



Volaris Reports Financial Results for the Fourth Quarter and Full Year 2022

Mexico City, Mexico, February 21st, 2023 – Controladora Vuela Compañía de Aviación, S.A.B. de C.V. (NYSE: VLRS and BMV: VOLAR) (“Volaris” or “The Company”), the ultra-low-cost airline serving Mexico, the United States, Central and South America, today announces its financial results for the fourth quarter and full year 2022¹.

Fourth Quarter 2022 Highlights²

(All figures are reported in U.S. dollars and compared to 4Q 2021 unless otherwise noted)

- **Total operating revenues** of \$820 million, a 22% increase. **Total revenue per available seat mile (TRASM)** increased 2.1% to \$8.63 cents.
- **Available seat miles (ASMs)** increased 18% to 9.5 billion.
- **Total operating expenses** of \$760 million, representing 93% of total operating revenue.
- **Total operating expenses per available seat mile (CASM)** increased 21% to \$8.00 cents. Average economic fuel cost increased 45% to \$3.71 per gallon.
- **CASM ex fuel** increased 7.9% to \$4.39 cents.
- **Adjusted CASM ex fuel** increased 4.5% to \$4.10 cents.
- **Net income** of \$28 million. Earnings per share of \$0.02 and earnings per ADS of \$0.24.
- **EBITDAR** of \$207 million, a 17% decrease.
- **EBITDAR margin** was 25.2%, a reduction of 11.7 percentage points.
- **Cash, cash equivalents, and restricted cash position** totaled \$712 million, representing 25% of the last twelve months’ total operating revenue.
- **Net debt-to-LTM EBITDAR** ratio of 3.9 times.

¹ The financial information, unless otherwise indicated, is presented in accordance with the International Financial Reporting Standards (IFRS).

² As of January 1, 2022, all figures are reported in U.S. dollars.



Full Year 2022 Highlights³

(All figures are reported in U.S. dollars and compared to FY 2021 unless otherwise noted)

- **Total operating revenues** of \$2,847 million, a 29% increase. **Total revenue per available seat mile (TRASM)** increased 2.1% to \$8.07 cents.
- **Available seat miles (ASMs)** increased 26% to 35.3 billion.
- **Total operating expenses** of \$2,803 million, representing 98% of total operating revenue.
- **Total operating expenses per available seat mile (CASM)** increased 23% to \$7.95 cents. Average economic fuel cost increased 68% to \$3.80 per gallon.
- **CASM ex fuel** increased 0.3% to \$4.26 cents.
- **Adjusted CASM ex fuel** decreased 0.4% to \$3.97 cents.
- **Net loss** of \$30 million. Loss per share of \$0.03 and loss per ADS of \$0.26.
- **EBITDAR** of \$586 million, a 27% decrease.
- **EBITDAR margin** was 20.6%, a decrease of 16.1 percentage points.

“2022 was an important touchstone for Volaris, as it showcased our ability to deliver on the important financial expectations that are within our control. We flexed our organization to post strong topline results and expand capacity by 26%, while keeping controllable expenses roughly flat as our adjusted CASM ex fuel was down 0.4%, all during periods of significant economic volatility. While the 68% increase in fuel costs impacted our margin in the short term, the discipline and focus our team showed throughout this challenging year is a reminder of why we are poised to lead Mexican air travel in the coming decade as the premier ULCC globally,” said Enrique Beltranena, President & Chief Executive Officer.

³As of January 1, 2022, all figures are reported in U.S. dollars.

Fourth Quarter and Full Year 2022 Financial and Operations Highlights⁴

(All figures are reported in U.S. dollars and compared to 4Q 2021 and FY 2021 unless otherwise noted)

Consolidated Financial Highlights	Fourth Quarter			Full Year		
	2022	2021	Var.	2022	2021	Var.
Total operating revenues (millions)	820	671	22%	2,847	2,200	29%
TRASM (cents)	8.63	8.45	2.1%	8.07	7.91	2.1%
ASMs (millions, scheduled & charter)	9,504	8,022	18%	35,281	28,097	26%
Load Factor (scheduled, RPMs/ASMs)	87.3%	86.9%	0.5 pp	85.6%	84.7%	0.9 pp
Passengers (thousand, scheduled & charter)	8,475	7,281	16%	31,051	24,405	27%
Fleet (end of period)	117	101	16	117	101	16
Total operating expenses (millions)	760	526	44%	2,803	1,803	55%
CASM (cents)	8.00	6.59	21%	7.95	6.45	23%
CASM ex fuel (cents)	4.39	4.07	7.9%	4.26	4.25	0.3%
Adjusted CASM ex fuel (cents) ^{(1) (2)}	4.10	3.93	4.5%	3.97	3.99	(0.4%)
Operating income (EBIT) (millions)	60	145	(59%)	44	397	(89%)
<i>% EBIT Margin</i>	7.3%	21.6%	(14.3 pp)	1.5%	18.0%	(16.5 pp)
Net income (loss) (millions)	28	(10)	N/A	(30)	106	N/A
<i>% Net income (loss) margin</i>	3.4%	(1.5%)	4.9 pp	(1.1%)	4.8%	(5.9 pp)
EBITDAR (millions)	207	248	(17%)	586	807	(27%)
<i>% EBITDAR Margin</i>	25.2%	37.0%	(11.7 pp)	20.6%	36.7%	(16.1 pp)
Net debt-to-EBITDAR	3.9x	2.5x	1.4x	3.9x	2.5x	1.4x

*Note: Figures are rounded for convenience purposes. Further detail found in financial and operating indicators.

(1) Excludes fuel expense, aircraft and engine variable lease expenses and sale and lease-back gains.

(2) Reconciliation of CASM to Adjusted CASM ex fuel:

Reconciliation of CASM	Fourth Quarter			Full Year		
	2022	2021	Var.	2022	2021	Var.
CASM (cents)	8.00	6.59	21%	7.95	6.45	23%
- Fuel expense, net	3.60	2.52	43%	3.68	2.20	150%
CASM ex fuel	4.39	4.07	7.9%	4.26	4.25	0.3%
- Aircraft and engine variable lease expenses ⁵	0.36	0.18	97%	0.35	0.30	19%
- Sale and lease back gains	(0.07)	(0.04)	98%	(0.06)	(0.03)	75%
Adjusted CASM ex fuel	4.10	3.93	4.5%	3.97	3.99	-0.4%

⁴ As of January 1, 2022, all figures are reported in U.S. dollars.

⁵ Aircraft redeliveries.



Fourth Quarter 2022

Total operating revenues in the quarter were \$820 million, a 22% increase, driven by higher capacity and strong load factors. Moreover, demand remained strong throughout the quarter with healthy booking curves notwithstanding certain headwinds occurring in the markets where Volaris operates.

Volaris transported 8.5 million passengers in the quarter, an increase of 16%. Domestic and international passengers increased 14% and 26%, respectively, while total capacity, in terms of **available seat miles (ASMs)**, increased 18% to 9.5 billion.

Load factor reached 87.3%, 0.5 percentage points higher than in the same period in 2021.

TRASM increased 2.1% to \$8.63 cents in the quarter. Average base fare was \$55, an increase of 2.5%. Ancillary revenue per passenger was \$41, a 5.1% increase. Ancillary revenue represented 42% of total operating revenue, the same level as fourth quarter 2021. Finally, total operating revenue per passenger stood at \$97, representing a 3.9% increase.

Total operating expenses in the quarter were \$760 million, representing 93% of total operating revenue, compared to 78% in the same period of 2021; a 15pp increase, impacted by higher fuel costs and the acceleration of our fleet renewal plan.

CASM totaled \$8.00 cents, 21% higher when compared to the same period of 2021. The average economic fuel cost per gallon increased 45% to \$3.71 per gallon in the period.

CASM ex fuel increased 7.9% to \$4.39 cents and **adjusted CASM ex fuel** increased 4.5% to \$4.10 cents.

Comprehensive financing result represented an expense of \$32 million in the fourth quarter of 2022, compared to a \$174 million expense in the same period of 2021.

For the fourth quarter, the average exchange rate was Ps.19.70 per US dollar, a 5.0% appreciation compared to the fourth quarter of 2021. At the end of the quarter, the exchange rate stood at Ps.19.36 per US dollar.

Net income in the quarter was \$28 million, with earnings per share of \$0.02 and earnings per ADS of \$0.24. In the same period of 2021, Volaris recorded a net loss of \$10 million with a loss per share \$0.01 and loss per ADS of \$0.09.

EBITDAR for the quarter was \$207 million, a decrease of 17%, negatively impacted by higher fuel expenses. **EBITDAR margin** stood at 25.2%, a decrease of 11.7 percentage points.

Balance Sheet, Liquidity and Capital Allocation

Net cash flow provided by operating activities in the quarter was \$168 million, while cash outflows used in investing and financing activities were \$104 million and \$102 million, respectively.



Full Year 2022

Total operating revenues were \$2,847 million, an increase of 29% compared to 2021 levels. Volaris transported 31.1 million passengers, an increase of 27%, while total capacity for the year, in terms of **available seat miles (ASMs)**, increased 26% to 35.3 billion. Load factor reached 85.6%, an increase of 0.9 percentage points compared to 2021.

TRASM increased 2.1% to \$8.07 cents. Average base fare was \$54, an increase of 3.1%. Ancillary revenue per passenger was \$38, posting a 2.5% decrease. Ancillary revenue represented 41% of total operating revenue. Finally, total operating revenue per passenger stood at \$92, representing an increase of 0.7%.

Volaris posted **total operating expenses** of \$2,803 million, representing 98% of total operating revenue, compared to 82% in 2021: a 16pp increase, mainly driven by higher fuel prices.

CASM increased 23% to \$7.95 cents. The average economic fuel cost of \$3.80 per gallon, a 68% increase compared to 2021 levels.

CASM ex fuel increased 0.3% to \$4.26 cents and **adjusted CASM ex fuel** decreased 0.4% to \$3.97 cents.

For the full year 2022, Volaris reported a comprehensive financing expense of \$170 million as compared to the expense of \$260 million posted in 2021. The average exchange rate was Ps.20.12 per US dollar, a 0.8% appreciation compared to 2021. At the end of the period, the exchange rate stood at Ps.19.36 per US dollar.

Income tax benefit for the full year 2022 was \$96 million, compared to an expense of \$31 million registered in 2021.

For the full year 2022, Volaris reported a **net loss** of \$30 million, with a loss per share of \$0.03 and loss per ADS of \$0.26.

Volaris registered an **EBITDAR** of \$586 million, a 27% decrease compared to 2021, primarily attributable to the rise in fuel prices. **EBITDAR margin** was 20.6%, a decrease of 16.1 percentage points.

Balance Sheet, Liquidity and Capital Allocation

As of December 31, 2022, cash, cash equivalents and restricted cash were \$712 million, representing 25% of the last twelve months total operating revenue.

Net cash flow provided by operating activities was \$614 million, while cash outflows used in investing and financing activities were \$131 million and \$513 million, respectively.

Financial debt and leasing liabilities totaled \$273 million and \$2,709 million, respectively, less \$712 million of cash, cash equivalents and restricted cash, resulted in net debt of \$2,270 million.



Net debt-to-LTM EBITDAR ratio stood at 3.9 times, compared to 2.5 times in the same period of 2021 and 3.4 times in the third quarter of 2022.

2023 Guidance

The Company expects to execute its growth plans, despite potential global macroeconomic and geopolitical challenges, while continuing to service the robust demand seen within its current network.

For the full year 2023, the Company expects:

	2023E	2022
2023 Guidance		
ASM growth	~10%*	26%
Total operating revenues	\$3.2 to \$3.4 billion	\$2.8 billion
CASM ex fuel	\$4.6 to \$4.8 cents	\$4.26 cents
EBITDAR margin	29% to 31%	20.6%
Net debt-EBITDAR ratio	≤2.5x	3.9x

*Already considering expected aircraft manufacturer delays and the availability of spare engines.

For the full year 2023, CAPEX is expected to be approximately \$300 million, net of financed fleet predelivery payments. This outlook assumes a full-year average USD/MXN rate between Ps.19.25 to Ps. 19.75 and an average U.S. Gulf Coast jet fuel price between \$3.00 to \$3.10 per gallon; it also assumes no significant unexpected disruptions related to COVID-19, macroeconomic factors, or other negative impacts on its business.

The Company's Full Year 2023 Outlook is based on a number of assumptions, including the foregoing, that are subject to change and may be outside the control of the Company. If actual results vary from these assumptions, the Company's expectations may change. There can be no assurances that Volaris will achieve these results.

Fleet

During the fourth quarter, Volaris added four A321neo and one A320neo aircraft to its fleet, bringing the total number of aircraft to 117 as of December 31, 2022. The fleet consisted of four A319s, 88 A320s, and 25 A321s, with an average age of 5.4 years and an average seating capacity of 192 passengers per aircraft. Of the total fleet, 54% of the aircraft were New Engine Option (NEO) models. Volaris plans to increase its fleet to approximately 125 aircraft by the end of 2023.

Investors are urged to carefully read the Company's periodic reports filed with or provided to the Securities and Exchange Commission, for additional information regarding the Company.

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Conference call and webcast details

Date: Wednesday, February 22nd, 2023
Time: 9:00 am Mexico City (CT) / 10:00 am New York (USA) (ET)
United States dial in: +1-844-204-8586
Mexico dial in: +52-55-8880-8040
International dial in: +1-412-317-6346
Participant code: Volaris
Replay access Code: 7384483
URL for Webcast & video presentation: [Volaris Webcast](#)

About Volaris

*Controladora Vuela Compañía de Aviación, S.A.B. de C.V. (“Volaris” or the “Company”) (NYSE: VLRS and BMV: VOLAR), is an ultra-low-cost carrier, with point-to-point operations, serving Mexico, the United States, Central and South America. Volaris offers low base fares to build its market, providing quality service and extensive customer choice. Since the beginning of operations in March 2006, Volaris has increased its routes from 5 to more than 200 and its fleet from 4 to 121 aircraft. Volaris offers more than 550 daily flight segments on routes that connect 43 cities in Mexico and 28 cities in the United States, Central and South America with the youngest fleet in Mexico. Volaris targets passengers who are visiting friends and relatives, cost-conscious business and leisure travelers in Mexico, the United States, Central and South America. Volaris has received the ESR Award for Social Corporate Responsibility for eleven consecutive years. For more information, please visit: www.volaris.com.



Forward-looking Statements

Statements in this release contain various forward-looking statements within the meaning of Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the US Securities Exchange Act of 1934, as amended, which represent the Company's expectations, beliefs or projections concerning future events and financial trends affecting the financial condition of our business. When used in this release, the words "expects," "intends," "estimates," "predicts," "plans," "anticipates," "indicates," "believes," "forecast," "guidance," "potential," "outlook," "may," "continue," "will," "should," "seeks," "targets" and similar expressions are intended to identify forward-looking statements. Similarly, statements that describe the Company's objectives, plans or goals, or actions the Company may take in the future, are forward-looking statements. Forward-looking statements include, without limitation, statements regarding the Company's full year outlook and intentions and expectations regarding the delivery schedule of aircraft on order, amount of aircrafts at year end, amount of forward bookings during the holiday season, ability to maintain the load factor, announced new service routes and customer savings programs. Forward-looking statements should not be read as a guarantee or assurance of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Forward-looking statements are subject to several factors that could cause the Company's actual results to differ materially from the Company's expectations, including the competitive environment in the airline industry; the Company's ability to keep costs low; changes in fuel costs; the impact of worldwide economic conditions on customer travel behavior; the Company's ability to generate non-ticket revenue; and government regulation. Additional information concerning these, and other factors is contained in the Company's US Securities and Exchange Commission filings. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth above. Forward-looking statements speak only as of the date of this release. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

Supplemental information on non-IFRS measures

We evaluate our financial performance by using various financial measures that are not performance measures under International Financial Reporting Standards ("non-IFRS measures"). These non-IFRS measures include CASM, CASM ex-fuel, Adjusted CASM ex-fuel, EBITDAR and Net debt-to-LTM EBITDAR. We define CASM as total operating expenses by available seat mile. We define CASM ex-fuel as total operating expenses by available seat mile, excluding fuel expense. We define Adjusted CASM ex fuel as total operating expenses by available seat mile, excluding fuel expense, aircraft and engine variable lease expenses and sale and lease back gains. We define EBITDAR as earnings before interest, income tax, depreciation and amortization, depreciation of right of use assets and aircraft and engine variable lease expenses. We define Net debt-to-LTM EBITDAR as Net debt divided by LTM EBITDAR.

These non-IFRS measures are provided as supplemental information to the financial information presented in this release that is calculated and presented in accordance with International Financial Reporting Standards ("IFRS"), because we believe that they, in conjunction with the IFRS financial information, provide useful information to management's, analysts' and investors' overall understanding of our operating performance.

Because non-IFRS measures are not calculated in accordance with IFRS, they should not be considered superior to and are not intended to be considered in isolation or as a substitute for the related IFRS measures presented in this release and may not be the same as or comparable to similarly titled measures presented by other companies due to possible differences in the method of calculation and in the items being adjusted.

We encourage investors to review our financial statements and other filings with the Securities and Exchange Commission in their entirety for additional information regarding the Company and not to rely on any single financial measure.

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries

Financial and Operating Indicators*

(All metrics are compared to 2021 unless otherwise noted)

Unaudited (In U.S. dollars, except otherwise indicated)	Three months ended December 31, 2022	Three months ended December 31, 2021	Variance
Total operating revenues (millions)	820	671	22.2%
Total operating expenses (millions)	760	526	44.5%
EBIT (millions)	60	145	(58.6%)
EBIT margin	7.3%	21.6%	(14.3 pp)
Depreciation and amortization (millions)	114	88	29.5%
Aircraft and engine variable lease expenses (millions)	34	15	126.7%
Net income (loss) (millions)	28	(10)	N/A
Net income (loss) margin	3.4%	(1.5%)	4.9 pp
Earnings (loss) per share:			
Basic	0.02	(0.01)	N/A
Diluted	0.02	(0.01)	N/A
Earnings (loss) per ADS:			
Basic	0.24	(0.09)	N/A
Diluted	0.24	(0.09)	N/A
Weighted average shares outstanding**:			
Basic	1,165,976,677	1,165,976,677	0.0%
Diluted	1,165,976,677	1,165,976,677	0.0%
Available seat miles (ASMs) (millions) ⁽¹⁾	9,504	8,022	18.5%
Domestic	6,571	5,652	16.3%
International	2,933	2,370	23.7%
Revenue passenger miles (RPMs) (millions) ⁽¹⁾	8,300	6,968	19.1%
Domestic	5,831	5,076	14.9%
International	2,469	1,892	30.5%
Load factor ⁽²⁾	87.3%	86.9%	0.5 pp
Domestic	88.7%	89.8%	(1.1 pp)
International	84.2%	79.8%	4.4 pp
Total operating revenue per ASM (TRASM) (cents) ⁽¹⁾⁽⁴⁾	8.63	8.45	2.1%
Total ancillary revenue per passenger ⁽³⁾⁽⁴⁾	41	39	5.1%
Total operating revenue per passenger ⁽⁴⁾	97	93	3.9%
Operating expenses per ASM (CASM) (cents) ⁽¹⁾⁽⁴⁾	8.00	6.59	21.3%
CASM ex fuel (cents) ⁽¹⁾⁽⁴⁾	4.39	4.07	7.9%
Adjusted CASM ex fuel (cents) ⁽¹⁾⁽⁴⁾⁽⁶⁾	4.10	3.93	4.5%
Booked passengers (thousands) ⁽¹⁾	8,475	7,281	16.4%
Departures ⁽¹⁾	50,950	44,473	14.6%
Block hours ⁽¹⁾	131,860	111,656	18.1%
Fuel gallons consumed (millions)	91.9	79.0	16.3%
Average economic fuel cost per gallon ⁽⁴⁾⁽⁵⁾	3.71	2.56	45.0%
Aircraft at end of period	117	101	16
Average aircraft utilization (block hours)	13.29	13.31	(0.2%)
Average exchange rate	19.70	20.75	(5.0%)
End of period exchange rate	19.36	20.58	(5.9%)

*As of January 1, 2022, all financial figures are reported in US dollars.

**Each ADS represents ten CPOs and each CPO represents a financial interest in one Series A share.

(1) Includes schedule and charter.

(2) Includes schedule.

(5) Excludes Non-creditable VAT.

(3) Includes "Other passenger revenues" and "Non-passenger revenues".

(4) Excludes non-derivative financial instruments.

(6) Excludes fuel expense, aircraft and engine variable lease expenses and sale and lease-back gains.

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries

Financial and Operating Indicators*

(All metrics are compared to 2021 unless otherwise noted)

Unaudited (In U.S. dollars, except otherwise indicated)	Twelve months ended December 31, 2022	Twelve months ended December 31, 2021	Variance
Total operating revenues (millions)	2,847	2,200	29.4%
Total operating expenses (millions)	2,803	1,803	55.5%
EBIT (millions)	44	397	(88.9%)
EBIT margin	1.5%	18.0%	(16.5 pp)
Depreciation and amortization (millions)	417	326	27.9%
Aircraft and engine rent expenses (millions)	125	83	50.6%
Net (loss) income (millions)	(30)	106	N/A
Net (loss) income margin	(1.1%)	4.8%	(5.9 pp)
(Loss) earnings per share:			
Basic	(0.03)	0.09	N/A
Diluted	(0.03)	0.09	N/A
(Loss) earnings per ADS:			
Basic	(0.26)	0.91	N/A
Diluted	(0.26)	0.91	N/A
Weighted average shares outstanding**:			
Basic	1,165,976,677	1,165,976,677	0.0%
Diluted	1,165,976,677	1,165,976,677	0.0%
Available seat miles (ASMs) (millions) ⁽¹⁾	35,281	28,097	25.6%
Domestic	24,604	20,099	22.4%
International	10,676	7,997	33.5%
Revenue passenger miles (RPMs) (millions) ⁽¹⁾	30,191	23,802	26.8%
Domestic	21,623	17,470	23.8%
International	8,569	6,332	35.3%
Load factor ⁽²⁾	85.6%	84.7%	0.9 pp
Domestic	87.9%	86.9%	1.0 pp
International	80.3%	79.2%	1.1 pp
Total operating revenue per ASM (TRASM) (cents) ⁽¹⁾⁽⁴⁾	8.07	7.91	2.1%
Total ancillary revenue per passenger ⁽³⁾⁽⁴⁾	38	39	(2.5%)
Total operating revenue per passenger ⁽⁴⁾	92	91	0.7%
Operating expenses per ASM (CASM) (cents) ⁽¹⁾⁽⁴⁾	7.95	6.45	23.2%
CASM ex fuel (cents) ⁽¹⁾⁽⁴⁾	4.26	4.25	0.3%
Adjusted CASM ex fuel (cents) ⁽¹⁾⁽⁴⁾⁽⁶⁾	3.97	3.99	(0.4%)
Booked passengers (thousands) ⁽¹⁾	31,051	24,405	27.2%
Departures ⁽¹⁾	193,050	153,913	25.4%
Block hours ⁽¹⁾	494,475	386,752	27.9%
Fuel gallons consumed (millions)	340.1	273.5	24.3%
Average economic fuel cost per gallon ⁽⁴⁾⁽⁵⁾	3.80	2.26	67.9%
Aircraft at end of period	117	101	16
Average aircraft utilization (block hours)	13.28	12.53	6.0%
Average exchange rate	20.12	20.28	(0.8%)
End of period exchange rate	19.36	20.58	(5.9%)

*As of January 1, 2022, all financial figures are reported in US dollars.

**Each ADS represents ten CPOs and each CPO represents a financial interest in one Series A share.

(1) Includes schedule and charter.

(2) Includes schedule.

(5) Excludes Non-creditable VAT.

(3) Includes "Other passenger revenues" and "Non-passenger revenues".

(4) Excludes non-derivative financial instruments.

(6) Excludes fuel expense, aircraft and engine variable lease expenses and sale and lease-back gains.

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries

Consolidated Statement of Operations*
(All metrics are compared to 2021 unless otherwise noted)

Unaudited (In millions of U.S. dollars)	Three months ended December 31, 2022	Three months ended December 31, 2021	Variance
Operating revenues:			
Passenger revenues	792	653	21.3%
Fare revenues	470	394	19.3%
Other passenger revenues	322	259	24.3%
Non-passenger revenues	28	25	12.0%
Other non-passenger revenues	23	22	4.5%
Cargo	5	3	66.7%
Non-derivatives financial instruments	-	(7)	(100.0%)
Total operating revenues	820	671	22.2%
Other operating income	(7)	(3)	133.3%
Fuel expense, net ⁽¹⁾	343	199	72.4%
Landing, take-off and navigation expenses	102	84	21.4%
Depreciation of right of use assets	84	69	21.7%
Salaries and benefits	79	72	9.7%
Sales, marketing and distribution expenses	42	26	61.5%
Aircraft and engine variable lease expenses	34	15	126.7%
Other operating expenses	30	19	57.9%
Maintenance expenses	23	26	(11.5%)
Depreciation and amortization	30	19	57.9%
Operating expenses	760	526	44.5%
Operating income	60	145	(58.6%)
Finance income	7	1	600.0%
Finance cost	(55)	(43)	27.9%
Exchange gain (loss), net	16	(132)	N/A
Comprehensive financing result	(32)	(174)	(81.6%)
Income (loss) before income tax	28	(29)	N/A
Income tax benefit	-	19	(100.0%)
Net income (loss)	28	(10)	N/A

*As of January 1, 2022, all figures are reported in US dollars.

(1) 4Q 2021 figures include a benefit from non-derivatives financial instruments by an amount of \$3 million.

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries

Consolidated Statement of Operations*
(All metrics are compared to 2021 unless otherwise noted)

Unaudited (In millions of U.S. dollars)	Twelve months ended December 31, 2022	Twelve months ended December 31, 2021	Variance
Operating revenues:			
Passenger revenues	2,739	2,133	28.4%
Fare revenues	1,661	1,266	31.2%
Other passenger revenues	1,078	867	24.3%
Non-passenger revenues	108	88	22.7%
Other non-passenger revenues	93	77	20.8%
Cargo	15	11	36.4%
Non-derivatives financial instruments	-	(21)	(100.0%)
Total operating revenues	2,847	2,200	29.4%
Other operating income	(25)	(11)	127.3%
Fuel expense, net ⁽¹⁾	1,299	609	113.3%
Landing, take-off and navigation expenses	379	297	27.6%
Depreciation of right of use assets	320	269	19.0%
Salaries and benefits	283	239	18.4%
Aircraft and engine variable lease expenses	125	83	50.6%
Sales, marketing and distribution expenses	124	97	27.8%
Other operating expenses	103	67	53.7%
Maintenance expenses	98	96	2.1%
Depreciation and amortization	97	57	70.2%
Operating expenses	2,803	1,803	55.5%
Operating income	44	397	(88.9%)
Finance income	13	4	225.0%
Finance cost	(193)	(139)	38.8%
Exchange gain (loss), net	10	(125)	N/A
Comprehensive financing result	(170)	(260)	(34.6%)
(Loss) income before income tax	(126)	137	N/A
Income tax benefit (expense)	96	(31)	N/A
Net (loss) income	(30)	106	N/A

*As of January 1, 2022, all figures are reported in US dollars.

(1) December YTD 2021 figures include a benefit from non-derivative financial instruments by an amount of \$9 million.

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries

Reconciliation of total ancillary revenue per passenger*
(All metrics are compared to 2021 unless otherwise noted)

The following table shows quarterly additional detail about the components of total ancillary revenue:

Unaudited (In millions of U.S. dollars)	Three months ended December 31, 2022	Three months ended December 31, 2021	Variance
Other passenger revenues	322	259	24.3%
Non-passenger revenues	23	22	4.5%
Total ancillary revenues	345	281	22.8%
Booked passengers (thousands) ⁽¹⁾	8,475	7,281	16.4%
Total ancillary revenue per passenger	41	39	5.1%

*As of January 1, 2022, all financial figures are reported in US dollars.

(1) Includes schedule and charter.

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries

Reconciliation of total ancillary revenue per passenger*
(All metrics are compared to 2021 unless otherwise noted)

The following table shows the twelve months of the year additional detail about the components of total ancillary revenue:

Unaudited (In millions of U.S. dollars)	Twelve months ended December 31, 2022	Twelve months ended December 31, 2021	Variance
Other passenger revenues	1,078	867	24.3%
Non-passenger revenues	93	77	20.8%
Total ancillary revenues	1,171	944	24.0%
Booked passengers (thousands) ⁽¹⁾	31,051	24,405	27.2%
Total ancillary revenue per passenger	38	39	(2.5%)

*As of January 1, 2022, all financial figures are reported in US dollars.

(1) Includes schedule and charter.

Consolidated Statement of Financial Position*
(All metrics are compared to 2021 unless otherwise noted)

Unaudited (In millions of U.S. dollars)	December 31, 2022	December 31, 2021
Assets		
Cash, cash equivalents and restricted cash	712	741
Accounts receivable, net	240	106
Inventories	16	14
Prepaid expenses and other current assets	33	38
Assets held-for-sale	1	-
Guarantee deposits	64	79
Total current assets	1,066	978
Rotable spare parts, furniture and equipment, net	479	455
Right of use assets	2,181	1,917
Intangible assets, net	13	13
Derivatives Financial Instruments	2	1
Deferred income taxes	257	141
Guarantee deposits	484	455
Other long- term assets	35	24
Total non-current assets	3,451	3,006
Total assets	4,517	3,984
Liabilities		
Unearned transportation revenue	346	304
Accounts payable	210	119
Accrued liabilities	188	177
Lease Liabilities	336	284
Other taxes and fees payable	218	131
Income taxes payable	6	4
Financial debt	112	197
Other liabilities	5	35
Total short-term liabilities	1,421	1,251
Financial debt	161	108
Accrued liabilities	13	2
Lease Liabilities	2,373	2,128
Other liabilities	244	167
Employee benefits	11	4
Deferred income taxes	17	11
Total long-term liabilities	2,819	2,420
Total liabilities	4,240	3,671
Equity		
Capital stock	248	248
Treasury shares	(13)	(9)
Contributions for future capital increases	-	-
Legal reserve	17	17
Additional paid-in capital	283	281
Accumulated deficit	(106)	(76)
Accumulated other comprehensive loss	(152)	(148)
Total equity	277	313
Total liabilities and equity	4,517	3,984
Weighted average shares outstanding**	1,165,976,677	1,165,976,677

*As of January 1, 2022, all figures are reported in US dollars.

**Each ADS represents ten CPOs and each CPO represents a financial interest in one Series A share.

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries

Consolidated Statement of Cash Flows – Cash Flow Data Summary*
(All metrics are compared to 2021 unless otherwise noted)

Unaudited (In millions of U.S. dollars)	Three months ended December 31, 2022	Three months ended December 31, 2021
Net cash flow provided by operating activities	168	248
Net cash flow used in investing activities	(104)	(68)
Net cash flow used in financing activities ⁽¹⁾	(102)	(90)
(Decrease) increase in cash, cash equivalents and restricted cash	(38)	90
Net foreign exchange differences	-	27
Cash, cash equivalents and restricted cash at beginning of period	750	624
Cash, cash equivalents and restricted cash at end of period	712	741

*As of January 1, 2022, all figures are reported in US dollars.

(1) Includes aircraft rental payments of \$117 million and \$126 million for the three months ended December 31, 2022, and 2021, respectively.

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries

Consolidated Statement of Cash Flows – Cash Flow Data Summary*
(All metrics are compared to 2021 unless otherwise noted)

Unaudited (In millions of U.S. dollars)	Twelve months ended December 31, 2022	Twelve months ended December 31, 2021
Net cash flow provided by operating activities	614	786
Net cash flow used in investing activities	(131)	(135)
Net cash flow used in financing activities ⁽¹⁾	(513)	(435)
(Decrease) increase in cash, cash equivalents and restricted cash	(30)	216
Net foreign exchange differences	1	19
Cash, cash equivalents and restricted cash at beginning of year	741	506
Cash, cash equivalents and restricted cash at end of year	712	741

*As of January 1, 2022, all figures are reported in US dollars.

(1) Includes aircraft rental payments of \$449 million and \$459 million for the twelve months ended December 31, 2022, and 2021, respectively.