

Azul



**Quarterly Information - ITR
Individual and Consolidated**

AZUL S.A.

March 31, 2022
with auditor's report on
review of individual and consolidated
quarterly information - ITR

Contents

Declaration of the officers on the individual and consolidated quarterly information	3
Declaration of the officers on the independent auditor's report on review of quarterly information.....	4
Audit committee summary report	5
Independent auditor's report on review of quarterly information	6
Statements of financial position	8
Statements of profit or loss	10
Statements of comprehensive income	11
Statements of changes in equity	12
Statements of cash flows	13
Statements of value added	14
Notes to the individual and consolidated quarterly information	15



Declaration of the Officers on the Individual and Consolidated Quarterly Information

In compliance with CVM Instruction No. 480/09, the Officers declare that they have discussed, reviewed and agreed with the individual and consolidated quarterly information for the three-month periods ended March 31, 2022.

Barueri, May 05, 2022.

John Peter Rodgerson
Chief Executive Officer

Alexandre Wagner Malfitani
Chief Financial and Investor Relations Officer

Antonio Flavio Torres Martins Costa
Chief Operating Officer

Abhi Manoj Shah
Chief Revenue Officer



Declaration of the Officers on the Independent Auditor's Report on Review of Quarterly Information

In compliance with CVM Instruction No. 480/09, the Officers declare that they have discussed, reviewed and agreed with the conclusions expressed in the independent auditor's report on review of the individual and consolidated quarterly information for the three-month periods ended March 31, 2022.

Barueri, May 05, 2022.

John Peter Rodgerson
Chief Executive Officer

Alexandre Wagner Malfitani
Chief Financial and Investor Relations Officer

Antonio Flavio Torres Martins Costa
Chief Operating Officer

Abhi Manoj Shah
Chief Revenue Officer



Audit Committee Summary Report

All the members of the Audit Committee, considering the documents presented and the information and clarifications provided by the Company's Officers and by Ernst & Young Auditores Independentes S.S., have reviewed the individual and consolidated quarterly information (ITR) for the three-month period ended March 31, 2022. Based on this information, they have expressed a favorable opinion on the individual and consolidated quarterly information (ITR) for the three-month period ended March 31, 2022, accompanied by the report on review of quarterly information (ITR) to be issued by Ernst & Young Auditores Independentes S.S., recommending its approval to the Board Directors.

Barueri, May 05, 2022.

Sergio Eraldo de Salles Pinto
Member and Coordinator of the Audit Committee

Gelson Pizzirani
Member of the Audit Committee

Gilberto de Almeida Peralta
Member of the Audit Committee





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A free translation from Portuguese into English of Independent Auditor’s Review Report on Quarterly Information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting, and with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Report on the review of interim financial information

The Shareholders, Board of Directors and Officers

Azul S.A.

Barueri – SP

Introduction

We have reviewed the interim individual and consolidated financial information of Azul S.A. (the “Company”) contained in the Quarterly Information Form – ITR form as of March 31, 2022, which comprise the statement of financial position on March 31, 2022, and the statements of operations, of comprehensive income (loss) and the statements of changes in equity and of cash flows for the three-month period then ended, including explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with the NBC TG 21 - Interim Financial Reporting and the international standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and international standards on review engagements (NBC TR 2410 and *ISRE 2410* - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with the NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).





Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added (DVA) for the three-month period ended March 31, 2022, prepared under the responsibility of the Company management and presented as supplementary information under IAS 34. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria set forth by this Standard and consistently with the individual and consolidated interim financial information taken as a whole.

São Paulo, May 9, 2022.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Márcio D. Berstecher
Accountant CRC-1SP 259735/O-2





AZUL S.A.
Statements of financial position
 March 31, 2022
 (In thousands of Brazilian reais – R\$)

Assets	Note	Parent company		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Current assets					
Cash and cash equivalents	4	289,556	293,557	1,857,771	3,073,799
Short-term investments	5	-	-	1,509	1,430
Accounts receivable	6	-	-	1,329,381	997,893
Aircraft sublease receivables	7	-	-	69,607	76,199
Inventories	8	-	-	601,815	571,924
Security deposits and maintenance reserves	9	-	-	315,126	410,912
Taxes recoverable	10	14,328	14,568	152,584	109,699
Derivative financial instruments	21	-	-	261,074	83,177
Prepaid expenses	11	8,526	3,097	226,514	244,413
Advances to suppliers	12	63	97	129,352	203,379
Other current assets		21,628	199	85,438	73,511
Total current assets		334,101	311,518	5,030,171	5,846,336
Non-current assets					
Long-term investments	5	-	-	722,088	906,719
Aircraft sublease receivables	7	-	-	154,094	197,999
Security deposits and maintenance reserves	9	-	-	1,561,949	1,553,507
Derivative financial instruments	21	-	-	227,351	270,640
Prepaid expenses	11	-	-	358,292	313,365
Other non-current assets		48	53	126,266	126,100
Investments	14	762,569	763,059	-	-
Property and equipment	15	-	-	1,991,084	1,961,174
Right-of-use assets	16	-	-	6,241,385	5,999,595
Intangible assets	17	-	-	1,372,936	1,358,038
Total non-current assets		762,617	763,112	12,755,445	12,687,137
Total assets		1,096,718	1,074,630	17,785,616	18,533,473

The accompanying notes are an integral part of this individual and consolidated quarterly information





AZUL S.A.
Statements of financial position
 March 31, 2022
 (In thousands of Brazilian reais – R\$)

Liabilities and equity	Note	Parent company		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Current liabilities					
Loans and financing	18	37,649	39,124	1,510,205	1,023,390
Lease liabilities	19	-	-	3,010,403	3,497,665
Accounts payable	20	659	3,436	1,889,450	1,771,663
Accounts payable – supplier finance		-	-	165,513	3,694
Air traffic liability	22	-	-	3,048,012	3,063,816
Reimbursement to customers		-	-	99,730	173,686
Salaries, wages and benefits		10,107	2,317	478,943	459,697
Insurance premiums payable		8,675	-	44,505	92,793
Taxes payable		3,999	1,354	63,609	127,685
Government installment payment program		-	-	73,639	69,691
Derivative financial instruments	21	-	-	66,004	77,509
Provisions	23	-	-	970,107	977,103
Rates and fees		-	-	239,478	217,863
Other current liabilities		-	-	136,522	153,998
Total current liabilities		61,089	46,231	11,796,120	11,710,253
Non-current liabilities					
Loans and financing	18	1,606,563	1,833,877	7,499,665	8,995,341
Lease liabilities	19	-	-	9,697,507	11,392,910
Accounts payable	20	-	-	778,265	563,502
Derivative financial instruments	21	-	-	186,911	209,542
Government installment payment program		-	-	331,617	352,108
Provisions	23	-	-	2,112,467	2,522,486
Related parties	24	4,843	4,776	-	-
Provision for loss on investment	14	15,063,052	17,522,749	-	-
Other non-current liabilities		-	-	1,021,893	1,120,334
Total non-current liabilities		16,674,458	19,361,402	21,628,325	25,156,223
Equity					
	25				
Issued capital		2,290,996	2,290,876	2,290,996	2,290,876
Advance for future capital increase		22,859	120	22,859	120
Capital reserve		1,950,778	1,946,471	1,950,778	1,946,471
Treasury shares		(11,999)	(11,959)	(11,999)	(11,959)
Other comprehensive income (loss)		5,799	5,799	5,799	5,799
Accumulated losses		(19,897,262)	(22,564,310)	(19,897,262)	(22,564,310)
		(15,638,829)	(18,333,003)	(15,638,829)	(18,333,003)
Total liabilities and equity		1,096,718	1,074,630	17,785,616	18,533,473

The accompanying notes are an integral part of this individual and consolidated quarterly information



AZUL S.A.

Statements of profit or loss

Periods ended March 31, 2022 and 2021

(In thousands of Brazilian reais – R\$, except basic and diluted loss per share)

	Note	Parent company		Consolidated	
		Three-month periods ended			
		03/31/2022	03/31/2021	03/31/2022	03/31/2021
Passenger revenue		-	-	2,842,969	1,597,642
Cargo transport and other revenue		-	-	350,072	228,180
Net revenue	28	-	-	3,193,041	1,825,822
Cost of services	29	-	-	(3,020,835)	(1,828,397)
Gross profit		-	-	172,206	(2,575)
Operating expenses					
Selling expenses		-	-	(132,345)	(90,853)
Administrative expenses		(22,539)	(6,114)	(78,773)	(68,338)
Other operating expenses, net		-	(12)	(110,932)	(84,175)
	29	(22,539)	(6,126)	(322,050)	(243,366)
Equity	14	2,454,900	(2,665,174)	-	-
Operating profit (loss)		2,432,361	(2,671,300)	(149,844)	(245,941)
Financial income		6,812	1,788	48,914	25,349
Financial expenses		(55,245)	(66,479)	(1,024,158)	(915,152)
Derivative financial instruments		96,175	54,032	306,042	78,172
Foreign currency exchange, net		186,945	(104,667)	3,486,094	(1,727,760)
Financial result	30	234,687	(115,326)	2,816,892	(2,539,391)
Result from related party transactions		-	-	-	(1,294)
Loss before income tax and social contribution		2,667,048	(2,786,626)	2,667,048	(2,786,626)
Current income tax and social contribution	13	-	-	-	-
Deferred income tax and social contribution	13	-	-	-	-
Profit (loss) Net		2,667,048	(2,786,626)	2,667,048	(2,786,626)
Profit (loss) basic per common share – R\$	26	0.10	(0.11)	0.10	(0.11)
Profit (loss) diluted loss per common share – R\$	26	0.10	(0.11)	0.10	(0.11)
Profit (loss) basic loss per preferred share – R\$	26	7.69	(8.08)	7.69	(8.08)
Profit (loss) diluted loss per preferred share – R\$	26	7.68	(8.08)	7.68	(8.08)

The accompanying notes are an integral part of this individual and consolidated quarterly information





AZUL S.A.

Statements of comprehensive income

Periods ended March 31, 2022 and 2021

(In thousands of Brazilian reais – R\$)

	Note	Parent company and Consolidated	
		Three-month periods ended	
		03/31/2022	03/31/2021
Net loss		2,667,048	(2,786,626)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		-	-
Total comprehensive income (loss) for the period		2,667,048	(2,786,626)

The accompanying notes are an integral part of this individual and consolidated quarterly information





AZUL S.A.

Statements of changes in equity

Periods ended March 31, 2022 and 2021

(In thousands of Brazilian reais – R\$)

Description	Note	Issued capital	Advance for future capital increase	Treasury shares	Capital reserve	Other comprehensive income (loss)	Accumulated losses	Total
At December 31, 2020		2,246,367	20,625	(13,182)	1,947,887	655	(18,351,102)	(14,148,750)
Net loss		-	-	-	-	-	(2,786,626)	(2,786,626)
Total comprehensive income (loss)		-	-	-	-	-	(2,786,626)	(2,786,626)
Share buyback	25	-	-	(1,625)	-	-	-	(1,625)
Share-based payment	27	20,625	1,695	-	5,851	-	-	28,171
At March 31, 2021		2,266,992	22,320	(14,807)	1,953,738	655	(21,137,728)	(16,908,830)

Description	Note	Issued capital	Advance for future capital increase	Treasury shares	Capital reserve	Other comprehensive income (loss)	Accumulated losses	Total
At December 31, 2021		2,290,876	120	(11,959)	1,946,471	5,799	(22,564,310)	(18,333,003)
Net profit for the period		-	-	-	-	-	2,667,048	2,667,048
Total comprehensive income (loss)		-	-	-	-	-	2,667,048	2,667,048
Share buyback	25	-	-	(40)	-	-	-	(40)
Share-based payment	27	120	22,739	-	4,307	-	-	27,166
At March 31, 2022		2,290,996	22,859	(11,999)	1,950,778	5,799	(19,897,262)	(15,638,829)

The accompanying notes are an integral part of this individual and consolidated quarterly information





AZUL S.A.
Statements of cash flows
 Periods ended March 31, 2022 and 2021
 (In thousands of Brazilian reais – R\$)

	Parent company		Consolidated	
	Three-month periods ended			
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Cash flows from operating activities				
Net loss	2,667,048	(2,786,626)	2,667,048	(2,786,626)
Result reconciliation items				
Depreciation and amortization	-	-	522,038	343,749
Unrealized derivative results	(96,175)	(54,032)	(306,042)	(78,172)
Share-based payment	-	-	8,070	5,851
Foreign currency exchange, net	(186,759)	99,152	(3,424,626)	1,726,369
Interest income (expenses) on assets and liabilities	55,074	54,956	905,931	824,932
Related parties	-	6,551	-	-
Provisions	-	-	80,331	3,869
Sale and leaseback	-	-	-	(22,736)
Result from modification of lease contracts	-	-	(816)	(13,102)
Proceeds from sale and/or disposal of property and equipment and intangible assets	-	-	7,323	9,994
Equity	(2,454,900)	2,665,174	-	-
Adjusted net loss (profit)	(15,712)	(14,825)	459,257	14,128
Changes in operating assets and liabilities				
Accounts receivable	-	-	(361,329)	10,886
Aircraft sublease receivables	-	-	14,980	4,122
Inventories	-	-	(30,773)	(53,038)
Security deposits and maintenance reserves	-	-	(75,155)	(148,475)
Prepaid expenses	(5,429)	(9,862)	(58,540)	(10,745)
Taxes recoverable	240	(594)	(41,258)	(3,201)
Advances to suppliers	34	25	73,683	1,436
Other assets	1,509	16,873	(1,114)	(3,916)
Rights and obligations with derivatives	-	-	41,123	(18,696)
Accounts payable	(2,763)	(34,351)	253,042	347,787
Accounts payable – supplier finance	-	-	-	(156,883)
Reimbursement to customers	-	-	(77,174)	13,185
Salaries, wages and benefits	7,787	568	15,482	12,796
Insurance premiums payable	9,295	11,012	(39,447)	10,652
Taxes payable	2,645	(15,960)	(64,470)	4,258
Government installment payment program	-	-	(18,058)	(2,437)
Air traffic liability	-	-	(15,804)	(179,984)
Payments related to contingencies	-	-	(37,440)	(29,663)
Rates and fees	-	-	21,615	(27,634)
Other liabilities	-	-	(82,857)	(107,313)
Interest paid	-	-	(213,693)	(35,901)
Total changes in operating assets and liabilities	13,318	(32,289)	(697,187)	(372,764)
Net cash provided by (used in) operating activities	(2,394)	(47,114)	(237,930)	(358,636)
Cash flows from investing activities				
Short-term investments				
Acquisition of short-term investments	-	-	(500)	(75,044)
Redemption of short-term investments	-	-	451	156,486
Payment for acquisition of subsidiary	-	-	-	(20,000)
Acquisition of intangible assets	-	-	(42,767)	(41,573)
Acquisition of property and equipment	-	-	(184,167)	(176,301)
Net cash provided by (used in) investing activities	-	-	(226,983)	(156,432)
Cash flows from financing activities				
Loans and financing				
Proceeds	-	-	200,000	4,750
Repayment	-	-	(83,077)	(53,090)
Lease payment	-	-	(820,467)	(290,963)
Proceeds from sale and leaseback	-	-	-	21,256
Advance for future capital increase	-	22,320	-	22,320
Treasury shares	(40)	(1,625)	(40)	(1,625)
Net cash provided by (used in) financing activities	(40)	20,695	(703,584)	(297,352)
Exchange rate changes on cash and cash equivalents	(1,567)	2,200	(47,531)	23,035
Net increase (decrease) in cash and cash equivalents	(4,001)	(24,219)	(1,216,028)	(789,385)
Cash and cash equivalents at the beginning of the period	293,557	437,896	3,073,799	3,064,815
Cash and cash equivalents at the end of the period	289,556	413,677	1,857,771	2,275,430

The accompanying notes are an integral part of this individual and consolidated quarterly information





AZUL S.A.

Statements of value added

Periods ended March 31, 2022 and 2021

(In thousands of Brazilian reais – R\$)

	Note	Parent company		Consolidated	
		Three-month periods ended			
		03/31/2022	03/31/2021	03/31/2022	03/31/2021
Gross sales revenue					
Passenger revenue	28	-	-	2,931,190	1,650,069
Cargo transport and other revenue	28	-	-	387,579	258,900
Allowance (reversal) for expected credit losses		-	-	(215)	(56)
		-	-	3,318,554	1,908,913
Inputs acquired from third parties					
Aircraft fuel	29	-	-	(1,188,966)	(597,666)
Materials, energy, third-party services and other		(7,713)	(3,200)	(1,114,045)	(655,181)
Aircraft insurance		-	-	(18,768)	(13,614)
		(7,713)	(3,200)	(2,321,779)	(1,266,461)
Gross value added		(7,713)	(3,200)	996,775	642,452
Retentions					
Depreciation and amortization	29	-	-	(522,038)	(343,749)
Net value added produced by the entity		(7,713)	(3,200)	474,737	298,703
Value added received in transfers					
Equity	14	2,454,900	(2,665,174)	-	-
Financial income	30	6,812	1,788	48,914	25,349
Result from related party transactions		-	-	-	(1,294)
		2,461,712	(2,663,386)	48,914	24,055
Total value added to be distributed		2,453,999	(2,666,586)	523,651	322,758
Distribution of value added:					
Personnel					
		13,931	2,384	393,342	341,884
Salaries and wages		2,430	1,724	320,193	263,423
Benefits		11,369	561	43,282	54,987
F.G.T.S.		132	99	29,867	23,474
Taxes, fees and contributions					
		895	542	144,979	154,012
Federal		481	389	130,379	130,282
State		-	-	10,719	8,831
Municipal		414	153	3,881	14,899
Third party capital remuneration					
		(227,875)	117,114	(2,681,718)	2,613,488
Financial expenses	30	55,245	66,479	1,024,158	915,152
Derivative financial instruments	30	(96,175)	(54,032)	(306,042)	(78,172)
Foreign currency exchange, net	30	(186,945)	104,667	(3,486,094)	1,727,760
Rentals		-	-	86,260	48,748
Own capital remuneration		2,667,048	(2,786,626)	2,667,048	(2,786,626)
Net loss		2,667,048	(2,786,626)	2,667,048	(2,786,626)

The accompanying notes are an integral part of this individual and consolidated quarterly information





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

1. OPERATIONS

Azul S.A. (“Azul” or “Company”) is a corporation governed by its bylaws, as per Law No. 6404/76 and by the corporate governance level 2 listing regulation of B3 S.A. – Brasil, Bolsa, Balcão (“B3”). The Company was incorporated on January 3, 2008, and its core business comprises the operation of regular and non-regular airline passenger services, cargo or mail, passenger charter, provision of maintenance and hangarage services for aircraft, engines, parts and pieces, aircraft acquisition and lease, development of frequent-flyer programs, development of related activities and equity holding in other companies since the beginning of its operations on December 15, 2008.

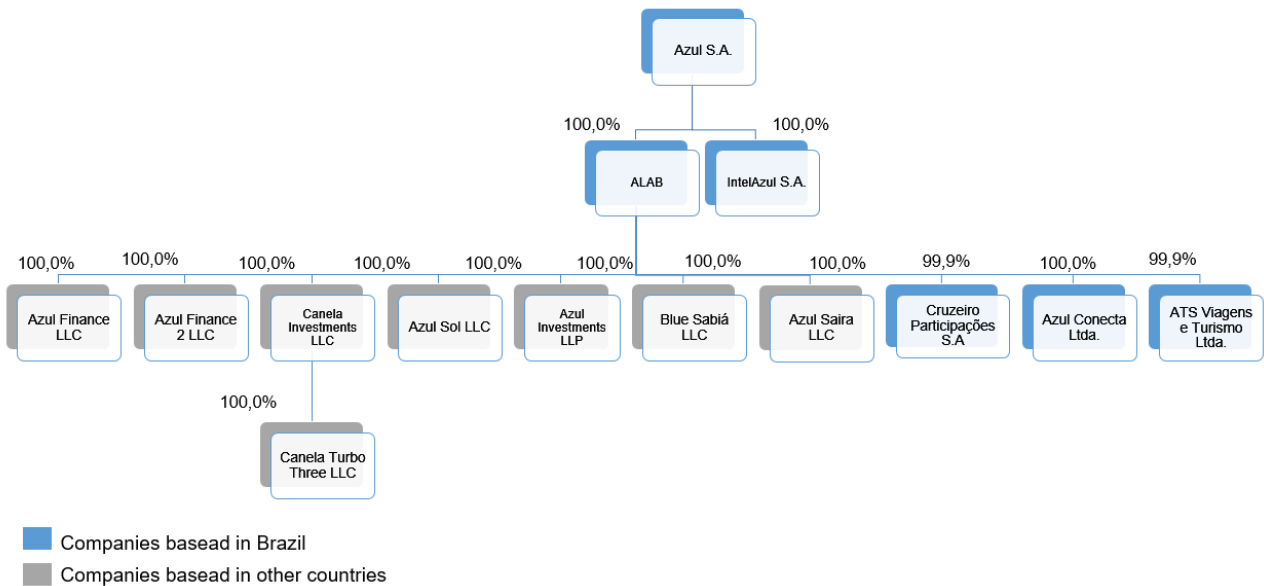
The Company carries out its activities through its subsidiaries, mainly Azul Linhas Aéreas Brasileiras S.A. (“ALAB”), which holds authorization from government authorities to operate as an airline.

The Company’s shares are traded on B3 and on the New York Stock Exchange (“NYSE”) under tickers AZUL4 and AZUL, respectively.

The Company is headquartered at Avenida Marcos Penteadro de Ulhôa Rodrigues, 939, 8th floor, in the city of Barueri, state of São Paulo, Brazil.

1.1 Structure

The Company and its subsidiaries consolidation structure as of March 31, 2022 is as follows:





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

The table below lists the operational activities in which the Company's subsidiaries are engaged, as well as the changes in ownership that occurred in the period, when applicable.

Company	Type of investment	Main activity	Country	% equity interest	
				03/31/2022	12/31/2021
IntelAzul S.A. (*)	Direct	Frequent-flyer program	Brazil	100.0%	100.0%
AZUL Linhas Aéreas Brasileiras S.A. (ALAB)	Direct	Airline operations	Brazil	100.0%	100.0%
Azul Conecta Ltda.	Indirect	Airline operations	Brazil	100.0%	100.0%
ATS Viagens e Turismo Ltda.	Indirect	Travel packages	Brazil	99.9%	99.9%
Cruzeiro Participações S.A	Indirect	Holding of equity interests in other companies	Brazil	99.9%	99.9%
Azul Investments LLP	Indirect	Funding	USA	100.0%	100.0%
Azul SOL LLC	Indirect	Aircraft financing	USA	100.0%	100.0%
Azul Finance LLC	Indirect	Aircraft financing	USA	100.0%	100.0%
Azul Finance 2 LLC	Indirect	Aircraft financing	USA	100.0%	100.0%
Blue Sabiá LLC	Indirect	Aircraft financing	USA	100.0%	100.0%
Canela Investments LLC	Indirect	Aircraft financing	USA	100.0%	100.0%
Canela Turbo Three LLC	Indirect	Aircraft financing	USA	100.0%	100.0%
Azul Saira LLC	Indirect	Aircraft financing	USA	100.0%	100.0%

(*) At the Extraordinary General Meeting – (“EGM”) held on March 18, 2022, Tudo Azul S.A. decided to change name, which is currently IntelAzul S.A.

1.2 Impacts caused by the russian invasion of Ukraine

Recent global developments related to the russian invasion of Ukraine have resulted in the sharp rise in Brent oil prices of approximately US\$75 per barrel at the end of 2021 to US\$100 at the end of April 2022, so increases in costs of fuel.

1.3 Impacts of the Covid-19 pandemic

Management has been closely monitoring the developments related to the COVID-19 pandemic, assessing the impact on its business and especially on its crew and customers.

During the COVID-19 pandemic, the Company's management adopted strict measures to preserve cash, especially the postponement of lease and supplier payments, freezing of contracts, suspension of projects that contained non-essential expenditures, and continuous search for opportunities to reduce costs and to raise funds in the capital market, seeking the economic and financial equilibrium among all stakeholders.

With the significant reduction in cases of COVID-19 infections and the resumption of operations, the financial resources management measures became more flexible, mainly for payments of lease and supplier considerations. The Company follows diligently managing its resources in order to fulfill the obligations assumed.

The Company continues to prioritize the well-being and health of its crew and customers and help Brazil to face the pandemic by offering free transportation of vaccines and medical equipment such as respirators and intubation cubes to the cities in our network.





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

During the three-month period ended March 31, 2022, there were no impacts on these individual and consolidated quarterly information related to changes in accounting estimates and/or provisions.

The Company is awaiting instructions from the National Civil Aviation Agency (“ANAC”) regarding withdrawal of the mandatory mask requirement, as well as to use the service at on board with a free distribution of snacks and drinks.

1.4 Capital structure and net working capital

The position of equity and consolidated net working capital and their variations are presented below:

Description	03/31/2022	12/31/2021	Variation
Net working capital	(6,765,949)	(5,863,917)	(902,032)
Equity	(15,638,829)	(18,333,003)	2,694,174

The variation in the balance of net working capital is mainly due to the reduction in cash and cash equivalents that is related to the following factors: (i) investing activities in the amount of approximately R\$226,934; (ii) payment of considerations for lease in the amount of R\$820,467, in addition to the increase in suppliers payable due to the resumption of operations; and transfers of loan and financing obligations non-current to current.

The reduction in the negative balance of shareholders' equity is the position resulting mainly from the effect the 15% appreciation of the real against the US dollar during the quarter. It is noteworthy that in the quarter, the Company recorded foreign exchange gains in the amount of R\$3,486,094. Given that all secured finance and finance companies to the effects of the dollar trip.

Management of the Company continuously monitors liquidity situation and will continue to adopt measures to strengthen its cash position, provide efficiency in costs and restrain operating expenses. These actions have proven to be efficient for the business continuity and sustainability.

The Company ended the period with a position of cash, cash equivalents, financial investments, accounts receivable and short-term aircraft sublease receivables totaling R\$3,258,268 (R\$4,149,321 at December 31, 2021).

Management evaluated and concluded that the Company is in a position to continue its operations and comply with its obligations, according to the contracted maturities. This assessment is based on the Company's business plan approved by the Board of Directors on December 9, 2021. This assessment includes planned future actions, macroeconomic and aviation sector assumptions, such as, recovery in air transport demand, estimates of exchange rates fuel prices.

The Company's Management monitors and informs the Board of Directors about the performance achieved in relation to the approved plan and updates it as needed.

Based on this conclusion, this individual and consolidated quarterly information was prepared based on the principle of going concern.





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

During the quarter ended March 31, 2022, the Company funding R\$200,000 (note 18) and remains confident in its ability to access new sources of capital, at competitive costs.

1.5 Seasonality

The Company's operating revenues depend substantially on the general volume of passenger and cargo traffic, which is subject to seasonal changes. Our passenger revenues are generally higher during the summer and winter holidays, in January and July respectively, and in the last two weeks of December, which corresponds to the holiday season. Considering the distribution of fixed costs, this seasonality tends to cause variations in operating results between the quarters of the fiscal year. It should be noted that the COVID-19 pandemic impacted the behavior related to the frequency of travels of the Company's customers, which may affect the usual business seasonality.

2. DECLARATION OF MANAGEMENT, BASIS FOR PREPARATION AND PRESENTATION OF THE INDIVIDUAL AND CONSOLIDATED QUARTERLY INFORMATION ("ITR")

The Company's individual and consolidated quarterly information has been prepared in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The accounting practices adopted in Brazil include those included in the Brazilian corporation law and the technical pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee ("CPC"), approved by the Federal Accounting Council ("CFC") and the Brazilian Securities and Exchange Commission ("CVM").

The Company's individual and consolidated quarterly information has been prepared based on the real ("R\$") as a functional and presentation currency and is expressed in thousands of reais, unless otherwise indicated.

The preparation of the Company's individual and consolidated quarterly information requires Management to make judgments, use estimates and adopt assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. However, the uncertainty related to these judgments, assumptions and estimates can lead to results that require a significant adjustment to the carrying amount of certain assets and liabilities in future years.

The Company reviews its judgments, estimates, and assumptions on an ongoing basis. When preparing this individual and consolidated quarterly information, Management used disclosure criteria considering regulatory aspects and the relevance of the transactions to understand the changes in the Company's economic and financial position and its performance since the end of the year ended December 31, 2021, disclosed on February 24, 2022.

Management confirms that all relevant information specific to the individual and consolidated quarterly information, and only such information, is being evidenced and corresponds to that used by Management when carrying out its business management activities.

The individual and consolidated quarterly information has been prepared based on the historical cost, except for the following mainly items recognized in the statements of financial position at fair value.





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

- Short-term investments classified as cash and cash equivalents;
- Short-term investments mainly comprised of TAP Bond;
- Investments accounted for under the equity method;
- Derivative financial instruments; and
- Debenture conversion right.

The approval and authorization for issue of these individual and consolidated quarterly information (ITR) occurred at the Board of Directors' meeting held on May 5, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

The Individual and consolidated quarterly information presented herein was prepared based on policies, accounting practices and estimate calculation methods adopted and presented in detail in the annual financial statements for the year ended December 31, 2021 published on February 24, 2022 and should be read in conjunction with those statements.

3.1 New accounting standards and pronouncements not yet adopted

There are no other standards and interpretations issued and not yet adopted that, in Management's opinion, may have a significant impact on the result or equity disclosed by the Company.

3.2 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate in effect at the date the transactions take place. Monetary assets and liabilities designated in foreign currency are calculated based on the exchange rate in effect at the reporting date, and any difference resulting from currency conversion is recorded under the line item "Foreign currency exchange, net" in the statement of profit or loss for the period.

The exchange rates in Brazilian reais at the date of this individual and consolidated quarterly information (ITR) are as follows:

Description	Final rate			Average rate		
	Three-month period ended	Year ended	Variation	Three-month period ended	Year ended	Variation
	03/31/2022	12/31/2021	%	03/31/2022	12/31/2021	%
U.S. dollar	4.7378	5.5805	-15.1%	4.9684	5.3956	-7.9%
Euro	5.2561	6.3210	-16.8%	5.4740	6.3784	-14.2%





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

4. CASH AND CASH EQUIVALENTS

Description	Effective interest rate p.a.	Parent company		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash and bank deposits		1,356	10,724	235,554	229,745
Cash equivalents					
Bank Deposit Certificate - CDB	7.54%	280,142	282,833	1,388,142	2,750,776
Time Deposit - TD	0.12%	8,058	-	87,523	91,043
Repurchase agreements	4.75%	-	-	146,552	2,235
		<u>289,556</u>	<u>293,557</u>	<u>1,857,771</u>	<u>3,073,799</u>

5. SHORT-TERM INVESTMENTS

Description	Effective interest rate p.a.	Consolidated	
		03/31/2022	12/31/2021
Investment funds	3.67%	1,509	1,430
TAP Bond	7.50%	722,088	906,719
		<u>723,597</u>	<u>908,149</u>
Current		1,509	1,430
Non-current		722,088	906,719

6. ACCOUNTS RECEIVABLE

Description	Consolidated	
	03/31/2022	12/31/2021
Local currency		
Credit card companies	551,476	411,092
Cargo and travel agencies	366,729	209,621
Travel package financing entities	115,846	106,824
TudoAzul Program partners	173,913	128,018
Other	27,100	32,896
Total local currency	<u>1,235,064</u>	<u>888,451</u>
Foreign currency		
Credit card companies	15,988	19,211
Reimbursement receivable for maintenance reserves	2,509	18,197
Airline partner companies	34,254	36,693
Insurance companies	4,413	4,194
Clearinghouse - agencies and cargo	26,087	26,085
Other	29,098	22,879
Total foreign currency	<u>112,349</u>	<u>127,259</u>
Total	<u>1,347,413</u>	<u>1,015,710</u>
Allowance for expected credit losses	(18,032)	(17,817)
Total net	<u>1,329,381</u>	<u>997,893</u>

In Brazil, receivable cards are not exposed to the credit risk of the holder, therefore, they can be easily converted into cash when needed, through anticipation along with credit card operators.





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

The breakdown of accounts receivable by maturity, net of allowance for expected losses, is as follows:

Description	Consolidated	
	03/31/2022	12/31/2021
Not past due	1,223,584	920,796
61 to 90 days	87,807	59,286
Over 90 days	17,990	17,811
Total	1,329,381	997,893

The movement of the allowance for expected losses is as follows:

Description	Consolidated	
	03/31/2022	12/31/2021
Balances at the beginning of the period	(17,817)	(16,131)
Additions	(219)	(5,921)
Write-off of uncollectible amounts	4	4,235
Balances at the end of the period	(18,032)	(17,817)

7. AIRCRAFT SUBLEASE RECEIVABLES

Description	Consolidated	
	03/31/22	12/31/21
2022	63,802	92,092
2023	74,420	87,658
2024	74,555	87,817
2025	46,602	54,890
2026	3,916	4,615
Gross lease receivables	263,295	327,072
Accrued interest	(39,594)	(52,874)
Net lease receivables	223,701	274,198
Current	69,607	76,199
Non-current	154,094	197,999

As of March 31, 2022, the amount of R\$14,416 was past due (R\$16,980 as of December 31, 2021). No provision was established as the Company has higher obligations arising from the receipt of security deposits advanced by the sub-lessor, and therefore there is no expectation of non-realization of such assets.





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

8. INVENTORIES

Description	Consolidated	
	03/31/2022	12/31/2021
Maintenance parts and materials	630,118	597,204
Flight attendance and uniforms	11,513	13,655
Provision for obsolescence of inventories	(39,816)	(38,935)
Total net	601,815	571,924

Set out below is the movement of the provision for obsolescence of inventories:

Description	Consolidated	
	03/31/2022	12/31/2021
Balances at the beginning of the period	(38,935)	(49,153)
Additions	(1,564)	(10,681)
Write-offs	683	2,566
Reversal of impairment	-	18,333
Balances at the end of the period	(39,816)	(38,935)

9. SECURITY DEPOSITS AND MAINTENANCE RESERVES

The movement of security deposits and maintenance reserves is as follows:

Description	Consolidated		
	Security deposits	Maintenance reserves	Total
Balances at December 31, 2021	319,530	1,644,889	1,964,419
Additions	4,467	242,506	246,973
Provision for loss	-	(24,087)	(24,087)
Reimbursements	(5,356)	(2,040)	(7,396)
Foreign currency exchange	(40,840)	(261,994)	(302,834)
Balances at March 31, 2022	277,801	1,599,274	1,877,075
Current	51,166	263,960	315,126
Non-current	226,635	1,335,314	1,561,949

10. TAXES RECOVERABLE

Description	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
PIS and COFINS	-	-	88,545	61,049
IRRF	3,601	2,180	29,137	19,768
IRPJ and CSSL	10,727	12,388	14,726	15,488
ICMS	-	-	13,024	9,500
Other	-	-	7,152	3,894
	14,328	14,568	152,584	109,699





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

11. PREPAID EXPENSES

Description	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Insurances premiums	8,521	3,064	69,436	89,951
Maintenance	-	-	341,491	295,518
Commissions	-	-	113,021	112,599
Others	5	33	60,858	59,710
Total	8,526	3,097	584,806	557,778
Current	8,526	3,097	226,514	244,413
Non-current	-	-	358,292	313,365

12. ADVANCES TO SUPPLIERS

Description	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Advances – local currency	63	97	54,303	109,677
Advances – foreign currency	-	-	75,049	93,702
Total	63	97	129,352	203,379

13. INCOME TAX AND CONTRIBUTION

13.1 Reconciliation of deferred tax assets (liabilities)

Description	Consolidated		
	12/31/2021	Profit or loss	03/31/2022
Temporary differences liabilities			
Fair value of TAP Bond	(31,549)	19,169	(12,380)
Financial instruments	(95,208)	(49,349)	(144,557)
Deferred revenue TudoAzul program	(138,624)	2,017	(136,607)
Others	(516)	510	(6)
	(265,897)	(27,653)	(293,550)
Temporary differences assets	265,897	27,653	293,550
Total	-	-	-





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

13.2 Reconciliation of the effective income tax rate

Description	Parent company		Consolidated	
	Three-month periods ended			
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Loss before income tax and social contribution	2,667,048	(2,786,626)	2,667,048	(2,786,626)
Combined nominal tax rate	34%	34%	34%	34%
Taxes calculated at nominal rates	(906,796)	947,453	(906,796)	947,453
Adjustments to determine the effective rate				
Profits from investments not taxed abroad	-	-	(37,853)	(3,694)
Share of profit (loss) of investees	834,666	(906,159)	-	-
(Unrecorded) benefit on tax losses and temporary differences	49,120	(29,118)	874,433	(950,303)
Permanent differences	23,010	(12,176)	71,106	6,906
Others	-	-	(890)	(362)
	-	-	-	-

The Company has tax losses that are available indefinitely for offset against 30% of future taxable profits, as follows:

Description	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Tax loss and negative social contribution base, net	348,716	316,407	9,450,989	8,843,805
Tax loss (25%)	87,179	79,102	2,362,747	2,210,951
Negative social contribution base (9%)	31,384	28,477	850,589	795,942

14. INVESTMENTS

Description	Company equity interest			Net profit (loss)
	Paid-up capital	Voting capital	Equity	
At December 31, 2021				
ALAB	100%	100%	(17,522,749)	(4,676,316)
IntelAzul	100%	100%	(17,932)	9,106
Goodwill – IntelAzul	-	-	780,991	(39,588)
Total			(16,759,690)	(4,706,798)
At March 31, 2022				
ALAB	100%	100%	(15,063,052)	2,455,390
IntelAzul	100%	100%	(18,422)	(490)
Goodwill – IntelAzul	-	-	780,991	-
Total			(14,300,483)	2,454,900

14.1 Movement of the investments

Description	ALAB	IntelAzul	Total
Balances at December 31, 2021	(17,522,749)	763,059	(16,759,690)
Share of profit (loss) of subsidiaries	2,455,390	(490)	2,454,900
Share-based reserve of subsidiary	4,307	-	4,307
Balances at March 31, 2022	(15,063,052)	762,569	(14,300,483)





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

15. PROPERTY AND EQUIPMENT

Description	Weighted average rate (p.a.)	Consolidated			
		12/31/2021	Acquisitions	Disposals/ write-offs	03/31/2022
Cost					
Aircraft and engines		2,519,231	93,331	(25,142)	2,587,420
Buildings and leasehold improvements		506,678	1,099	(5,748)	502,029
Equipment and facilities		199,119	3,209	(73)	202,255
Others		29,905	393	(4)	30,294
Construction in progress		52,174	14,944	-	67,118
Advance payments for acquisition of aircraft		85,607	-	-	85,607
		3,392,714	112,976	(30,967)	3,474,723
Depreciation					
Aircraft and engines	9%	(811,322)	(57,438)	18,449	(850,311)
Buildings and leasehold improvements	10%	(174,092)	(12,416)	5,666	(180,842)
Equipment and facilities	11%	(129,236)	(5,702)	35	(134,903)
Others	9%	(22,400)	(696)	3	(23,093)
		(1,137,050)	(76,252)	24,153	(1,189,149)
Property and equipment		2,255,664	36,724	(6,814)	2,285,574
Impairment		(294,490)	-	-	(294,490)
Total property and equipment, net		1,961,174	36,724	(6,814)	1,991,084

16. RIGHT-OF-USE ASSETS

Description	Weighted average rate (p.a.)	Consolidated				
		12/31/2021	Acquisitions	Disposals/ Write-offs	Contractual modifications	03/31/2022
Cost						
Aircraft and engines		11,356,489	431,753	-	(7,380)	11,780,862
Maintenance of aircraft and engines		1,542,856	184,562	(97,463)	-	1,629,955
Restoration of aircraft and engines		1,387,738	49,762	-	-	1,437,500
Simulators		119,782	-	-	-	119,782
Properties		15,952	-	-	1,983	17,935
Others		73,274	-	-	1,165	74,439
		14,496,091	666,077	(97,463)	(4,232)	15,060,473
Depreciation						
Aircraft and engines	7%	(6,368,510)	(207,585)	-	-	(6,576,095)
Maintenance of aircraft and engines	18%	(1,052,190)	(69,182)	96,951	-	(1,024,421)
Restoration of aircraft and engines	37%	(380,649)	(126,647)	-	-	(507,296)
Simulators	29%	(70,256)	(8,709)	-	-	(78,965)
Properties	33%	(3,214)	(1,308)	-	-	(4,522)
Others	33%	(16,026)	(6,112)	-	-	(22,138)
		(7,890,845)	(419,543)	96,951	-	(8,213,437)
Right-of-use assets		6,605,246	246,534	(512)	(4,232)	6,847,036
Impairment		(605,651)	-	-	-	(605,651)
Right-of-use assets, net		5,999,595	246,534	(512)	(4,232)	6,241,385





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

17. INTANGIBLE ASSETS

Description	Weighted average rate (p.a.)	Consolidated		
		12/31/2021	Acquisitions	03/31/2022
Cost				
Goodwill		901,417	-	901,417
Slots		126,547	-	126,547
Software		748,049	42,767	790,816
		<u>1,776,013</u>	<u>42,767</u>	<u>1,818,780</u>
Amortization				
Software	15%	(417,975)	(27,869)	(445,844)
		<u>(417,975)</u>	<u>(27,869)</u>	<u>(445,844)</u>
Total intangible assets, net		<u>1,358,038</u>	<u>14,898</u>	<u>1,372,936</u>





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

18. LOANS AND FINANCING

18.1 Movement of loans and financing

Consolidated											
Description	Nominal rate p.a.	Maturity	12/31/2021	Funding	Variation of conversion right	Payment of principal	Payment of interest	Interest incurred	Foreign currency exchange	Amortized cost	03/31/2022
In foreign currency – US\$											
Working capital											
Senior notes - 2024	5.9%	Oct/24	2,236,910	-	-	-	-	29,368	(339,736)	1,523	1,928,065
Senior notes - 2026	7.3%	Jun/26	3,298,018	-	-	-	-	54,362	(501,645)	3,087	2,853,822
Others	1.0%	Jul/23	5,002	-	-	(3,996)	-	5	(331)	-	680
Convertible debentures (a)	6.0%	Oct/25	1,873,001	-	(96,175)	-	-	54,004	(187,688)	1,070	1,644,212
Aircraft and engines	3.0% a 7.0%	Mar/29	1,091,953	-	-	(7,310)	(11,140)	13,050	(165,892)	1,398	922,059
Aircraft and engines	Libor 3M + 2.6%	Mar/22	1,561	-	-	(1,428)	-	6	(139)	-	-
In local currency - R\$											
Working capital	CDI + 3.0% a 6.0%	Feb/24	643,699	200,000	-	(59,443)	(22,226)	20,447	-	47	782,524
	10.0%	Sep/25	23,202	-	-	(6,649)	(551)	591	-	-	16,593
Debentures	CDI + 3.0%	Dec/23	733,017	-	-	-	-	23,590	-	1,331	757,938
Aircraft and engines	6.0% a 7.3%	Mar/27	84,330	-	-	(6,776)	(1,290)	1,247	-	30	77,541
	Selic + 2.8% a 5.5%	May/25	28,038	-	-	(1,470)	(1,054)	912	-	10	26,436
Total in R\$			10,018,731	200,000	(96,175)	(87,072)	(36,261)	197,582	(1,195,431)	8,496	9,009,870
Current liabilities											1,510,205
Non-current liabilities											7,499,665

(a) The balance contains the conversion right in the amount of R\$540,611 (as of December 31, 2021 – R\$636,786) and was recorded in the parent company.





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

18.2 New funding

On March 31, 2022, the subsidiary ALAB funding funds in the amount of R\$200,000 with an rate equivalent to CDI + 5.4% p.a. and quarterly payments of interest and principal with final maturity on September 29, 2023. For this funding, the Company assigned receivables and the resources will be used for general corporate purposes.

18.3 Schedule of amortization of long-term debt

Description	Consolidated	
	03/31/2022	12/31/2021
2023	864,726	1,242,042
2024	2,052,525	2,417,304
2025	1,716,019	1,959,558
2026	2,850,643	3,357,741
After 2026	15,752	18,696
	<u>7,499,665</u>	<u>8,995,341</u>

18.4 Covenants

The Company has covenants in some of its financing contracts, as disclosed in the financial statements for December 31, 2021.

The Company previously requested a *waiver* from the counterparties, and thus obtained them for the exercise of 2022. Therefore, the related debt is still classified in this quarterly information in accordance with the contractual flow originally established.





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

19. LEASE LIABILITIES

19.1 Movement of lease liabilities

Consolidated									
Description	Average remaining term	Weighted average rate	12/31/2021	Additions	Contractual modifications	Payments	Interest incurred	Foreign currency exchange	03/31/2022
Lease without purchase option:									
Aircraft and engines	7.81	21%	13,724,647	404,677	4,147	(935,167)	574,768	(2,040,251)	11,732,821
Others	4.76	9%	71,869	-	3,148	(4,493)	1,508	(39)	71,993
Lease with purchase option:									
Aircraft and engines	5.49	9%	1,094,059	27,076	(12,343)	(60,571)	17,717	(162,842)	903,096
Total			14,890,575	431,753	(5,048)	(1,000,231)	593,993	(2,203,132)	12,707,910
Current liabilities			3,497,665						3,010,403
Non-current liabilities			11,392,910						9,697,507





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

19.2 Schedule of amortization of lease liabilities

Description	Consolidated	
	03/31/2022	12/31/2021
2022	2,385,405	3,802,070
2023	3,520,616	4,056,001
2024	3,481,964	4,015,746
2025	2,953,463	3,397,128
2026	2,671,382	3,072,413
After 2026	8,929,471	10,080,996
Minimum lease payment	23,942,301	28,424,354
Financial charges	(11,234,391)	(13,533,779)
Present value of minimum lease payments	12,707,910	14,890,575

19.3 Covenants

The Company has covenants in some of lease liabilities contracts as disclosed in the financial statements of December 31, 2021.

These conditions will only be verified in the 2023 fiscal year, therefore, the related debt is still classified in this quarterly information according to the contractual flow originally established.

20. ACCOUNTS PAYABLE

Description	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Accounts payable – local currency	162	596	1,759,208	1,680,614
Accounts payable – foreign currency	497	2,840	908,507	654,551
	659	3,436	2,667,715	2,335,165
Current	659	3,436	1,889,450	1,771,663
Non-current	-	-	778,265	563,502

21. DERIVATIVE FINANCIAL INSTRUMENTS

Changes in fair value	Consolidated				
	Derivatives not designated as hedge accounting				
	Interest rate swap	Forward - fuel	Forward - foreign currency	Conversion right debentures (*)	Total
Rights (obligations) with derivatives at 12.31.2021	(213,257)	9,383	270,640	(636,786)	(570,020)
Gains (losses) recognized in result	23,073	230,083	(43,289)	96,175	306,042
Payment in cash	526	(41,649)	-	-	(41,123)
Rights (obligations) with derivatives at 03.31.2022	(189,658)	197,817	227,351	(540,611)	(305,101)
Rights with current derivative financial instruments	63,257	197,817	-	-	261,074
Rights with non-current derivative financial instruments	-	-	227,351	-	227,351
Obligations with current derivative financial instruments	(66,004)	-	-	-	(66,004)
Obligations with non-current derivative financial instruments	(186,911)	-	-	-	(186,911)
Long-term loans and financing	-	-	-	(540,611)	(540,611)
	(189,658)	197,817	227,351	(540,611)	(305,101)





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

22. AIR TRAFFIC LIABILITY

Description	Consolidated	
	03/31/2022	12/31/2021
Cargo and passenger	1,964,089	1,912,050
Travel packages	149,383	232,840
TudoAzul Program	934,540	918,926
	<u>3,048,012</u>	<u>3,063,816</u>

The air traffic liability balances are presented net of passenger revenue breakage and the Tudo Azul program, corresponding to R\$401,784 as of March 31, 2022 (R\$407,718 as of December 31, 2021), with average period of utilization of 57 days (47 days as of December 31, 2021).

23. PROVISIONS

Description	Consolidated				Total
	Provisions for return of aircraft and engines	Provision for tax, civil and labor risks	Provision for onerous contract	Provision for post-employment benefit	
Balance at December 31, 2021	2,241,439	558,982	693,407	5,761	3,499,589
Additions	49,762	55,120	-	28	104,910
Write-offs/Payments	(81,765)	(37,440)	(6,414)	-	(125,619)
Interest incurred	22,836	-	26,685	152	49,673
Foreign currency exchange	(339,574)	-	(106,405)	-	(445,979)
Balance at March 31, 2022	<u>1,892,698</u>	<u>576,662</u>	<u>607,273</u>	<u>5,941</u>	<u>3,082,574</u>
Current	309,029	149,684	511,394	-	970,107
Non-current	1,583,669	426,978	95,879	5,941	2,112,467

23.1 Tax, civil and labor risks

The Company and its subsidiaries are parties to legal and administrative proceedings.

The Company's Management believes that the provision for tax, civil and labor risks is sufficient to cover possible losses on legal and administrative proceedings.

The balances of the proceedings with estimates of probable and possible losses are shown below:

Description	Consolidated			
	Probable loss		Possible loss	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Tax	214,235	218,051	222,885	217,470
Civil	81,602	69,326	50,353	44,661
Labor	61,341	52,121	107,277	107,427
Other	219,484	219,484	-	-
	<u>576,662</u>	<u>558,982</u>	<u>380,515</u>	<u>369,558</u>





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

24. RELATED PARTY TRANSACTIONS

24.1 Transactions and balances

Transactions with related parties were entered into in the ordinary course of the Company's business, at prices, terms and financial charges according to the conditions established between the parties. These transactions include, among other aspects, shared service contracts and loan agreements, detailed below:

Creditor	Debtor	Type of operation	Parent company		03/31/2022	12/31/2021
			Interest rate (p.a.)	Maturity		
ALAB	Azul	Loan	5.72%	Dec/25	4,843	4,776
					4,843	4,776

24.2 Compensation of key management personnel

Key management personnel comprise the directors, officers and members of the Executive Committee. The expenses with compensation and charges paid or payable for services are shown below:

Description	Consolidated	
	03/31/2022	03/31/2021
Short-term benefits	7,291	6,592
Share-based payment plan (a)	6,517	10,111
	13,808	16,703

(a) Considers stock option plans, restricted shares and phantom shares. The effect on the result referring to the phantom shares is based on the variation of the Company's share value, which is updated at each reporting period, and does not represent a cash outflow, with a forecast for settlement in up to eight years.

24.3 Guarantees and pledges granted by the Parent Company

The Company has granted guarantees on rental properties for some of its executives and the total amount involved is not significant.

24.4 Technology service sharing contract

On January 1, 2013, the Company entered into a contract with Águia Branca Participações S.A., one of its shareholders, for the sharing of information technology resources for an indefinite period. The total amount of services acquired during three-month period ended March 31, 2022 was R\$13 (R\$13 as of March 31, 2021), recorded under "Other operating income and expenses, net" in the statement of profit or loss. As of March 31, 2022, there were no amounts to be paid as a result of this transaction.





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

24.5 Ticket sales contract

On March 26, 2018, the Company entered into a ticket sales contract with Caprioli Turismo Ltda., a travel agency owned by the Caprioli family (which holds an indirect stake in the Company through TRIP former shareholders), whereby Caprioli Turismo Ltda. is granted a R\$20 credit line for the purchase and resale of tickets for flights operated by the Company. This credit line is guaranteed by a non-interest bearing promissory note in the same amount payable.

24.6 Aircraft sublease receivables

In December 2019, the Company signed a letter of intent for the sublease of up to 28 aircraft to the *Breeze Aviation Group* (“*Breeze*”), an airline founded by the controlling shareholder of Azul, headquartered in the United States. The transaction was voted and approved by 97% of the Azul's shareholders at the Extraordinary General Meeting held on March 2, 2020. Following good corporate practices, the controlling shareholder did not participate in the voting.

Until March 31, 2022, the Company sub-leased three aircrafts to *Breeze* and recorded a balance receivable of R\$68,017 (R\$79,663 as of December 31, 2021).

25. EQUITY

25.1 Issued capital

Description	Parent company and Consolidated		
	Company's capital	Quantity	
		Common shares	Preferred shares
At March 31, 2022	2,290,996	928,965,058	335,592,858
At December 31, 2021	2,290,876	928,965,058	333,680,010

Company shareholding structure is presented below:

Shareholder	Parent company and Consolidated					
	03/31/2022			12/31/2021		
	Common shares	Preferred shares	% economic participation	Common shares	Preferred shares	% economic participation
David Neeleman	67.0%	2.2%	4.5%	67.0%	1.7%	4.0%
Trip shareholders ^(a)	33.0%	4.8%	5.8%	33.0%	5.5%	6.5%
United Airlines Inc	-	8.0%	7.8%	-	8.1%	7.8%
Ameriprise Financial Inc.	-	5.0%	4.9%	-	-	-
Capital Research Global Investors	-	10.0%	9.7%	-	11.6%	11.2%
Others	-	69.7%	67.2%	-	73.0%	70.4%
Treasury shares	-	0.1%	0.1%	-	0.1%	0.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(a) This refers to Trip Participações S.A., Trip Investimentos Ltda. and Rio Novo Locações Ltda.





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

25.2 Treasury shares

Set out below is the movement of treasury shares:

Description	Parent company and Consolidated		
	Number of shares	Amount paid	Average cost (in R\$)
December 31, 2021	384,529	11,959	31.10
Acquisition	2,100	40	19.05
March 31, 2022	386,629	11,999	31.03

Up to March 31, 2022, the Company repurchased 479,900 shares from the balance of 2,000,000 shares approved in the preferred share buyback plan issued by the Company approved on March 1, 2021.

26. EARNINGS (LOSS) PER SHARE

Description	Parent company and consolidated	
	Three-month periods ended	
	03/31/2022	03/31/2021
Numerator		
Net profit (loss) for the period	2,667,048	(2,786,626)
Denominator		
Weighted average number of common shares	928,965,058	928,965,058
Weighted average number of preferred shares	334,320,126	332,283,182
75 preferred shares (*)	75	75
Weighted average number of equivalent preferred shares (*)	346,706,327	344,669,382
Weighted average number of equivalent common shares (**)	26,002,974,508	25,850,203,683
Weighted average number of presumed conversions	2,010,838	61,234,191
Weighted average number of shares that would have been issued at average market price	675,821	3,237,450
Profit (loss) basic per common share – R\$	0.10	(0.11)
Profit (loss) diluted loss per common share – R\$	0.10	(0.11)
Profit (loss) basic loss per preferred share – R\$	7.69	(8.08)
Profit (loss) diluted loss per preferred share – R\$	7.68	(8.08)

(*) This refers to the participation in the value of the Company's total equity, calculated as if all 928,965,058 common shares had been converted into 12,386,200 preferred shares at the conversion ratio of 75 common shares for each preferred share.

(**) This refers to the participation in the value of the Company's total equity, calculated as if the weighted average of preferred shares had been converted into common shares at the conversion ratio of 75 common shares for each 1 preferred share.

27. SHARE-BASED PAYMENT

27.1 Compensation plans

The conditions of the share-based payment plans executives were detailed in the financial statements for the year ended December 31, 2021, and have not changed in the quarter ended March 31, 2022.





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

The movement of the plans and the expense recognized in profit or loss during the quarter ended March 31, 2022 and 2021 are as follows:

Description	Parent company and Consolidated			
	Number of shares			
	Stock option plan ^(a)	Restricted shares plan ^(b)	Phantom Shares	Total
At December 31, 2021	3,923,686	1,366,386	5,136,682	10,426,754
Exercised	(1,912,848)	-	-	(1,912,848)
Canceled	-	(33,401)	-	(33,401)
At March 31, 2022	2,010,838	1,332,985	5,136,682	8,480,505

Description	Expense			
	Stock option plan	Restricted shares plan	Phantom Shares	Total
	At March 31, 2021	1,525	4,326	6,975
At March 31, 2022	1,020	3,287	3,763	8,070

(a) As of March 31, 2022 weighted average exercise price is R\$11.95 (R\$11.79 as of December 31, 2021).

(b) As of March 31, 2022, the total obligation related to the Phantom Shares plan is R\$53,591 (R\$49,828 as of December 31, 2021).

27.2 Assumptions

27.2.1 Stock option plan

Date of grant	Exercise price	Fair value at the date of grant	Estimated volatility of share price	Expected dividend	Risk-free return rate	Total granted	Total outstanding	Total vested options
12/11/2009	R\$ 3.42	R\$ 1.93	47.67%	1.10%	8.75%	5,032,800	207,920	207,920
03/24/2011	R\$ 6.44	R\$ 4.16	54.77%	1.10%	12.00%	1,572,000	84,000	84,000
04/05/2011	R\$ 6.44	R\$ 4.16	54.77%	1.10%	12.00%	656,000	7,500	7,500
06/30/2014	R\$ 19.15	R\$ 11.01	40.59%	1.10%	12.46%	2,169,122	740,013	740,013
07/01/2015	R\$ 14.51	R\$ 10.82	40.59%	1.10%	15.69%	627,810	199,864	199,864
07/01/2016	R\$ 14.50	R\$ 10.14	43.07%	1.10%	12.21%	820,250	299,796	299,796
07/06/2017	R\$ 22.57	R\$ 12.82	43.35%	1.10%	10.26%	680,467	471,745	471,745
03/14/2017	R\$ 11.85	R\$ 4.82	50.64%	1.10%	11.32%	9,343,510	-	-
						20,901,959	2,010,838	2,010,838

27.2.2 Restricted stock option plan

Date of grant	Fair value of share (in reais)	Total granted	Total not exercised
06/30/2014	R\$ 21.00	487,670	-
07/01/2015	R\$ 21.00	294,286	-
07/01/2016	R\$ 21.00	367,184	-
07/06/2017	R\$ 24.17	285,064	1,550
08/07/2018	R\$ 24.43	291,609	61,222
08/05/2019	R\$ 51.65	170,000	71,632
06/19/2020	R\$ 21.80	1,382,582	925,975
07/07/2021	R\$ 42.67	300,000	272,606
		3,578,395	1,332,985





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

27.2.3 Phantom share

Date of grant	Exercise price	Price at the date of grant	Current share price	Fair value at the date of grant	Estimated volatility of share price	Expected dividend	Risk-free return rate	Average remaining maturity (in years)	Total	
									granted	outstanding
08/07/2018	R\$ 20.43	R\$ 40.41	R\$ 23.92	R\$ 11.98	34.00%	1.10%	6.40%	0.3	707,400	88,404
08/05/2019	R\$ 42.09	R\$ 25.34	R\$ 23.92	R\$ 11.98	38.80%	1.10%	6.40%	1.3	405,000	14,201
04/30/2020	R\$ 10.35	R\$ 17.40	R\$ 23.92	R\$ 11.98	53.22%	0.00%	3.02%	1.1	3,250,000	2,985,488
04/30/2020	R\$ 10.35	R\$ 17.40	R\$ 23.92	R\$ 11.98	53.22%	0.00%	3.02%	2.1	1,600,000	1,495,421
08/17/2021	R\$ 33.99	R\$ 33.99	R\$ 23.92	R\$ 10.29	52.04%	0.00%	8.56%	3.4	580,000	553,168
									6,542,400	5,136,682

28. SALES REVENUE

Description	Consolidated	
	Three-month periods ended	
	03/31/2022	03/31/2021
Revenue		
Passenger revenue	2,931,190	1,650,069
Cargo transport and other revenue	387,579	258,900
Gross revenue	3,318,769	1,908,969
Taxes levied		
Passenger revenue	(88,221)	(52,427)
Cargo transport and other revenue	(37,507)	(30,720)
Total taxes	(125,728)	(83,147)
Net revenue	3,193,041	1,825,822

Revenues by geographical location are as follows:

Description	Consolidated	
	Three-month periods ended	
	03/31/2022	03/31/2021
Domestic revenue	2,688,518	1,678,529
Foreign revenue	504,523	147,293
Net revenue	3,193,041	1,825,822





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

29. RESULT BY NATURE

Description	Parent company		Consolidated	
	Three-month periods ended	Three-month periods ended	Three-month periods ended	Three-month periods ended
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Cost of services				
Aircraft fuel	-	-	(1,188,966)	(597,666)
Salaries and benefits	-	-	(397,014)	(375,621)
Airport charges	-	-	(199,107)	(149,343)
Provision of traffic services	-	-	(132,970)	(86,665)
Maintenance and repairs	-	-	(160,268)	(93,885)
Depreciation and amortization	-	-	(488,939)	(295,233)
Other	-	-	(453,571)	(229,984)
	-	-	(3,020,835)	(1,828,397)
Selling expenses				
Salaries and benefits	-	-	(5,494)	(4,783)
Advertising and publicity	-	-	(126,851)	(86,070)
	-	-	(132,345)	(90,853)
Administrative expenses				
Salaries and benefits	(14,411)	(2,774)	(31,713)	(34,116)
Depreciation and amortization	-	-	(1,974)	(1,964)
Other	(8,128)	(3,340)	(45,086)	(32,258)
	(22,539)	(6,114)	(78,773)	(68,338)
Other operating expenses				
Idleness - Depreciation and amortization	-	-	(31,125)	(46,552)
Other	-	(12)	(79,807)	(37,623)
	-	(12)	(110,932)	(84,175)
Total	(22,539)	(6,126)	(3,342,885)	(2,071,763)

As a consequence of the reduction in the number of flights operated and by analogy to the provisions of CPC 16 (R1) - Inventories, equivalent to IAS-2, expenses with depreciation of flight equipment not directly related to the revenues generated in the quarter called idleness were reclassified from the "Costs of services" group to the "Other operating income and expenses, net" group.





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

30. FINANCIAL RESULT

Description	Parent company		Consolidated	
	Three-month periods ended		Three-month periods ended	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Financial income				
Interest on short-term investments	6,601	1,699	34,384	18,026
Sublease receivable	-	-	5,679	6,850
Other	211	89	8,851	473
	6,812	1,788	48,914	25,349
Financial expenses				
Interest on loans	-	-	(143,578)	(68,478)
Interest on lease	-	-	(593,993)	(633,884)
Interest on convertible debentures	(54,004)	(54,062)	(54,004)	(54,062)
Interest on factoring credit card receivables	-	-	(37,223)	(6,431)
Interest on provisions	-	-	(49,673)	(58,315)
Guarantee commission	-	-	(31,512)	(17,066)
Borrowing cost	(1,070)	(894)	(8,496)	(5,225)
Other	(171)	(11,523)	(105,679)	(71,691)
	(55,245)	(66,479)	(1,024,158)	(915,152)
Derivative financial instruments, net	96,175	54,032	306,042	78,172
Foreign currency exchange, net	186,945	(104,667)	3,486,094	(1,727,760)
Financial result, net	234,687	(115,326)	2,816,892	(2,539,391)

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Operating activities expose the Company and its subsidiaries to financial market risks related to fuel prices, foreign exchange rates, interest rates, credit and liquidity. Such risks can be mitigated through the use of swaps, futures and options, in the oil, US dollar and interest market.

The Company's management monitors the market, credit and liquidity risks. All activities with financial instruments for risk management are carried out by specialists with skill, experience and adequate supervision. It is the Company's policy not to enter into derivative transactions for speculative purposes.

31.1 Fair value hierarchy of financial instruments

The Company's consolidated fair value hierarchy are shown below:

Description	Level	Parent company			
		Carrying amount		Fair value	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Assets					
Cash and cash equivalents	2	289,556	293,557	289,556	293,557
Liabilities					
Loans and financing	-	(1,103,601)	(1,236,215)	(1,352,942)	(1,256,767)
Loans and financing - conversion right	2	(540,611)	(636,786)	(540,611)	(636,786)
Accounts payable	-	(659)	(3,436)	(659)	(3,436)
Insurance premiums payable	-	(8,675)	-	(8,675)	-





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

Description	Level	Consolidated			
		Carrying amount		Fair value	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Assets					
Cash and cash equivalents	2	1,857,771	3,073,799	1,857,771	3,073,799
Short-term investments	2	723,597	908,149	723,597	908,149
Accounts receivable	-	1,329,381	997,893	1,329,381	997,893
Aircraft sublease receivables	-	223,701	274,198	223,701	274,198
Security deposits and maintenance reserves	-	1,877,075	1,964,419	1,877,075	1,964,419
Derivative financial instruments	2	488,425	353,817	488,425	353,817
Liabilities					
Loans and financing	-	(8,469,259)	(9,381,945)	(8,555,733)	(8,973,383)
Loans and financing - conversion right	2	(540,611)	(636,786)	(540,611)	(636,786)
Lease liabilities	-	(12,707,910)	(14,890,575)	(12,707,910)	(14,890,575)
Accounts payable	-	(2,667,715)	(2,335,165)	(2,667,715)	(2,335,165)
Accounts payable – supplier finance	-	(165,513)	(3,694)	(165,513)	(3,694)
Reimbursement to customers	-	(99,730)	(173,686)	(99,730)	(173,686)
Insurance premiums payable	-	(44,505)	(92,793)	(44,505)	(92,793)
Derivative financial instruments	2	(252,915)	(287,051)	(252,915)	(287,051)

31.2 Market risks

During the quarter ended March 31, 2022 and 2021, gains and losses were recognized in profit or loss as follows:

Description	Consolidated	
	03/31/2022	03/31/2021
Gain – interest rate risk	23,073	135,945
Gain – aviation fuel price risk (“QAV”)	230,083	21,267
Gain – foreign exchange risk	(43,289)	133,072
	209,867	290,284

31.2.1 Interest rate risk

As of March 31, 2022, the Company had swap contracts to hedge against the effect of fluctuations in interest rates on part of payments for leases.

31.2.1.1 Sensitivity analysis

As of March 31, 2022, the Company held financial investments and debts linked to various types of rates. In the sensitivity analysis of non-derivative financial instruments, the impact on annual interest was only considered on positions with values exposed to such fluctuations, according to the scenarios shown below:

Description	Rate (p.a.)	Consolidated			
		Exposure to CDI		Exposure to LIBOR	
		03/31/2022	Rate (p.a.) ^(a)	03/31/2022	Rate (p.a.) ^(a)
Net exposure at 03/31/2022	11.65%	360,570	1.23%	6,446	
Effect on profit or loss					
Interest rate devaluation by -50%	5.83%	(180,285)	0.61%	(3,223)	
Interest rate devaluation by -25%	8.74%	(90,142)	0.92%	(1,611)	
Interest rate appreciation by 50%	17.48%	180,285	1.84%	3,223	
Interest rate appreciation by 25%	14.56%	90,142	1.53%	1,611	

(a) Weighted rate.





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

31.2.2 Aviation fuel price risk (“QAV”)

The price of aviation fuel may vary depending on the volatility of the price of crude oil and its derivatives. To mitigate losses linked to variations in the fuel market, the Company had, as of March 31, 2022, forward transactions on fuel.

31.2.2.1 Sensitivity analysis

As of March 31, 2022, the Company has oil derivative contracts to protect future aviation fuel consumption. The probable scenarios used by the Company are the market curves at the March 31, 2022 closing for derivatives that protect the fuel price risk. The table below shows the sensitivity analysis in US dollars of the fluctuation of aviation fuel barrel prices:

Description	Consolidated	
	Exposure to HOA ^(a)	
	Price ^(b)	03/31/2022
HOA reference price at 03/31/2022	\$305	197,817
Effect on profit or loss		
HOA devaluation by -50%	\$153	(451,927)
HOA devaluation by -25%	\$229	(226,189)
HOA appreciation by 50%	\$458	452,542
HOA appreciation by 25%	\$382	226,271

(a) HOA – Heating Oil

(b) Average price in US dollars, per gallon, projected for the next 12 months.

31.2.3 Foreign exchange risk

The foreign exchange risk arises from the possibility of unfavorable exchange differences to which the Company's liabilities or cash flows are exposed. The Company constantly monitors the net exposure in foreign currency and evaluates the contracting of derivative transactions, projecting for a period deemed appropriate to minimize its exposure.

The exposure to the main exchange differences is as follows:

Description	Consolidated			
	Exposure to US\$		Exposure to €	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Assets				
Cash and cash equivalents and short-term investments	266,565	244,239	724,460	911,071
Accounts receivable	73,428	100,640	-	-
Security deposits and maintenance reserves	223,701	274,198	-	-
Aircraft sublease receivables	1,831,818	1,918,517	-	-
Other assets	114,425	154,198	-	-
Total assets	2,509,937	2,691,792	724,460	911,071
Liabilities				
Accounts payable	(7,348,838)	(8,506,445)	-	-
Loans and financing	(12,611,709)	(14,814,400)	-	-
Lease liabilities	(820,282)	(624,162)	-	-
Provisions and other liabilities	(3,188,518)	(3,808,012)	-	-
Total liabilities	(23,969,347)	(27,753,019)	-	-
Net exposure	(21,459,410)	(25,061,227)	724,460	911,071
Net exposure in foreign currency	(4,529,404)	(4,490,857)	137,832	144,134





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

31.2.3.1 Sensitivity analysis

As of March 31, 2022, the Company adopted an exchange rate of R\$4.7378/US\$1.00 and R\$5.2561/€1.00, corresponding to the month's closing rate released by the Central Bank of Brazil as a probable scenario. The table below shows the sensitivity analysis and the effect on the result of the exchange rate fluctuation in the exposed amount as of March 31, 2022:

Description	Consolidated			
	Exposure to US\$		Exposure to €	
	Rate	03/31/2022	Rate	03/31/2022
Net exposure at 03/31/2022	4.7378	(21,459,410)	5.2561	724,460
Effect on profit or loss				
Foreign currency devaluation by -50%	2.3689	10,729,705	2.6281	(362,230)
Foreign currency devaluation by -25%	3.5534	5,364,853	3.9421	(181,115)
Foreign currency appreciation by 50%	7.1067	(10,729,705)	7.8842	362,230
Foreign currency appreciation by 25%	5.9223	(5,364,853)	6.5701	181,115

31.3 Credit risk

Credit risk is inherent to the Company's operating and financial activities, mainly disclosed in cash and cash equivalents, short-term investments, accounts receivable, aircraft sublease receivables, security deposits and maintenance reserves. Financial assets classified as cash and cash equivalents and short-term investments are deposited with counterparties that have a minimum investment grade rating in the assessment made by agencies S&P Global Ratings, Moody's or Fitch (between AAA and A+). The TAP Bond is guaranteed by intellectual property rights and credits related to the TAP mileage program.

Credit limits are established for all customers based on internal classification criteria and the carrying amounts represent the maximum credit risk exposure. The credit quality of the customer is assessed based on an extensive internal credit rating system. Outstanding receivables from customers are frequently monitored by the Company.

Derivative financial instruments are contracted on the over-the-counter market (OTC) from counterparties with a minimum investment grade rating, or on commodities and futures exchanges (B3 and NYMEX), which substantially mitigates the credit risk. The Company has an obligation to assess the risks of counterparties in financial instruments and to diversify the exposure periodically.

31.4 Liquidity risk

The maturity schedules of the Company's consolidated financial liabilities as of March 31, 2022 are as follows:

Description	Consolidated							
	03/31/2022							
	Carrying amount	Contractual cash flows	2022	2023	2024	2025	2026	After 2026
Accounts payable	2,667,715	2,667,715	1,848,477	198,098	382,706	81	3,301	235,052
Accounts payable – supplier finance	165,513	165,513	165,513	-	-	-	-	-
Loans and financing	9,009,870	9,114,384	1,105,030	1,323,982	2,079,924	1,733,040	2,856,484	15,924
Lease liabilities	12,707,910	23,942,301	2,385,405	3,520,616	3,481,964	2,953,463	2,671,382	8,929,471
Derivative obligations	252,915	252,915	66,004	48,172	138,739	-	-	-
Insurance premiums payable	44,505	44,505	44,505	-	-	-	-	-
Reimbursement to customers	99,730	99,730	99,730	-	-	-	-	-
	24,948,158	36,287,063	5,714,664	5,090,868	6,083,333	4,686,584	5,531,167	9,180,447





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

31.5 Capital management

The Company seeks capital alternatives in order to satisfy its operational needs, aiming at a capital structure that it considers adequate for the financial costs and the maturity dates of funding and its guarantees. The Company continuously monitors its net indebtedness.

32. NON-CASH TRANSACTIONS

Description	Consolidated						
	Property and equipment and intangible assets	Maintenance reserves	Supplier finance	Amendment for future capital increase (*)	Lease	Transfers	Total
Aircraft sublease receivables	-	-	-	-	(817)	-	(817)
Security deposits and maintenance reserves	-	164,424	-	-	-	-	164,424
Property and equipment	113,370	-	-	-	-	-	113,370
Right-of-use assets	-	-	-	-	481,515	-	481,515
Lease liabilities	-	-	-	-	(430,936)	-	(430,936)
Accounts payable	(113,370)	(164,424)	161,819	-	-	(88,179)	(204,154)
Accounts payable – supplier finance	-	-	(161,819)	-	-	-	(161,819)
Provisions	-	-	-	-	(49,762)	88,179	38,417
Other assets and liabilities	-	-	-	22,859	-	-	22,859
Equity	-	-	-	(22,859)	-	-	(22,859)

33. COMMITMENTS AND GUARANTEES

33.1 Aircraft acquisition

As of March 31, 2022, the Company had contractually assumed the commitment to acquire 136 aircraft, 91 directly from manufacturers and 45 from lessors (131 as of December 31, 2021, 86 directly from manufacturers and 45 from lessors). The amounts shown below are discounted to present value using the weighted discount rate of leasing transactions and do not necessarily characterize a cash outflow as the Company evaluates the obtainment of financing to meet these commitments.

Description	Consolidated	
	03/31/2022	12/31/2021
2022	1,175,037	1,332,170
2023	926,959	1,048,452
2024	2,091,039	2,354,729
2025	1,876,728	2,116,390
2026	2,066,018	2,325,528
After 2026	3,045,681	3,454,271
	<u>11,181,462</u>	<u>12,631,540</u>

33.2 Letters of credit

As of March 31, 2022, the Company held letters of credit in the amount of US\$492 million (US\$492 million as of December 31, 2021), equivalent to R\$2,332,662 (R\$3,112,152 as of December 31, 2021) and of 34,952 (R\$8,763 as of December 31, 2021) related to security deposits, maintenance reserves and local guarantees.





AZUL S.A.

Notes to the quarterly information individual and consolidated

March 31, 2022

(In thousands of Brazilian reais – R\$, unless otherwise indicated)

33.3 Guarantees

The convertible debentures are guaranteed by the Company and its main operating subsidiary, ALAB, and are collateralized by certain assets, including, but not limited to, intellectual property assets held by the guarantors and the TudoAzul frequent-flyer program, certain rights related to the right of use of the hangar and specific equipment necessary for maintenance of the hangar used by the Company and located at Viracopos airport.

Additionally, other guarantees are offered for fundraising, such as the assignment of rights over credit card receivables, parts and equipment.

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Renata Bandeira Gomes do Nascimento
CRC 1SP 215231/O-3
Controllership and Tax Director

