



**2Q21 Earnings Results**  
August 12, 2021

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# Azul at a Glance



Proven business model with unique network and fleet



Best Airline in the World by Tripadvisor



Superior operational and financial performance



Fastest demand recovery in the region



Lowest cost of capital

128 domestic destinations

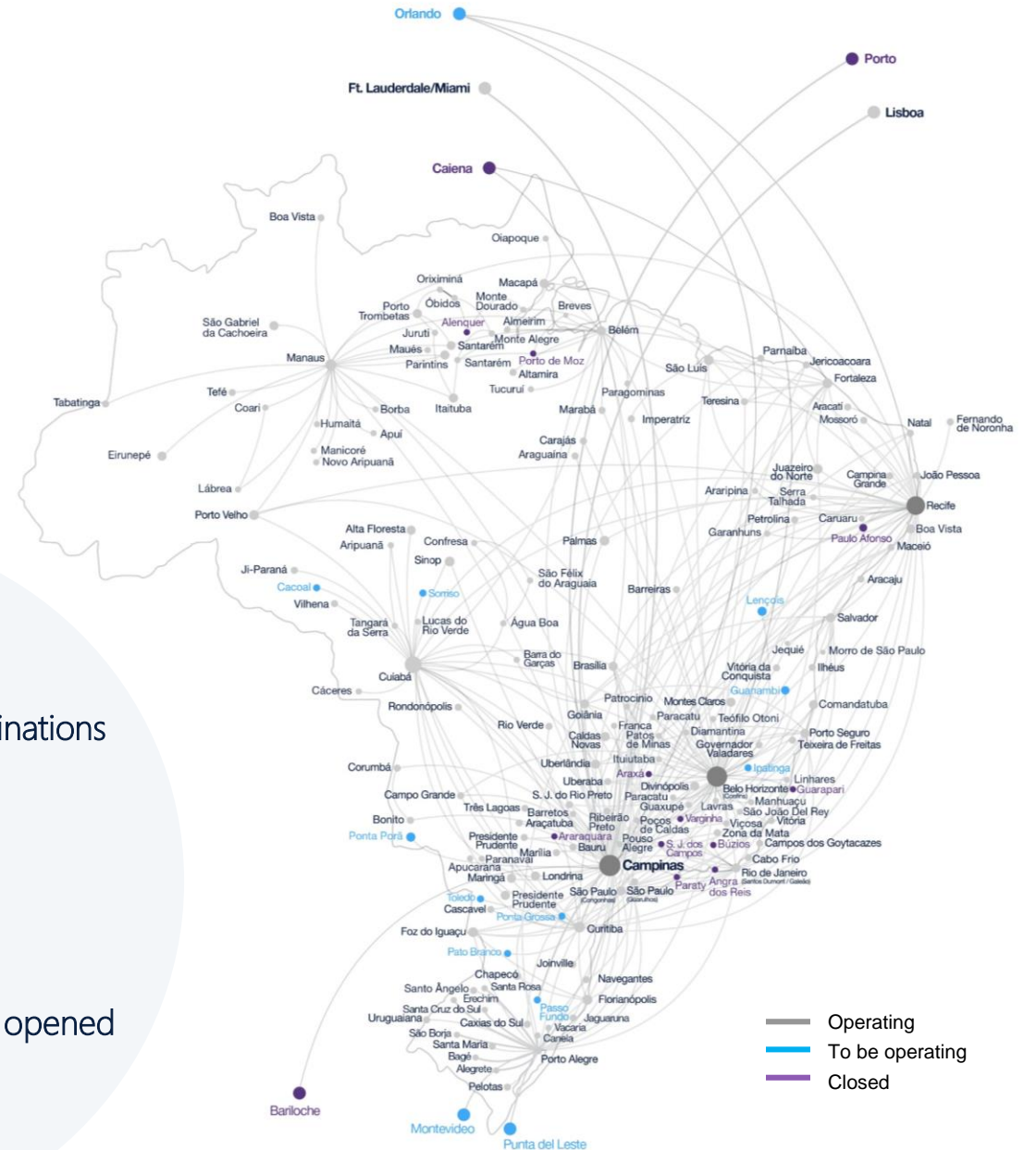
2 international

Only carrier in

80%

of our routes

17 to be opened



# eVTOL: Azul Moving Toward the Future

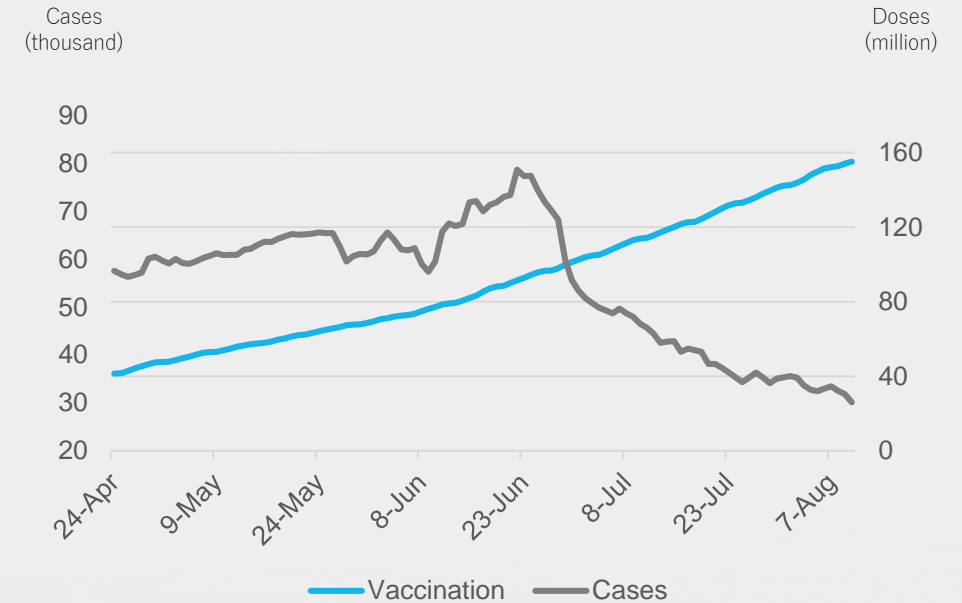
- Strategic partnership with Lilium
- Exclusive electric vertical take-off and landing (eVTOL) operation in Brazil
- Focus on increasing connectivity in Brazil by leveraging Azul's unique business model
- 220 aircraft starting in 2025
- Accelerate ESG commitments: 100% electric airplane with zero carbon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



# Improving COVID-19 Outlook in Brazil

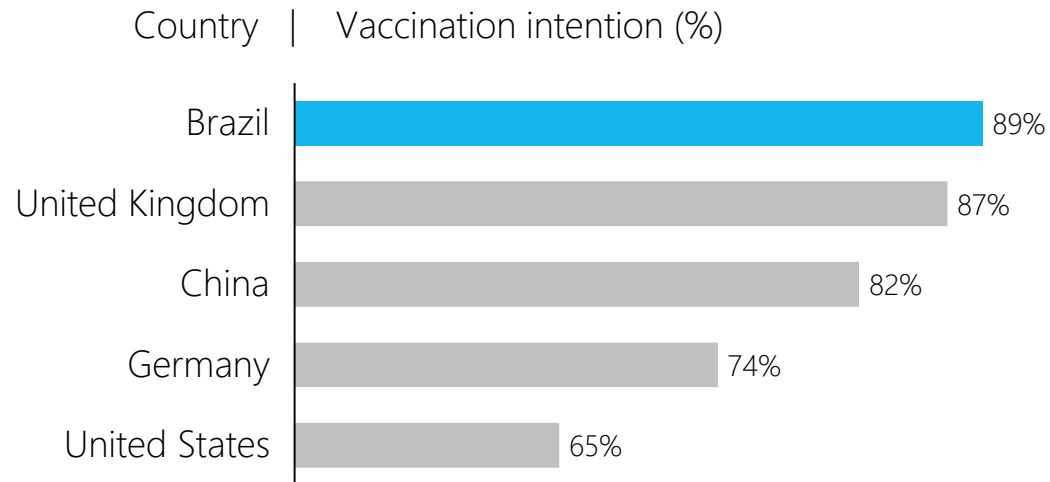
- Brazil #4 country in vaccines applied, with over 155 million doses
- 100% of adults to receive at least one dose by end of September
- COVID-19 numbers improving as vaccination progresses
- Schools back to 100% in-person in August
- Corporates indicating return to offices in 2H
- More than 600 million doses to be delivered in total in 2021

Covid-19 Cases vs. Vaccines  
(7-day average)

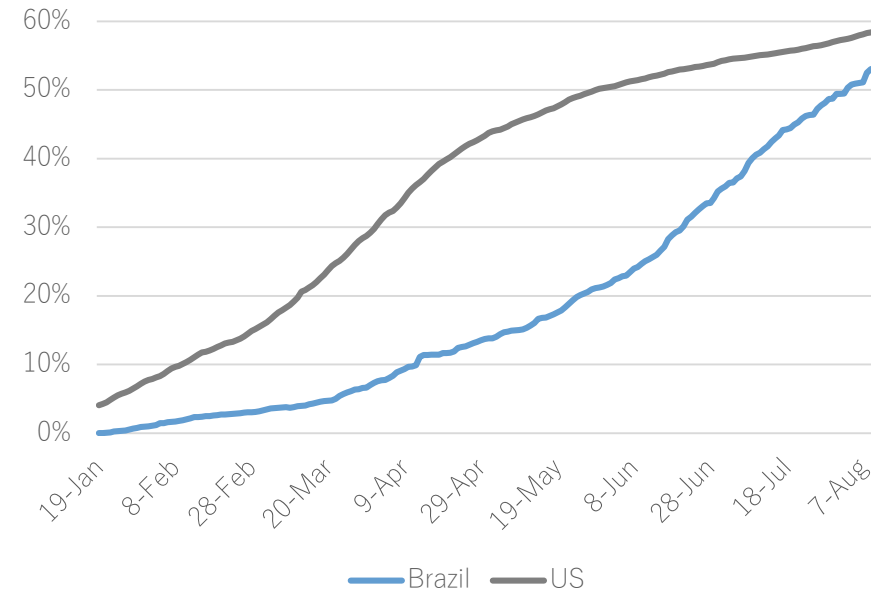


# Encouraging Vaccinations Trends in Brazil

## Intention to Take COVID-19 Vaccine



## Brazil vs. US COVID-19 Vaccination (share of people who received at least one dose)

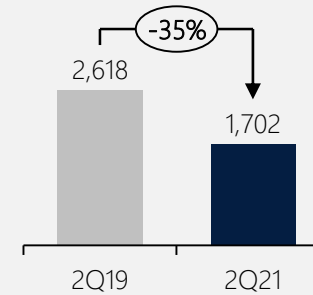


Brazil among countries with highest intention to vaccinate  
Over 3.3 million doses applied on one single day (July 7)

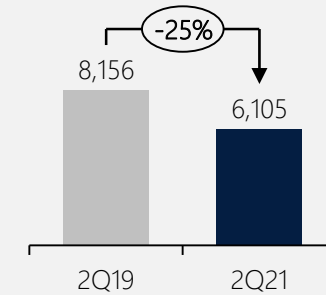
# 2Q21 Financial Highlights

- Revenue recovery of 65% vs. 2Q19
  - Passenger revenue 57% of 2Q19 (up 401.7% YoY)
  - Cargo revenue up 137% Yo2Y (up 27% QoQ, up 146% YoY)
  - TudoAzul gross billings up 14% Yo2Y (up 30% QoQ, up 8% YoY)
- PRASK up 14.6% YoY, 4% QoQ
  - RASK up 9% QoQ
  - Demand recovery leading to improvement in fares
  - Record revenue in Azul Cargo
- Immediate liquidity of R\$5.5 billion
  - 90.4% of LTM revenue
  - Total liquidity (including long-term investments, security deposits and maintenance reserves) of R\$8.2 billion

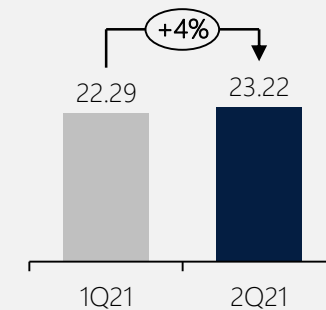
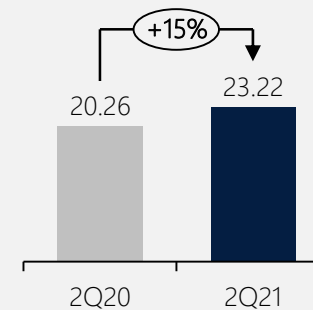
Revenue  
(R\$ million)



Total ASK  
(Million)

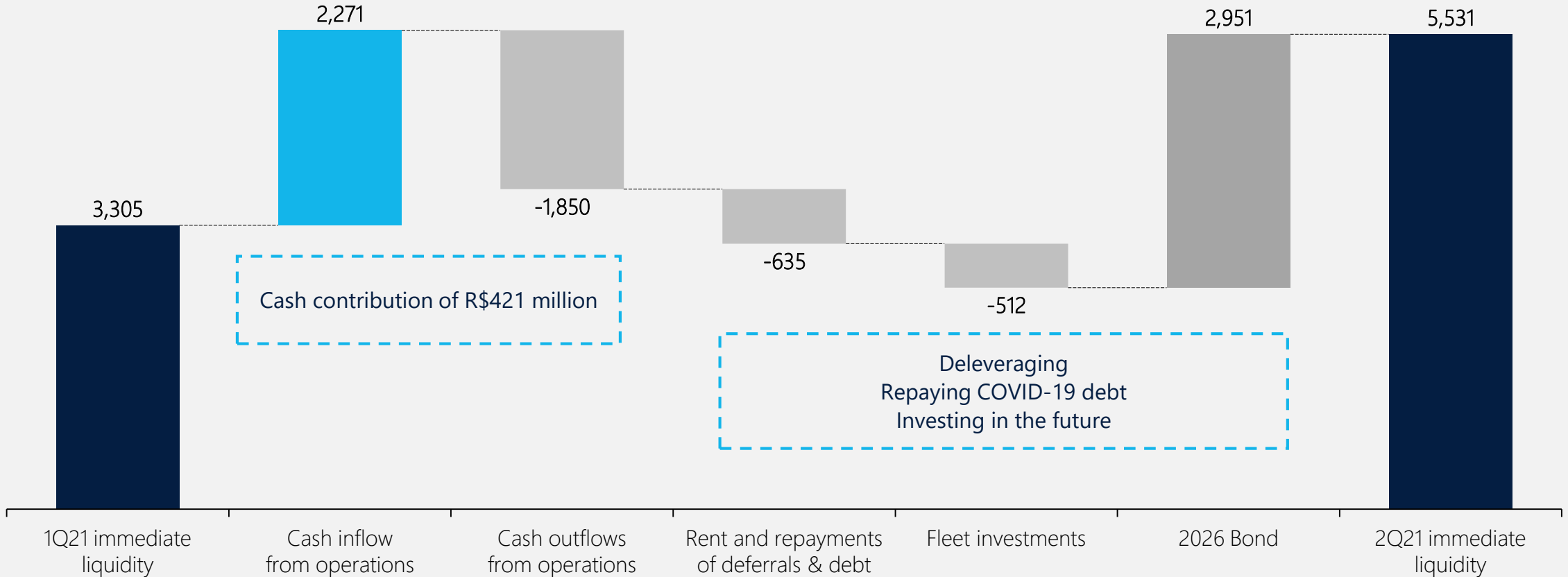


PRASK  
(R\$ cents)



# 2Q21 Cash Evolution

## Cash Flow Breakdown – Direct Method (R\$ billion)



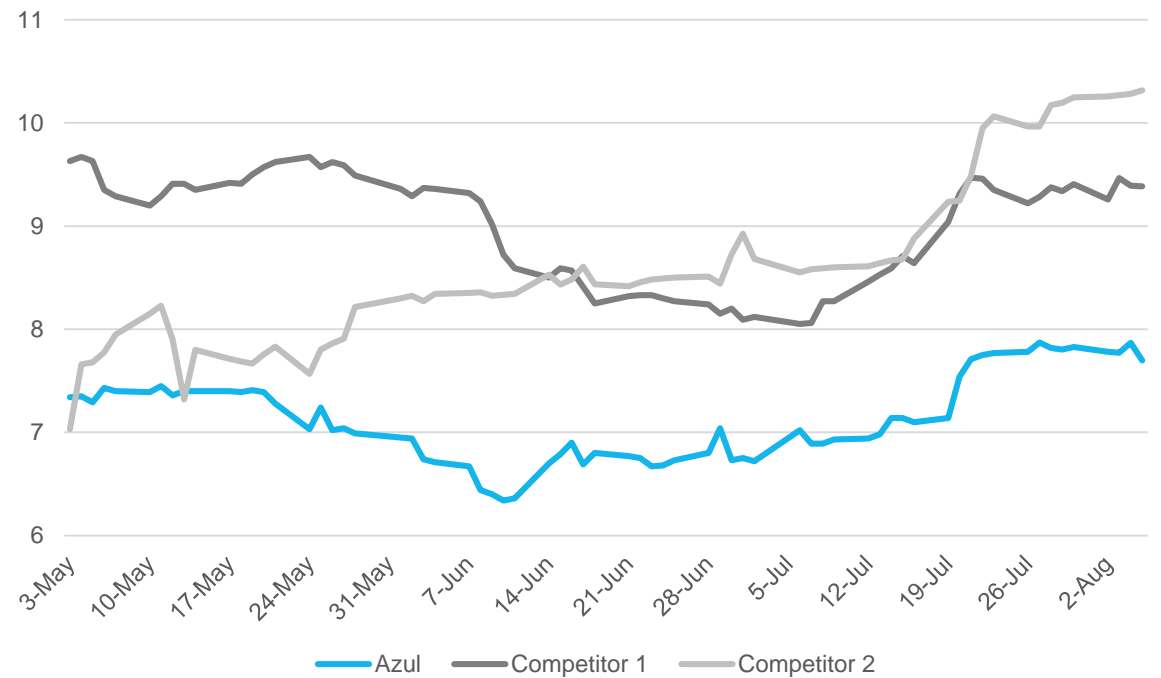
Operational cash inflows surpassed operating cash outflows by R\$421 million



# Lowest Cost of Funding Among Peers

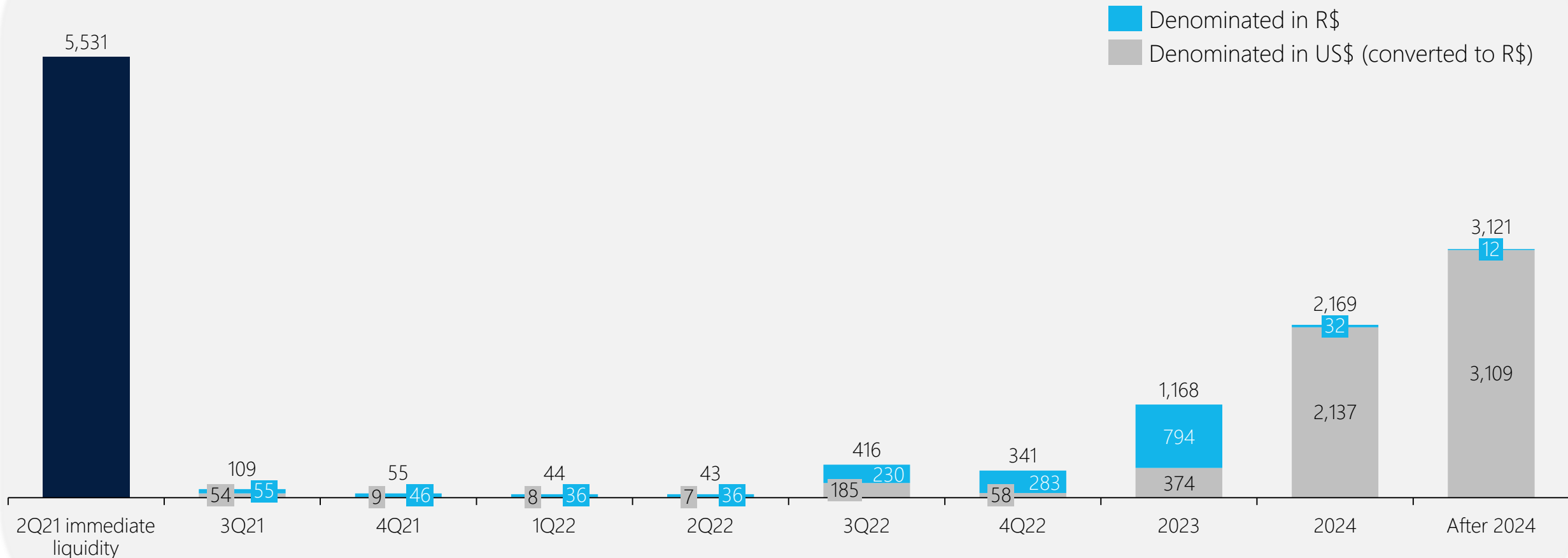
- First and only airline in Latin America to issue unsecured debt since start of pandemic
- Favorable timing: 2024 bond below 7% yield, compared to 6% at issuance and 37% at crisis peak
- Order book of over US\$2.3B, 7.7x oversubscribed

Bond Yield Performance  
Azul vs Peers



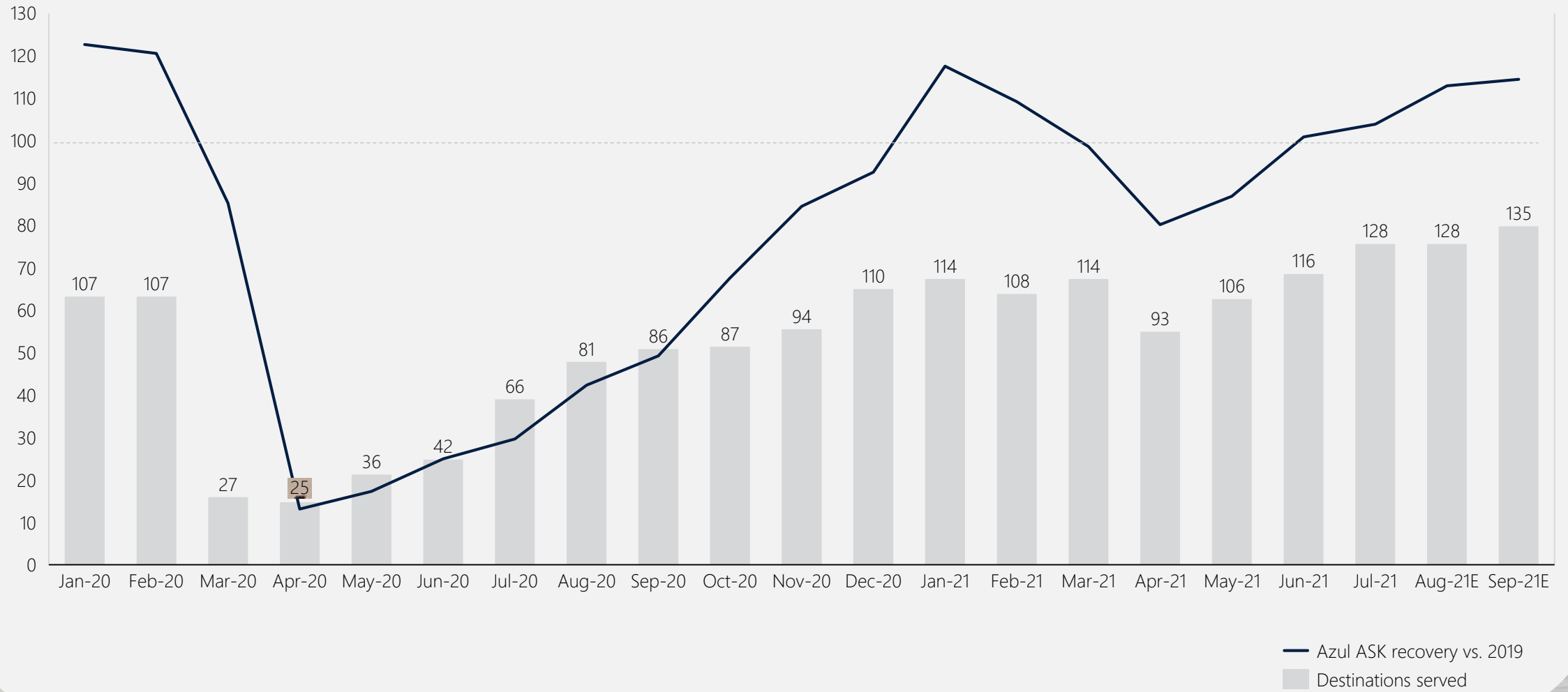
# Healthy Debt Maturity Profile

## Debt Amortization Profile (R\$ million)



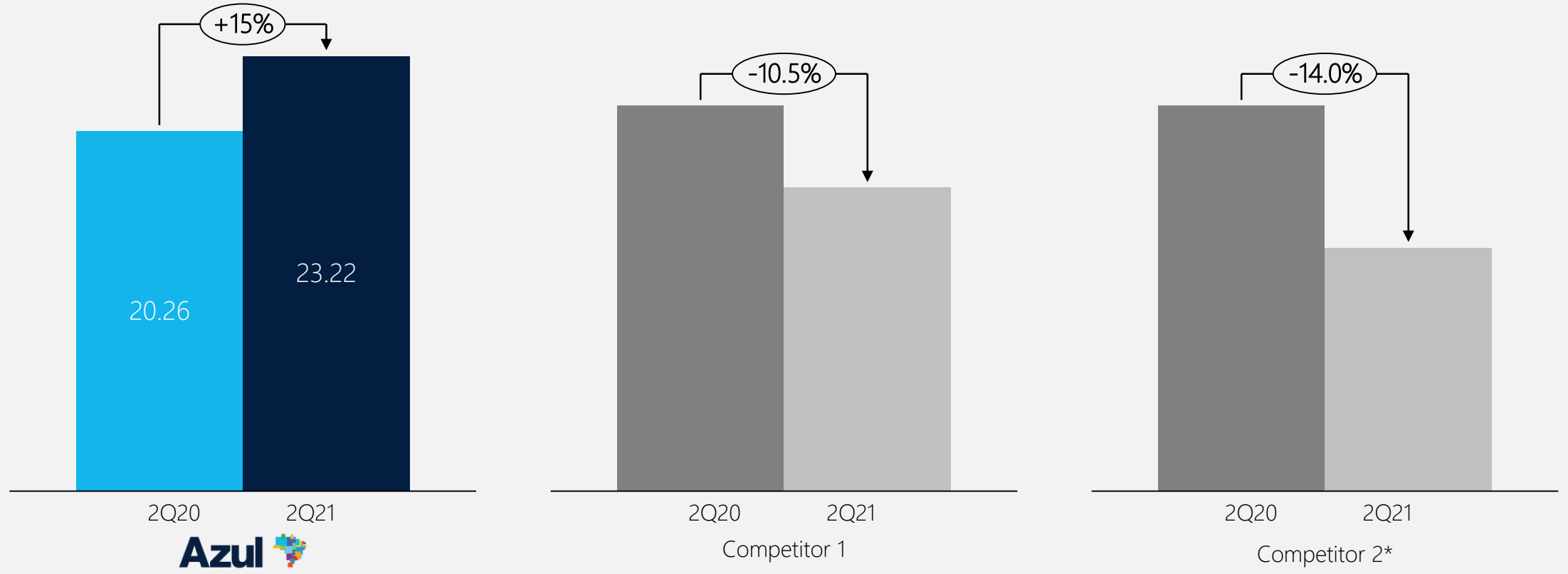
No significant debt repayments over next two years and no restricted cash

# Domestic Capacity Recovery



# Unit Revenue Expansion

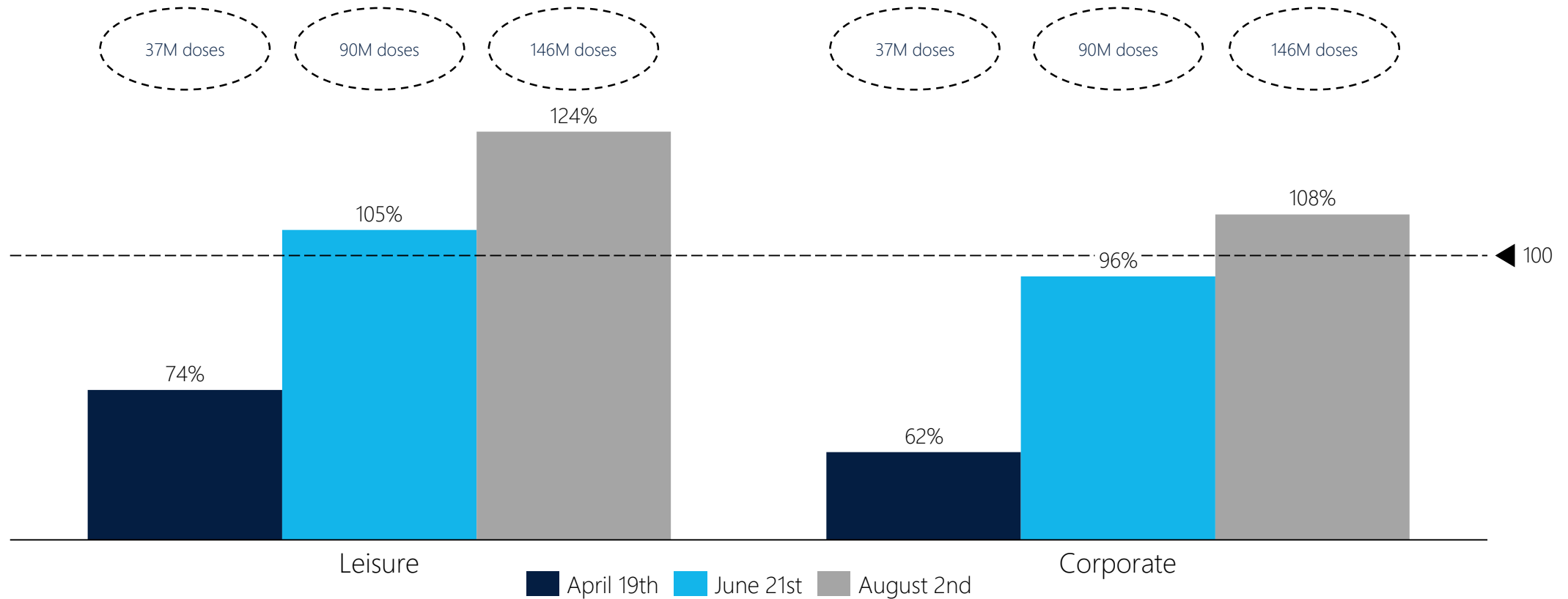
Change in PRASK  
(% of 2020)



Fastest capacity recovery in the region simultaneous with improving PRASK

# Booked Average Fare Recovery

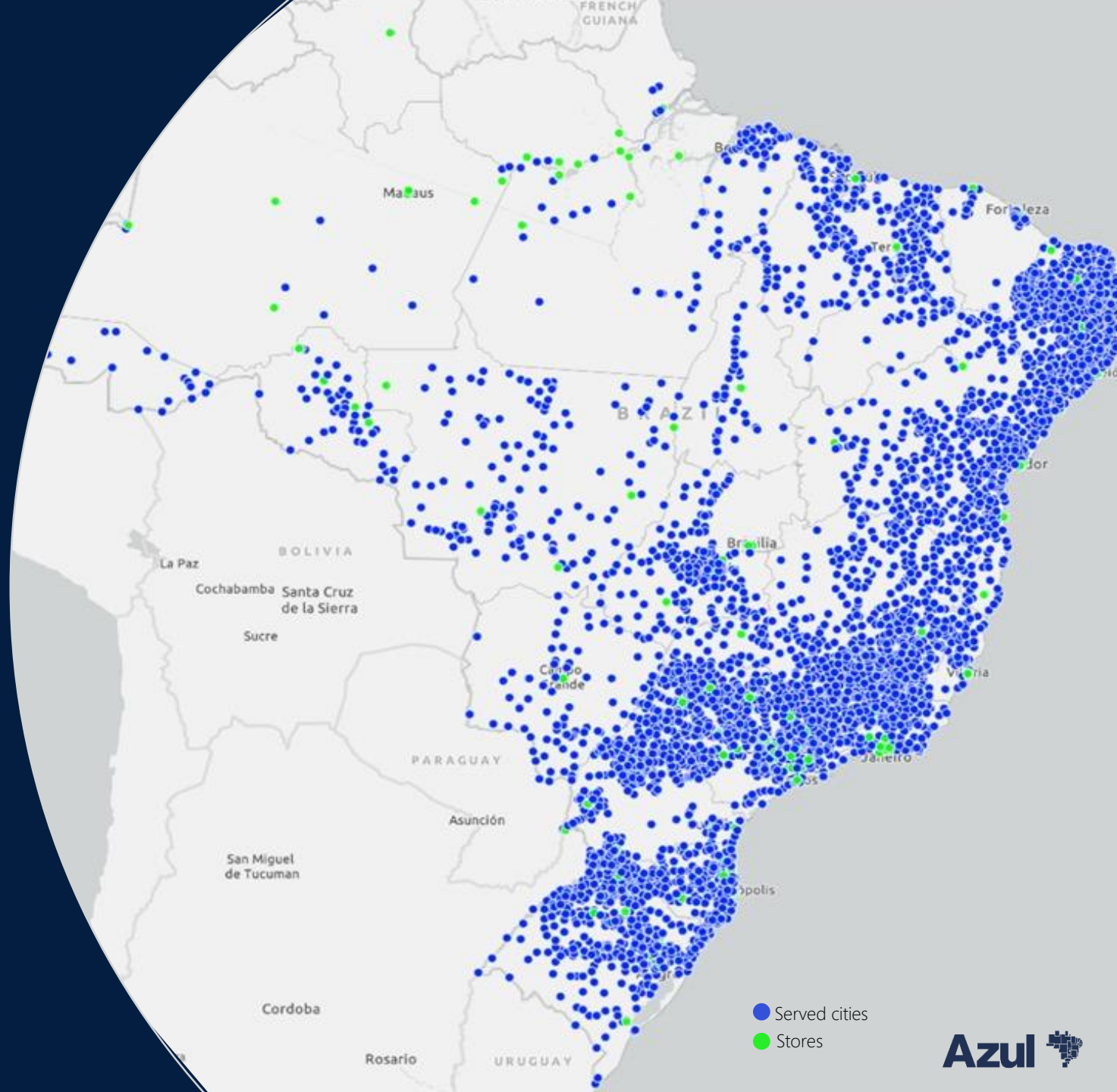
## Weekly Booked Domestic Average Fare – By Channel (% of 2019)



Domestic booked fares currently above 2019 levels  
Leisure maintaining strong trends from last year; corporate improving with return to offices

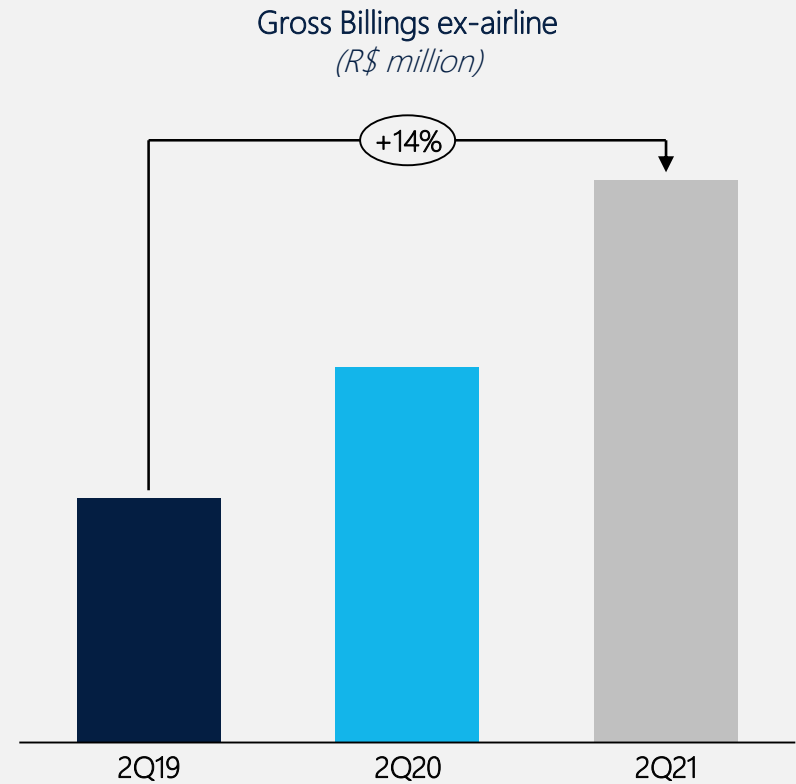
# Azul Cargo At a Glance

- 300 stores serving over 4,500 cities
- Delivery within 48 hours to over 1,000 cities
- Average 2.8 day delivery to anywhere in Brazil
- Total net revenue R\$ 272M in 2Q21
  - 137% Yo2Y growth even with departures 33% down
  - 63% Yo2Y growth in packages
  - Strong international cargo demand, with revenue up 154% Yo2Y in US dollars
- On track to double revenue in 2021 compared to 2019



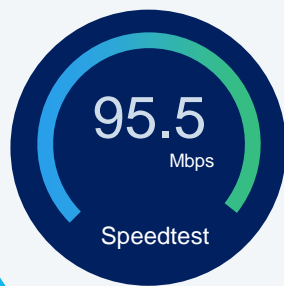
# High Customer Engagement

- Added over one million members since start of pandemic
- Credit card accounts doubled since start of pandemic
- Redemptions and gross billings already above 2019 levels



# Enhancing Azul Experience with High Speed Wi-Fi

- Strong positive feedback from customers
- High speed available to all customers for free, enabled by corporate sponsorship
- Already available in 23 aircraft, with 34 expected by end of year
- Installations performed at Azul's hangar in Campinas





# Azul & Disney Partnership

- Exclusive partnership to celebrate Walt Disney World's 50<sup>th</sup> anniversary
- "The most magical fleet in the world"



# The Best Airline in the World and For the World







## 2Q21 Actions

- 80+ tons of food distributed
- 500+ organs transported
- 21+ million vaccines doses delivered
- 103 tons of snack packages and cans recycled
- Almost 100 voluntary actions helping over 3,000 people

## Initiatives

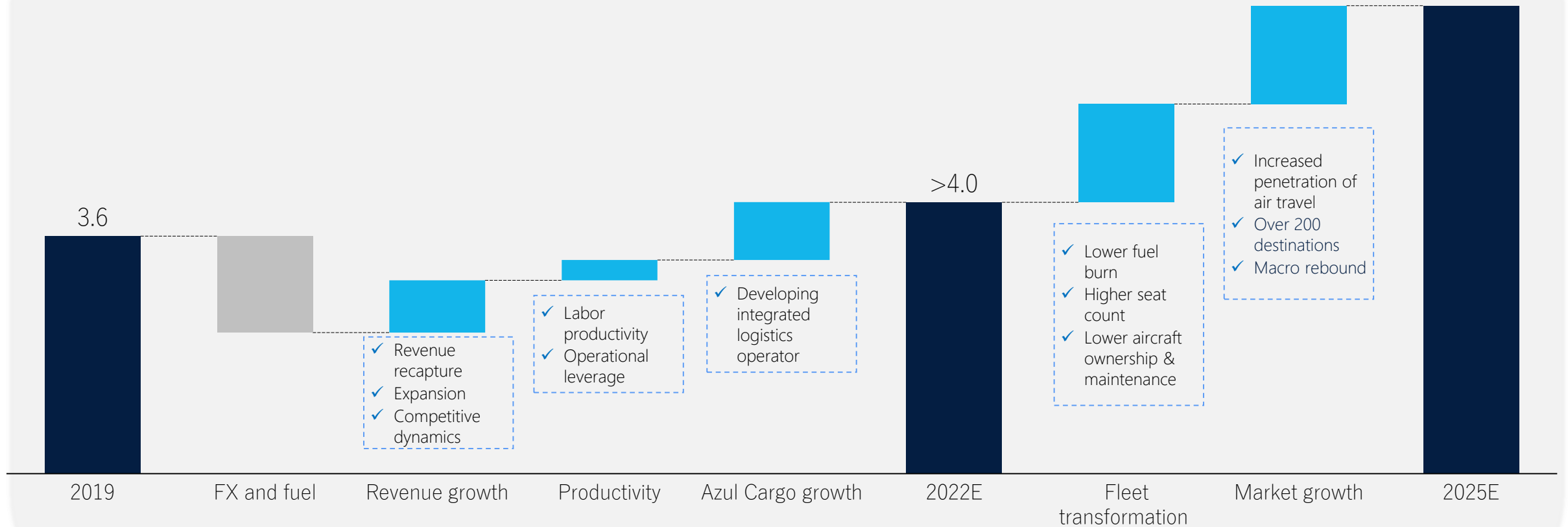
 CDP Climate Questionnaire	 GHG Protocol
 Agenda 2030	 Science Based Targets Initiatives
 Climate Disclosure	 UN Women adhesion
 Sustainability reports	 United Nations Global Compact Member

## 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

# Emerging Stronger Post-Pandemic & Beyond

## EBITDA Growth Breakdown



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

## INVESTOR RELATIONS

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# Azul

