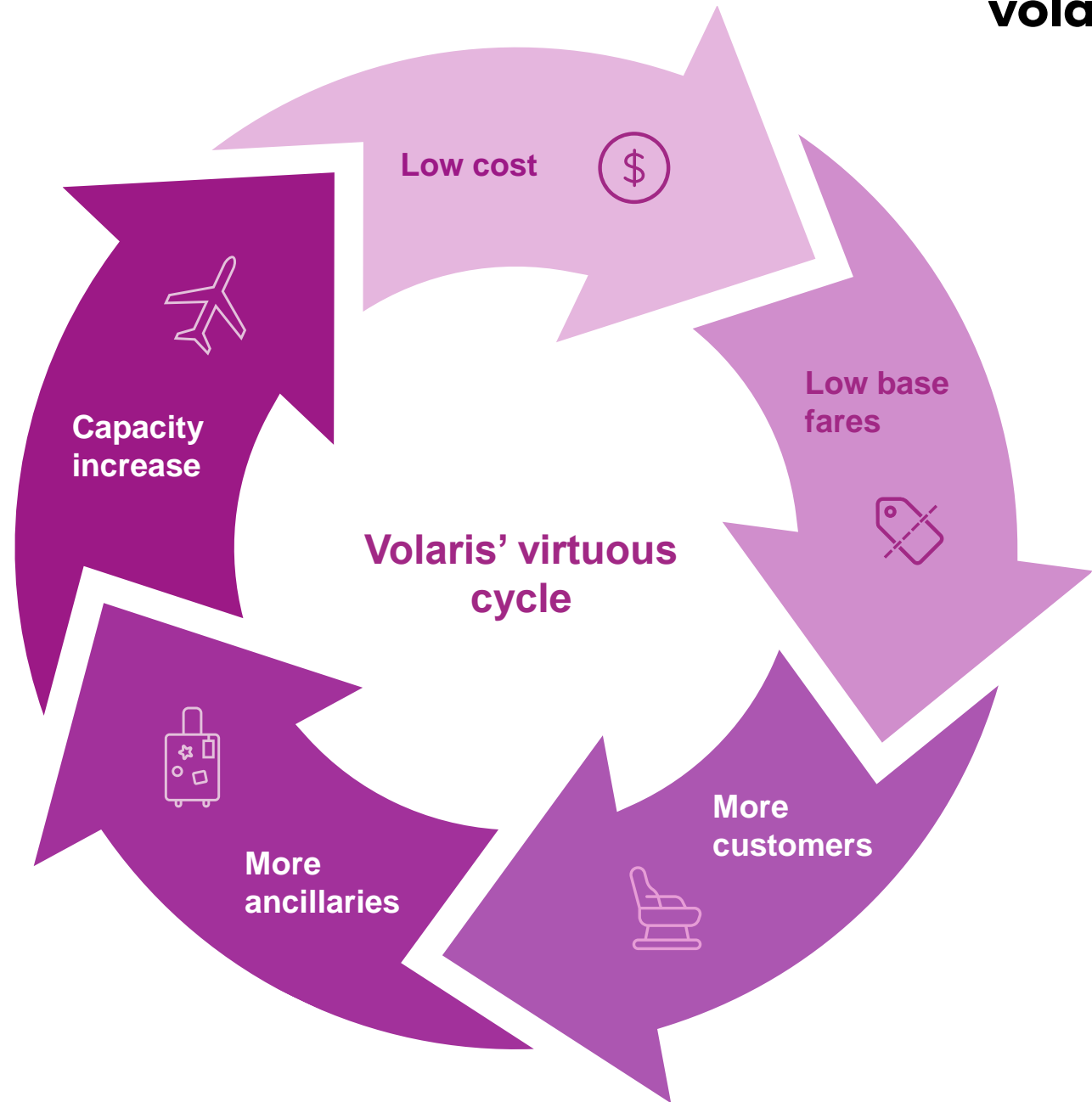
~7,200

Full-time employees

Note: Unless otherwise stated, information on this slide is as of March 10, 2024.

Volaris' resilient, ULCC business model for profitable growth

Our strong **business model remains unchanged** since our founding, and we expect it will continue to serve as the basis for growth



A clear path to long-term, profitable growth

Low-cost leadership



- One of the **lowest cost operators** in the world
- Fleet plan aims to drive **further efficiencies: low costs going lower**

Market and profitability leader



- **Largest** airline in Mexico by passengers
- **Industry leading profitability** levels in the Americas⁽¹⁾
- Margin expansion potential

High growth opportunities



- Well-positioned to **leverage regional shifts in population and transportation** trends
- CAT1 to give additional upside
- **Diversified** growth avenues available

Financial strength



- **Strong and flexible** balance sheet and cash generation
- **Conservative debt position** and **healthy** financing conditions

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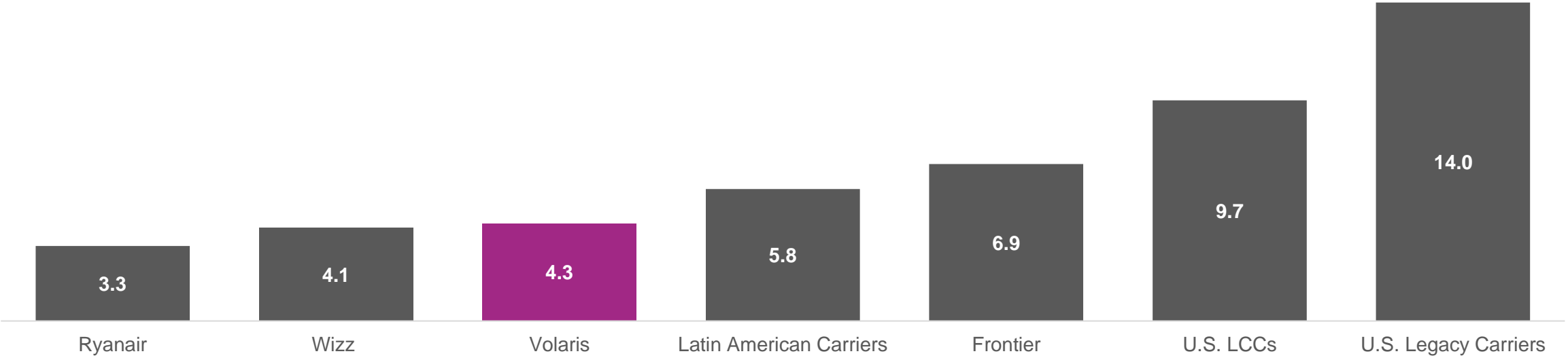
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One of the lowest-cost operators worldwide

CASM ex-fuel

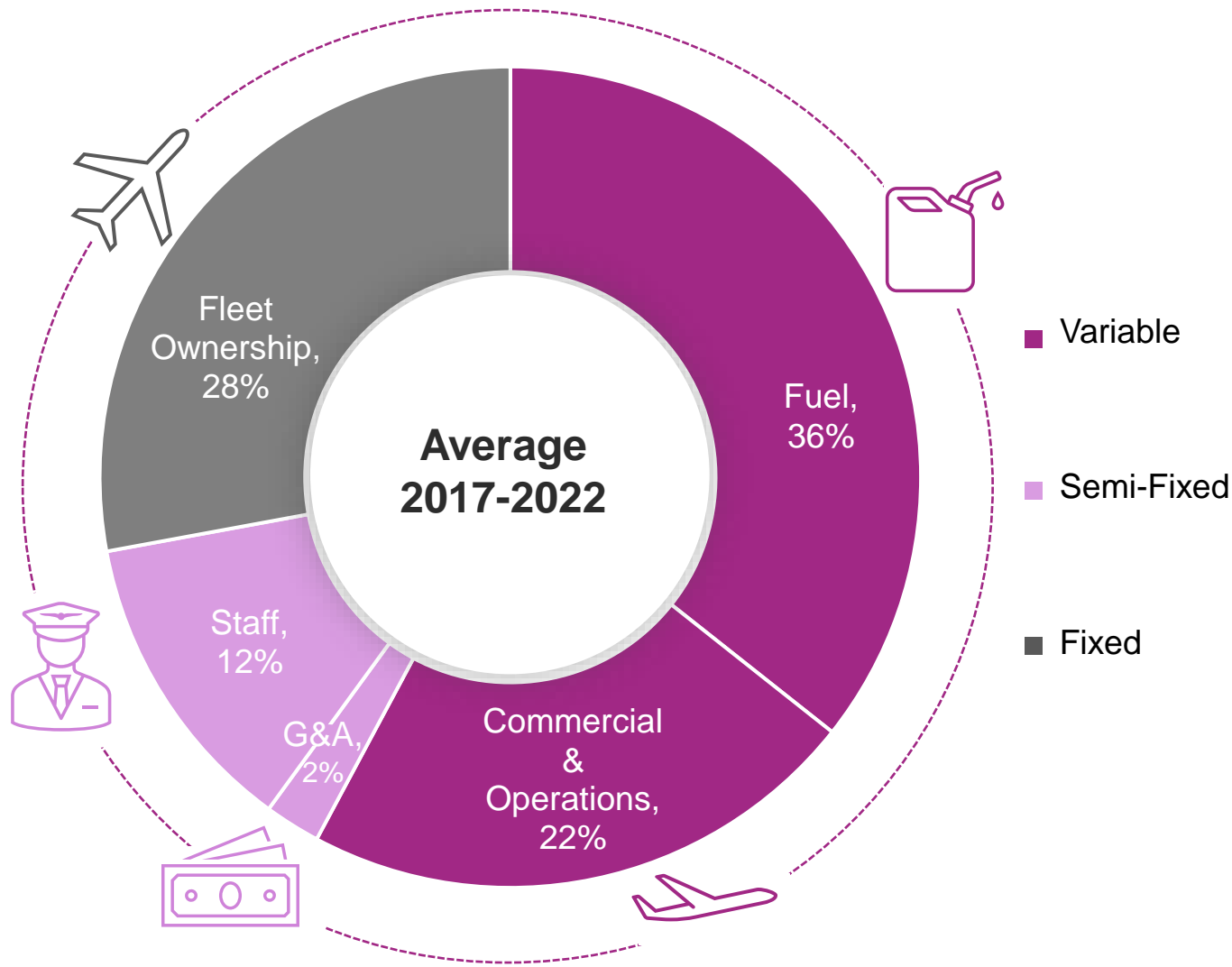
USD cents | FY 2022 CASM ex-fuel | Stage length adjusted @1,000 miles



Disciplined approach to containing controllable costs has enabled Volaris to maintain competitive advantage against peers

Source: Company's Filings. Note: Non-USD data converted to USD using an average exchange rate for the period for convenience purposes only, all data as of FY 2022. Presenting average CASM ex-fuel. "US LCCs": Alaska, Allegiant, JetBlue, Southwest and Spirit; "Latin American Carriers": Azul, Copa and Gol.; "US Legacy Carriers": American Airlines, Delta and United Airlines. For non-IFRS measures please see appendix.

Flexibility on costs across business provides a competitive advantage



- **60%+ of Volaris' costs have been variable** over the past 5 years on average
- Volaris' **relatively high proportion of variable and semi-fixed costs** provides a competitive advantage, **allowing flexibility to adjust capacity in a downturn**
- Roughly 2/3 of Volaris' Staff and G&A expenses are variable
- Variable portion of the compensation of the company is aligned with shareholders' interests, as it **incentivizes productivity**

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Mexico's air travel market is in its early stages of growth



Large bus switching potential



Strong and resilient VFR market



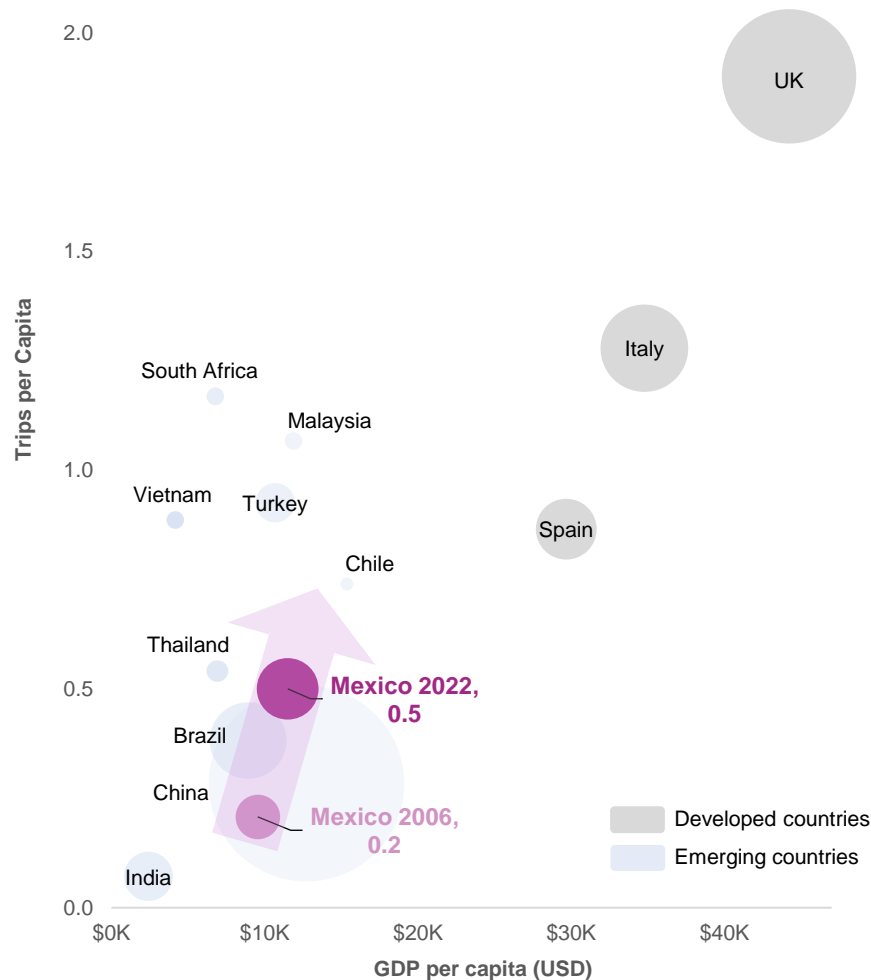
Ideally suited geography for aviation



No rail passenger system

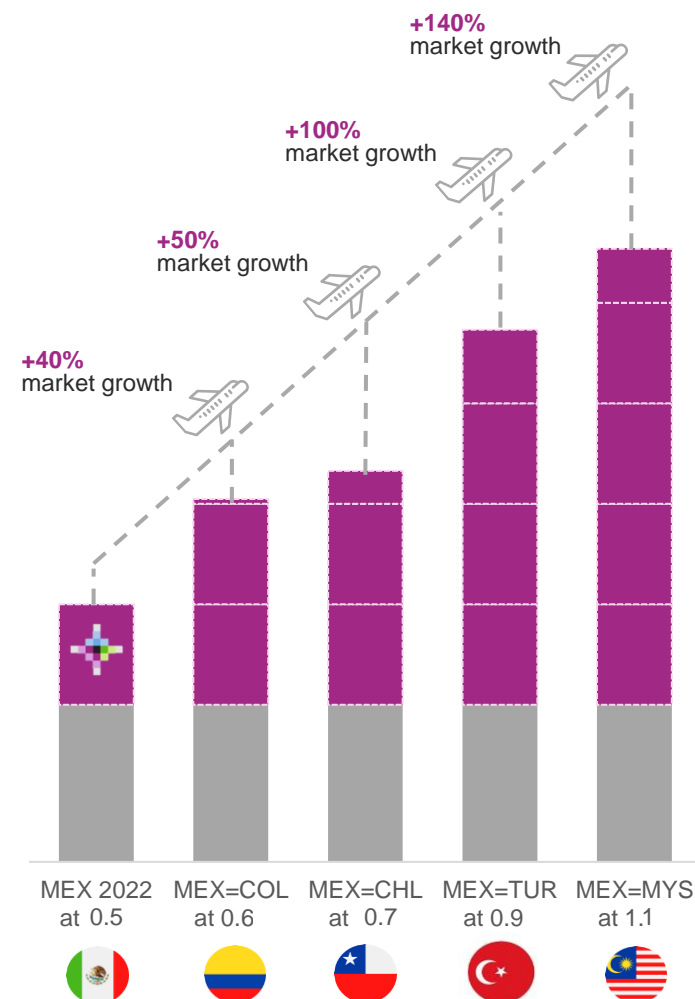
Growing trips per capita toward levels in comparable markets presents significant capacity opportunity

Domestic air travel penetration | 2022⁽¹⁾



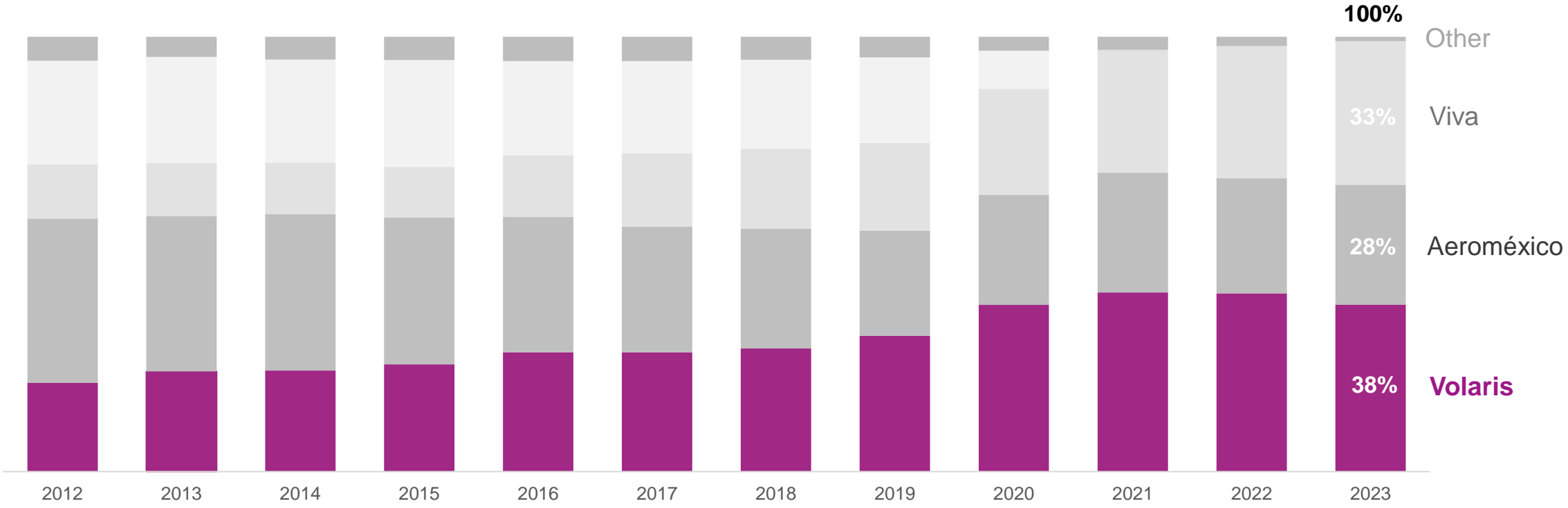
Source: Local Air Traffic Data and World Bank as of 2022.
 Note: Bubbles denote Nominal GDP in USD as of 2022.

Domestic air trips per capita | 2022



Volaris is the leader among the 3 carriers that control 99% of the domestic passenger airlines market

Domestic market share
% of total passengers



Share of top 3 players (%) 71 71 71 70 73 73 74 76 88 97 98 **99**

Source: AFAC – SICT.
Note: As of December 2023.

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Mexico's demographics are favorable

129 Million

population

10th

Largest population in the world

43%

of the population is under 25

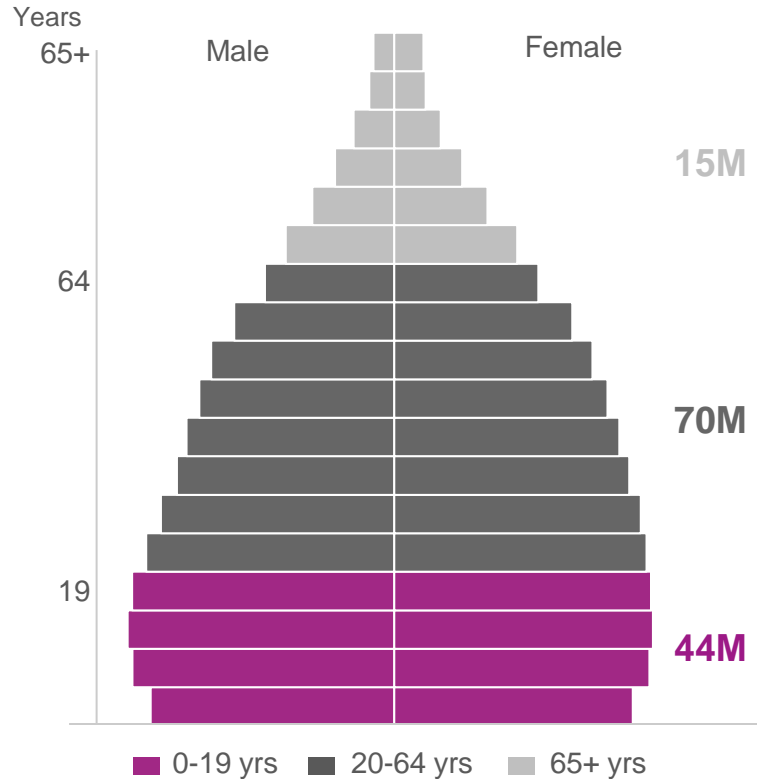
Mexico's working population is expected to be

90+ Million

by 2050

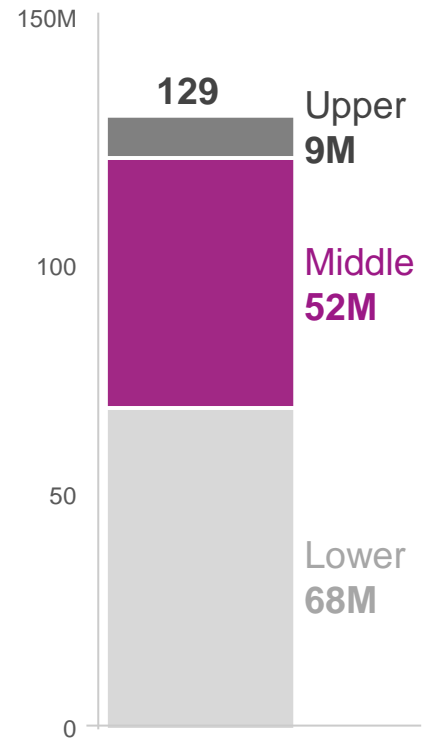
Large and growing "traveling class"

Mexican demographic composition by age | 2022



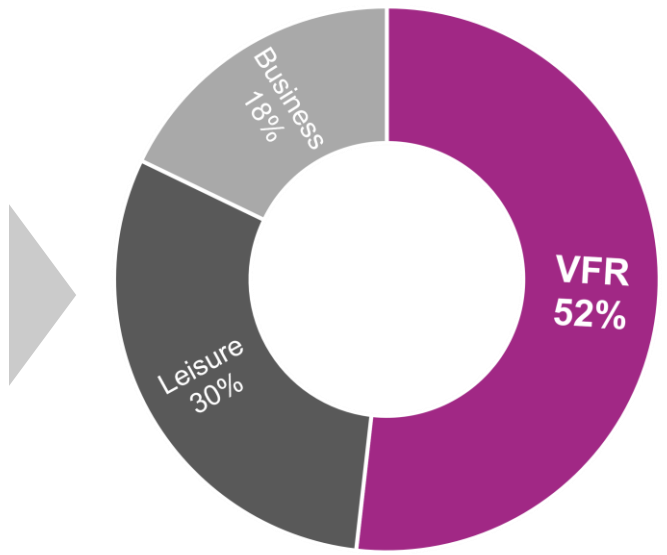
Healthy middle class

Population, Millions | 2022



Large VFR segment

2022 | Network breakdown by ASM



Significant opportunities exist to drive growth through bus-to-air conversion



49%
of routes compete only against buses⁽²⁾



3 Billion

Bus passengers in Mexico annually, of which 795 million⁽¹⁾ represent most attractive segment for bus-to-air conversion



10%

If Volaris were to convert 10% of the luxury bus passenger segment, the size of the Mexican aviation market would double



31 Million

Converting 1% of bus passengers to air travel would yield 31 million additional air passengers



No passenger rail system

The lack of passenger rail service makes long-distance domestic travel difficult and time-consuming Mountainous terrain make road trips treacherous

Volaris operates the most diversified network in Mexico



More Diversified Network

Volaris has significantly less route overlap than competitors

35%
with Viva (vs. 44% Viva's point of view)

23%
with Aeromexico (vs. 44% Aeromexico's point of view)



Competitive Advantages

Volaris' network provides competitive advantages

35%
Volaris holds leadership position at 19 of 55 domestic stations, including most important stations

Volaris is the leader at more than half of the airports we serve

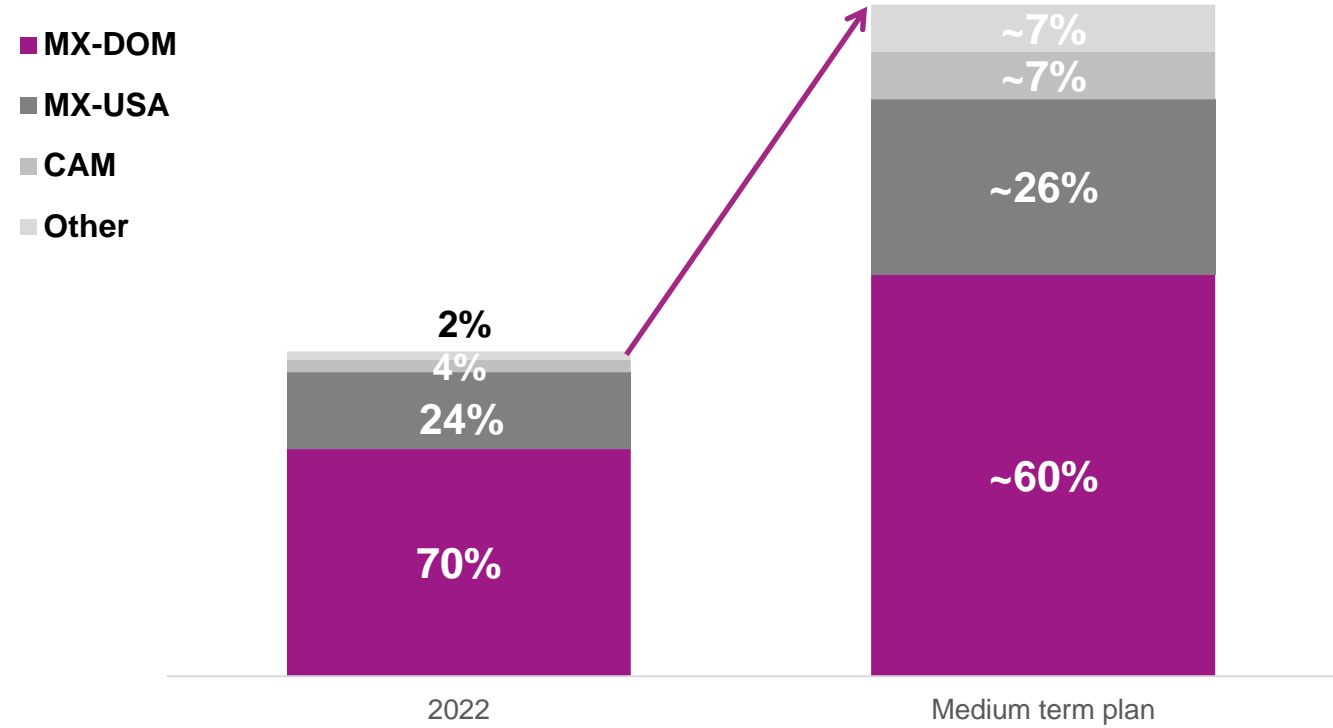
Seats | 2023



Volaris is well positioned to benefit from bus conversion given market strength

Volaris has strong potential for expansion in all key markets in the medium-term

Volaris' network growth



Total aircraft	117	175 – 200
Total routes	196	490 – 550

This is a goal / target and is forward-looking, subject to significant, business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and is based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that these goals and targets will be achieved and the Company undertakes no duty to update its goals.

Robust ancillary roadmap: line of sight to achieve 50% of total operating revenues

\$ Optimize pricing

- Define pricing of key air trip related ancillaries based on customer's willingness to pay
- Achieve full potential personalization

💡 Launch new products & services

- Start wireless inflight offering
- Offer new insurance products around flexibility and health
- Launch new refund products

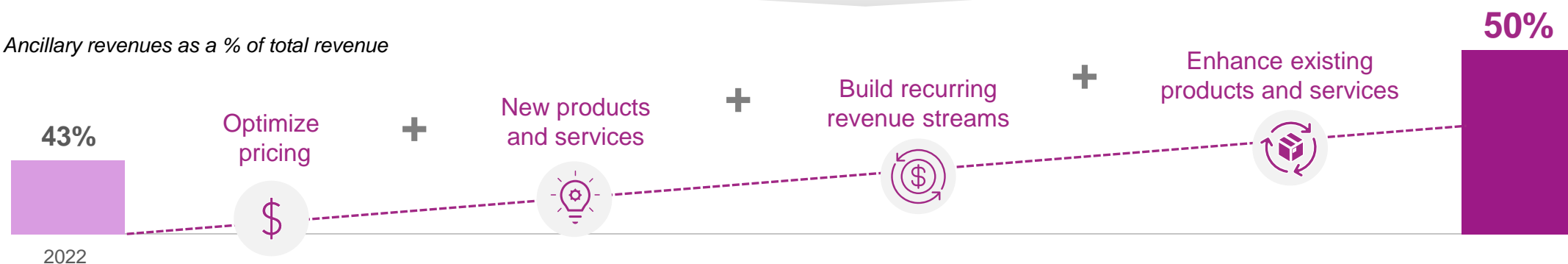
🔄 Build recurring revenue streams

- Grow V.Pass subscription (markets, types and flavors)
- Build V.Club membership base to 30-40% of passengers
- Maximize co-branded credit card revenues through scaling and launching new regions
- Annual Pass "All-You-Can-Fly"

📦 Enhance existing products & services

- Enforce baggage charges at airport
- Improve conversion seats selection and upsell premium seats at checking and in cabin
- Drive commission revenues from YaVas vacation packages offering

Ancillary revenues as a % of total revenue



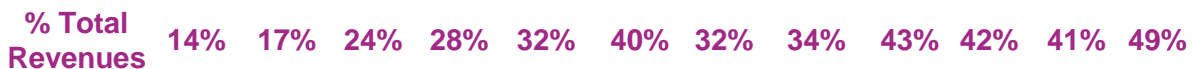
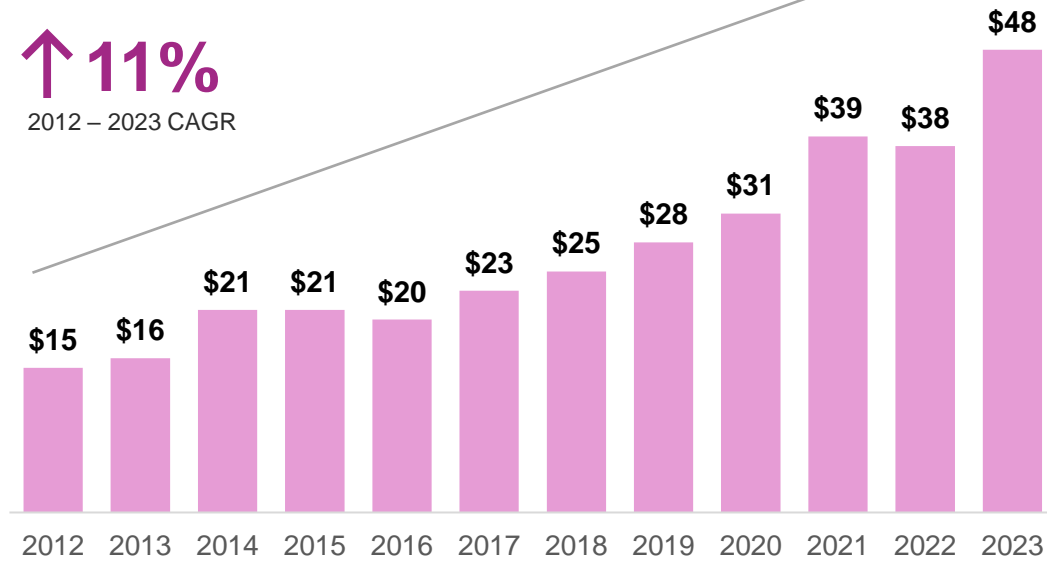
Track-record of successfully increasing non-ticket revenues with further upside potential






Significant success in capturing ancillary revenue...

...translating to a stable source of income: less elastic, less volatile, less seasonal

Volaris total non-ticket revenue per passenger
USD

↑ 11%
2012 – 2023 CAGR



-  Dynamic pricing
-  Launch new products & services
-  Build recurring revenue streams (e.g. v.club memberships, v.pass subscriptions)
-  Enhance existing products & services
-  Stimulate demand with lower base fares

Ancillaries are a competitive advantage against buses and this source of income is key for our business model

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Financial strength

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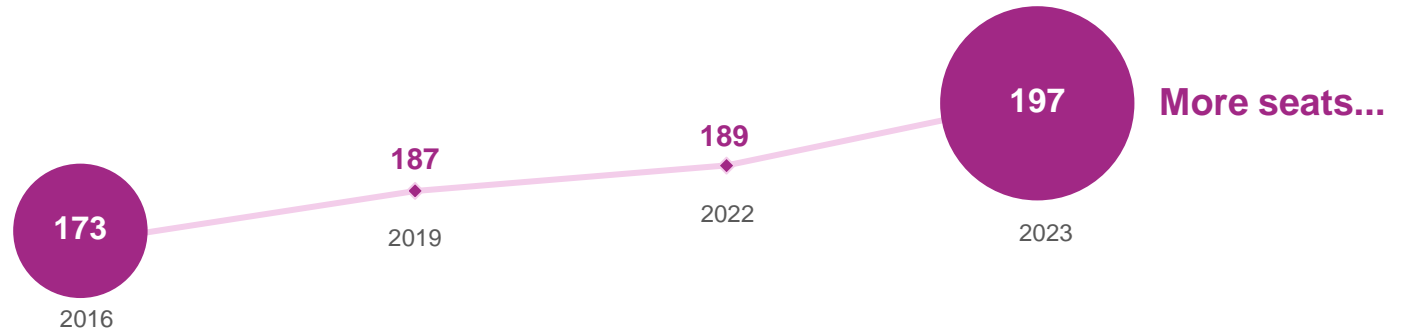
Fleet plan positions Volaris to further increase its cost advantage

High percentage of NEO aircraft is a natural hedge against higher fuel prices

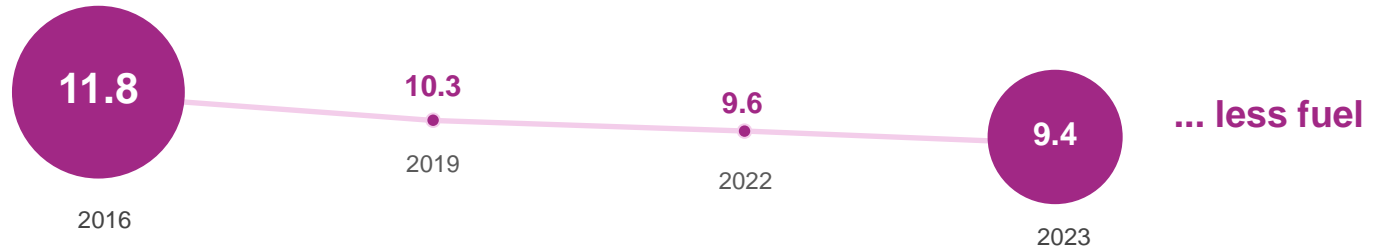
P&W GTF engines with fuel consumption reduction ~15% per available seat mile



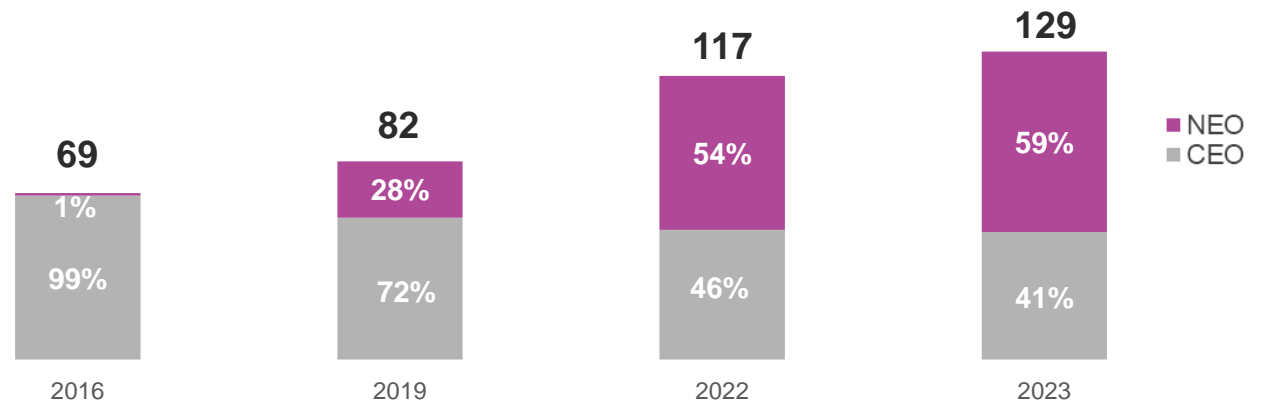
Seats per departure



Gallons/ASM (000)



Contractual fleet plan



Note: Average configuration of existing A321neo fleet at 234 seats, with new deliveries at 239 seats.

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Volaris' Airbus orderbook supports flexible and conservative fleet growth

NEO orders		Indigo's group order	Volaris' portion of group order	Volaris' deliveries taken
2011 order	Stand-alone	N/A	30	30 Last delivery in 2022
2017 order	Indigo	430	80	3 First delivery in 2023
2021 order	Indigo	382 ⁽¹⁾	64 ⁽¹⁾	3 First delivery In 2023

Note: (1) Includes exercised options.
For non-IFRS measures please see appendix.

Orderbook with Airbus

- Favorable aircraft pricing with Airbus negotiated, benefitting from Indigo Partners' economies of scale
- Three purchase orders placed with Airbus, totaling 174 aircraft
- 138 on backlog for delivery in the upcoming years – **half for renewal, half deployed for fleet growth**

Lease extensions

- Volaris aims to keep its fleet as young as possible
- Lease extensions for certain aircraft to address growth requirements
- Seek lowest redelivery cost possible when necessary to return an aircraft to lessor

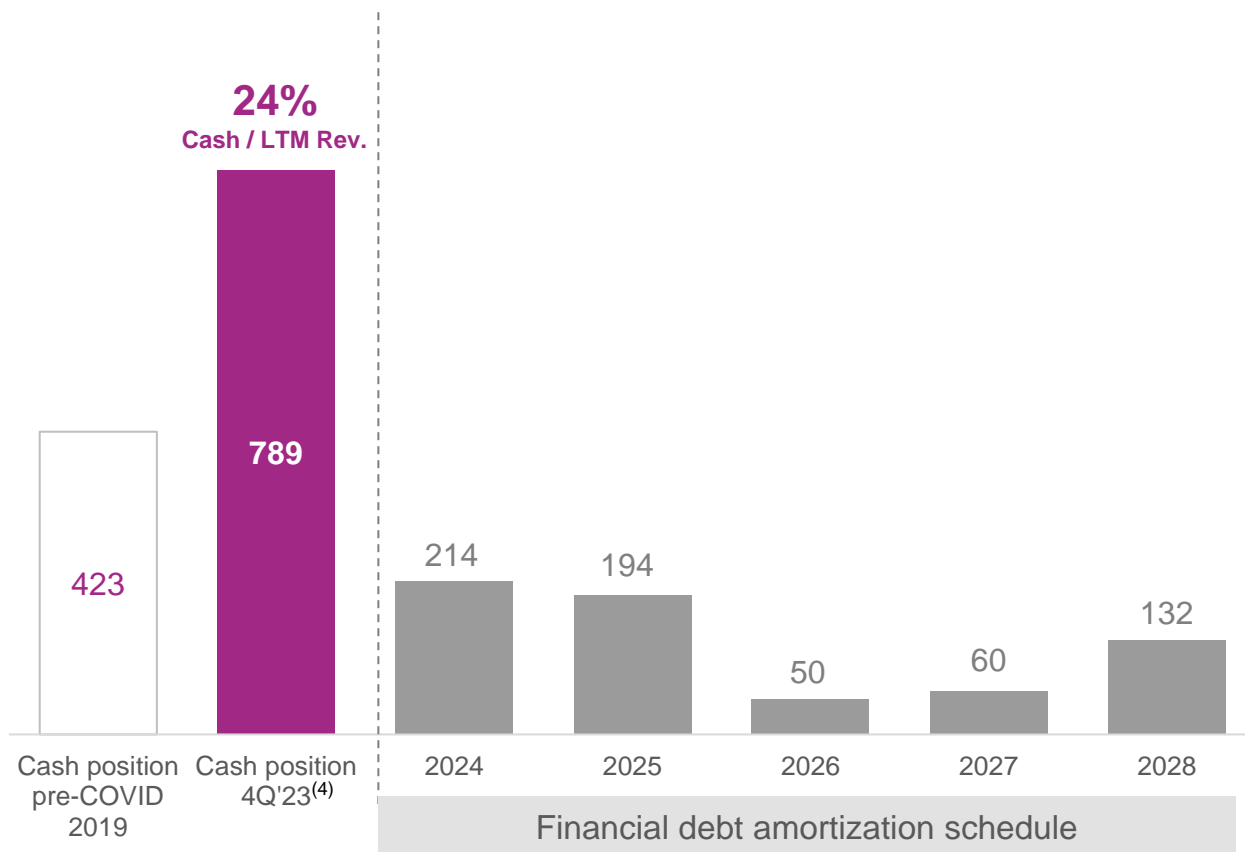
Straight operating leases

- Secured additional aircraft from lessors who have placed their own orders with Airbus
- Leases depend on the current market conditions and aircraft availability

Operational and financial efficiency has enabled a robust capital profile

Attractive financial debt maturity profile

Millions / USD ⁽¹⁾⁽²⁾



89%

of Volaris' total debt has no exposure to increasing rates, including \$2.9B of lease liabilities⁽²⁾

7.9%

dollar equivalent cost of Volaris' financial debt in 4Q23⁽³⁾

500M+

pre-delivery payments (PDPs) line secured for next two years

Note: (1) Converted using December 31, 2023, FX of USD = 16.8539 MXN (2) VOLARCB19 & VOLARCB21L floating rate have a 10% cap on TIIE (3) The cost of debt is computed using the equivalent USD denominated fix rate swap for each financing facility. (4) Cash position considers cash, cash equivalents, restricted cash and short-term investments.

2024 Guidance

	1Q'24	1Q'23 ⁽¹⁾
1Q'24 Guidance		
ASM growth (YoY)	-16% to -18%	+17.7%
TRASM	\$8.5 to \$8.7 cents	\$7.71 cents
CASM ex fuel	\$5.5 to \$5.7 cents	\$4.65 cents
EBITDAR margin	25% to 27%	16.8%
Average USD/MXN rate	Ps. \$17.00 to \$17.20	Ps. 18.70
Average U.S. Gulf Coast jet fuel price	\$2.55 to \$2.65	\$3.06

(1) For convenience purposes, actual reported figures for 1Q'23 are included.

	2024	2023 ⁽²⁾
Full Year Guidance		
ASM growth (YoY)	-16% to -18%	+10.2%
EBITDAR margin	31% to 33%	25.2%
CAPEX ⁽³⁾	~\$300 million	\$252 million
Average USD/MXN rate	Ps. \$17.70 to \$17.90	Ps. 17.76
Average U.S. Gulf Coast jet fuel price	\$2.50 to \$2.60	\$2.73

(2) For convenience purposes, actual reported figures for 2023 are included.

(3) CAPEX net of financed fleet predelivery payments.



Environmental

- Reduction of **CO2 emissions** by **35.4% gco2/RPK** by 2030 vs. 2015 by interim targets
- **Young and fuel-efficient fleet**
 - Among youngest fleet in North America (5.9 yrs.)
 - 100% NEOs engines by 2030 (fuel-efficient)
 - Enhanced route planning
 - Reduction in on-board weight and airplanes with a higher seat configuration
- Commitment to IATA's **“Fly Net Zero”** pledge



Social

- Driver of **mobility** across **all socioeconomic classes** with ULCC model, bolstering **economic growth** in our markets
- **Diverse and engaged** work environment underpinned by **equality**
 - (Adherence to IATA's 25by2025 initiative)
- Prioritization of **aviation security** and **operational safety**
 - No aviation accidents and breaches of our customers' data



Corporate Governance

- **Sustainability and business strategy alignment** with Board and leadership team oversight and pay alignment
 - **No controlling group**
 - **64% of Board is independent**
 - Strong and diverse governance top-down
- Strong **ethics and compliance practices** and commitment to transparency
 - **Rigorous reporting:** GRI, SASB, TCFD

ESG decision making process

ESG Roundtable



Sustainability Working Group



Corporate Governance Committee



Board of Directors



Integrated Annual Report



CAPA Latin America Environmental Sustainability Airline of the Year Award for 2022

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