

Azul updates the market on its partnership with Lilium

São Paulo, October 22, 2021 – Azul S.A., “Azul”, (B3: AZUL4, NYSE: AZUL), the largest airline in Brazil by number of cities served and departures, updates the market on its plans for a strategic partnership with Lilium GmbH (“Lilium”), a wholly owned subsidiary of Lilium N.V., to build an exclusive “eVTOL” network in Brazil.

As part of the strategic commercial collaboration between the Companies and all achievements up to this point, the Company announces the execution of the Warrant Agreement that grants to Azul Linhas Aéreas Brasileiras S.A. - an operating subsidiary of the Company - warrants to purchase 1,800,000 Ordinary “Shares A” issued by Lilium N.V., at an exercise price of EUR 0.12 per share, exercisable by October 22, 2026. Therefore, Azul may become an indirect shareholder of Lilium N.V., upon the exercise of the warrants and its conversion into shares. Subject to the execution of definitive agreements, further warrants may be granted to the Company.

Azul and Lilium also established exclusivity among themselves regarding the structuring work for the operation and offer of eVTOL products or services in Brazil, until the beginning of the execution and delivery of definitive agreements or the expiration of the term sheet.

The terms currently contemplated within the scope of the partnership may be adjusted or changed, including materially, as the negotiations between Azul and Lilium move forward. In addition, the operation with eVTOL in Brazil is subject to certifications and approvals of relevant authorities.

The efforts to implement operations through eVTOL, a 100% electric airplane model with zero carbon emissions, is part of the Azul’ strategies to innovate and maintain an even more sustainable business model, aligned to its ESG commitments and the best practices in the market.

Azul will keep the market updated of any developments.

About Azul

Azul S.A. (B3: AZUL4, NYSE: AZUL), the largest airline in Brazil by number of flight departures and cities served, offers more than 750 daily flights to more than 130 destinations. With an operating fleet of more than 160 aircraft and more than 12,000 crewmembers, Azul has a network of more than 200 non-stop routes. In 2020 Azul was awarded best airline in the world by TripAdvisor, the first time a Brazilian Flag Carrier ranked number one in the Traveler’s Choice Awards. For more information visit www.voeazul.com.br/ir.

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