



3Q21 Institutional Presentation

# DISCLAIMER

The information contained in this presentation is only a summary and does not purport to be complete. This presentation has been prepared solely for informational purposes and should not be construed as financial, legal, tax, accounting, investment or other advice or a recommendation with respect to any investment. This presentation does not constitute or form part of any offer or invitation for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

This presentation includes estimates and forward-looking statements within the meaning of the U.S. federal securities laws. These estimates and forward-looking statements are based mainly on our current expectations and estimates of future events and trends that affect or may affect our business, financial condition, results of operations, cash flow, liquidity, prospects and the trading price of our preferred shares, including in the form of ADSs. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to many significant risks, uncertainties and assumptions and are made in light of information currently available to us.

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.

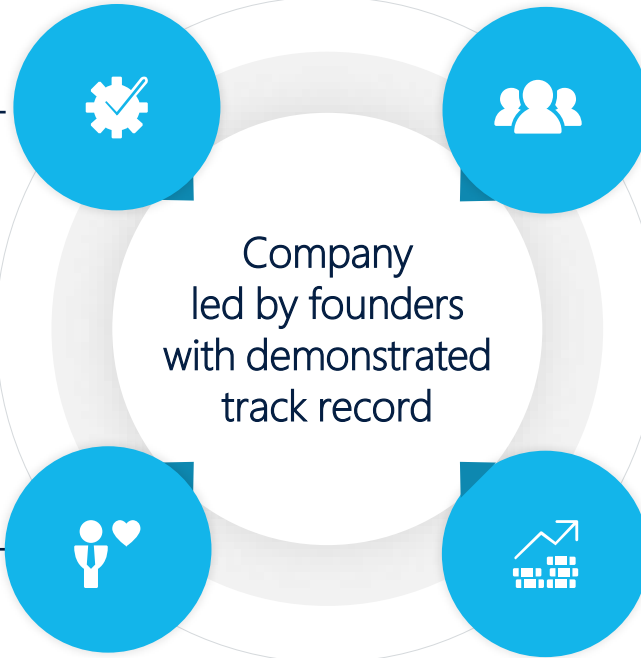
# What Makes Azul Unique



# SUSTAINABLE COMPETITIVE ADVANTAGES



Unparalleled network



Company led by founders with demonstrated track record

Diversified and flexible fleet



Strong service-oriented culture

Fast-growing, high-margin businesses



Best of the Best



# COMPANY LED BY FOUNDERS



David Neeleman  
Founder and Chairman



John Rodgers  
Founder and CEO



Alex Malfitani  
Founder and CFO



Abhi Shah  
Founder and CRO



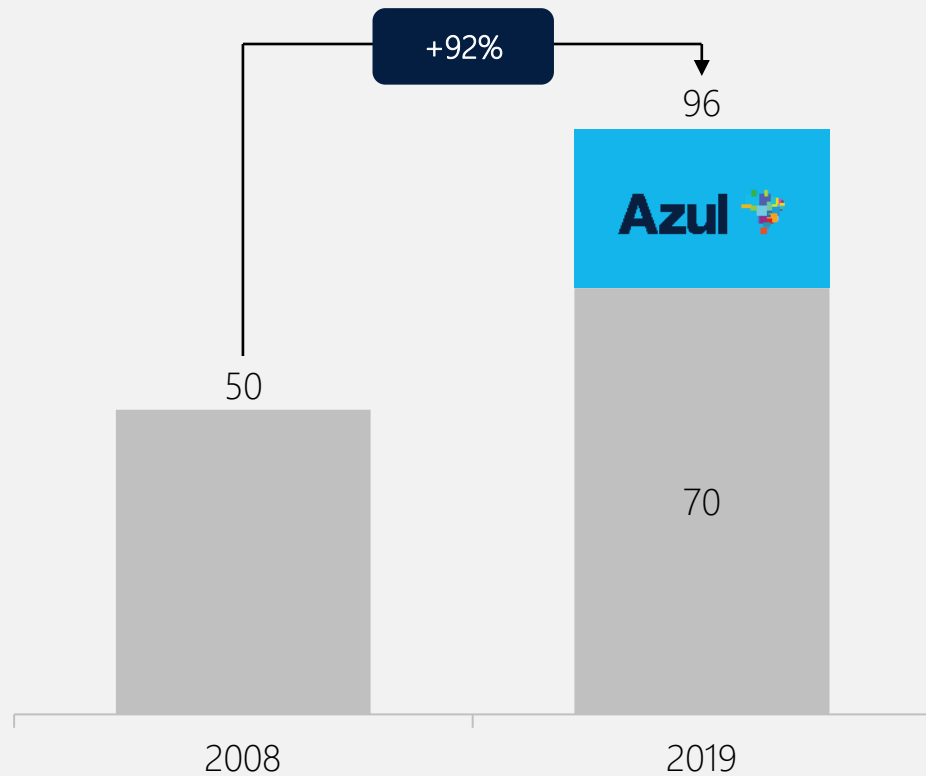
Jason Ward  
Founder and VP,  
People & Customers



Flavio Costa  
Founder and COO

# AZUL GROWS DEMAND

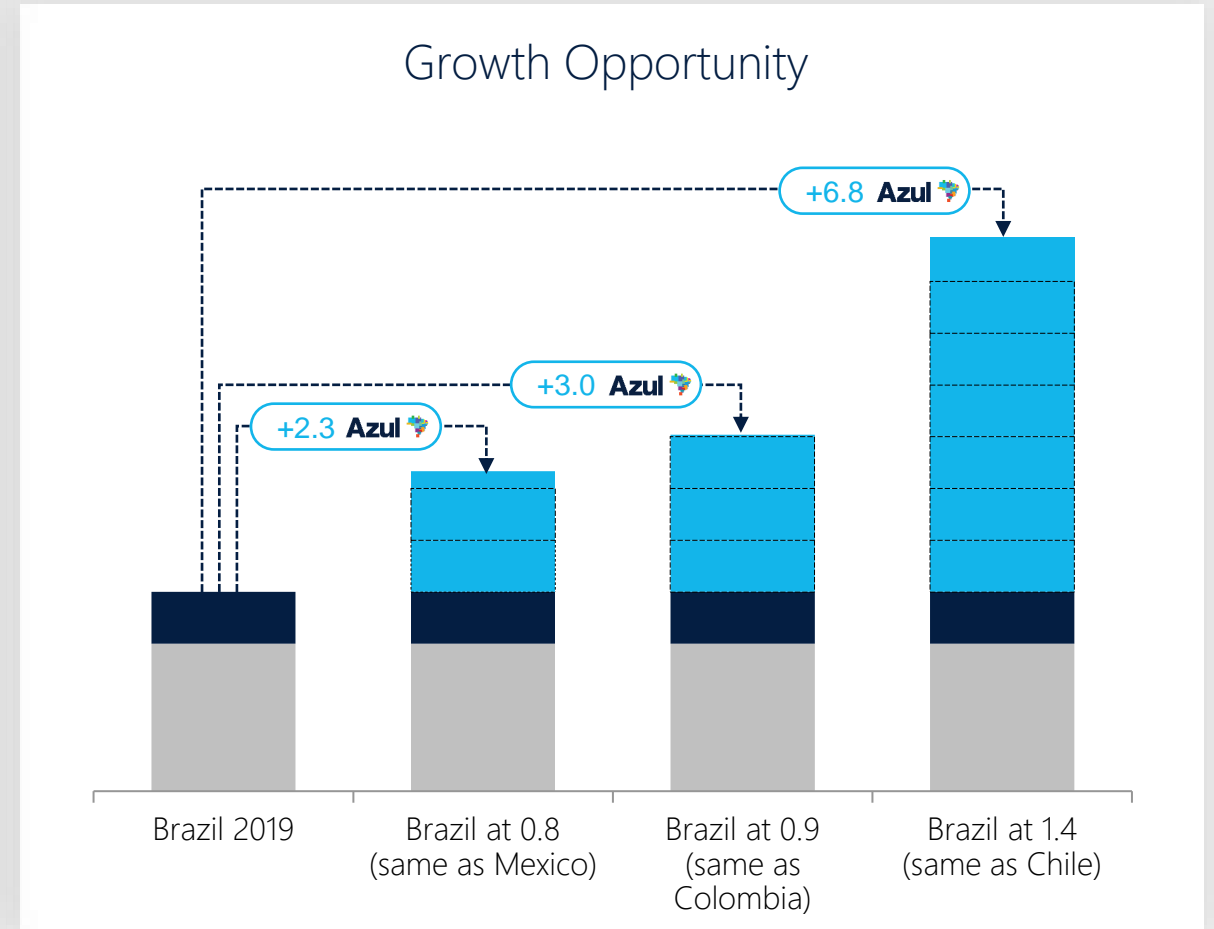
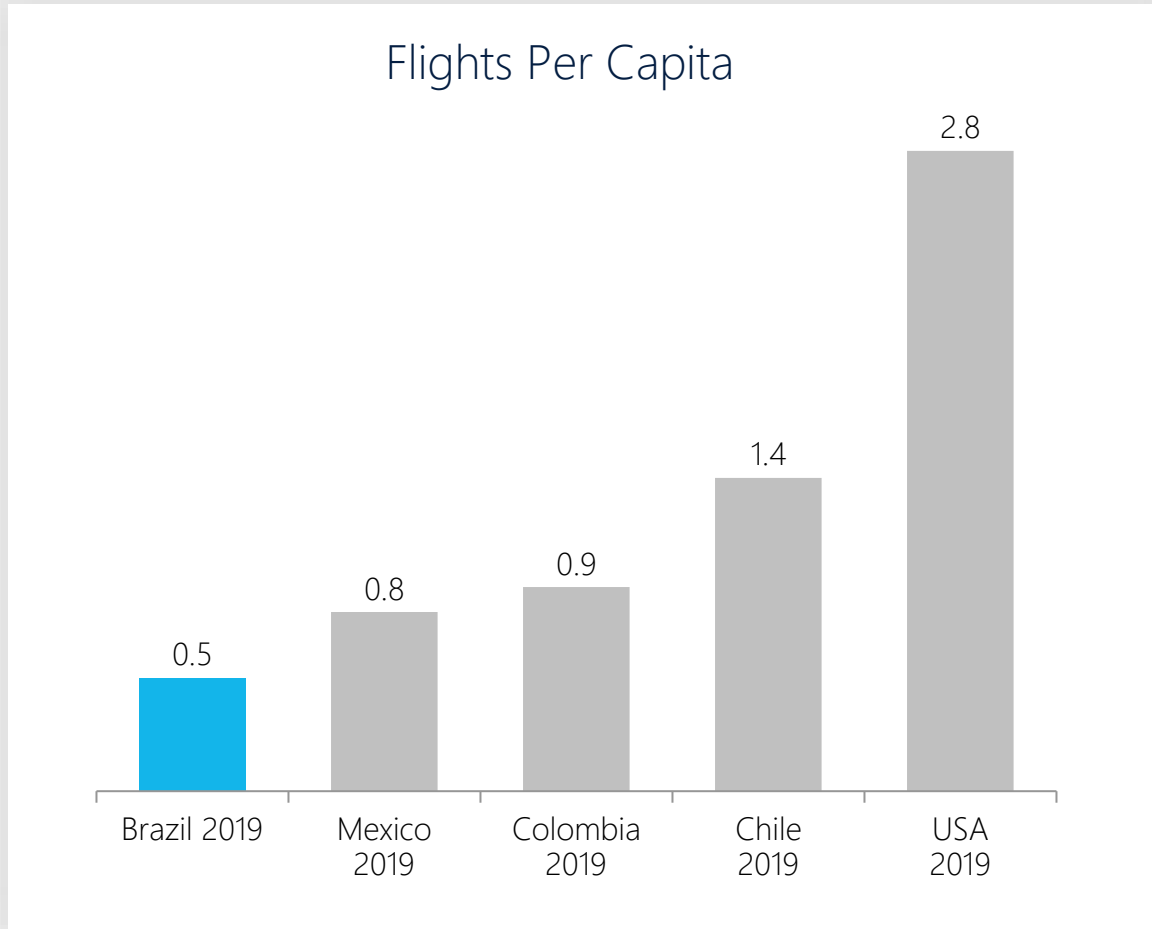
Brazil Domestic Passengers per Year  
(millions)



Aviation in Brazil  
**DOUBLED** over ten years

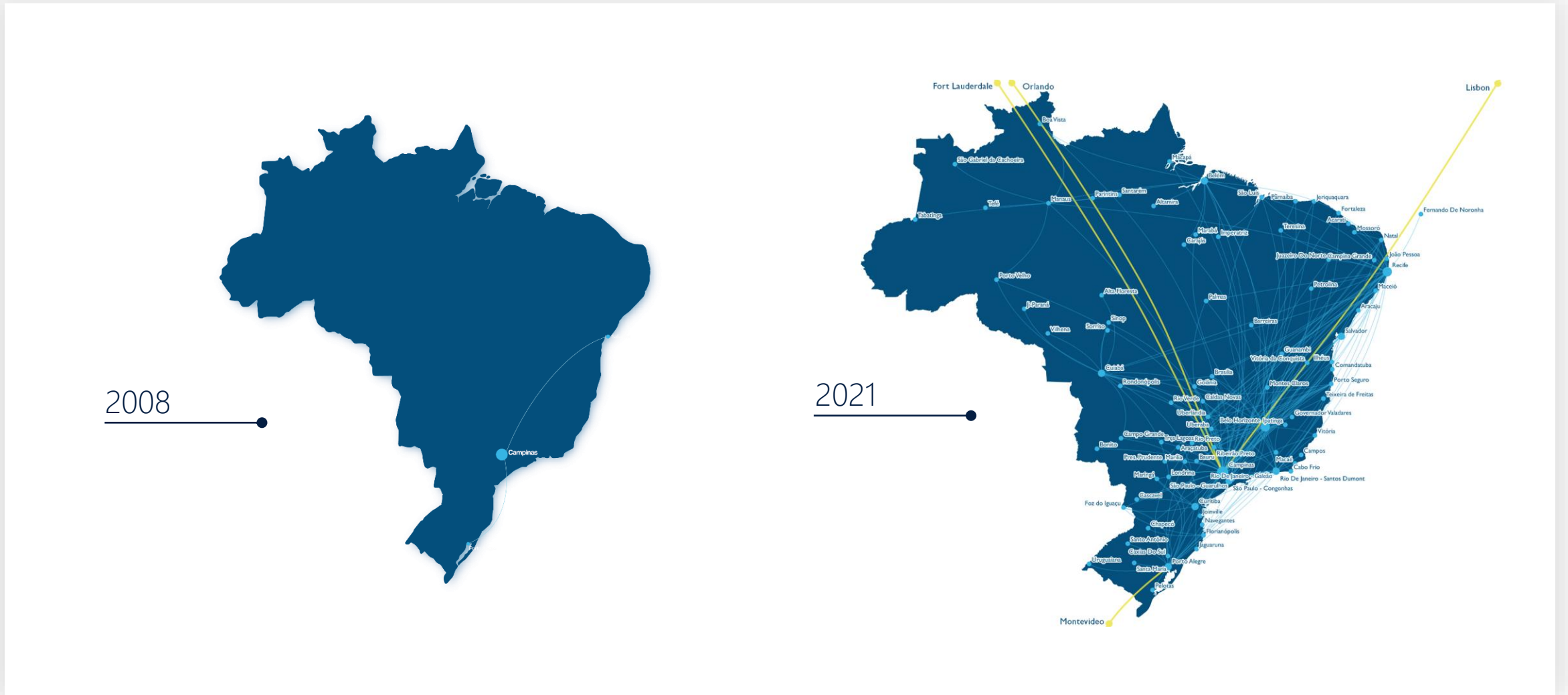
Azul was responsible for  
over half of market growth

# BRAZILIAN AVIATION MARKET GROWTH OPPORTUNITY



Aviation in Brazil still presents enormous growth opportunity  
To reach Mexico's flights per capita ratio, Brazil would need to add capacity equivalent to 2.3x Azul; for Chile, 6.8x

# SUCCESSFUL GROWTH TRACK RECORD





# AZUL BUSINESS MODEL FOUNDATION



Over US\$1.6 billion of capital invested:

2008



Start-up capital  
US\$250 million

2012



Acquisition of  
Trip Airlines

2015



United investment  
US\$100 million

2016



HNA investment  
US\$450 million

2017



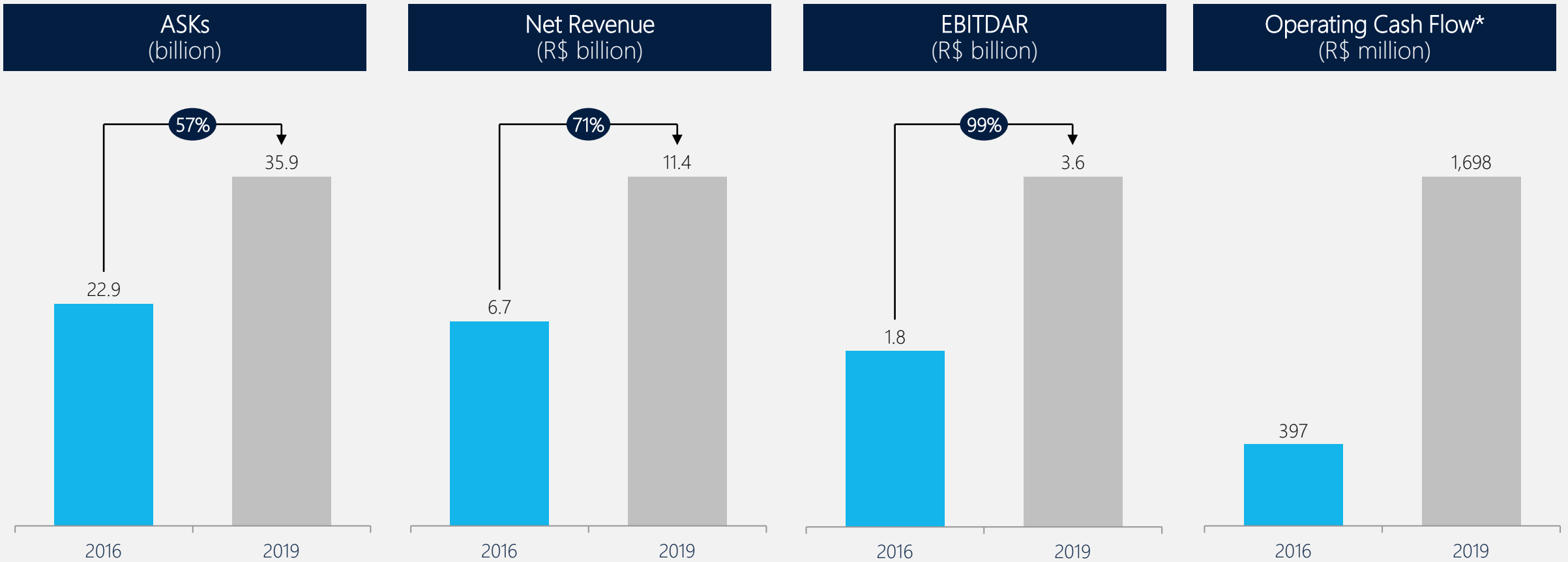
IPO US\$406  
million

2020



Convertible  
US\$325 million

# DELIVERING ON OUR IPO PROMISES



# UNPARALLELED NETWORK CONNECTIVITY

## LIMITED OVERLAP WITH COMPETITORS

127 Domestic destinations  
5 International destinations  
25 Destinations to be opened in next 90 days

Only carrier in  
**80%**  
of our routes



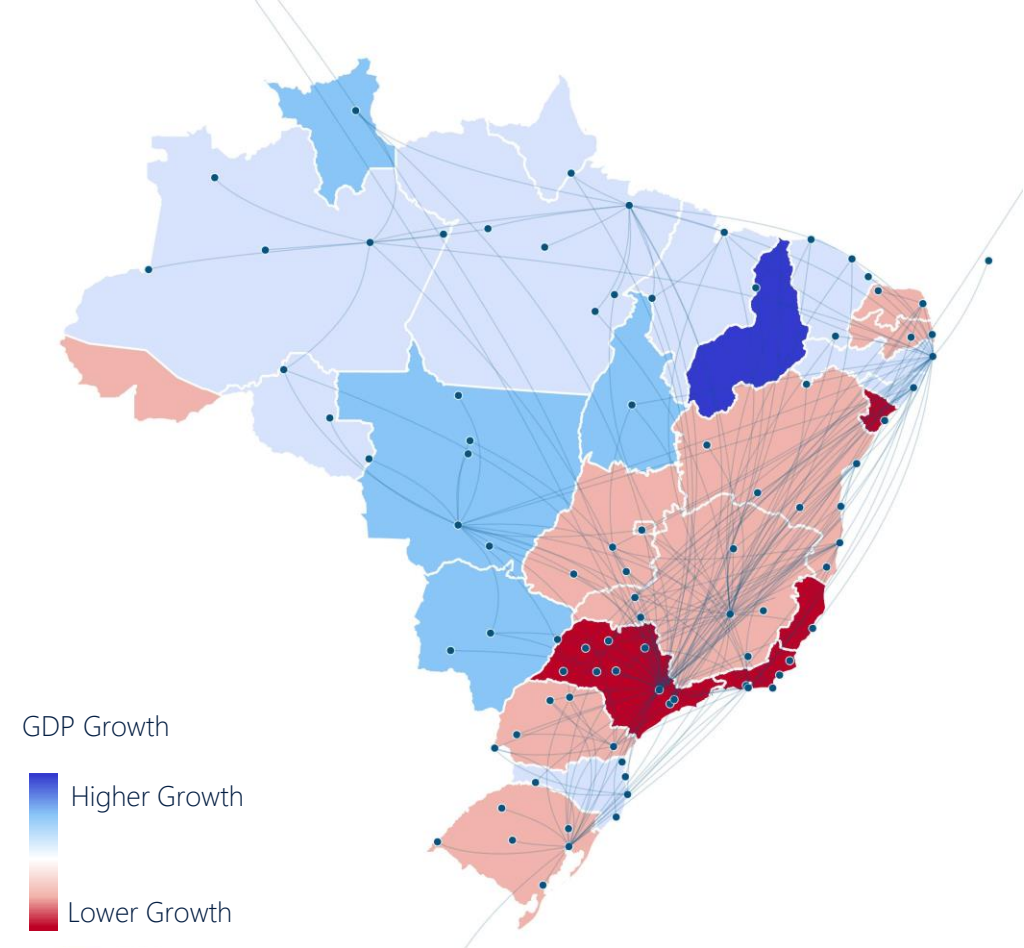
# UNIQUE NETWORK WITH STRATEGICALLY LOCATED HUBS

Competitors focus in the São Paulo, Brasília and Rio triangle



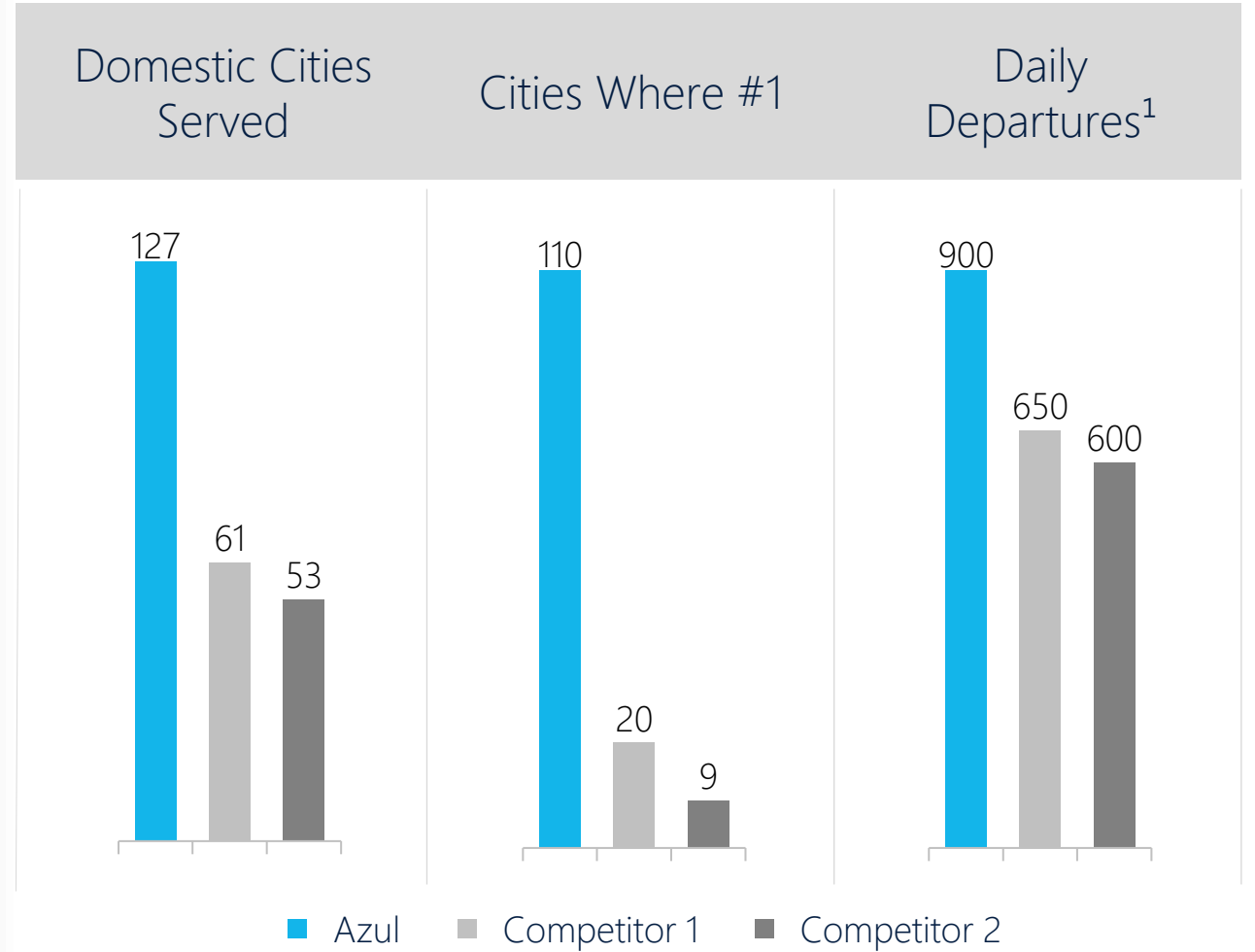
Over 90% of competitors' domestic ASKs are from/to cities in the triangle, compared to 37% for Azul

Azul serves all of Brazil



Azul's network is much more diversified, with higher exposure to fast-growing regions in Brazil

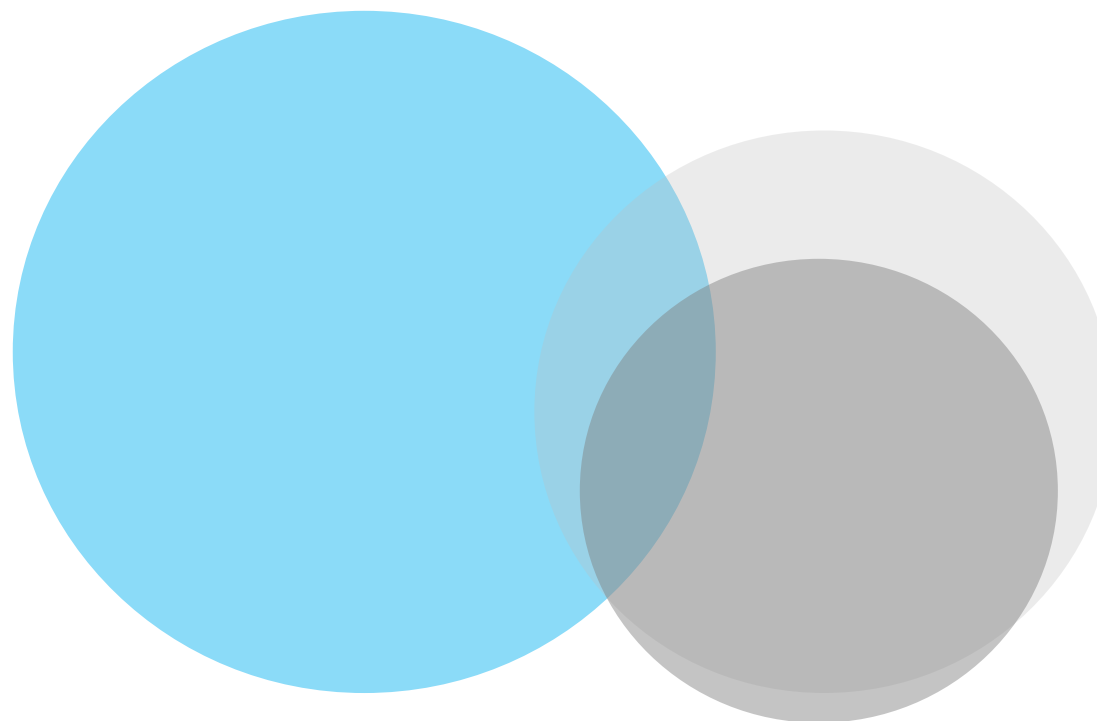
# LEADERSHIP IN MOST BRAZILIAN CITIES



CONTINUED  
LIMITED  
OVERLAP WITH  
COMPETITORS



## Domestic Brazil Route Overlap (2021)



 Azul    Competitor 1    Competitor 2



# HIGH CONNECTIVITY IN ALL HUBS: RECIFE

79

AVERAGE DAILY DEPARTURES

42

NON-STOP DESTINATIONS

35

EXCLUSIVE DESTINATIONS





# HIGH CONNECTIVITY IN ALL HUBS: BELO HORIZONTE

78

AVERAGE DAILY DEPARTURES

41

NON-STOP DESTINATIONS

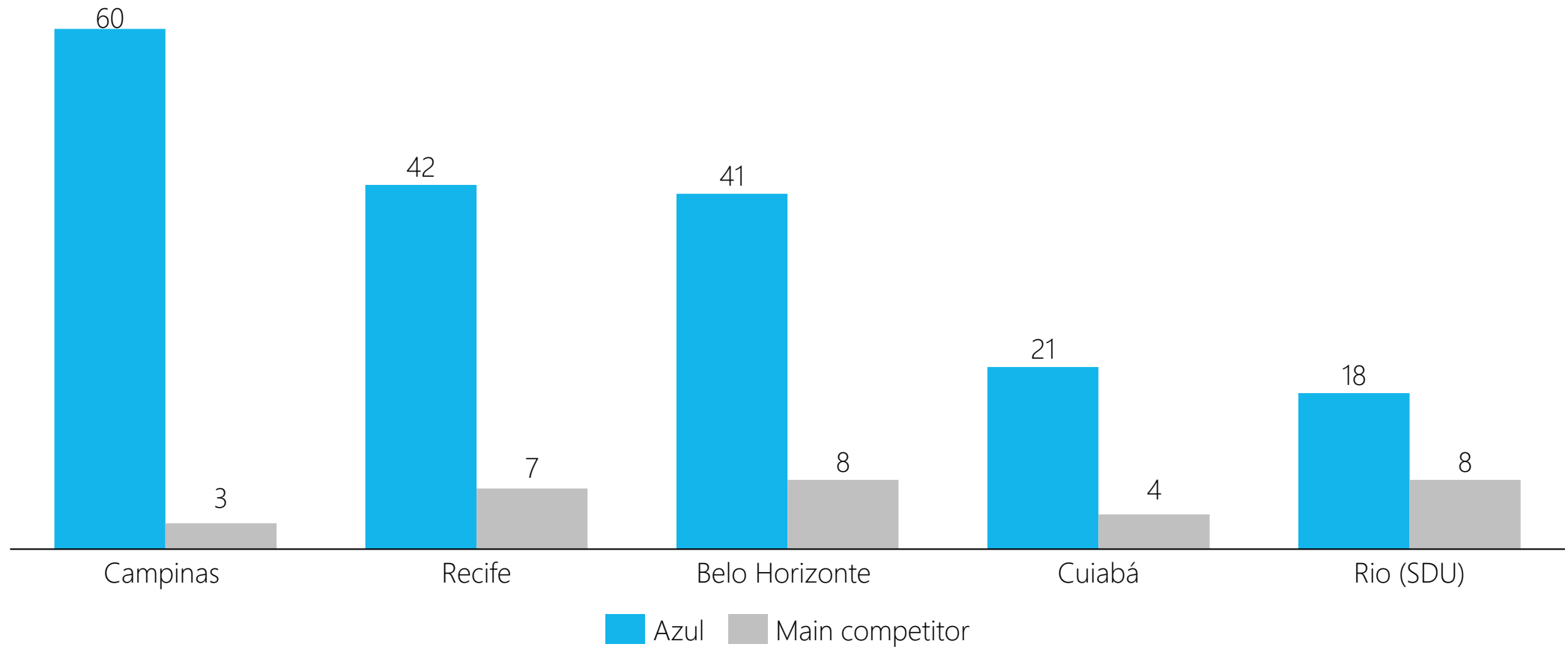
30

EXCLUSIVE DESTINATIONS



# MOST OPTIONS TO CUSTOMERS AT OUR MAIN AIRPORTS

## Non-stop Destinations by Airport



# INTERNATIONAL OPPORTUNITIES THROUGH PARTNERSHIPS

## Codeshare Agreements



## Interline Agreements



8 codeshare and 26 interline agreements with partners worldwide

# Diversified, Flexible Fleet to Serve all of Brazil



# MATCHING SUPPLY AND DEMAND



Cessna

9-12 seats



ATR

70 seats



Embraer

118-136 seats



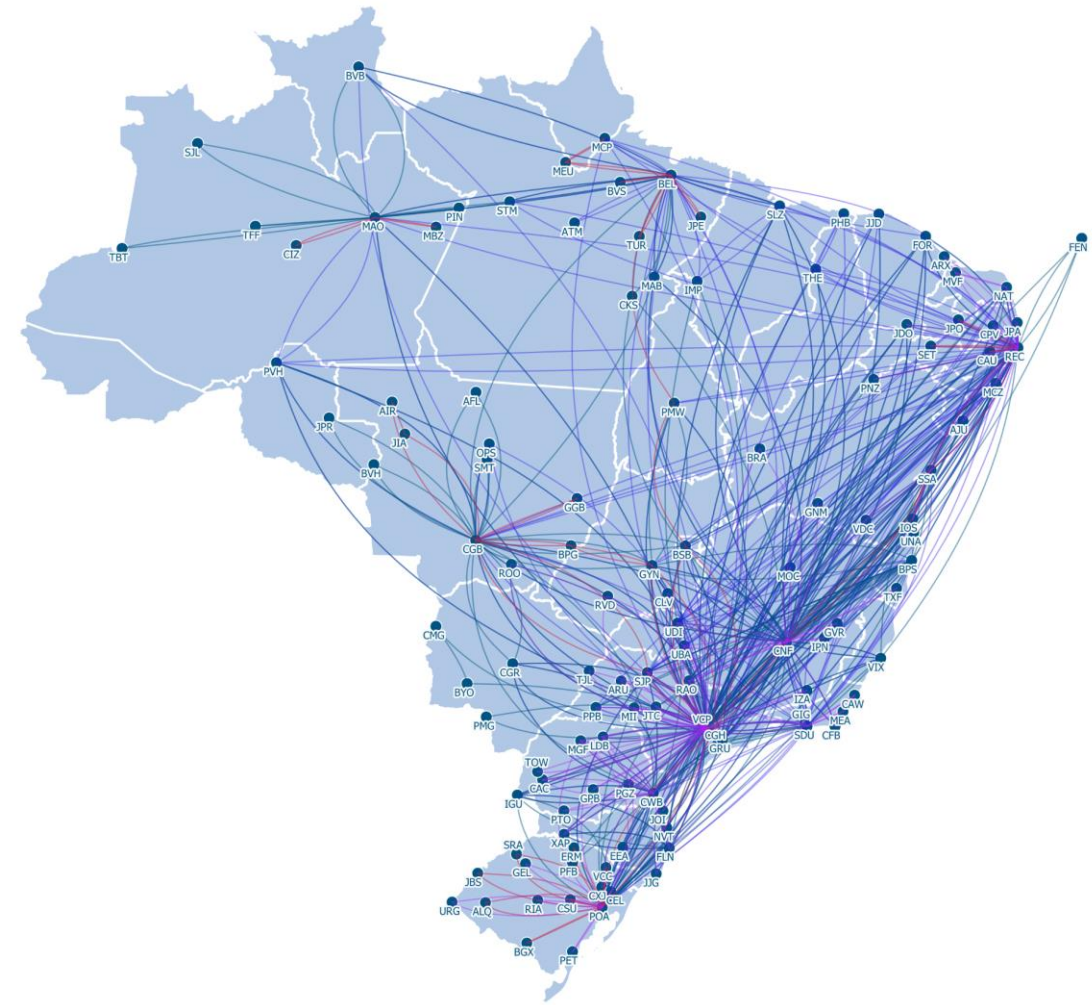
Airbus

174-214 seats

Low cost  
per trip



Low cost  
per seat

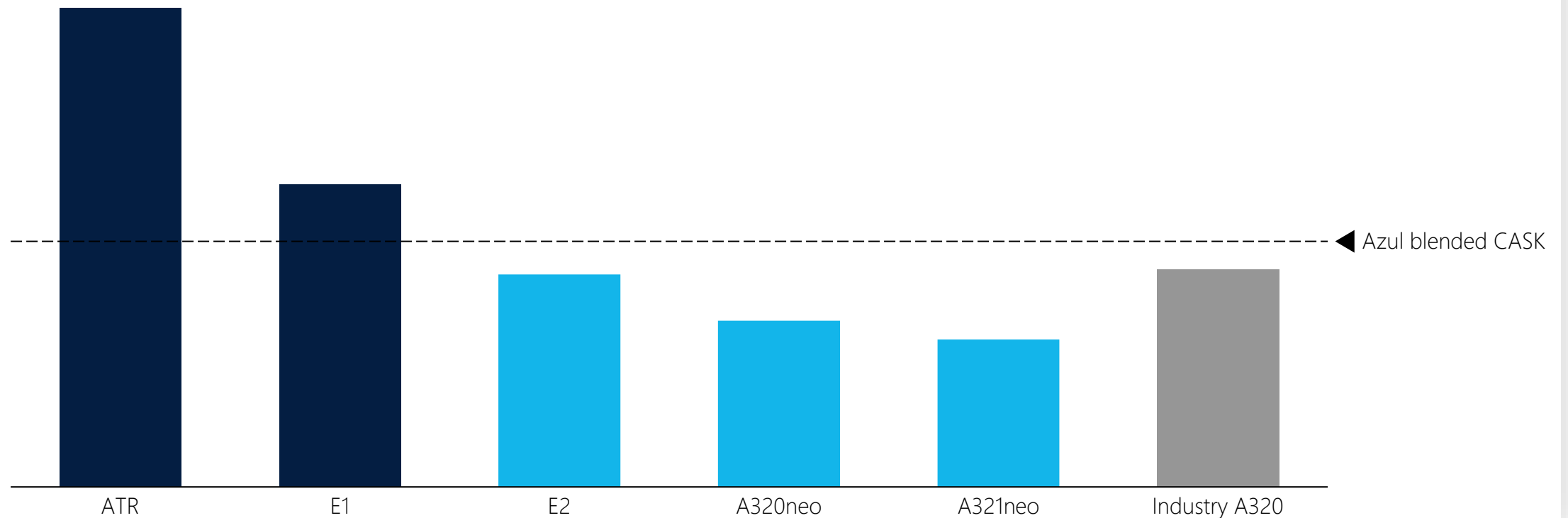


— Cessna — ATR — Embraer — Airbus

Low-cost means flying the largest aircraft you can fill  
Brazil has limited number of markets that can fill large aircraft

# THE REAL LOW-COST CARRIER

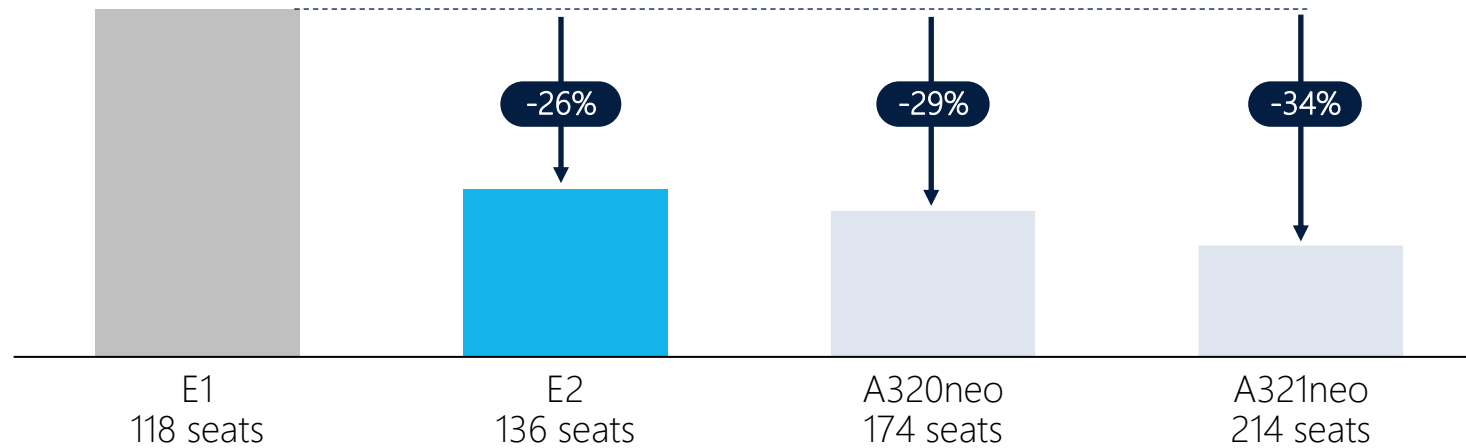
## CASK by Fleet Type



Next-generation E2s, A320neos and A321neos have lowest cost in the industry

# FLEET TRANSFORMATION OPPORTUNITY

## Cost per Seat



Fleet transformation into next-generation aircraft will provide significant margin expansion going forward

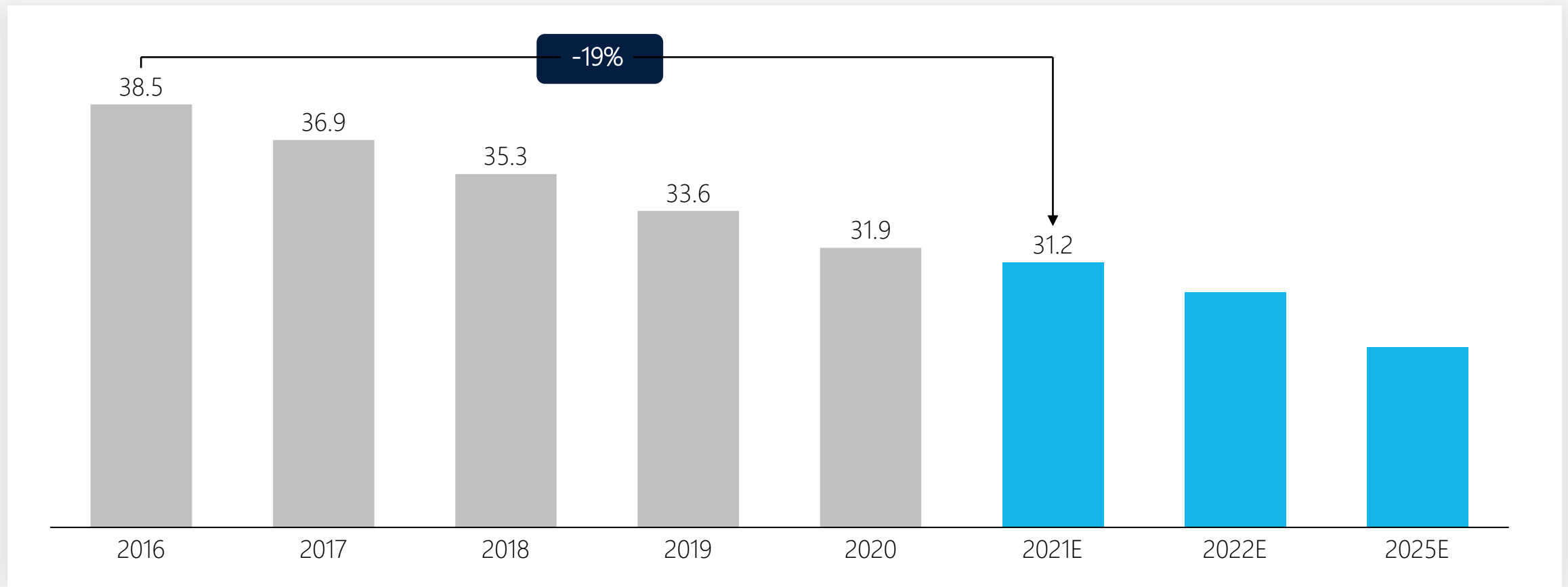
# SIGNIFICANT REDUCTION IN FUEL BURN

Fleet	Fuel burn per engine (kg/h)	Fuel Burn vs. E1	Seats vs. E1	Cost per seat vs. E1
Embraer E1	1,088			
Embraer E2	890	-18%	+15%	-26%
A320neo	1,097	+1%	+47%	-29%



# HIGHEST REDUCTION IN FUEL BURN AMONG PEERS, WITH MORE TO COME

Passenger Fleet Fuel Consumption  
(liters/ASK)



# E1S STILL REPRESENT LARGE NUMBER OF FLIGHTS

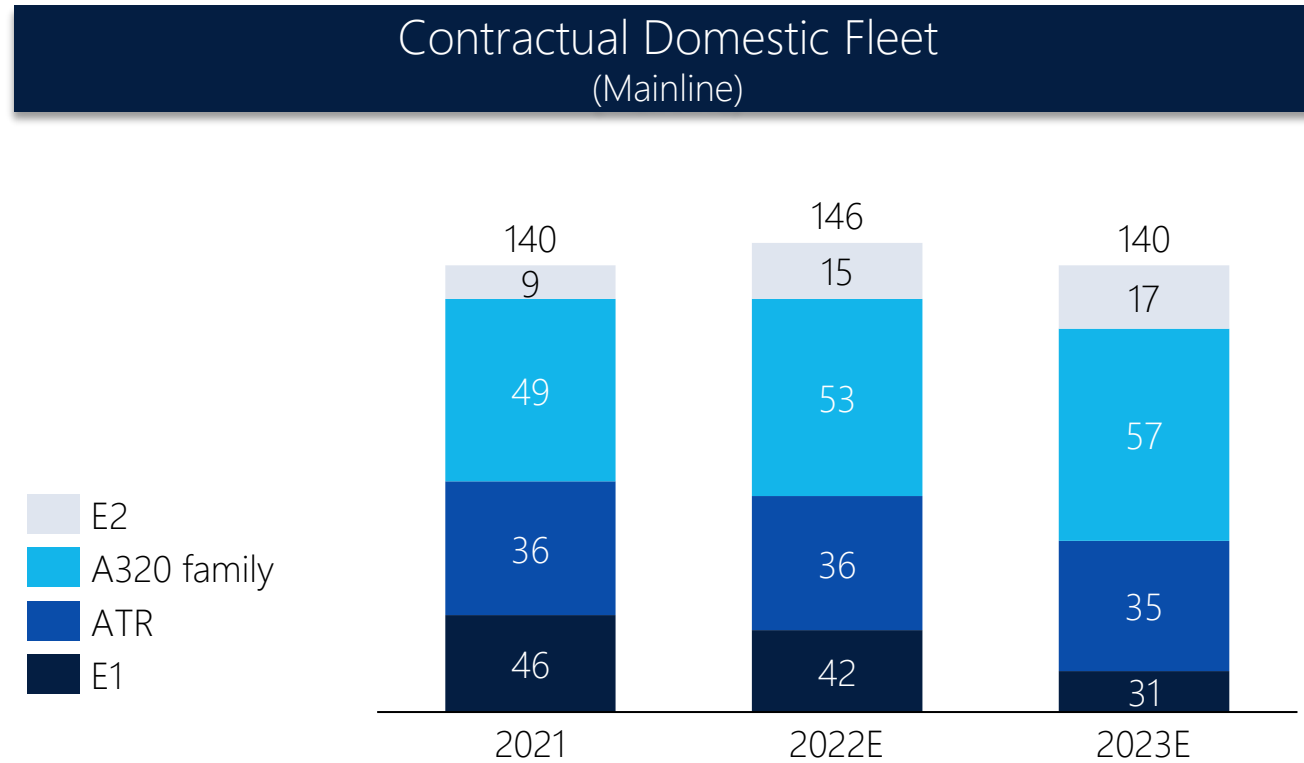
Fleet	Daily Flights	High Fuel Efficiency
A320neo	282	✓
Embraer E2	66	✓
ATRs	209	✓
Embraer E1	323	x
Total	900*	



Further cost-reduction opportunity by converting to next generation aircraft

Fleet transformation into next-generation aircraft will provide significant margin expansion going forward

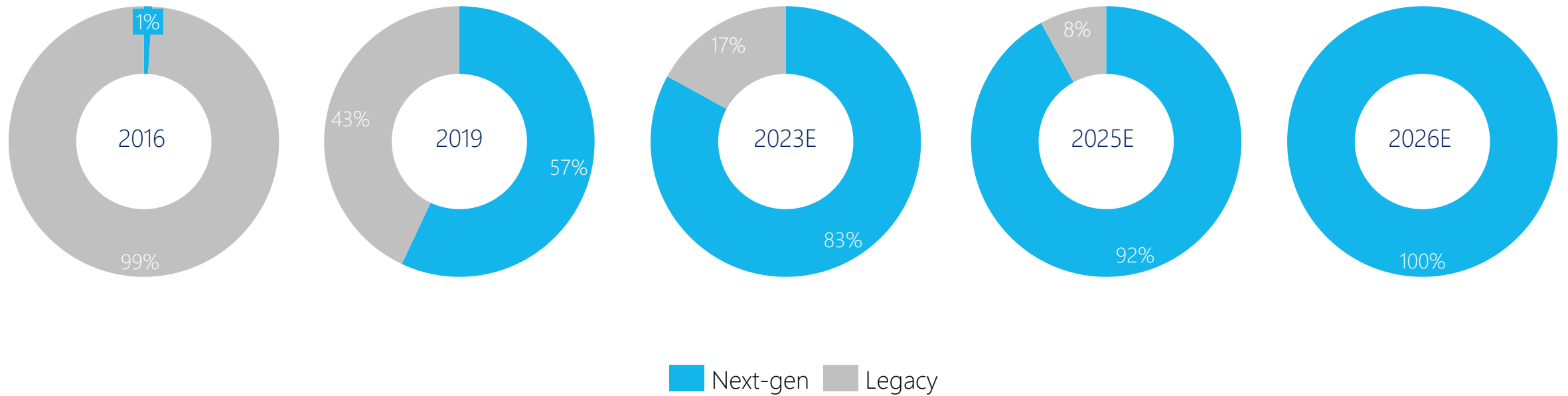
# AZUL CONTRACTUAL DOMESTIC PASSENGER FLEET PROJECTION



Fleet transformation to generate cash savings around R\$1 bi over next 12 months

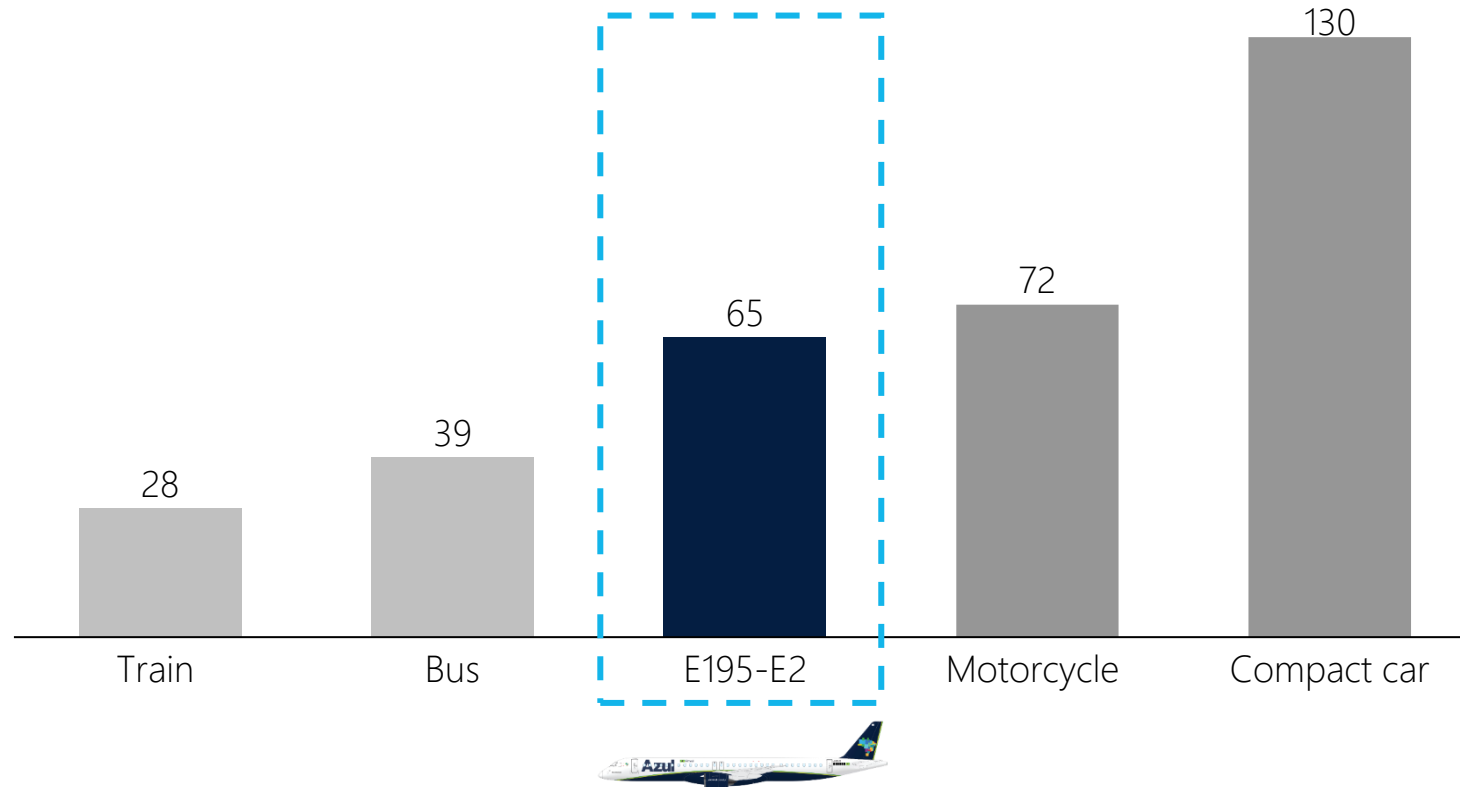
# PROJECTED FLEET TRANSFORMATION PROGRESS

## Next-Generation Aircraft (% of ASKs)



# ENVIRONMENTAL BENEFIT OF FLEET TRANSFORMATION

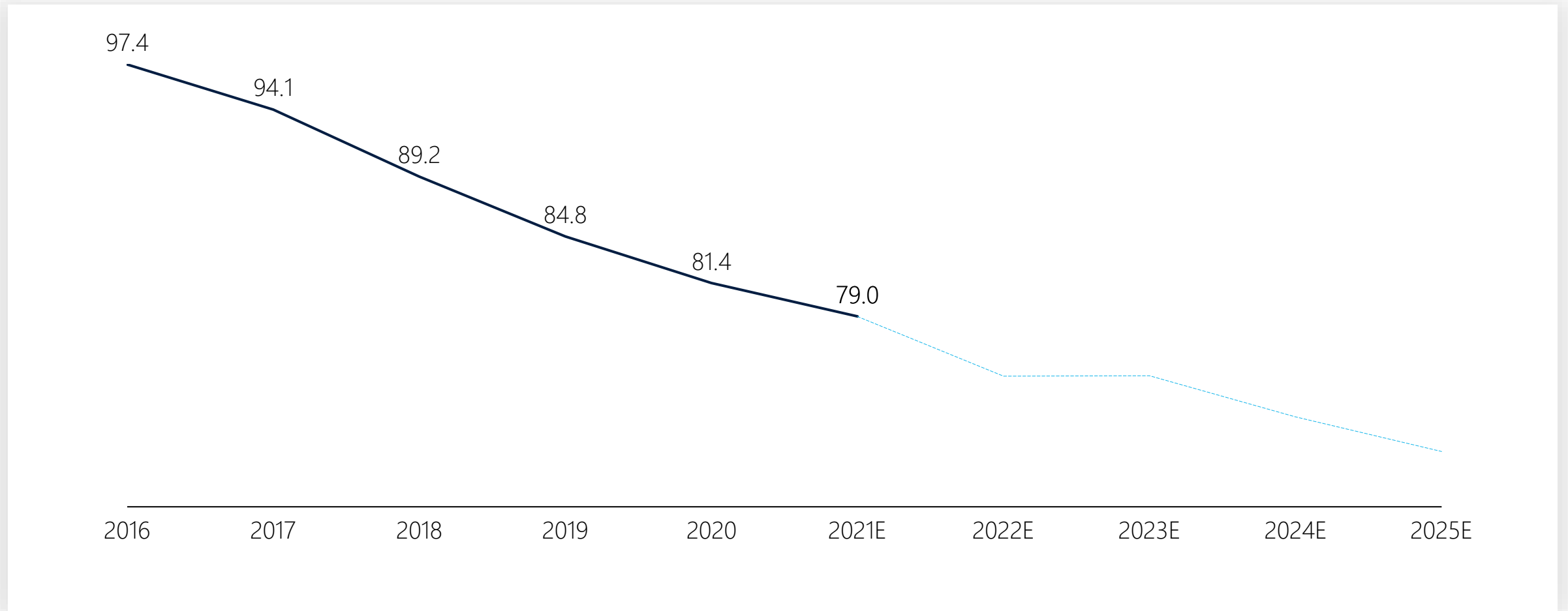
Grams of CO2 per Passenger Kilometer



Next-generation aircraft to provide safe, time-efficient and environmentally-friendly transportation

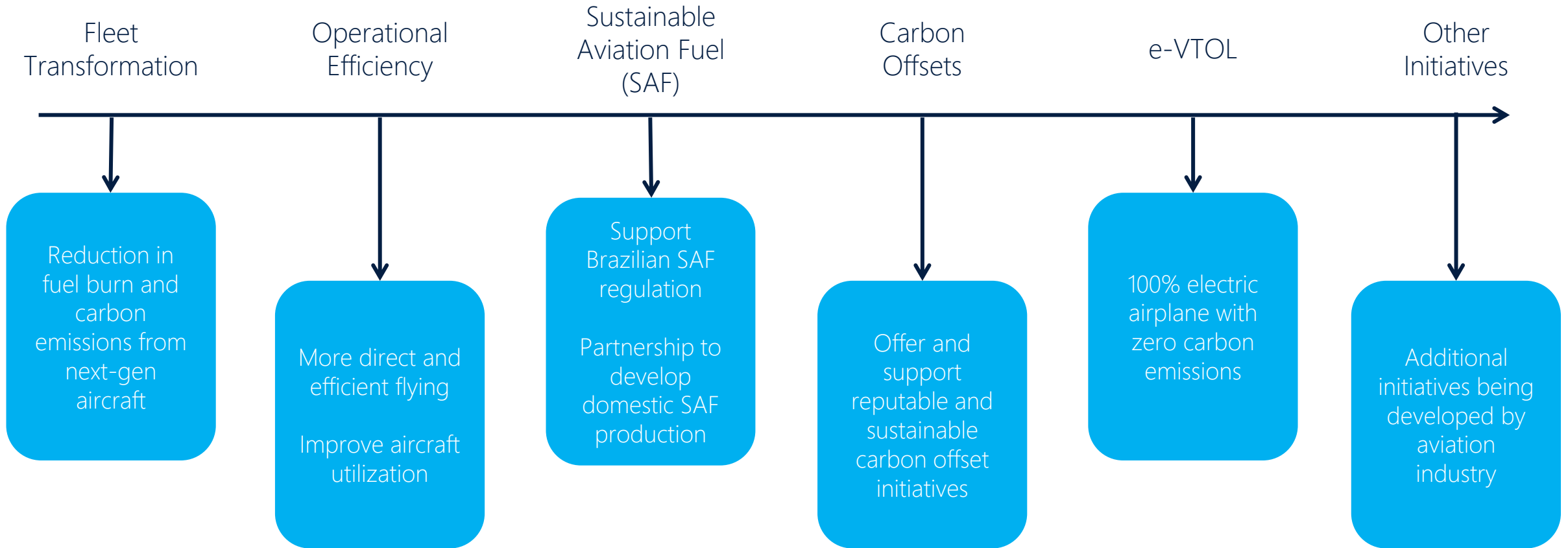
# ENVIRONMENTAL BENEFIT OF FLEET TRANSFORMATION

Relative Emissions  
(g CO<sub>2</sub>/ASK)



# CARBON NET ZERO KEY DRIVERS

Azul targets to be carbon-neutral by 2045, 5 years ahead of industry



# eVTOL: Azul Moving Toward the Future


- Strategic partnership with Lilium
- Exclusive electric vertical take-off and landing (eVTOL) operation in Brazil
- Focus on increasing connectivity in Brazil by leveraging Azul's unique business model
- 220 aircraft starting in 2025
- Accelerate ESG commitments: 100% electric airplane with zero carbon emissions





# BEST AIRLINE IN THE WORLD AND FOR THE WORLD

## 2021 ACTIONS

- 
- 15,000+ donations
  - 500+ organs transported
  - 48+ million vaccines doses delivered since onset of pandemic
  - 2,560+ volunteers
  - More than 200 voluntary actions helping over 9,000 people

## INITIATIVES



CDP Climate Questionnaire

Agenda 2030

Climate Disclosure

Sustainability reports



GHG Protocol

Science Based Targets Initiatives

UN Women adhesion

United Nations Global Compact Member

## HIGHLIGHTS



CO2 Net-Zero Commitment to 2045



Snack packages compensation and cans recycling



Signatory of UN Global Compact



Sustainability University



Free organ transportation



Fleet transformation

# STRONG SERVICE-ORIENTED CULTURE



# HIGH QUALITY CUSTOMER EXPERIENCE

Customer-oriented culture and innovative service providing an enjoyable customer experience

On-line check-in



Blue Carpet

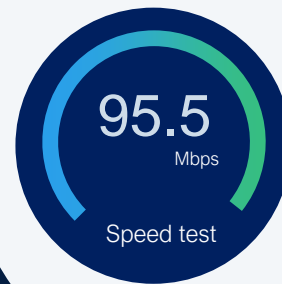


Intensified cleaning process

# THE BEST AZUL ONBOARD EXPERIENCE WITH HIGH-SPEED WI-FI

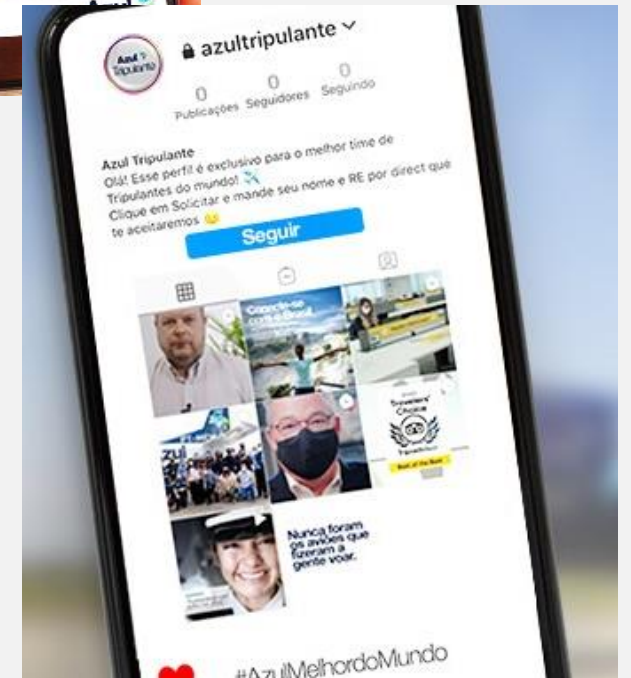
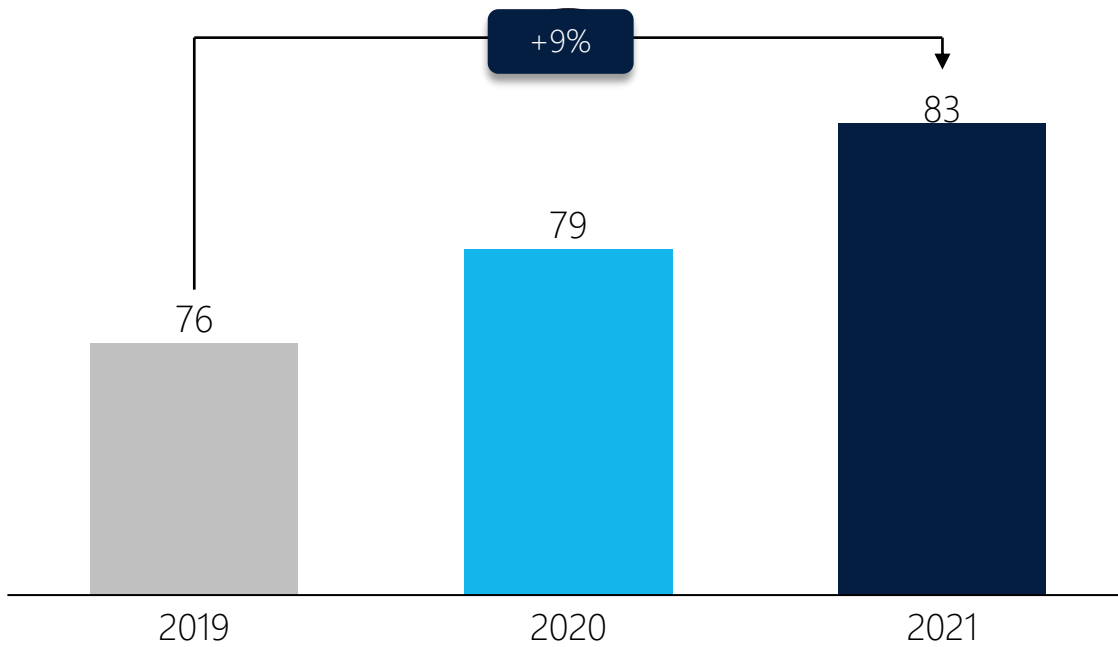
- Strong positive feedback from customers
- High speed available to all customers for free, enabled by corporate sponsorship
- Installations performed at Azul's hangar in Campinas

AZUL  
WIFI



# KEEPING OUR CREWMEMBERS ENGAGED

## Crewmember Satisfaction Survey

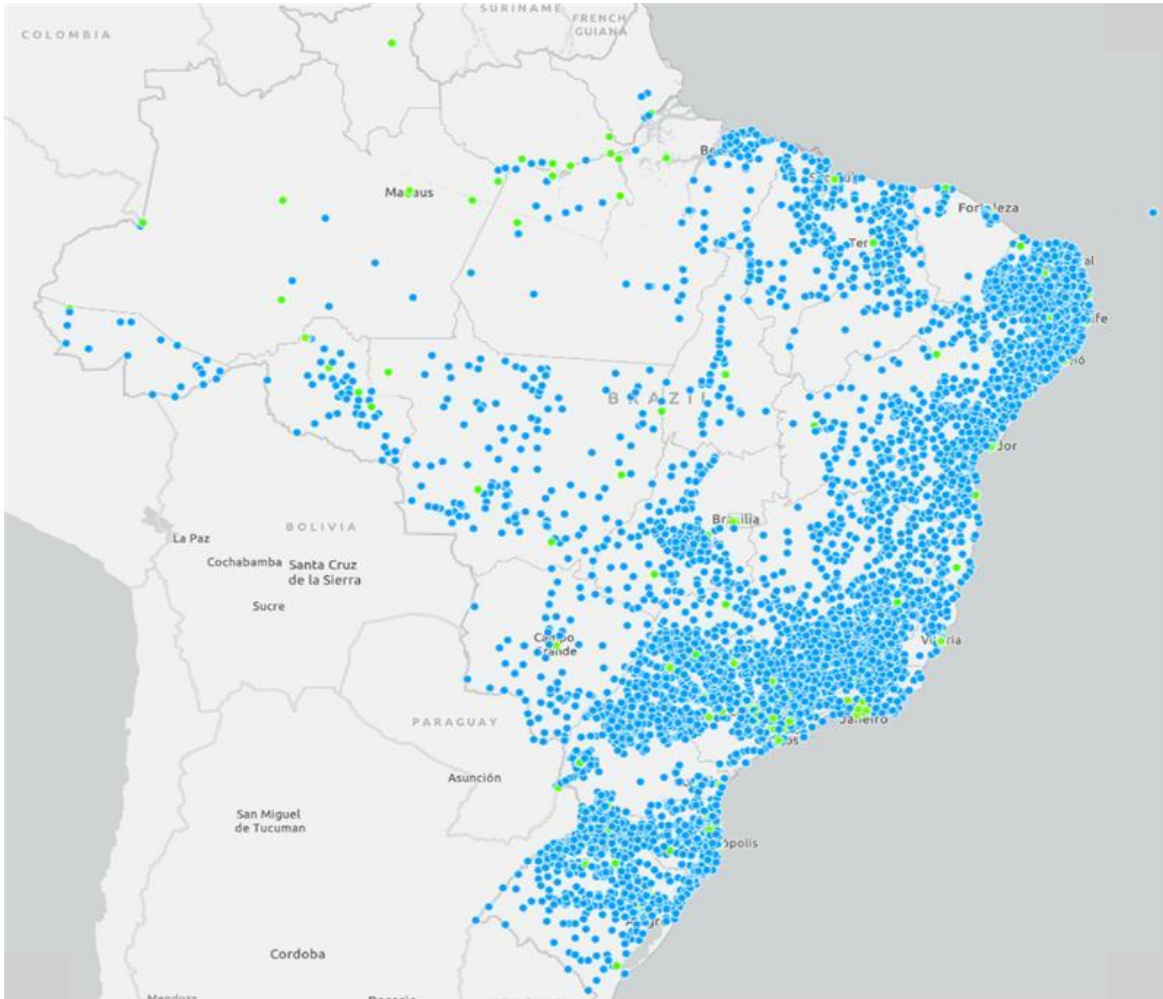




**Azul cargo**  
**Express**



# AZUL CARGO UNPARALLELED REACH



#1 in Brazil



Air service to 130+ destinations



300 Azul Cargo stores serving 4,500+ cities door-to-door



Delivery within 48 hours to over 2,000 cities



~80% of ATKs coming from belly space at very low variable cost



10+ million packages delivered in 2021

Network covers over 90% of Brazil's population



# TudoAzul

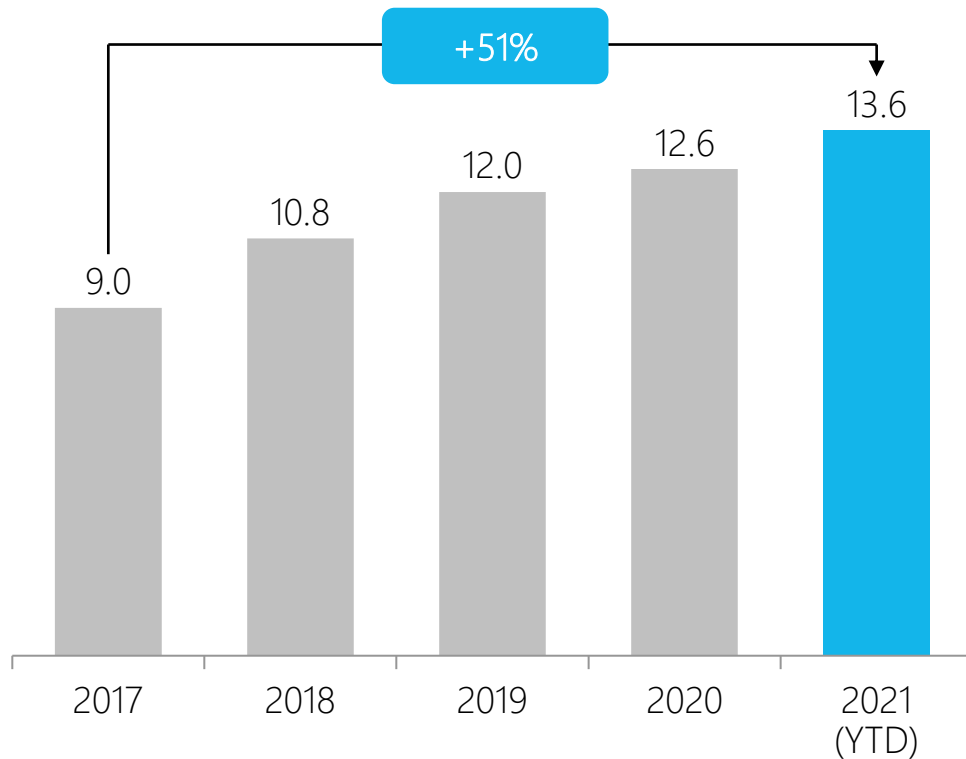
Programa de Vantagens



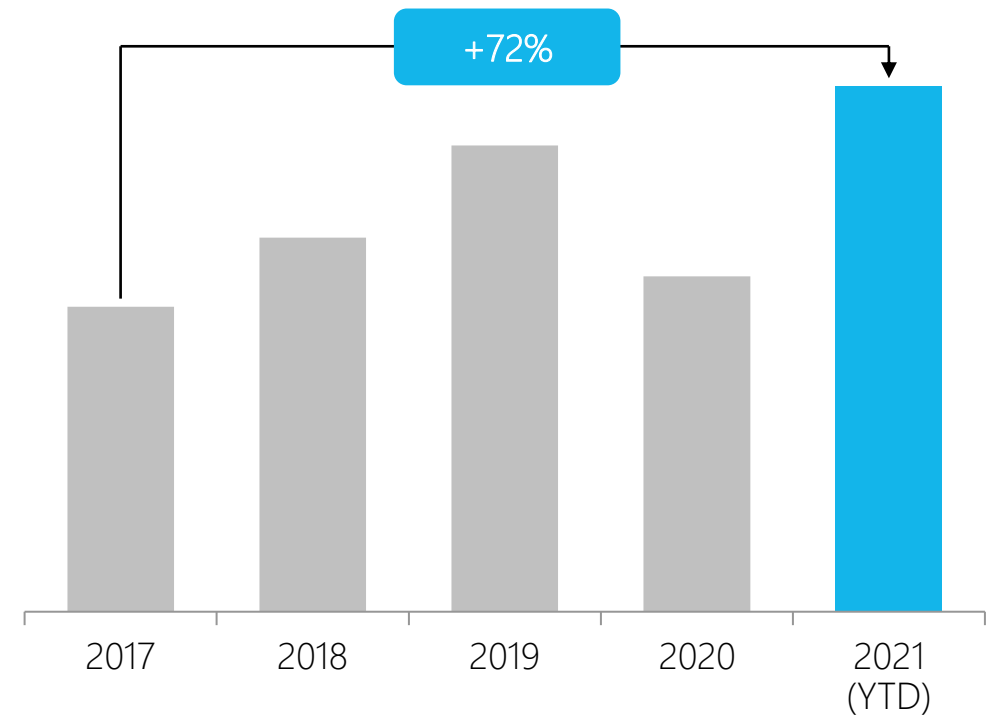


# ANOTHER ONE OF AZUL'S HIGH-GROWTH, RESILIENT BUSINESSES

TudoAzul Members  
(millions)



Points Accrued

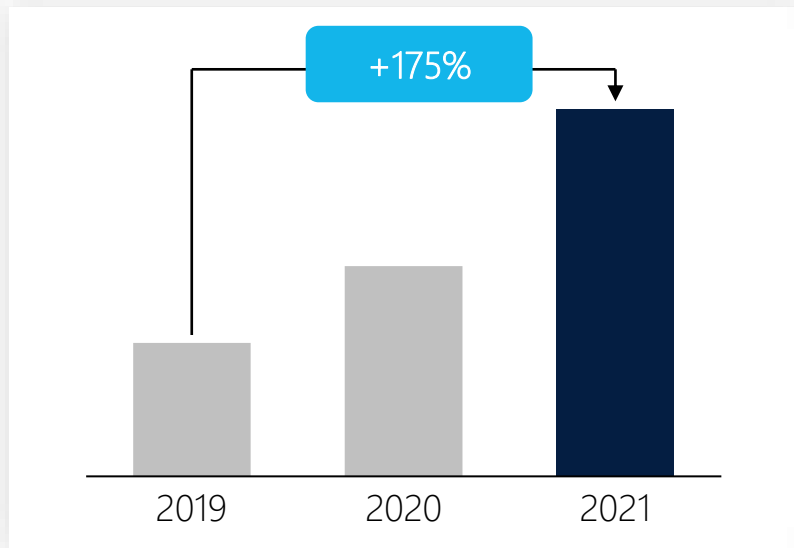
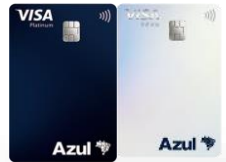


Sustained growth in TudoAzul members  
Fast recovery in redemptions, outpacing capacity

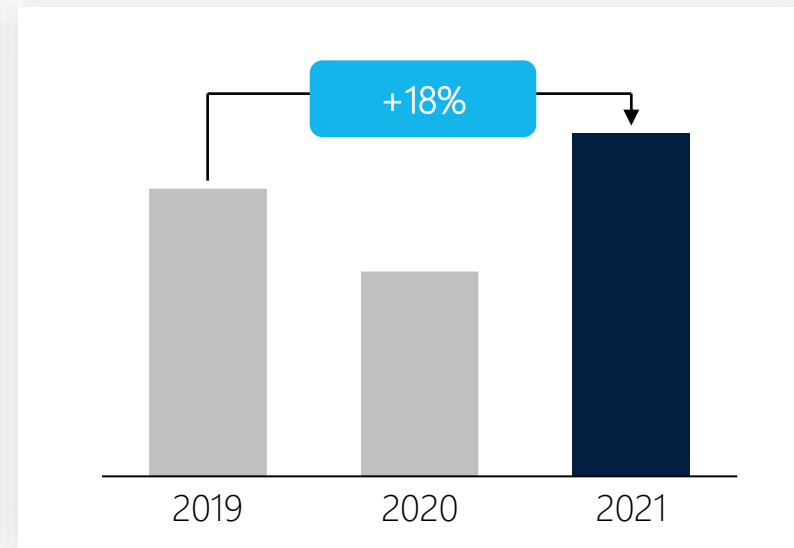
# DIVERSIFIED SOURCES OF REVENUE



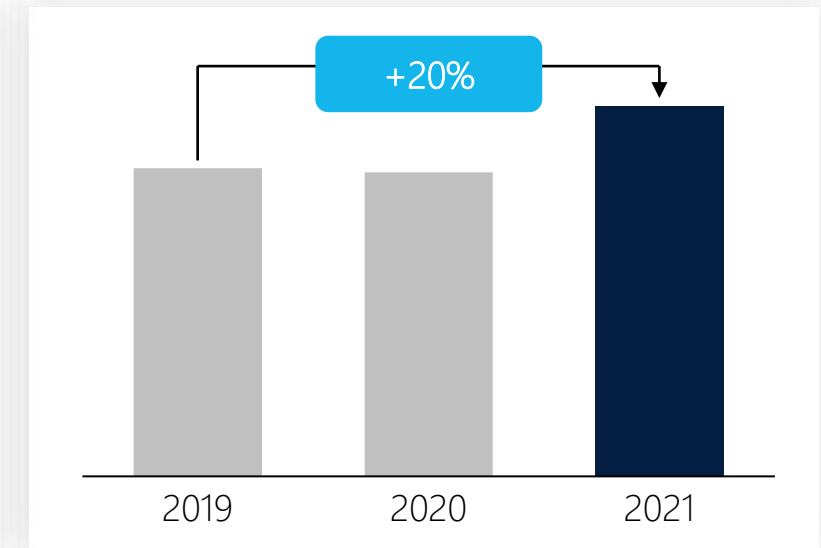
Co-Branded Credit Cards  
(R\$ million)



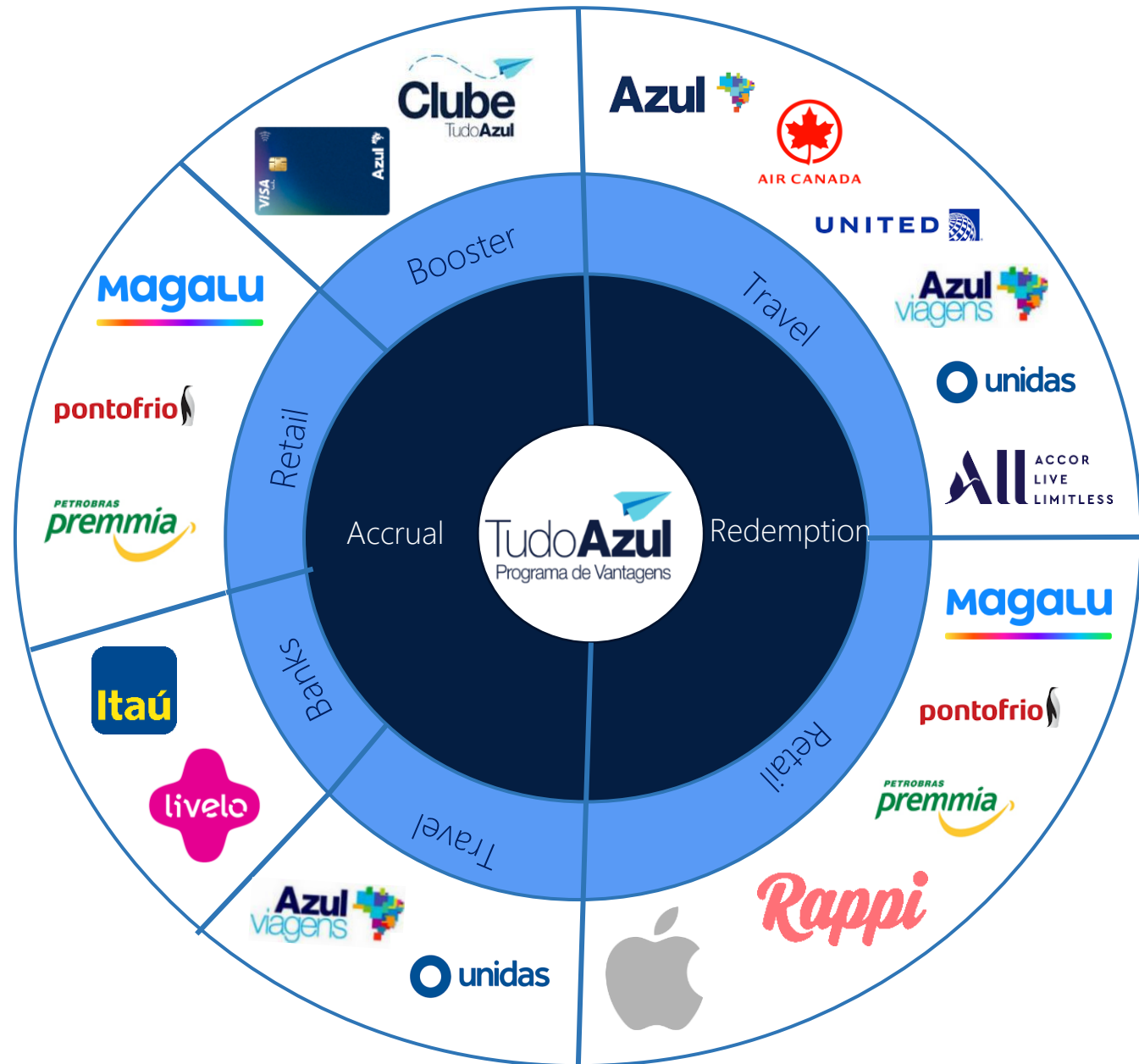
B2B  
(R\$ million)



B2C  
(R\$ million)



# BROAD RANGE OF VALUABLE B2B2C PARTNERSHIPS

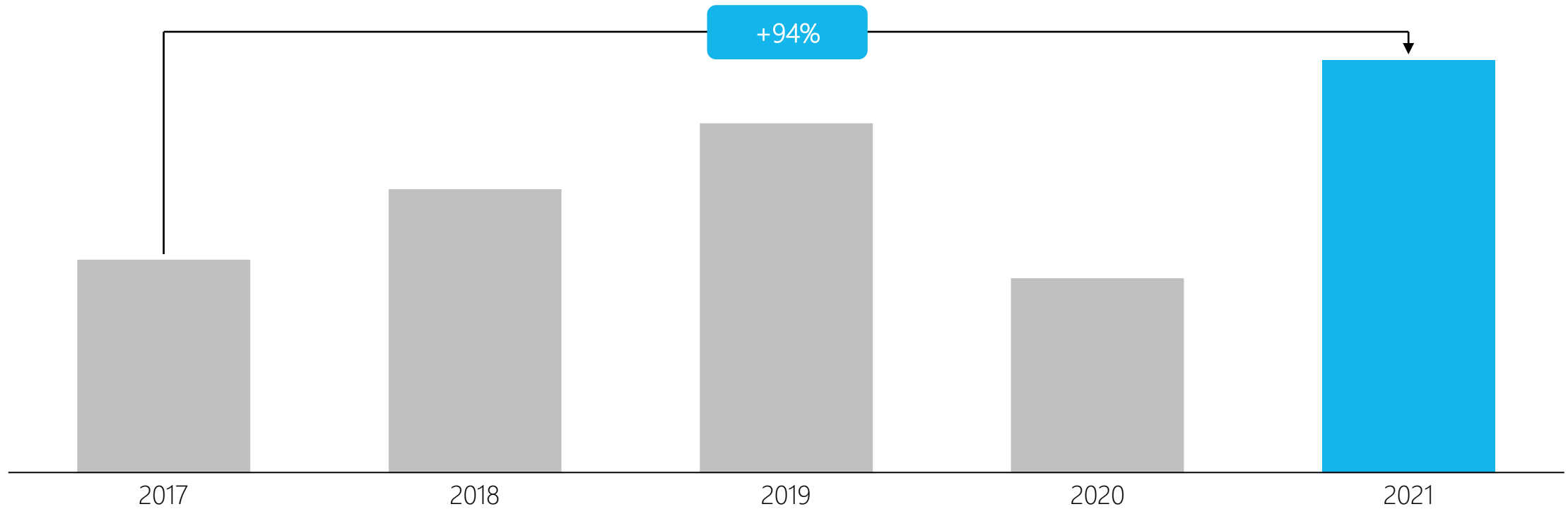


**Azul**  
viagens



# AZUL'S VACATION BUSINESS ALSO GROWING AND RECOVERING QUICKLY

## Azul Viagens Revenue Growth



Record sales and operating margin  
Leveraging Brazilian leisure demand recovery, among fastest in the world

## SUCCESSFUL STRATEGY OF DEDICATED FLIGHTS



Currently over 200 direct flights dedicated to Azul Viagens on weekends, tapping demand in unserved markets

# One of the Fastest Recoveries in the World



# ADVANCING VACCINATION IN BRAZIL

80%+

OF ADULT POPULATION FULLY VACCINATED

77%+

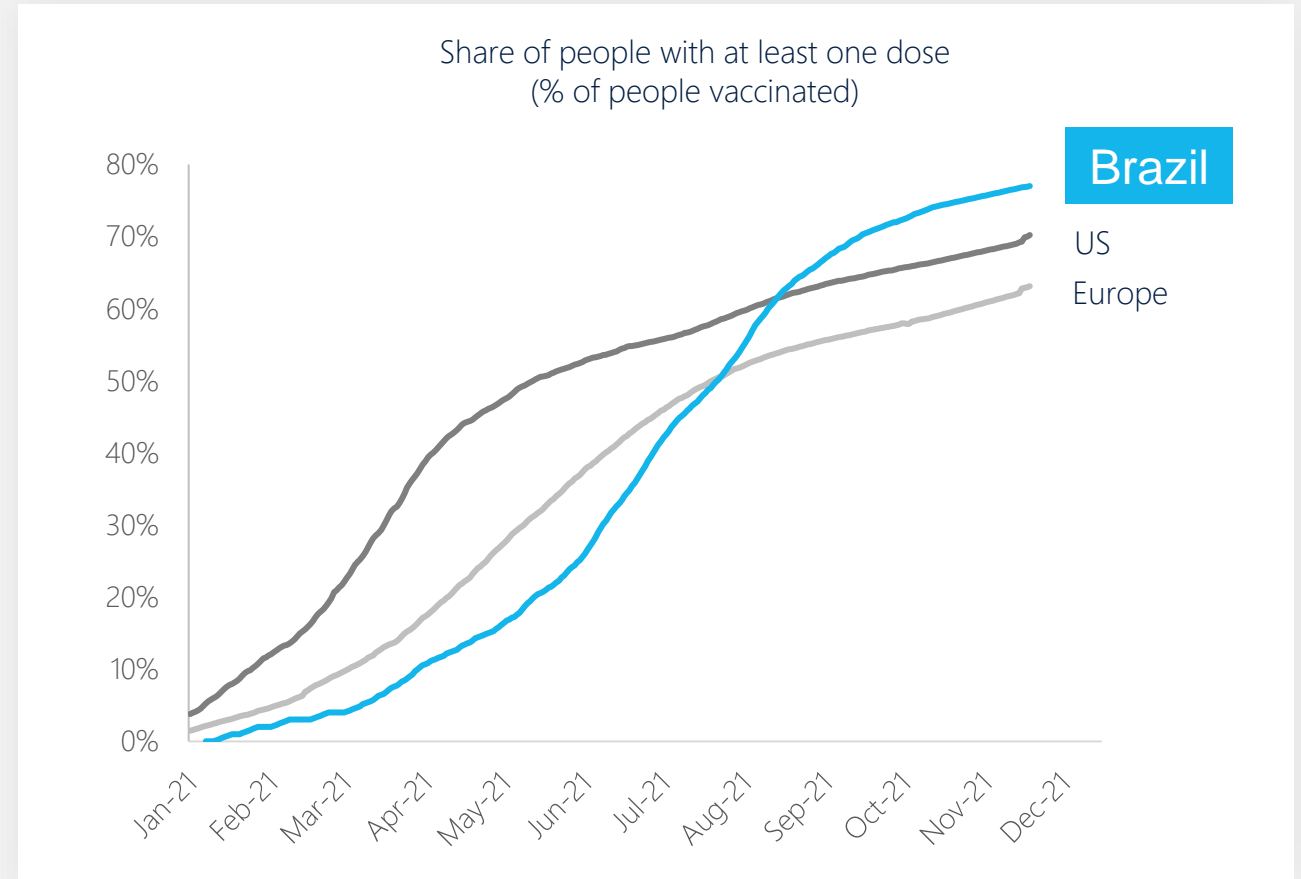
OF TOTAL POPULATION VACCINATED WITH AT LEAST ONE DOSE

64%+

OF TOTAL POPULATION FULLY VACCINATED

314 M+

DOSES APPLIED

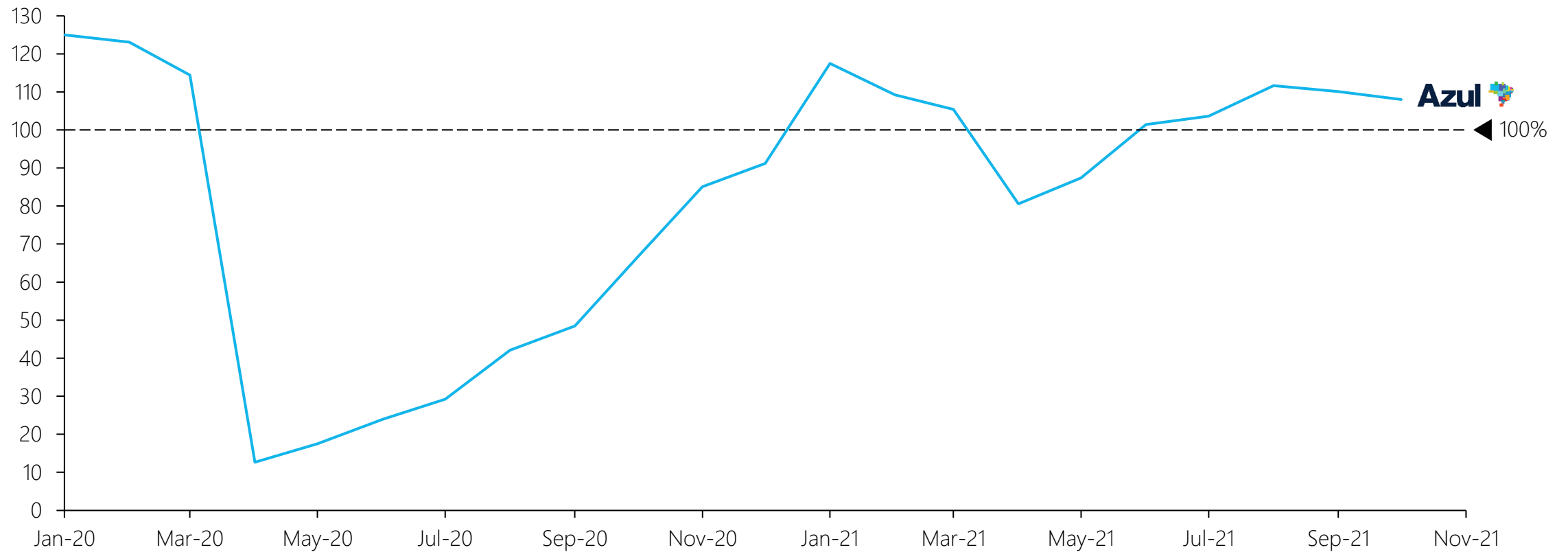


More than 17 million booster doses already applied in Brazil



# STRONGEST RECOVERY IN DOMESTIC DEMAND

## Domestic Capacity Recovery (% of 2019)



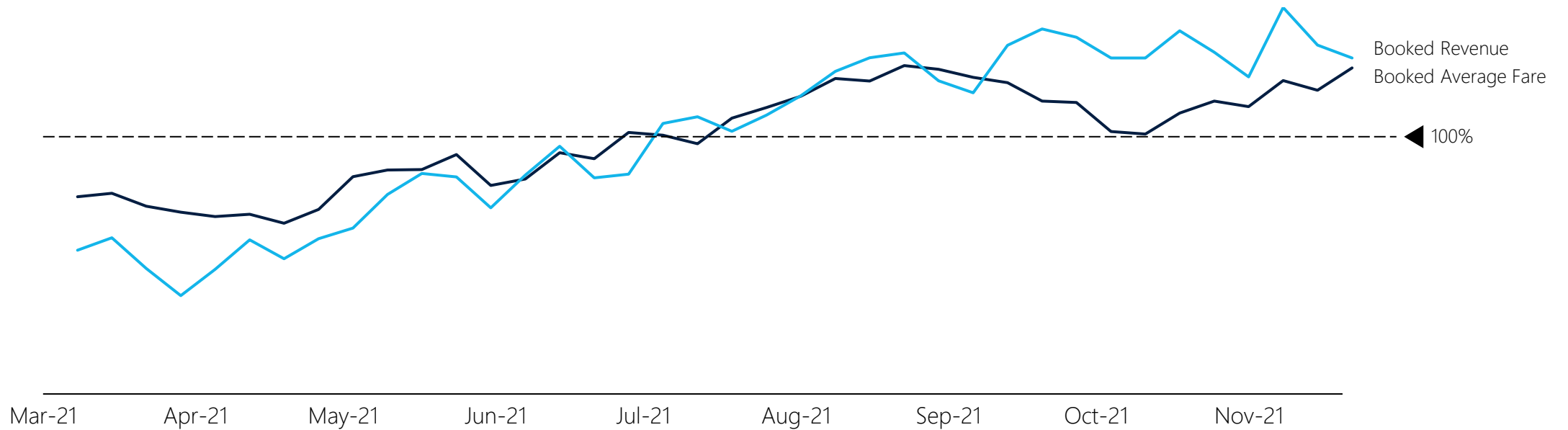
# CLEAR DEMAND RECOVERY

Total RASK and Domestic ASK recovery  
(% of 2019)



# CONTINUED DEMAND RECOVERY IMPROVING BOOKINGS AND FARES

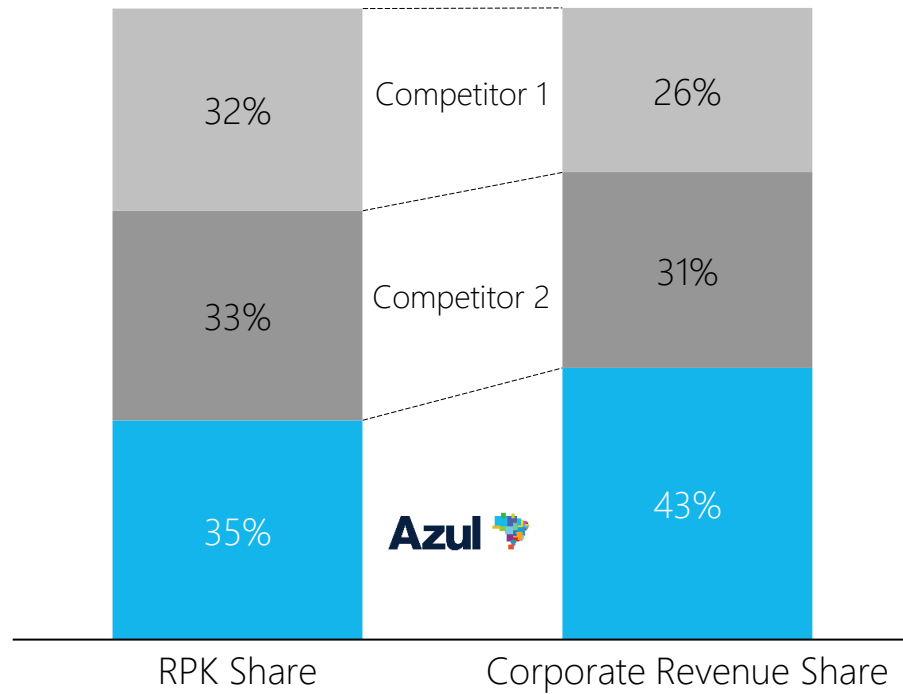
Domestic Booked Revenue and Booked Average Fare  
(% of 2019)



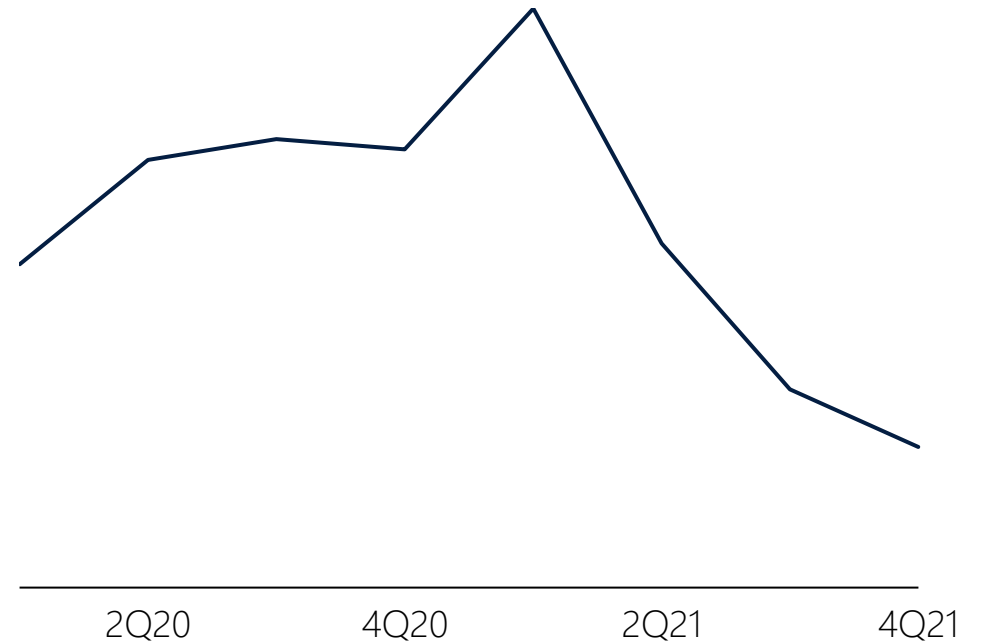
Domestic booked fares and booked revenue at record levels, well above 2019 in all segments  
Strong leisure demand while corporate is recovering faster than expected

# OUTPERFORMANCE IN CORPORATE DEMAND

## RPK and Corporate Revenue Share (10M21)



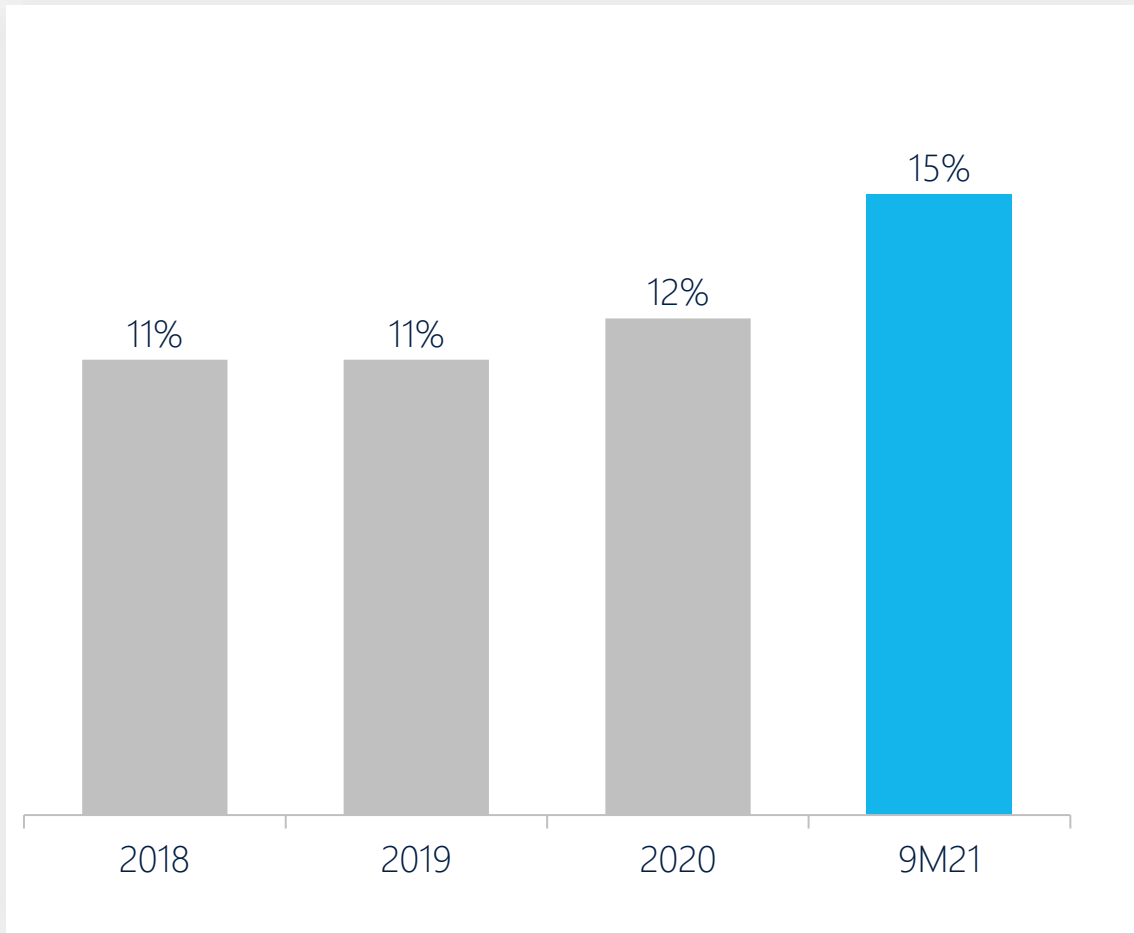
## Average Corporate Discount



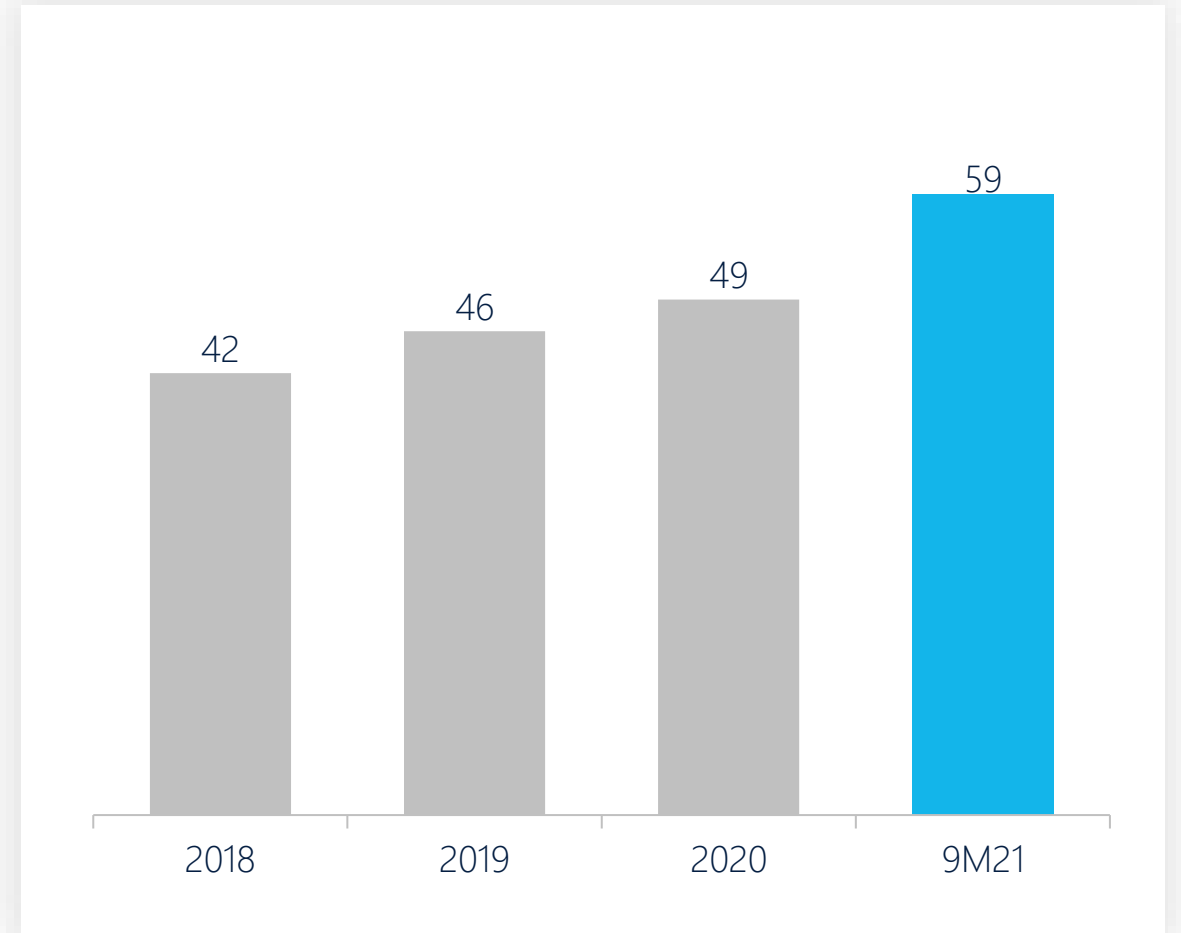
Success in reducing corporate demand distribution costs

# NON-TICKET REVENUE GROWING EVEN DURING PANDEMIC

Non-ticket revenue<sup>1</sup> as % of total revenue

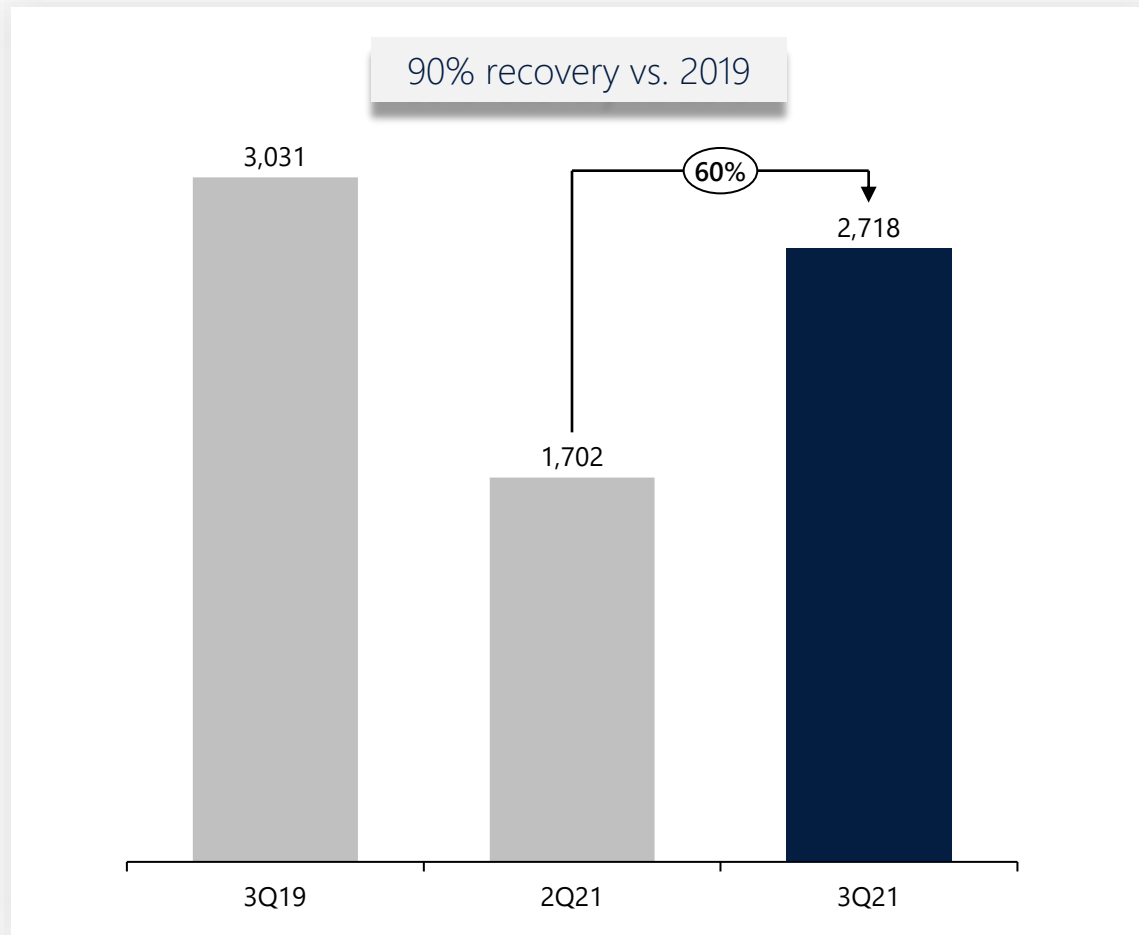


Non-ticket revenue per pax (R\$)

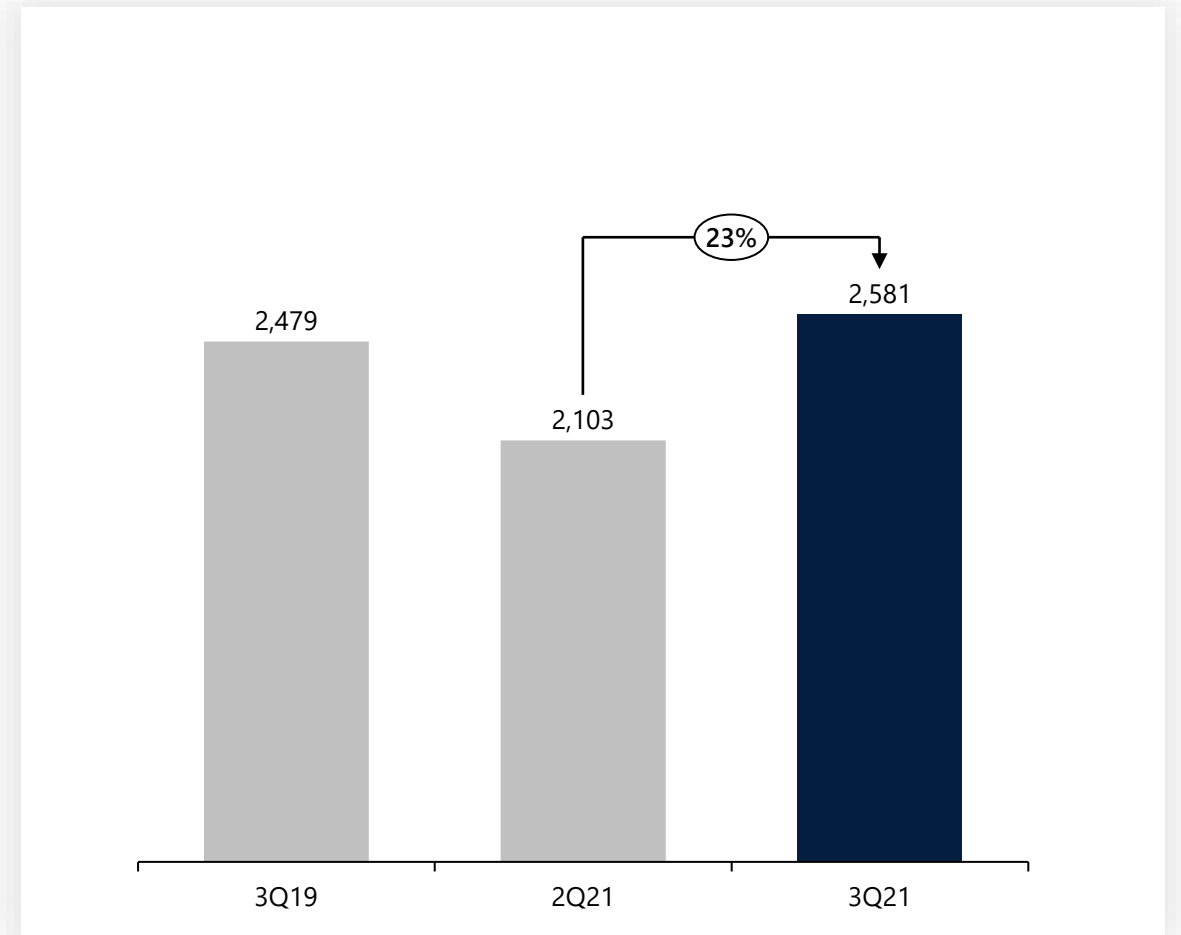


# 3Q21 FINANCIAL HIGHLIGHTS

## Operating Revenue (R\$ M)

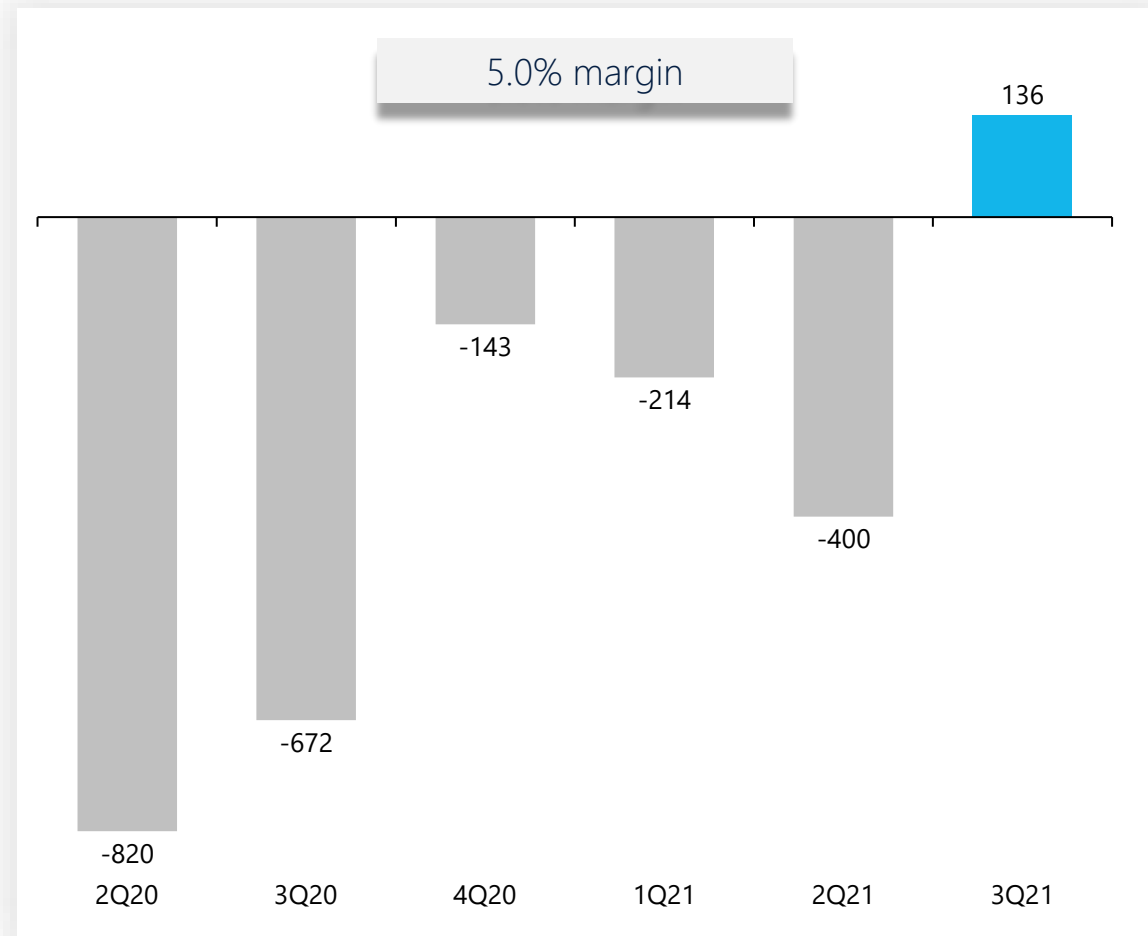


## Operating Expense<sup>1</sup> (R\$ M)

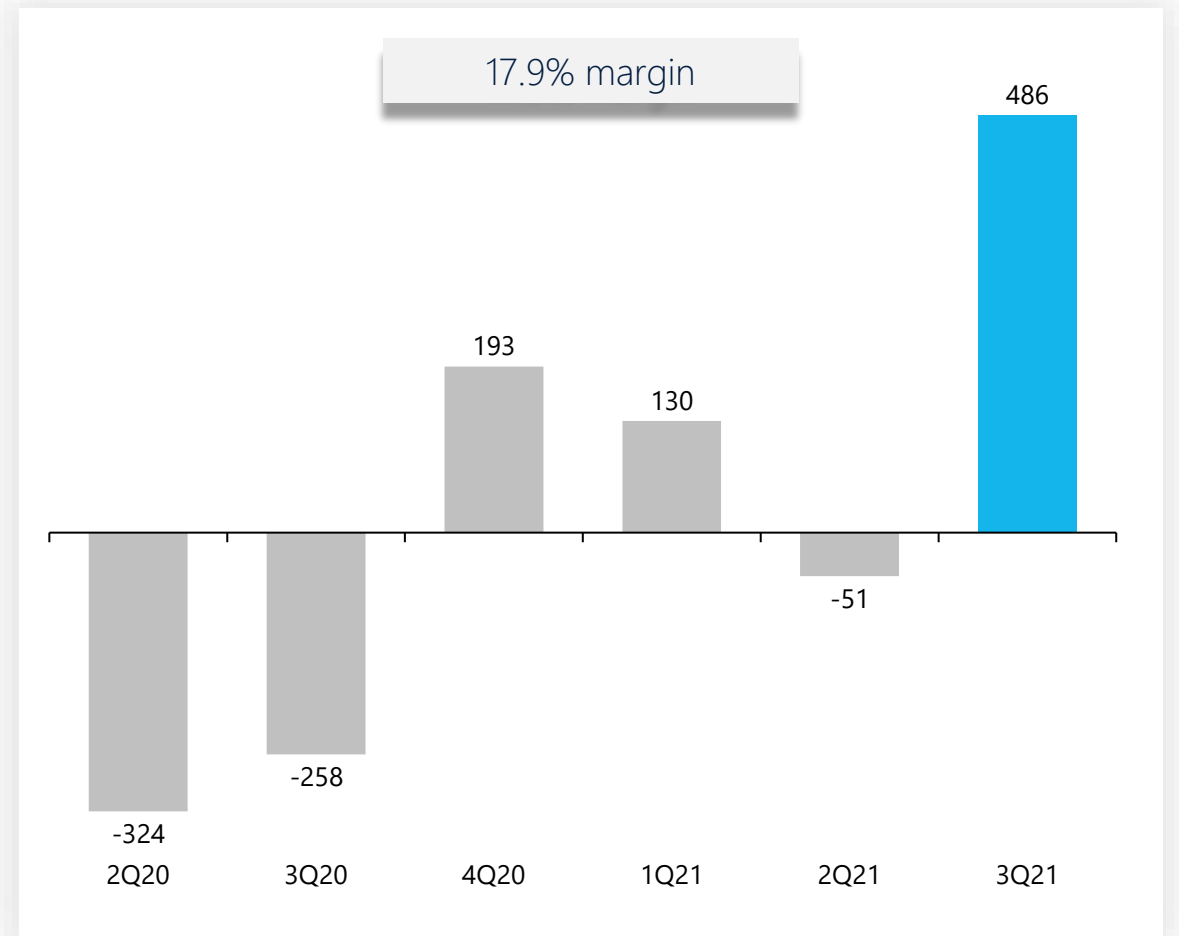


# RECORD EBIT AND EBITDA SINCE ONSET OF PANDEMIC

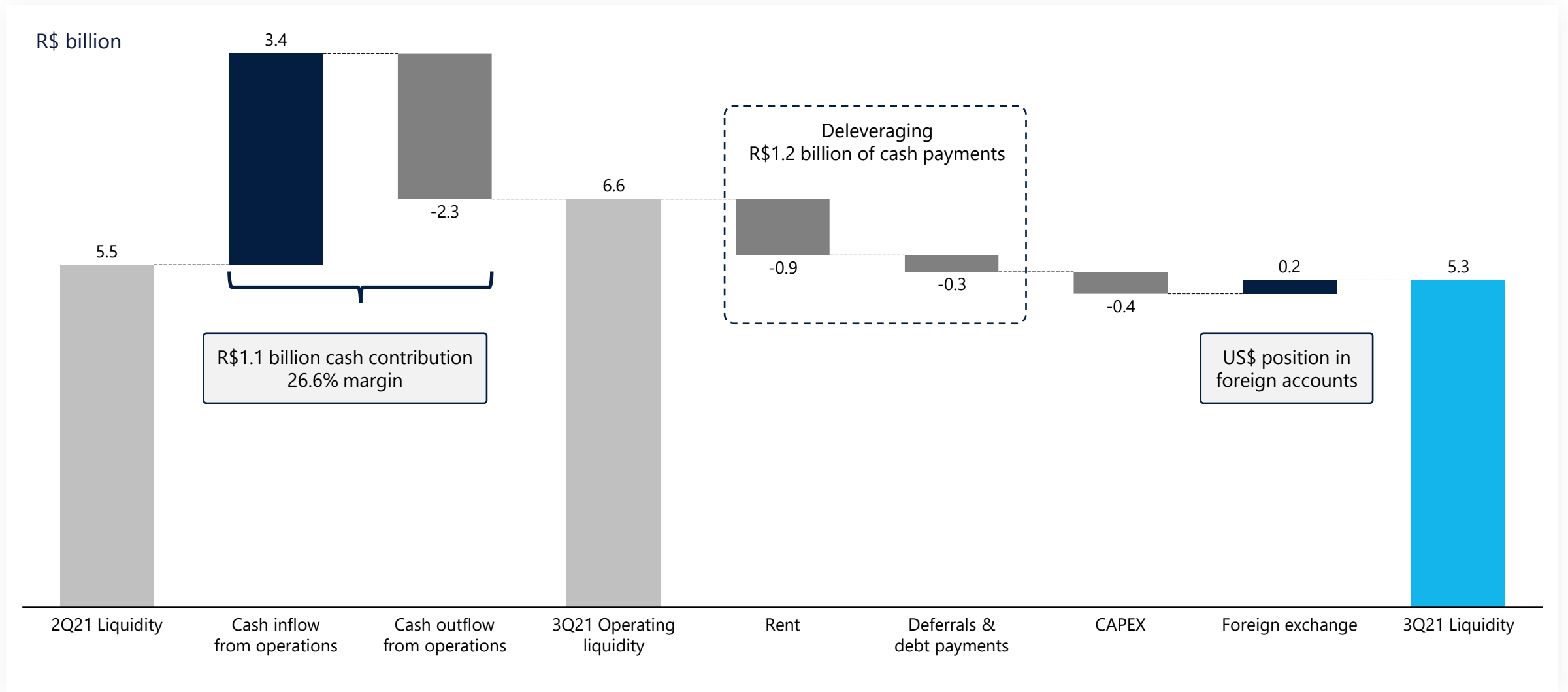
## Operating Income<sup>1</sup> (R\$ M)



## EBITDA<sup>1</sup> (R\$ M)



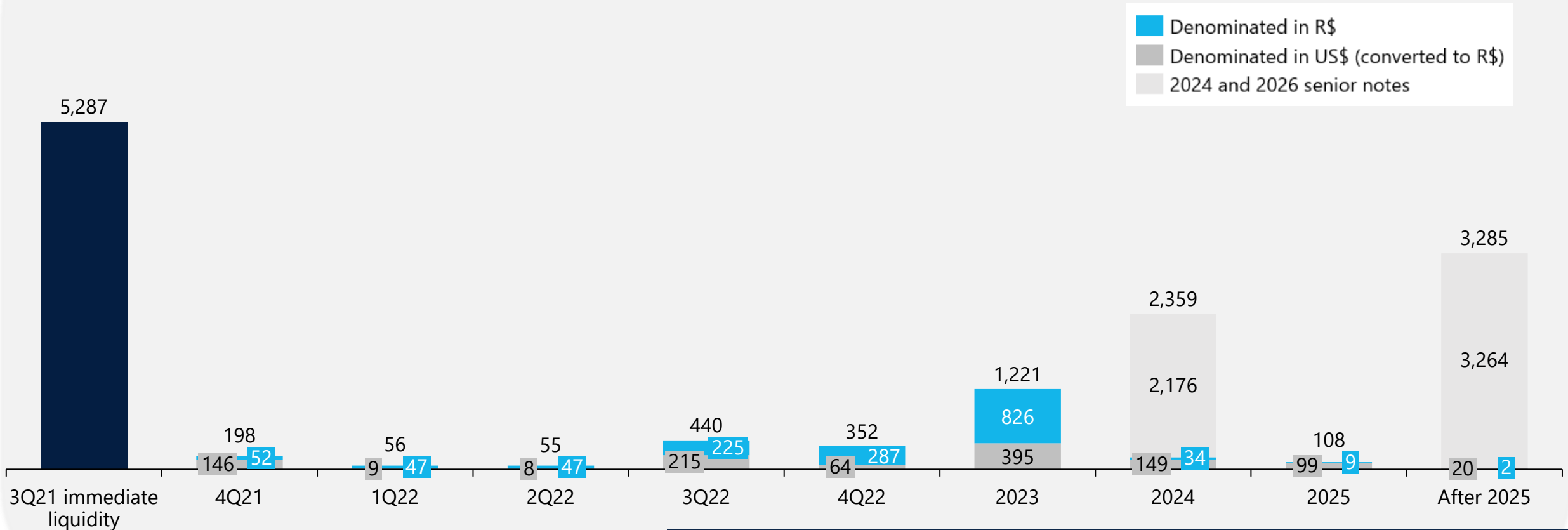
# CONTINUED GENERATION OF CASH FLOW FROM OPERATIONS





# HEALTHY DEBT MATURITY PROFILE

## Debt Amortization Profile (R\$ million)



No significant debt repayments over next two years and no restricted cash

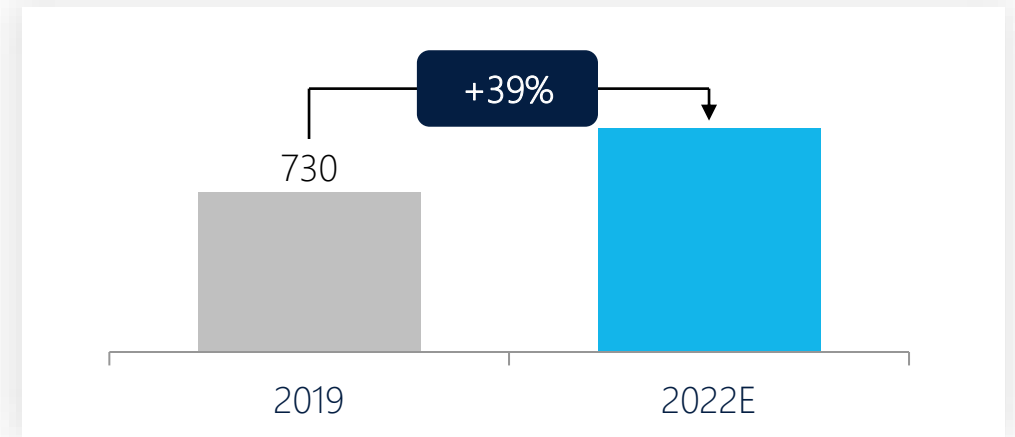
# Success in Improving Cost Structure



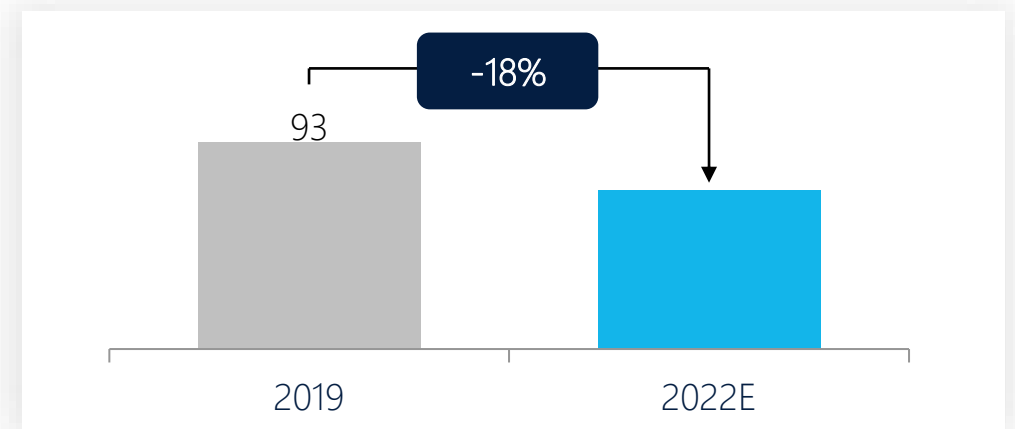
# REBUILDING AZUL AS A MORE EFFICIENT AIRLINE

- Operational leverage to reduce CASK as capacity recovers
- Commitment to reduce CASK further by rebuilding Azul network as more efficient airline
- Leveraging fleet upgauging, changes in customer behavior, and adding more automation and better processes

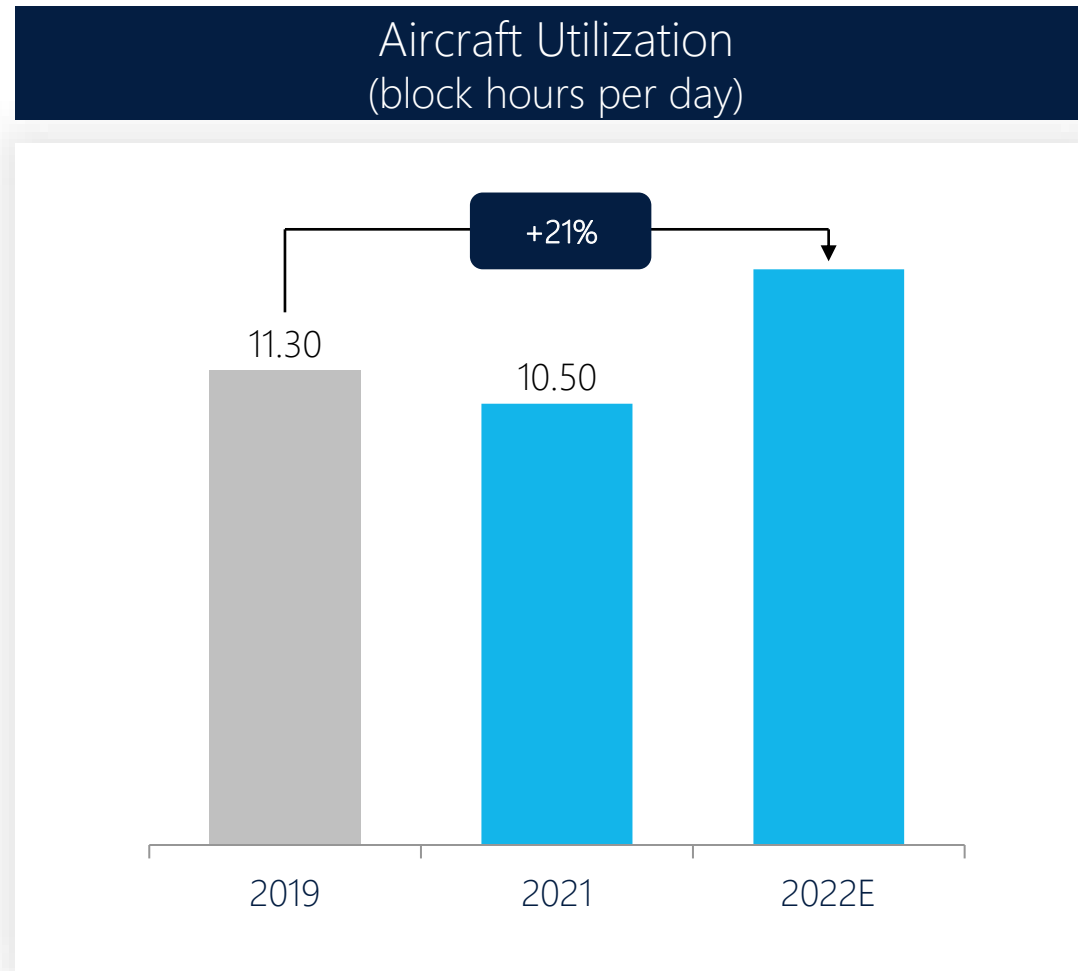
Passengers per Airport FTE



Full-time Employees (FTE) per Aircraft



# IMPROVED AIRCRAFT UTILIZATION



Fleet transformation and new network allow for significant increase in aircraft utilization

# CAMPINAS HANGAR

Among largest and most modern hangars in Latin America

Insourcing of C-checks, wheels and brakes

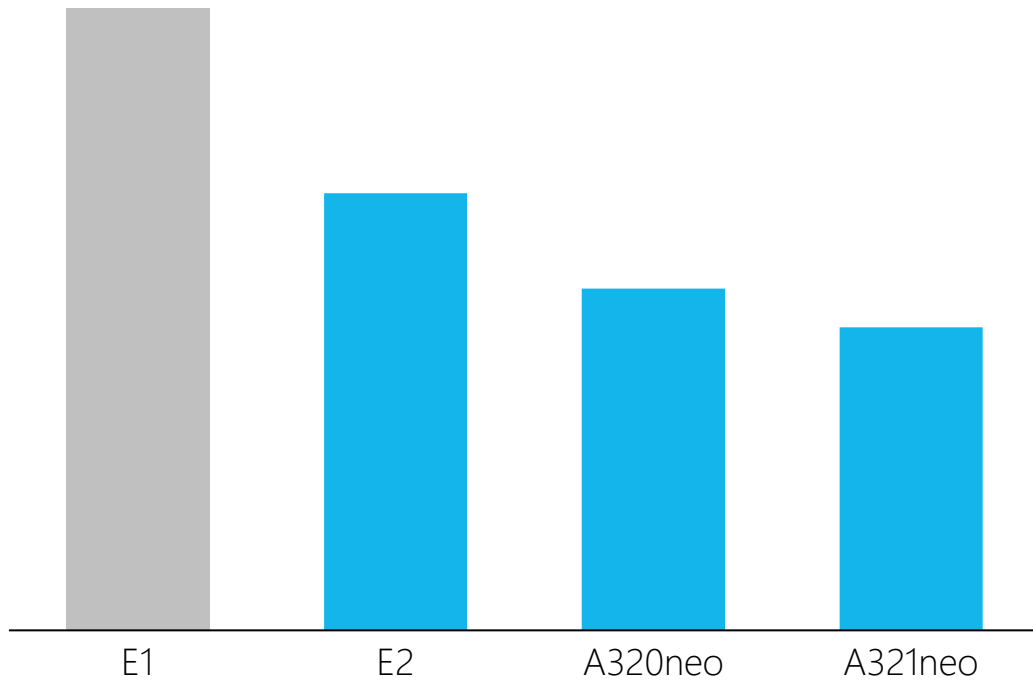
Accommodates up to 8 A320neos or 2 A330s simultaneously

Savings of ~R\$200 million over first two years of operation



# FURTHER COST REDUCTIONS FROM FLEET TRANSFORMATION

CASK by Fleet Type

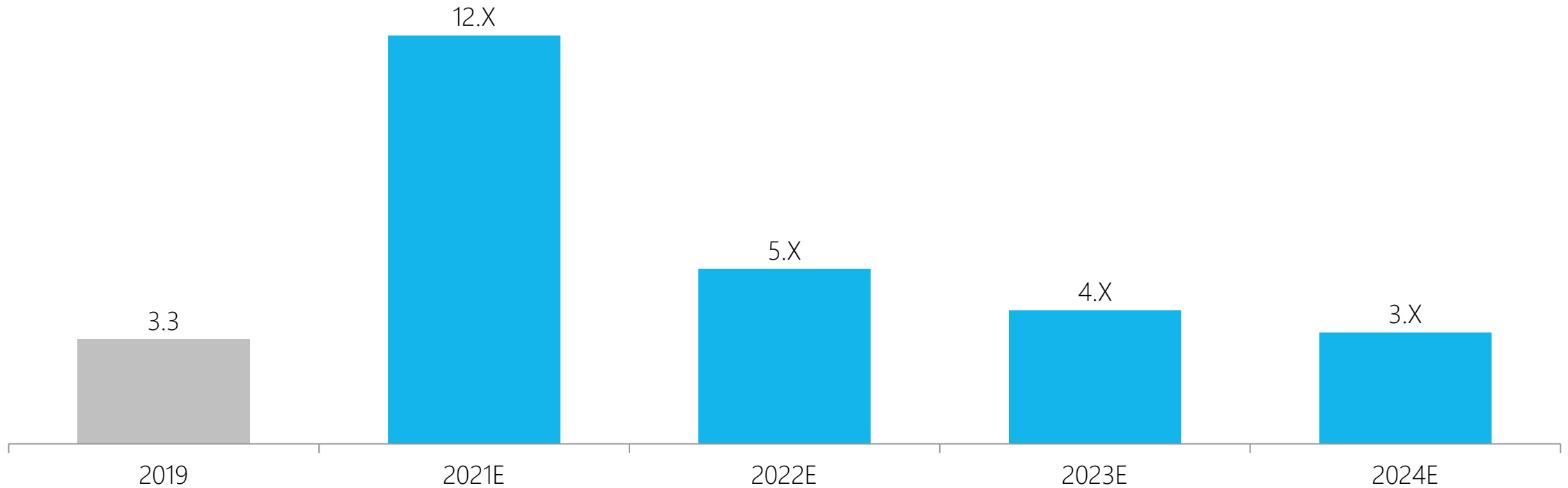


Fleet	Daily Flights	High Fuel Efficiency
A320neo	282	✓
Embraer E2	66	✓
ATRs	209	✓
Embraer E1	323	✗
<b>Total</b>	<b>900*</b>	

Next-generation aircraft will provide significant margin expansion going forward

# GRADUALLY REDUCING PANDEMIC IMPACT TO LEVERAGE

Net Debt/LTM EBITDA<sup>1</sup>

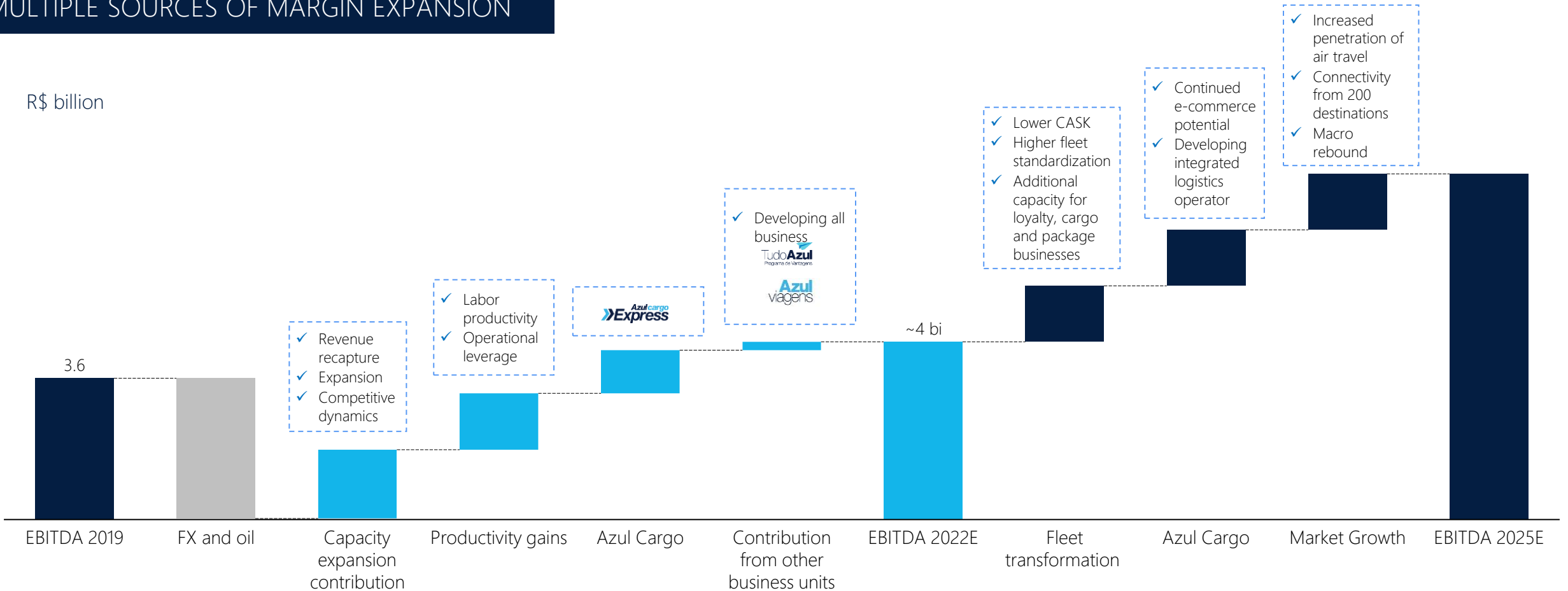


Roadmap to reducing leverage organically, while maintaining option to access capital markets under favourable conditions or leverage unencumbered assets like TudoAzul, Azul Cargo and the TAP bond

# EMERGING STRONGER POST-PANDEMIC & BEYOND

## MULTIPLE SOURCES OF MARGIN EXPANSION

R\$ billion



2022 EBITDA projected to surpass 2019, with additional margin expansion beyond



# Long-Term Value Creation

- Strong domestic network platform in place, with 130+ cities currently served
- Unique and right network for Brazilian market
- Azul Cargo well positioned to leverage opportunities in e-commerce and logistics
- Fleet transformation as a tool to capitalize growth opportunities
- Significant operating leverage from more efficient cost structure and capacity expansion
- Leading liquidity position with over R\$8 billion of availability and best positioned to deliver return



## INVESTOR RELATIONS

Contact us

+55 11 4831-2880

[invest@voeazul.com.br](mailto:invest@voeazul.com.br)

[www.voeazul.com.br/ir](http://www.voeazul.com.br/ir)

# Azul

