AzulDay

DECEMBER 16TH, 2020

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These statements appear throughout this presentation and include statements regarding our intent, belief or current expectations in connection with: changes in market prices, customer demand and preferences and competitive conditions; general economic, political and business conditions in Brazil, particularly in the geographic markets we serve as well as any other countries we currently serve and may serve in the future; our ability to keep costs low; existing and future governmental regulations; increases in maintenance costs, fuel costs and insurance premiums; our ability to maintain landing rights in the airports that we operate; air travel substitutes; labor disputes, employee strikes and other labor-related disruptions, including in connection with negotiations with unions; our ability to attract and retain qualified personnel; our aircraft utilization rate; defects or mechanical problems with our aircraft; our ability to successfully implement our growth strategy, including our expected fleet growth, passenger growth, our capital expenditure plans, our future joint venture and partnership plans, our ability to enter new airports (including certain international airports), that match our operating criteria; management's expectations and estimates concerning our future financial performance and financing plans and programs; our level of debt and other fixed obligations; our reliance on third parties, including changes in the availability or increased cost of air transport infrastructure and airport facilities; inflation, appreciation, depreciation and devaluation of the real; our aircraft and engine suppliers; and other factors or trends affecting our financial condition or results of operations, including those factors identified or discussed as set forth under "Risk Factors" in the prospectus included in our registration statement on Form F-1 (No. 333-215908) filed with the Securities and Exchange Commission (the "Registration Statement").

In addition, in this presentation, the words "believe," "understand," "may," "will," "aim," "estimate," "continue," "anticipate," "seek," "intend," "expect," "should," "could," "forecast" and similar words are intended to identify forward-looking statements. You should not place undue reliance on such statements, which speak only as of the date they were made. We do not undertake any obligation to update publicly or to revise any forward-looking statements after we distribute this presentation because of new information, future events or other factors. Our independent public auditors have neither examined nor compiled the forward-looking statements and, accordingly, do not provide any assurance with respect to such statements. In light of the risks and uncertainties described above, the future events and circumstances discussed in this presentation might not occur and are not guarantees of future performance. Because of these uncertainties, you should not make any investment decision based upon these estimates and forward looking statements.

In this presentation, we present EBITDA, which is a non-IFRS performance measure and is not a financial performance measure determined in accordance with IFRS and should not be considered in isolation or as alternatives to operating income or net income or loss, or as indications of operating performance, or as alternatives to operating cash flows, or as indicators of liquidity, or as the basis for the distribution of dividends. Accordingly, you are cautioned not to place undue reliance on this information.

Sustainable Path Towards Full Recovery

John Rodgerson
Chief Executive Officer

COMPANY LED BY FOUNDERS

David Neeleman
Founder and Chairman

John Rodgerson
Founder and CEO

Alex Malfitani
Founder and CFO

Abhi Shah
Founder and CRO

Jason Ward
Founder and VP,
People & Customers

Flavio Costa
Founder and COO

2020 OVERVIEW

- ✓ R$1.7 billion raised in convertible debenture
- ✓ R$8 billion in working capital preserved
- ✓ One of the fastest domestic traffic recoveries in the world
- ✓ New maintenance hangar
- ✓ Acquisition of TwoFlex (Azul Conecta)
- ✓ Historical codeshare with Latam
- ✓ Best airline in the world by Tripadvisor
- ✓ International cargo and humanitarian flights; COVID-19 vaccines project

AZUL MANAGEMENT PLAN: SUPPORT FROM ALL STAKEHOLDERS

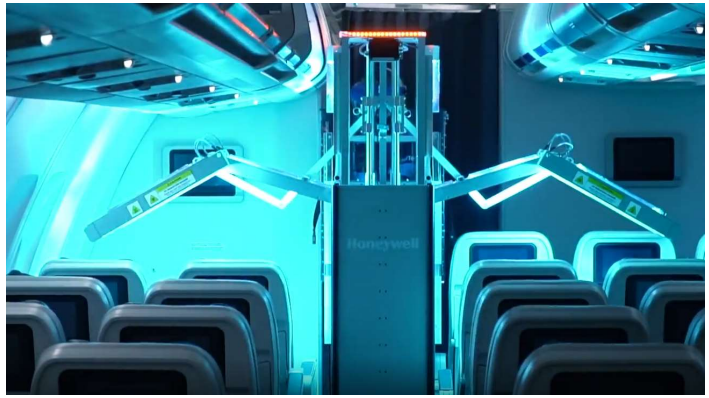
Over R$8 billion in savings and deferrals, not including savings from capacity reductions

	Cash Impact (R$ B)
Reduce variable cost Adjusted capacity to new demand levels	+R$3.0
Address fixed costs **Crewmembers** Payroll initiatives aimed to transform fixed cost into variable cost **Fleet** Comprehensive renegotiation of lease terms Deferral of 100 aircraft deliveries from Embraer and Airbus to 2023 and beyond	+R$4.4
Obtain working capital Commercial agreements with banks to roll over amortizations beyond 2021 Negotiated with suppliers to postpone and extend payment terms Provisional measure 925, converted into law 14,034/2020: – Passengers refund after 12 months – Postponement of fees payments	+R$4.0
Increase liquidity Successful offer of convertible debenture at 6% yield and 27.5% conversion premium	+R$1.7

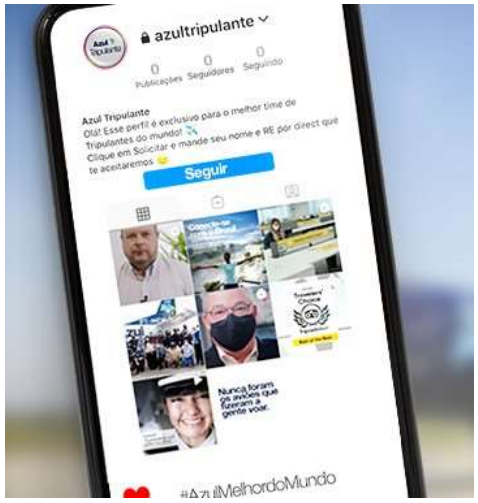
Next: Focus on Recovery

NUMBER ONE PRIORITY:
HEALTH AND SAFETY OF OUR CREWMEMBERS AND CUSTOMERS

- ✓ Daily temperature checks of all crewmembers
- ✓ Mandatory masks onboard
- ✓ Innovative boarding process Tapete Azul (blue carpet)
- ✓ Free COVID-19 medical assistance for international travelers
- ✓ Touchless customer digital experience



KEEPING OUR CREWMEMBERS ENGAGED



2020 Travelers' Choice™ Tripadvisor

Best of the Best

AWARD-WINNING AIRLINE SUPPORTED BY STRONG CULTURE

2020 Travelers' Choice Tripadvisor

#1 AIRLINE WORLDWIDE

2020 Travelers' Choice Tripadvisor

#1 AIRLINE LATIN AMERICA

2020 Travelers' Choice Tripadvisor

#1 AIRLINE BRAZIL

2020 Travelers' Choice Tripadvisor

#1 LOW COST LATIN AMERICA

2020 Travelers' Choice Tripadvisor

#1 ECONOMY CLASS WORLDWIDE

2020 Travelers' Choice Tripadvisor

#1 ECONOMY CLASS LATIN AMERICA

2020 Empresas que mais respeitam o consumidor

World Airline Skytrax Awards Winner 2019 2018 2017 2016

Skytrax Awards 2019 2018 2017 2016 2015 2014 2013 2012 2011

OAG Punctuality League 2019

Prêmio ReclameAQUI 2020

XXI Prêmio Consumidor Moderno de Excelência em Serviços ao Cliente

KAYAK

Prêmio Melhores Destinos

THE TRAVEL

UNIQUE NETWORK WITH DIVERSIFIED HUB LOCATIONS

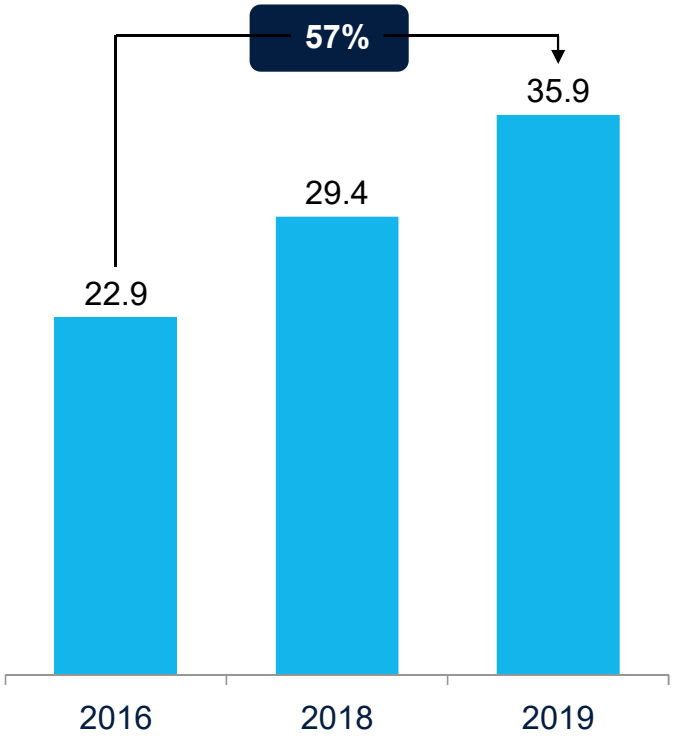
Competitors focus on São Paulo, Brasília and Rio

More than 90% of competitors' domestic ASKs were from/to cities in the triangle, compared to 30% for Azul

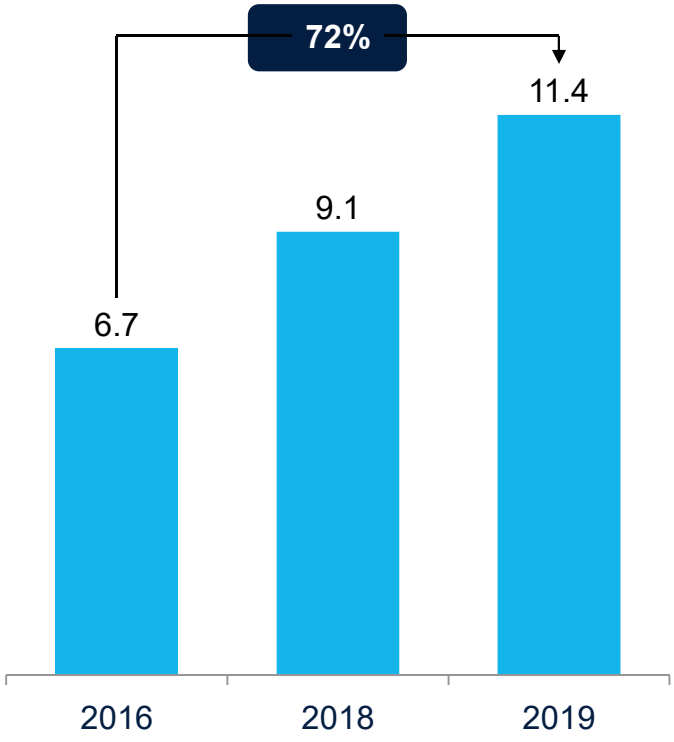
Azul serves all of Brazil

DELIVERING ON OUR IPO PROMISES

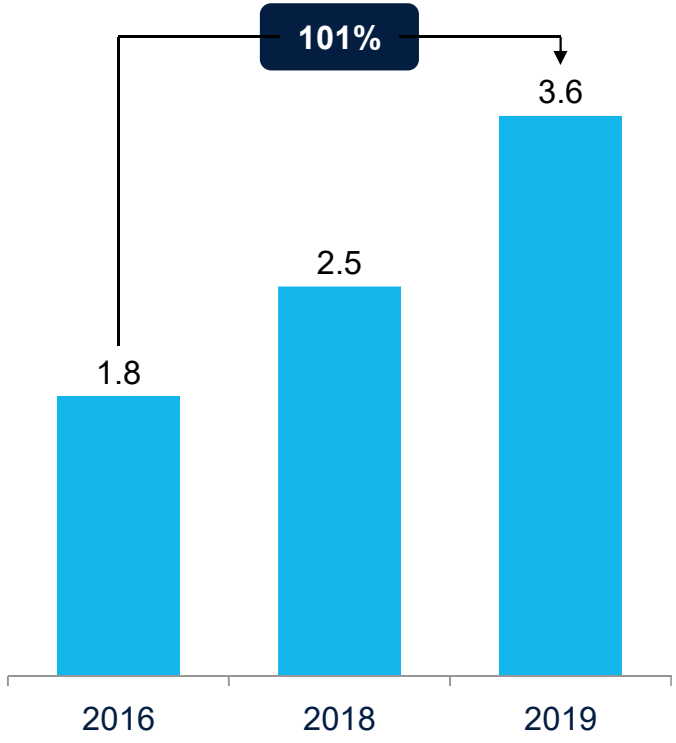
ASKs
(billion)



Net Revenue
(R$ billion)



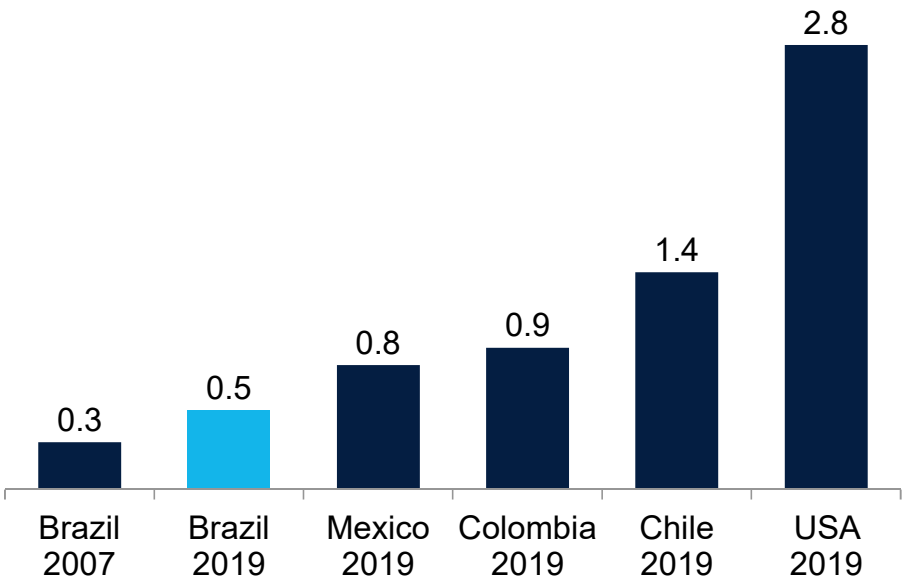
EBITDAR
(R$ billion)



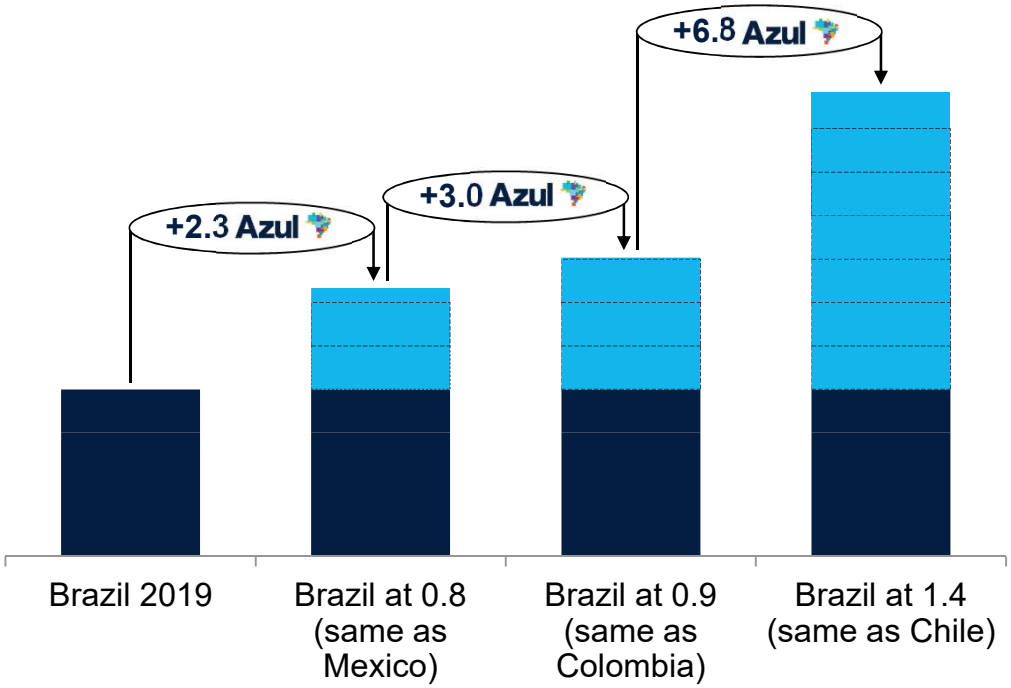
Source: Azul and Bloomberg

BRAZILIAN AVIATION MARKET GROWTH OPPORTUNITY

Flights Per Capita



Growth Opportunity



Aviation in Brazil has doubled over the last ten years, but it still presents enormous potential
To reach Mexico's flights per capita ratio, Brazil would need to add capacity equivalent to twice that of Azul; for Chile, over six times

Source: Azul, ANAC, IATA, CEBR, IBGE and Bloomberg

Unique Network for the Brazilian Market

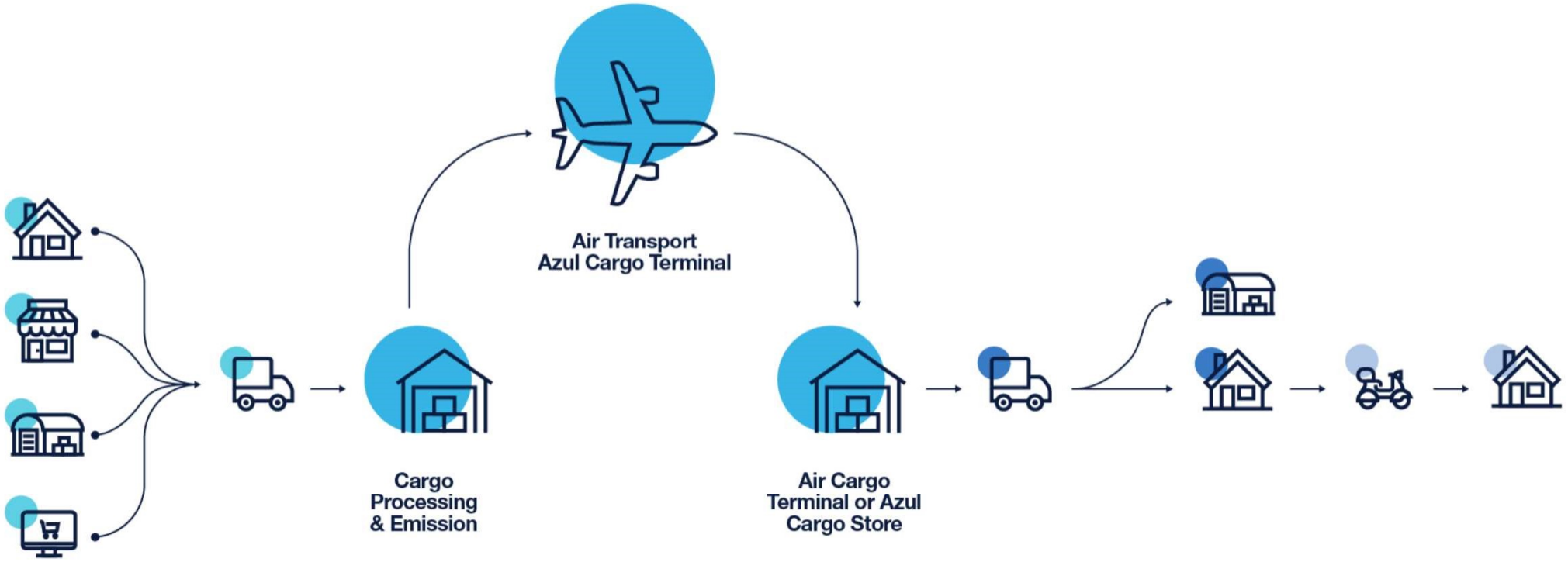
Abhi Shah
Chief Revenue Officer

AZUL CARGO LOGISTICS SOLUTIONS

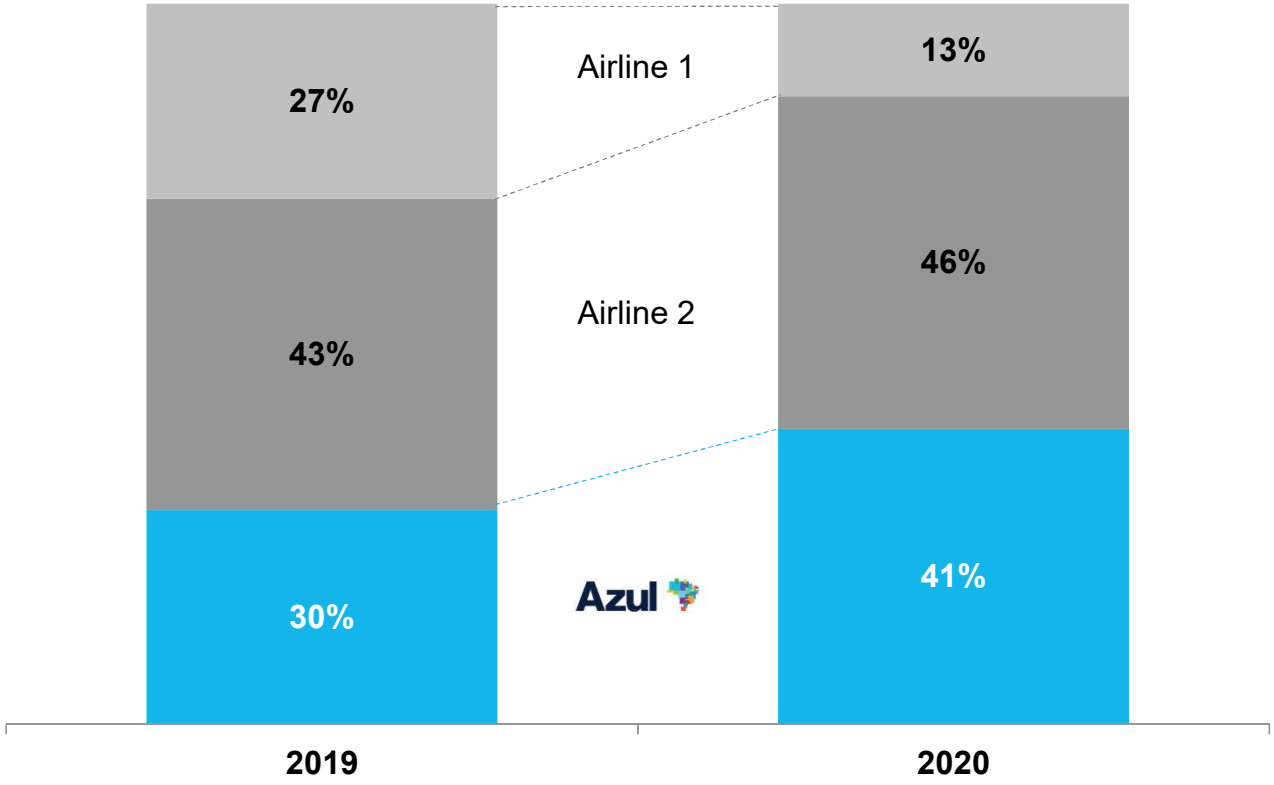
Azul cargo Express

- +260 stores nationwide serving 3,700 cities
- 32% market share in October 2020 (22% in 2019)
- Converted 4 E195 E1s to cargo
- November gross sales grew +50% YoY

END-TO-END LOGISTICS SOLUTIONS

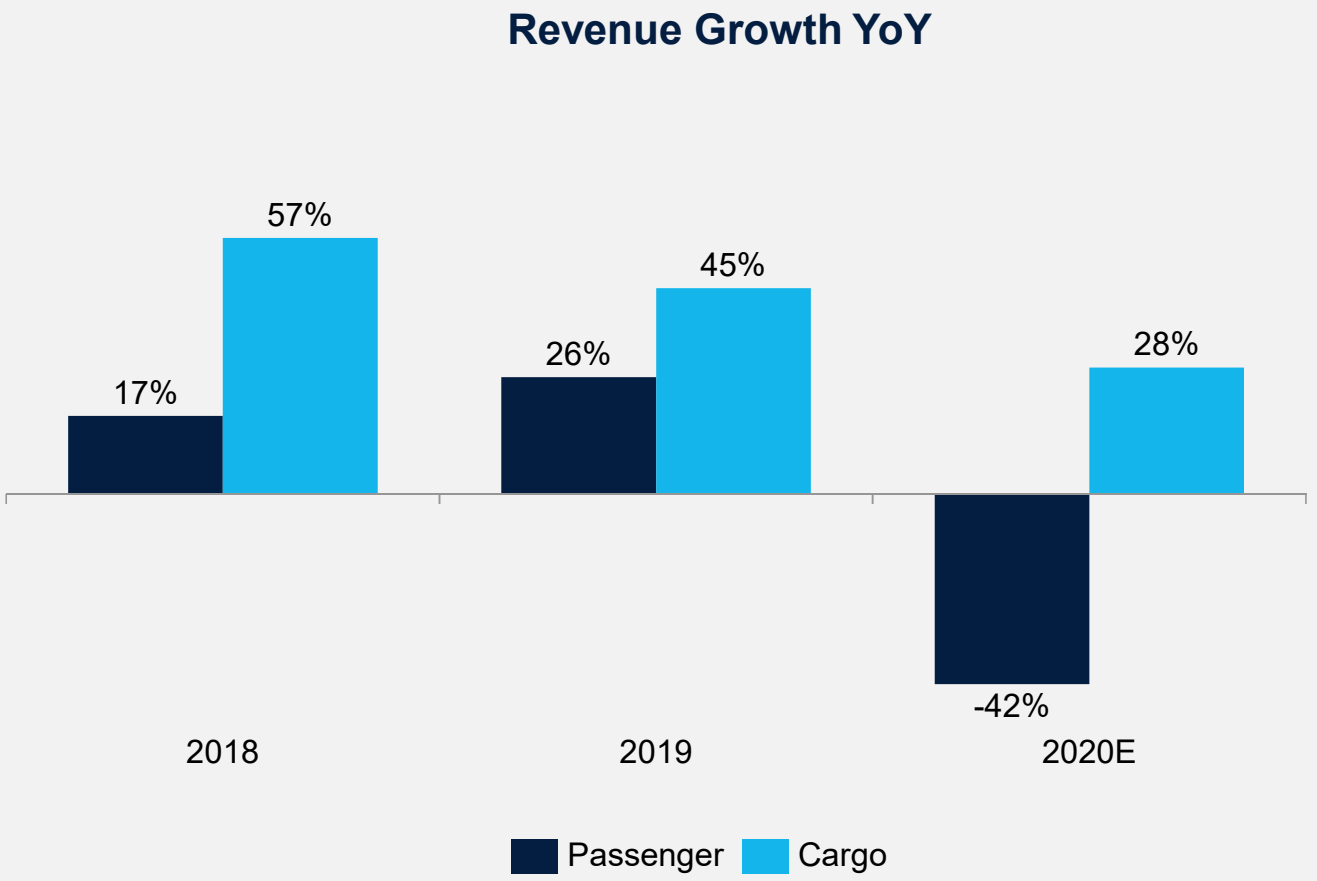


CARGO VOLUME SHARE



Source: ANAC (National Civil Aviation Agency) ex-others

AZUL CARGO OUTSTANDING PERFORMANCE



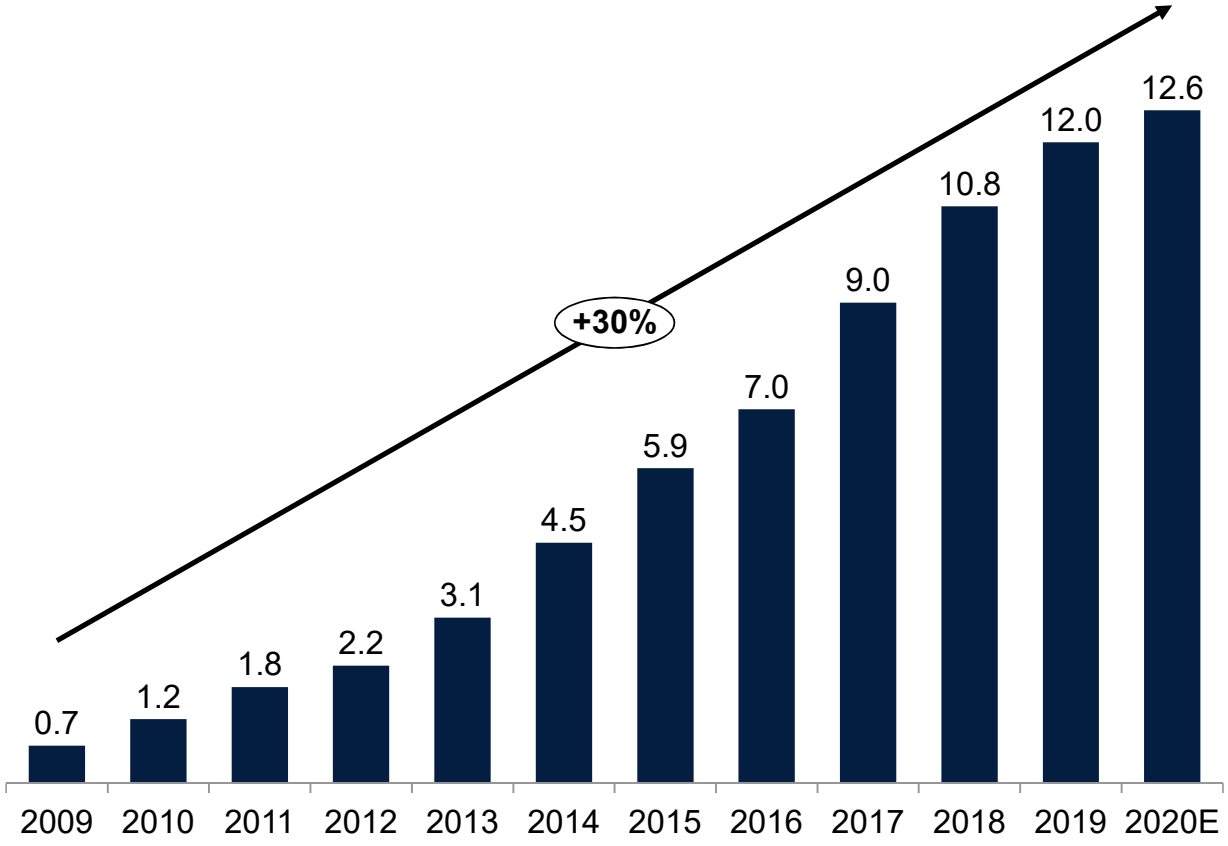
TudoAzul
Programa de Vantagens

Resilient revenue, with ~60% recovery in Q3

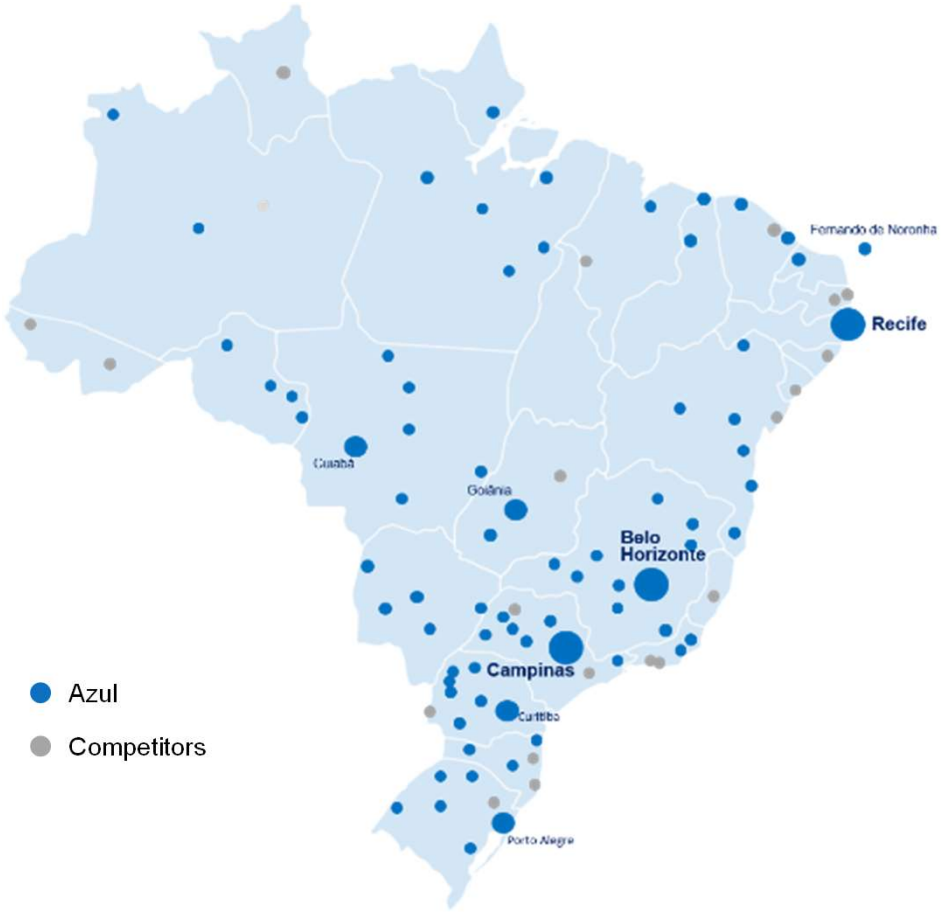
Strong recurrent revenue in Clube TudoAzul subscription product

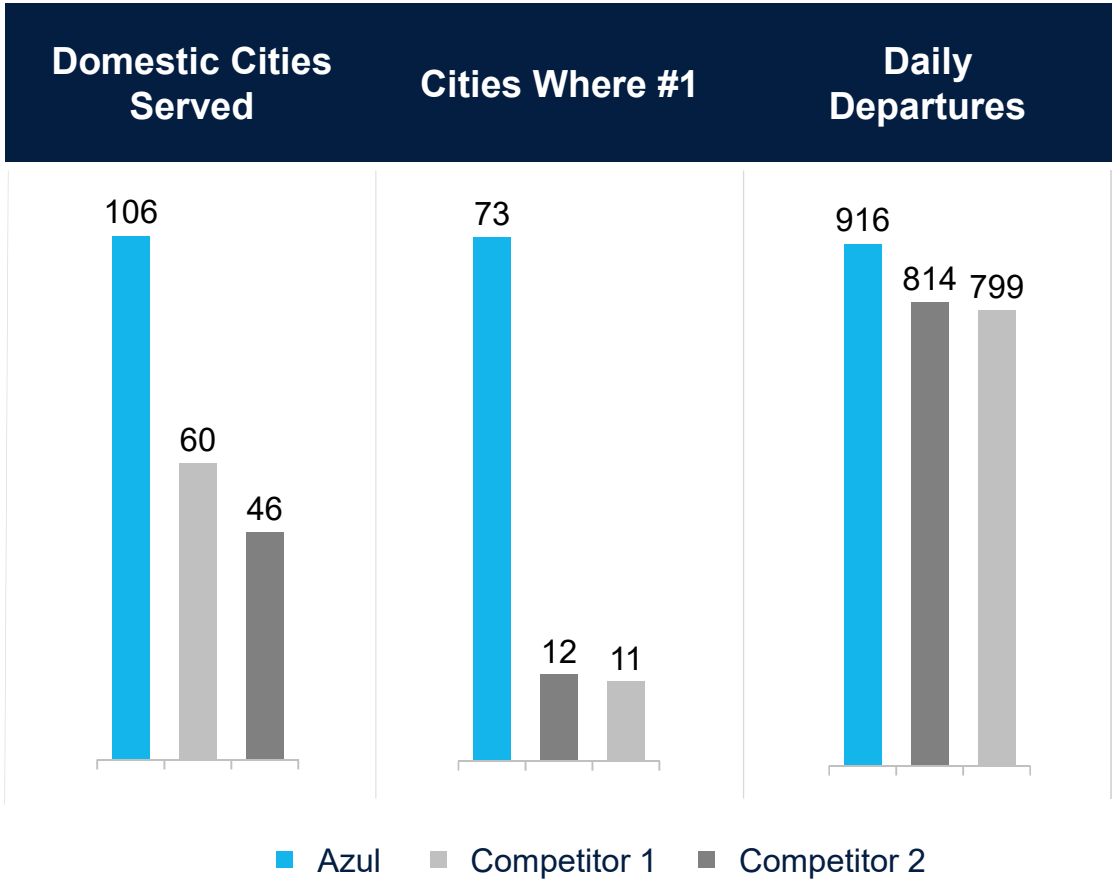
Launch of new co-branded card; 150% increase in applications

TudoAzul Members
(millions)



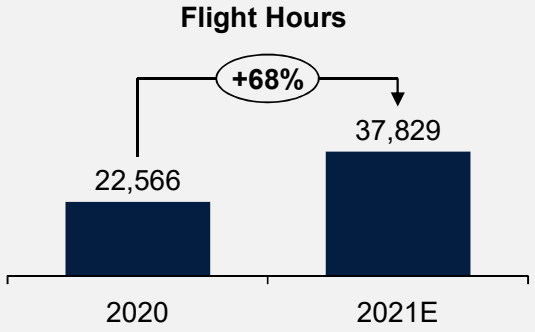
MARKET AND ROUTE LEADERSHIP





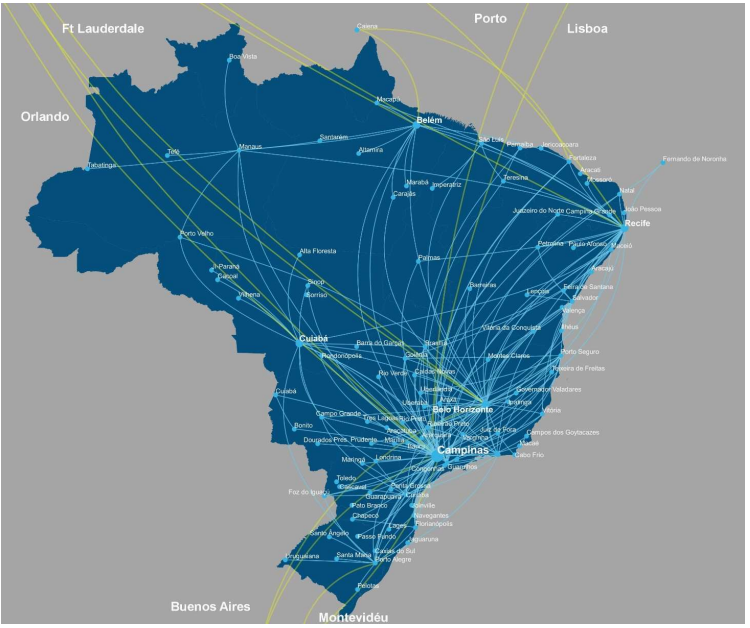
Source: Azul, ANAC, IATA, and Companies. Considers leadership by number of departures. Pre COVID-19 pandemic

- ✓Ideal aircraft to develop new markets
- ✓Enables Azul's target of 200 cities served
- ✓Slots in downtown São Paulo airport (CGH)
- ✓Additional opportunities for reductions in fuel tax (ICMS)



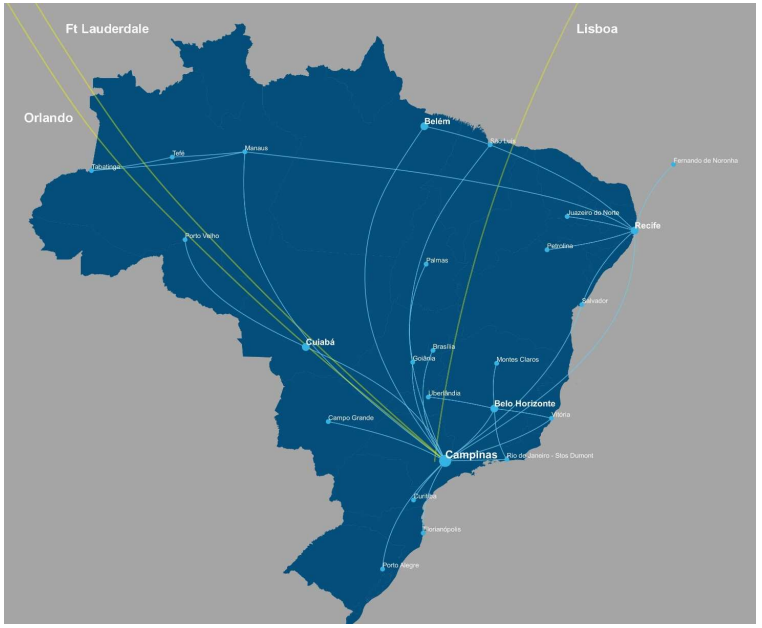
2020 NETWORK EVOLUTION

Pre-Crisis



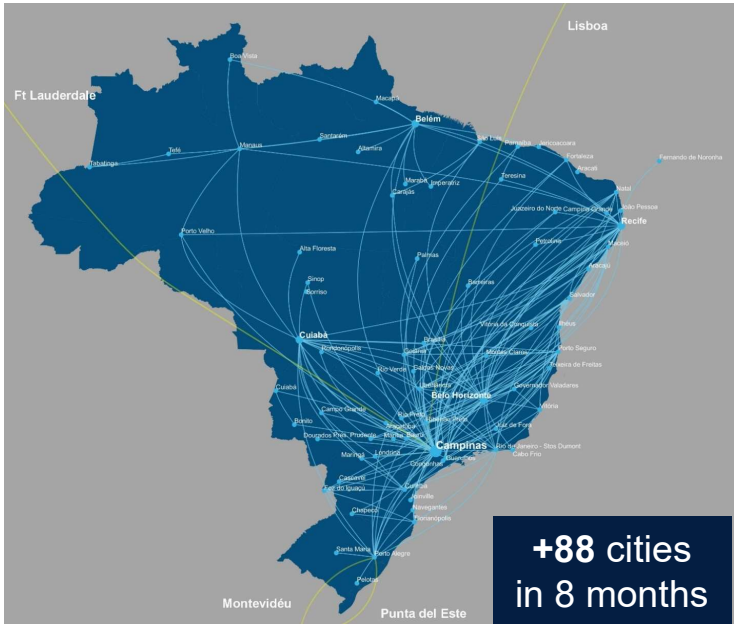
116 destinations
Overlap of 30%

April 2020



25 destinations
Essential air network

December 2020E

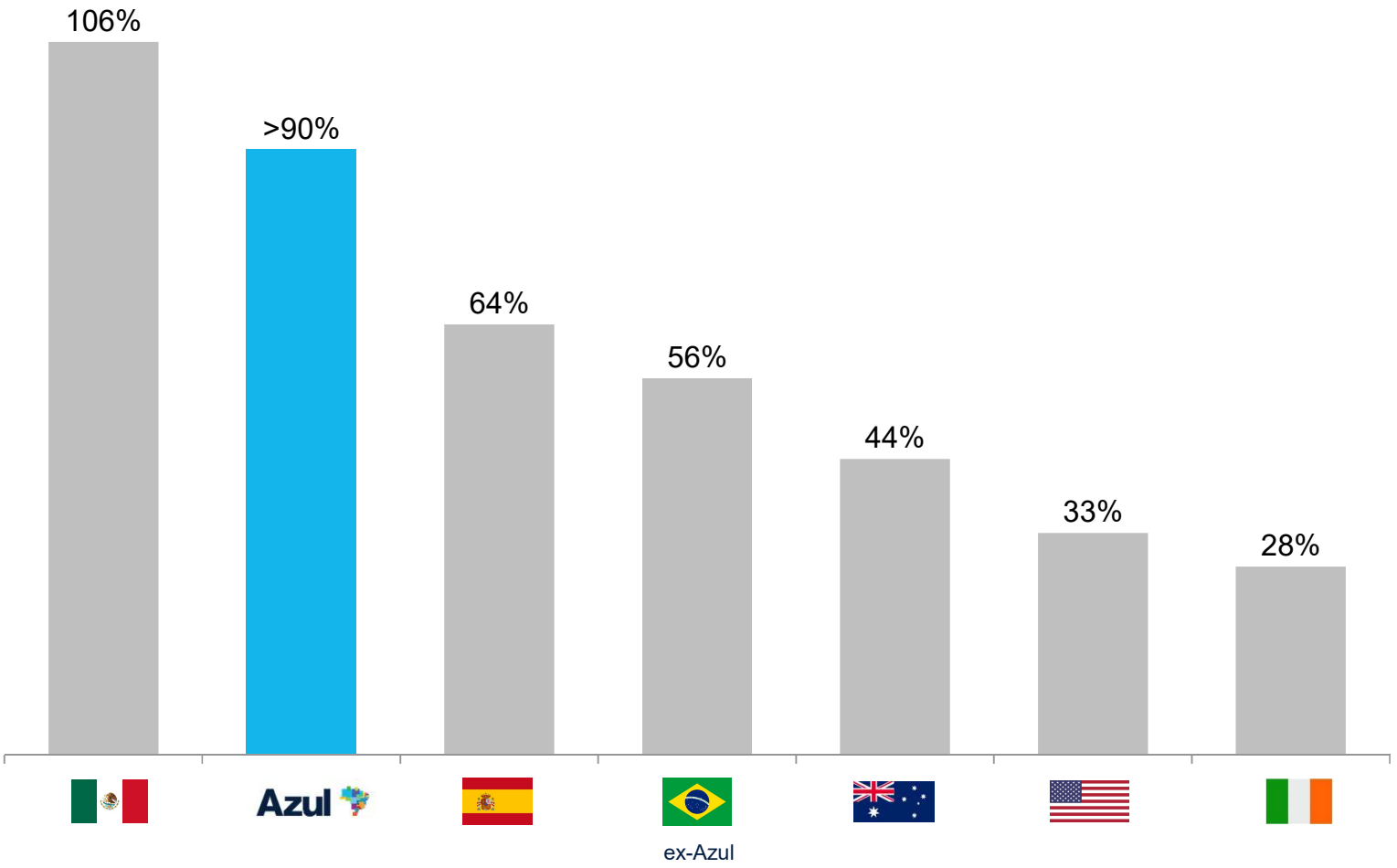


113 destinations
Overlap of 24%

December domestic capacity expected to be **above 90%** of Dec 2019

NETWORK RECOVERY BENCHMARK

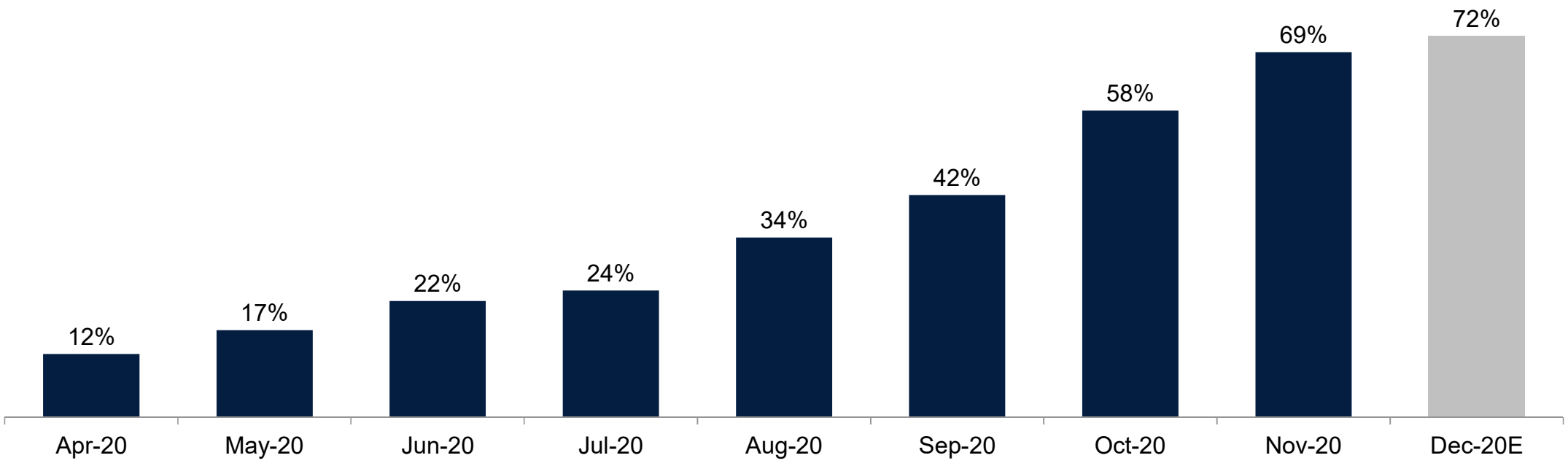
Domestic Traffic Recovery for Selected Airlines*
(December 2020E)



* RPK estimates for Dec-20 using published ASKs for Dec-20 and latest reported load factors by airline

FASTER THAN EXPECTED NETWORK RECOVERY

Total Capacity Recovery
(% previous year)

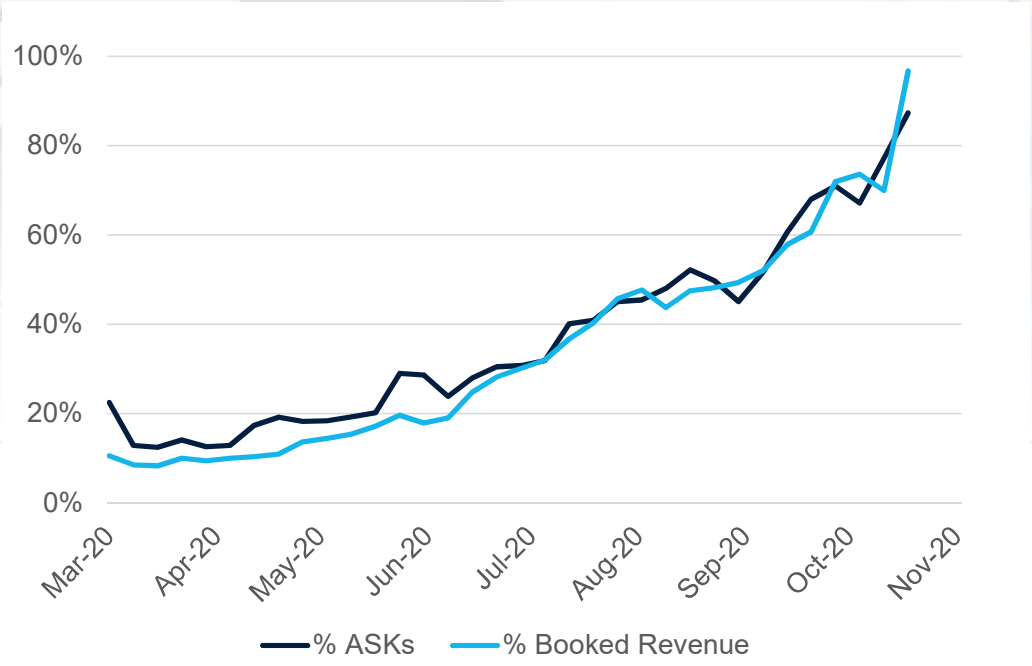


1Q21 domestic capacity expected to be **above 100%** of 1Q19
1Q21 total capacity expected to be **above 85%** of 1Q19

DOMESTIC DEMAND RECOVERY

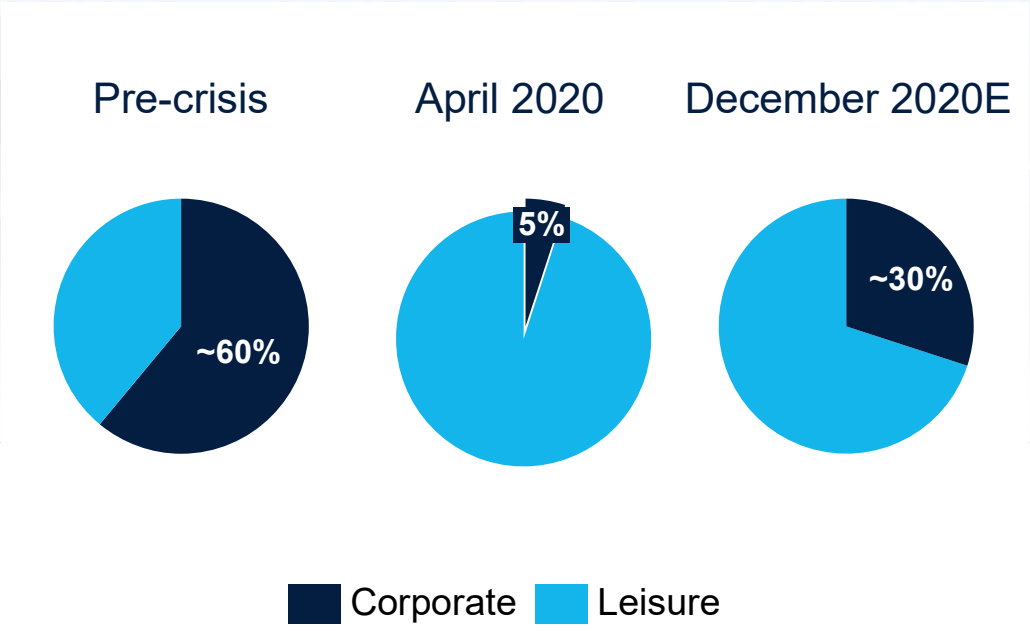
01

Domestic Capacity and Booked Revenue
(weekly as % of 2019)



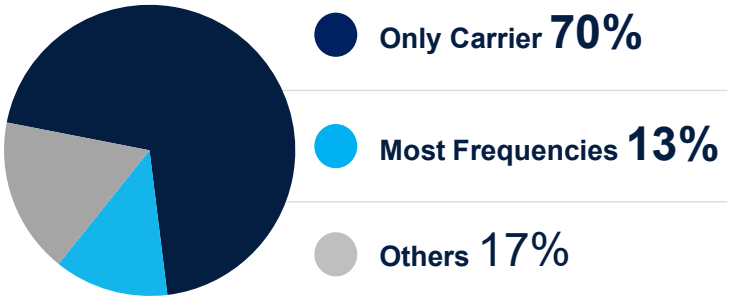
02

Share of Total Demand

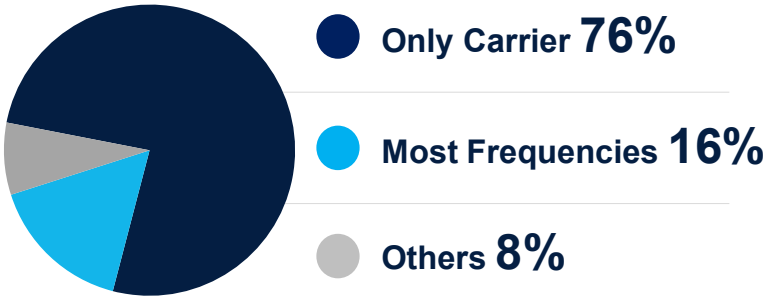


AZUL ROUTES LEADERSHIP

2019

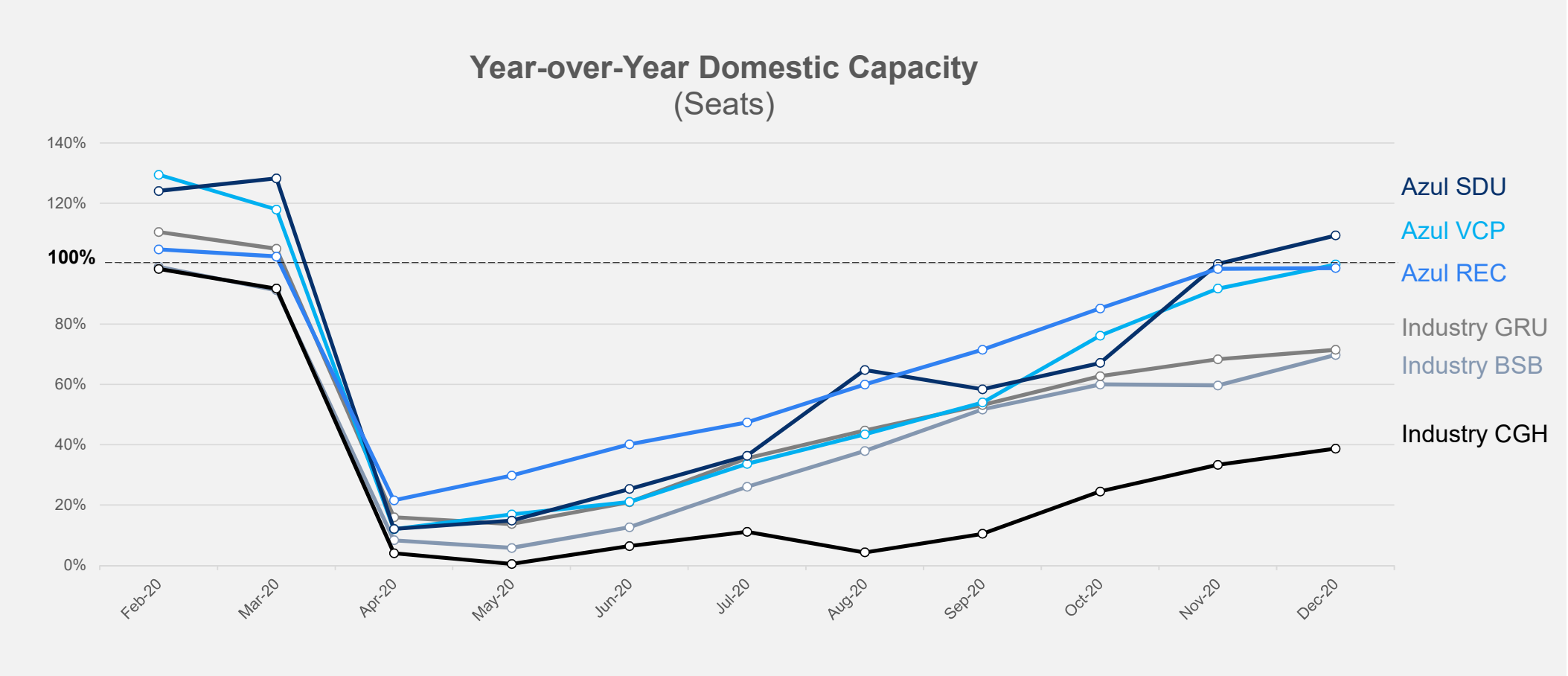


Today



- ✓ Increased network strength, with more exclusive markets (76%)
- ✓ 113 destinations served by December
- ✓ Increased network and connectivity with domestic codeshare

CAPACITY RECOVERY BY HUB



Source: Azul, ANAC and Companies

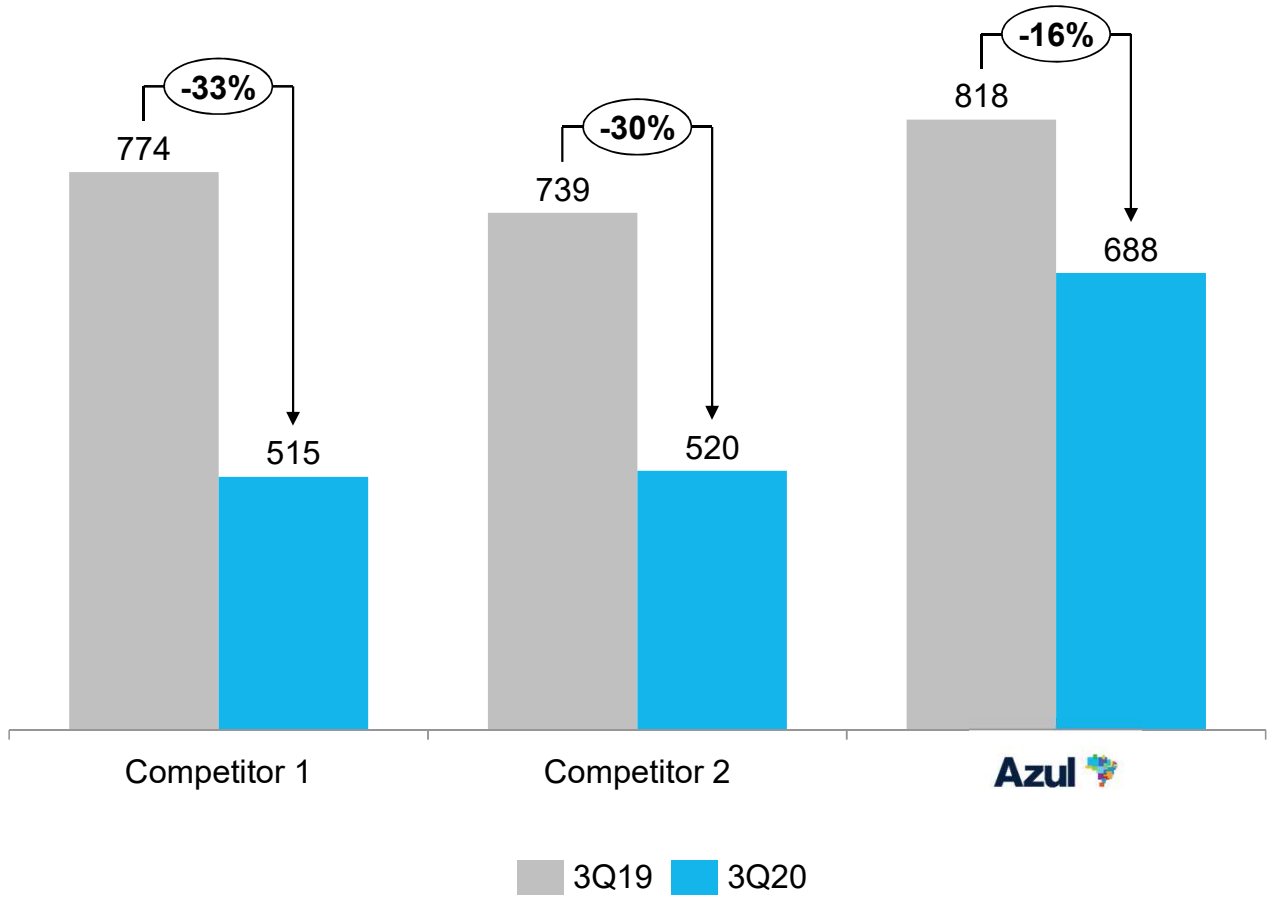
DEPARTURE BY AIRLINE TOP AIRPORTS IN BRAZIL

Airport	Azul	Competitor 1	Competitor 2
Campinas	**122**	7	-
São Paulo (GRU)	19	97	**109**
São Paulo (CGH)	16	**40**	39
Rio de Janeiro (SDU)	**40**	34	24
Recife	**65**	18	6
Belo Horizonte (CNF)	**78**	12	7
Porto Alegre	**27**	15	12
Curitiba	**22**	11	8
Brasília	19	50	**54**
Belem	**21**	11	5
Cuiabá	**18**	4	5

Source: Azul, ANAC and Companies

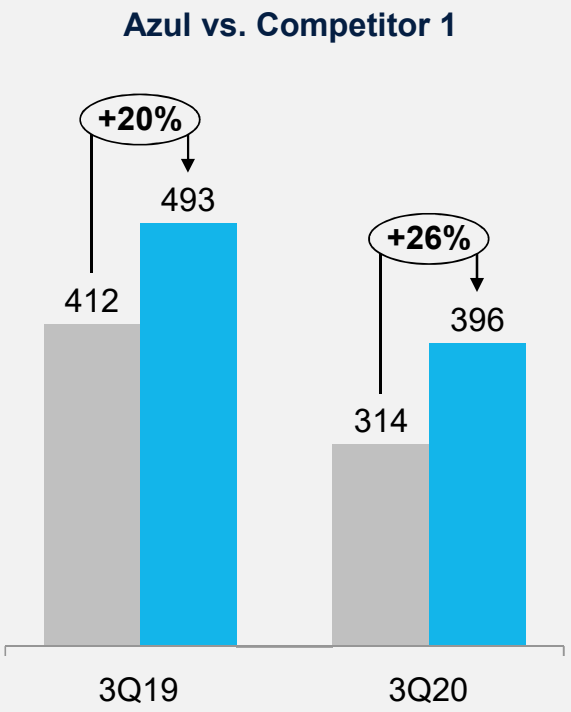
CORPORATE FARES

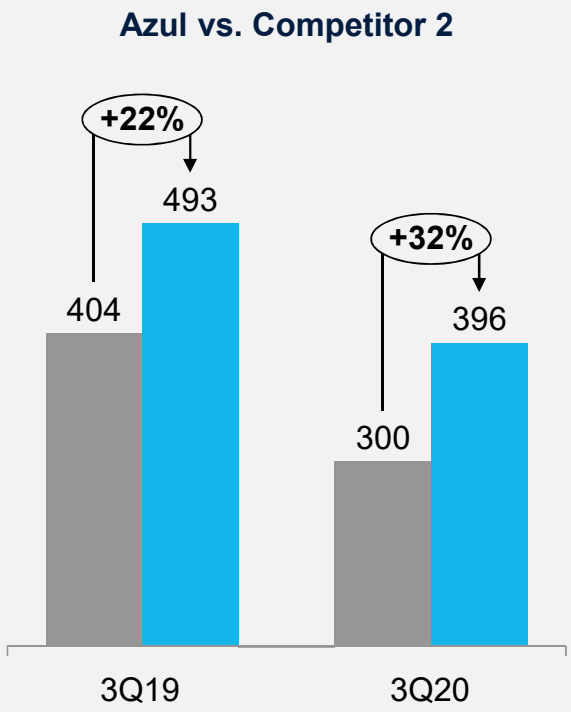
Average Corporate Ticket Price
(Roundtrip, R$)



Source: Abracorp (Brazilian Corporate Travel Agencies Association)

INCREASED FARE PREMIUM VS. COMPETITORS



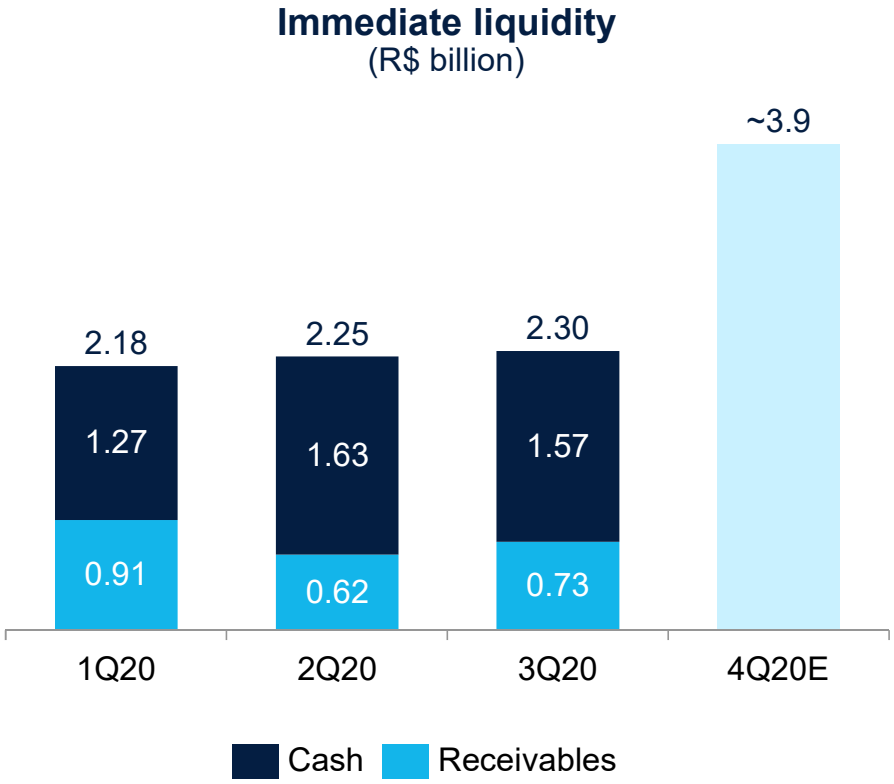


Source: ANAC (National Civil Aviation Agency)

Azul Prepared for the Future

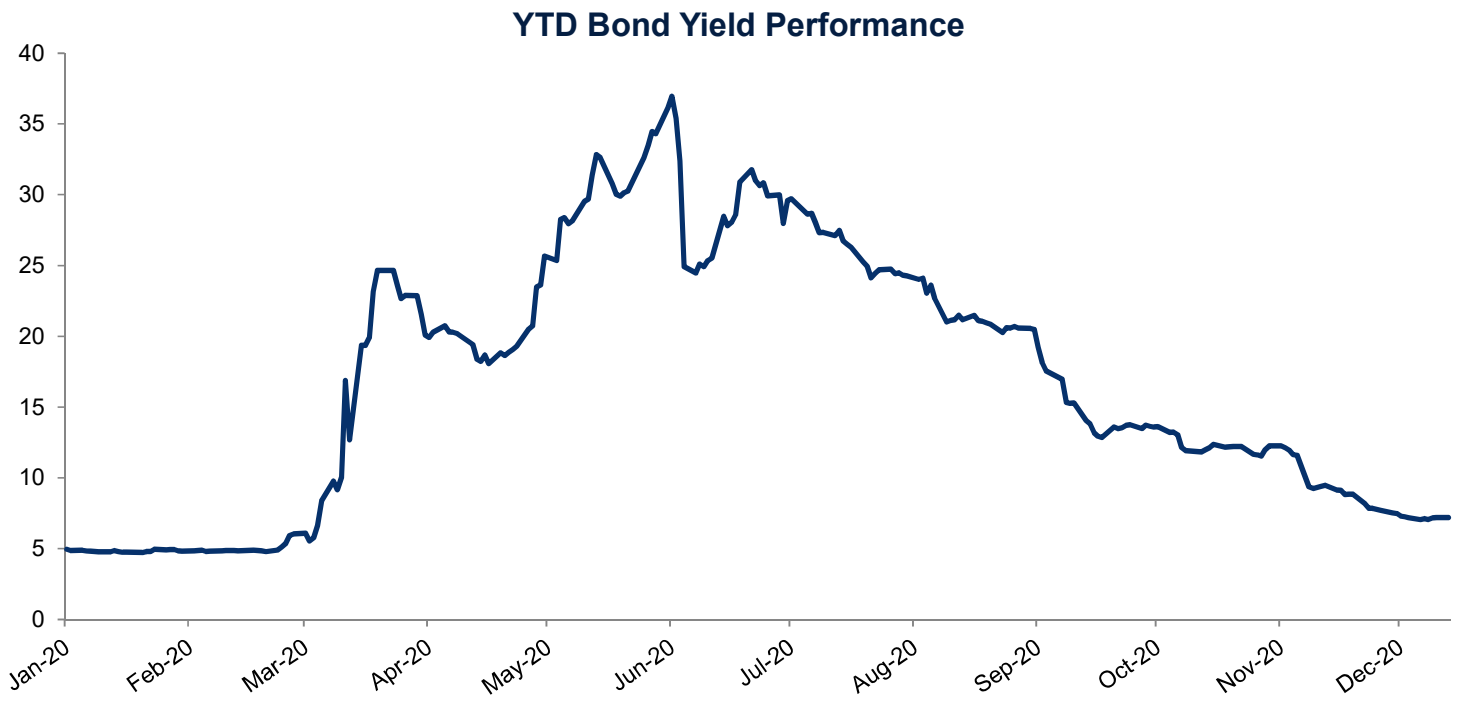
Alex Malfitani
Chief Financial Officer

CASH PRESERVATION STRATEGY



- ✓ Only airline in Americas to maintain liquidity in Q2, Q3 without raising cash
- ✓ Improving 4Q20 net cash burn forecasted to R$1.5 million per day (less than US$300 thousand)
- ✓ Raised R$1.7 billion through successful convertible debenture offering; option for additional R$550 million under same terms

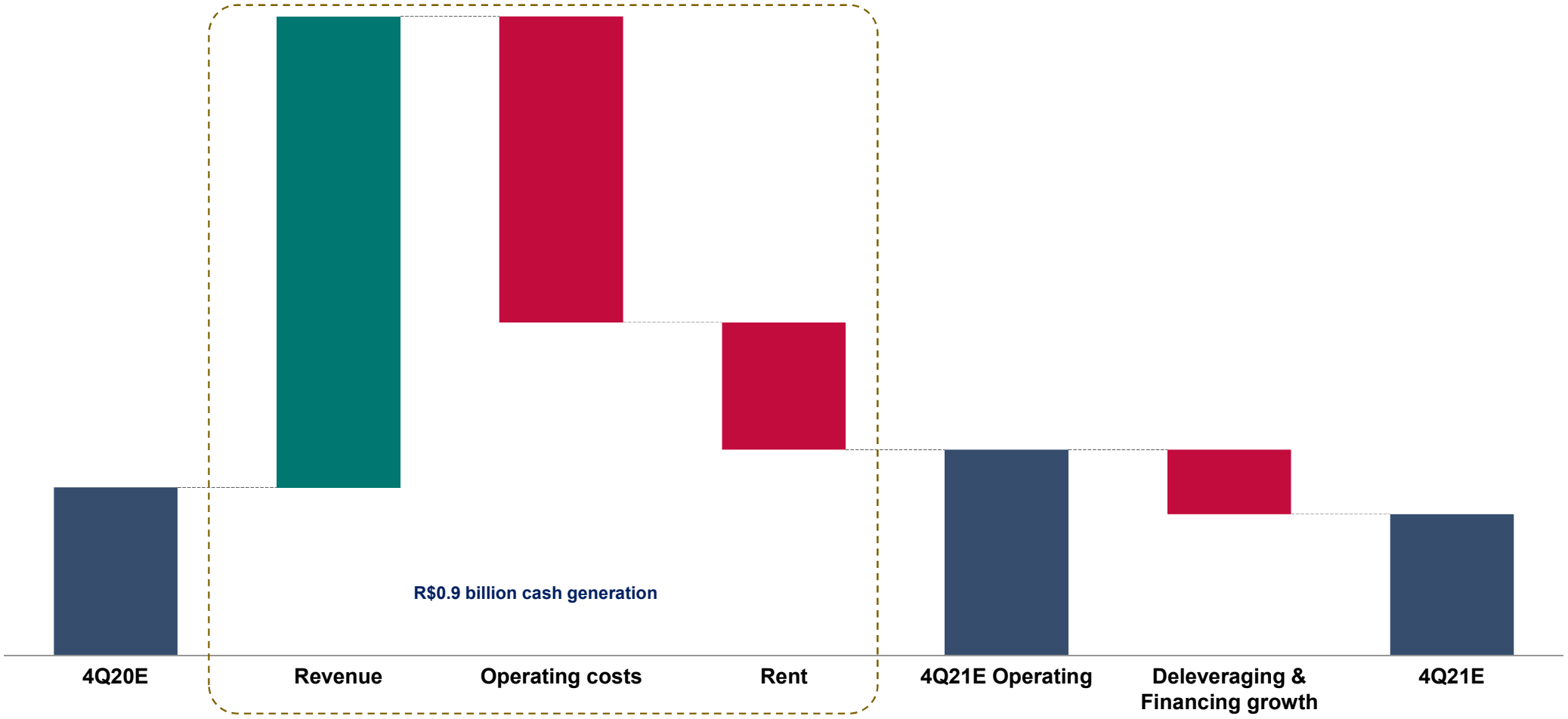
ACCESS TO CAPITAL



- ✓ Demonstrated continued access to capital markets even during pandemic
- ✓ Multiple contenders to anchor public offers
- ✓ Yield in unsecured 2024 bond close to yield issuance

Source: Bloomberg

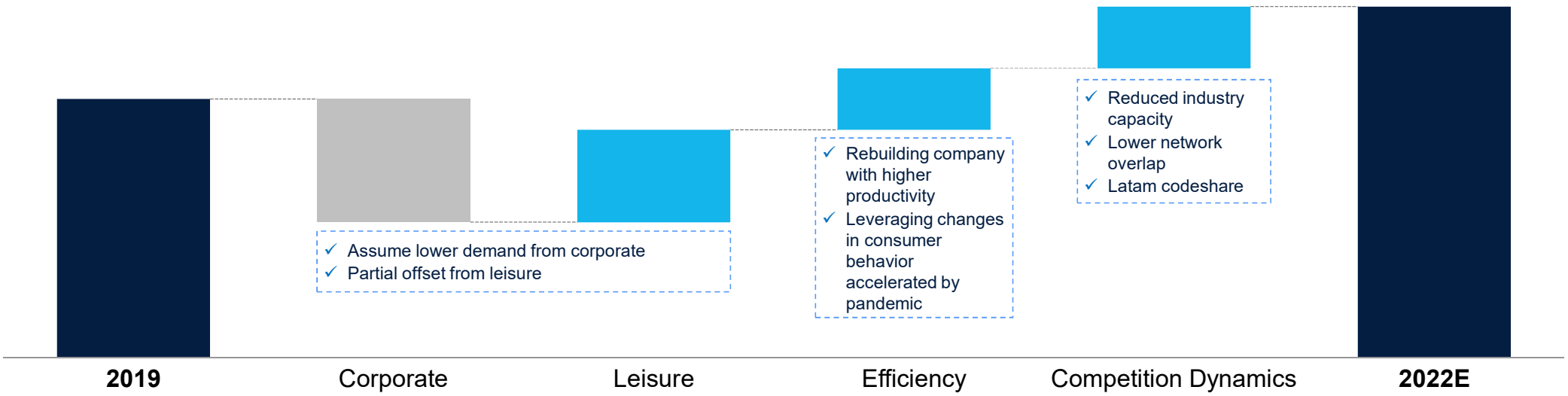
CASH ASSUMPTIONS AND SOURCES



Direct cash flow method

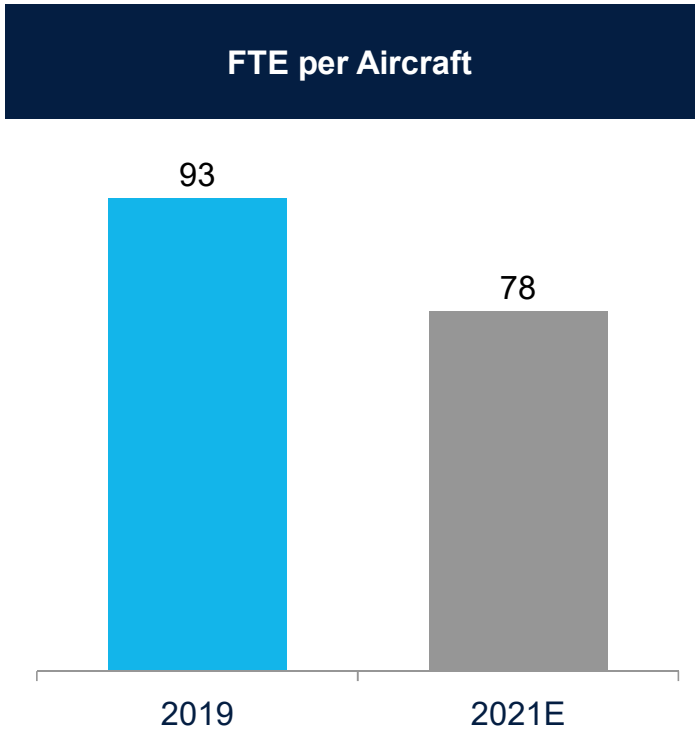
EMERGING STRONGER FROM PANDEMIC

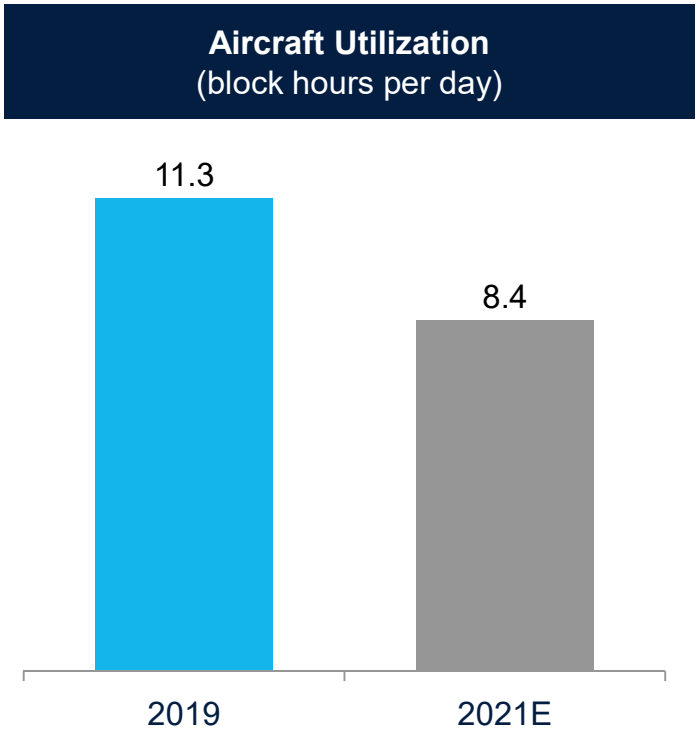
EBITDA Growth Breakdown



Expected 2022 EBITDA higher than 2019, even with lower corporate demand

EFFICENT COST STRUCTURE





- ✓ Rebuilding company with more efficiency and productivity, with gains in corporate, airports, call center and maintenance, reducing expenses by R$250 million
- ✓ Significant operational leverage remaining

VCP HANGAR

One of the largest and most modern hangars in Latin America

Insourcing maintenance checks and several shops including wheels and brakes

Enabled faster reaction to post-COVID demand recovery

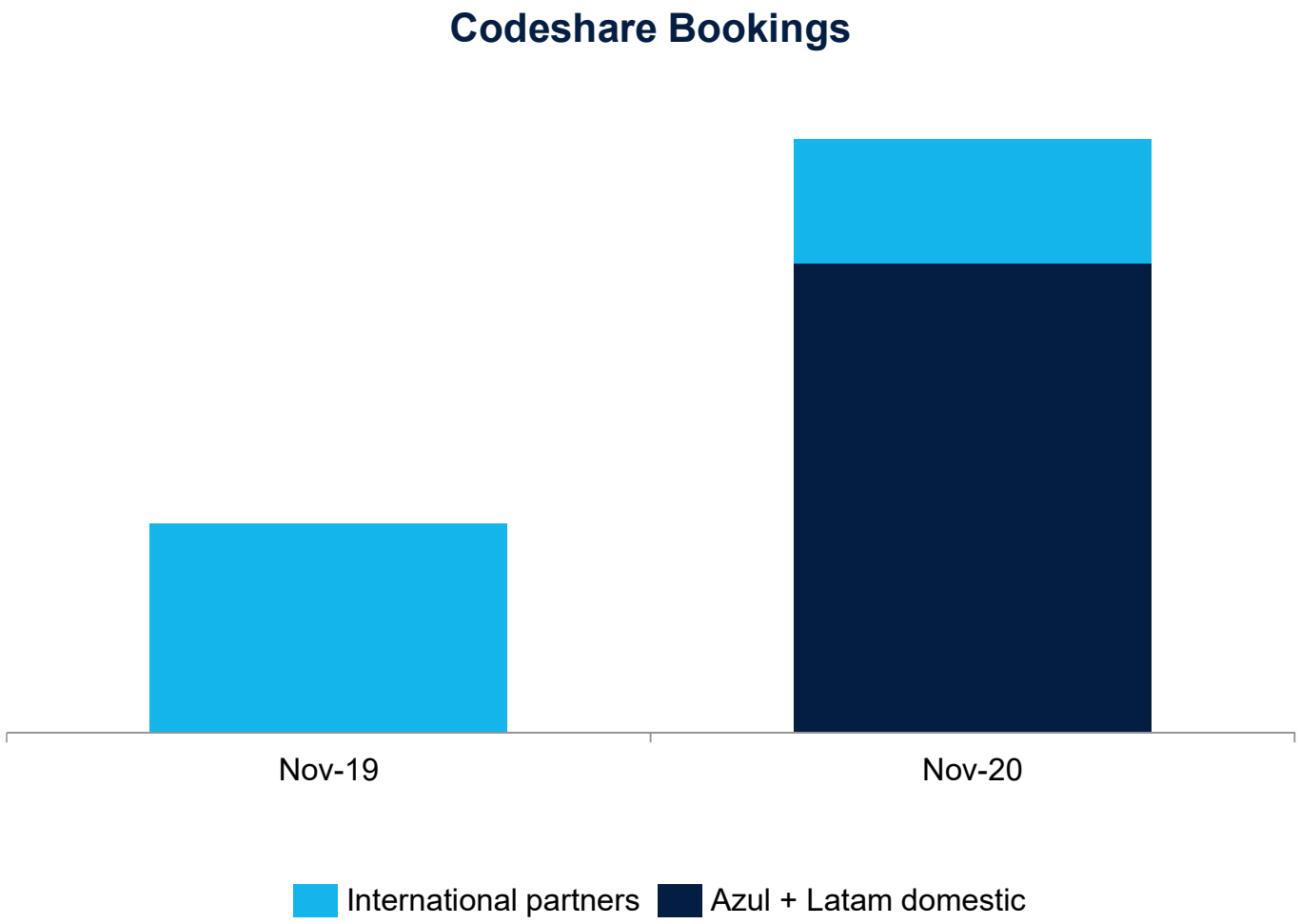
51 heavy maintenance checks accomplished in 2020; 89 expected for 2021

2021 cost avoidance forecast ~R$77 million

LATAM CODESHARE UPDATE

178 combined nonstop routes

Focus cities:
Belo Horizonte, Recife,
Porto Alegre, Campinas, Rio (SDU),
São Paulo (GRU and CGH),
Brasilia



FLEET FLEXIBILITY

Diversified and Right-Sized Aircraft for the Brazilian Market

Targeted Routes by Fleet Type

Cessna | 17 aircraft, 9 seats

ATR | 33 aircraft, 70 seats

Embraer | 53 aircraft, 106-136 seats

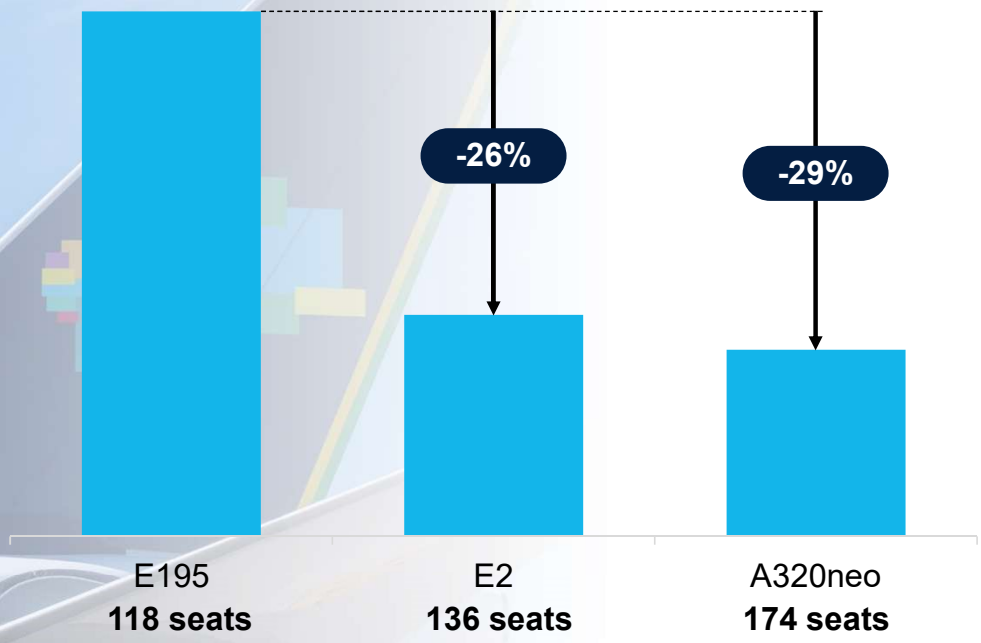
Airbus | 43 aircraft, 174-214 seats

Low cost per trip

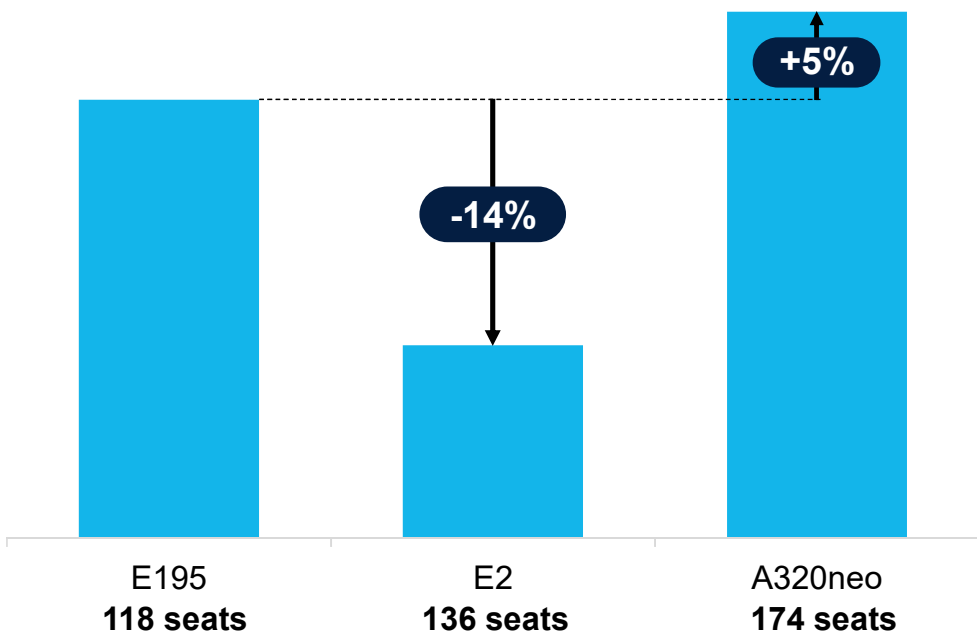
Low cost per seat

AZUL'S FLEET TRANSFORMATION

Seat Cost (R$)



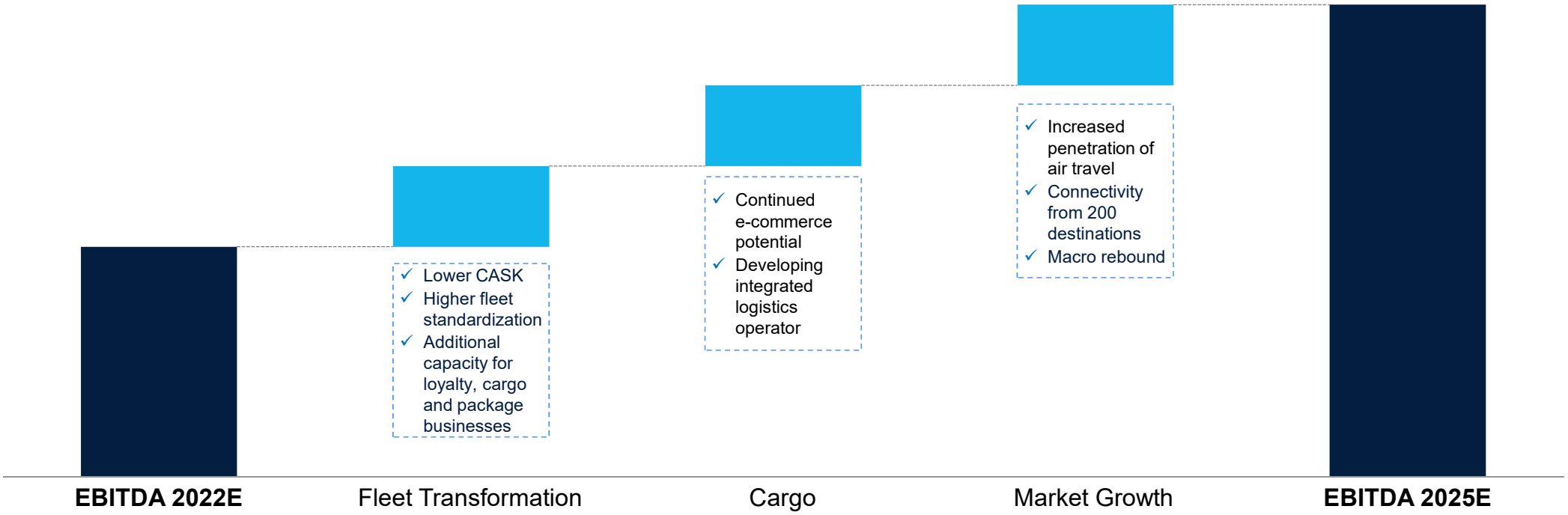
Trip Cost (R$)



THE ADDITION OF NEXT-GEN AIRCRAFT IS THE CORNERSTONE OF AZUL'S MARGIN EXPANSION STRATEGY GOING FORWARD

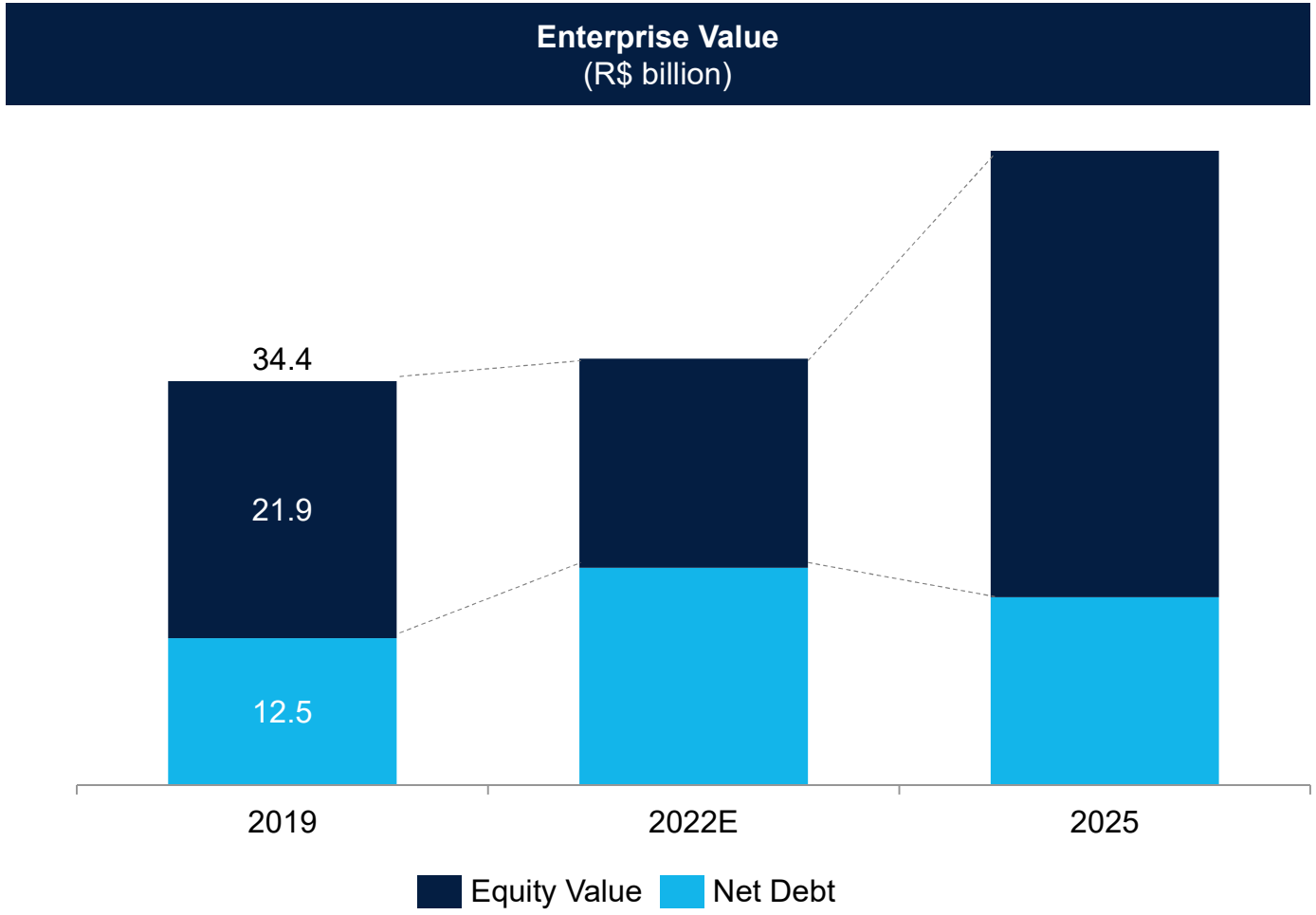
REMAINING DRIVERS FOR MARGIN EXPANSION

EBITDA Growth Breakdown



Continued upside for profitability beyond 2022

EQUITY UPSIDE



Recovered enterprise value from projected 2022 EBITDA
Margin expansion and net debt reduction will lead to continued increase in equity value

SUSTAINABLE BUSINESS MODEL

- Tripadvisor best airline in the world
- Strong cash management and liquidity
- Fastest recovery in the region
- Increased productivity and market presence
- Upside from cargo, fleet transformation and market growth
- Strategic partnership with Latam

INVESTOR RELATIONS

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