



o céu é **Azul** 

Institutional Presentation

4Q22



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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?



Company Led By Founders



David Neeleman
Founder and Chairman



John Rodgerson
Founder and CEO



Alex Malfitani
Founder and CFO



Abhi Shah
Founder and
President



Jason Ward
Founder and VP,
People, Customer & ESG



Flavio Costa
Founder and COO

Sustainable Competitive Advantages



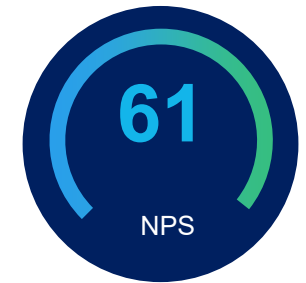
Unparalleled
Network



Flexible and
Fuel-Efficient Fleet



Fast-Growing and
High-Margin Businesses



Strong
Service-Oriented Culture

Robust and Sustainable Business Model

Crewmembers Engaged

+13,000

Direct jobs created

+50,000

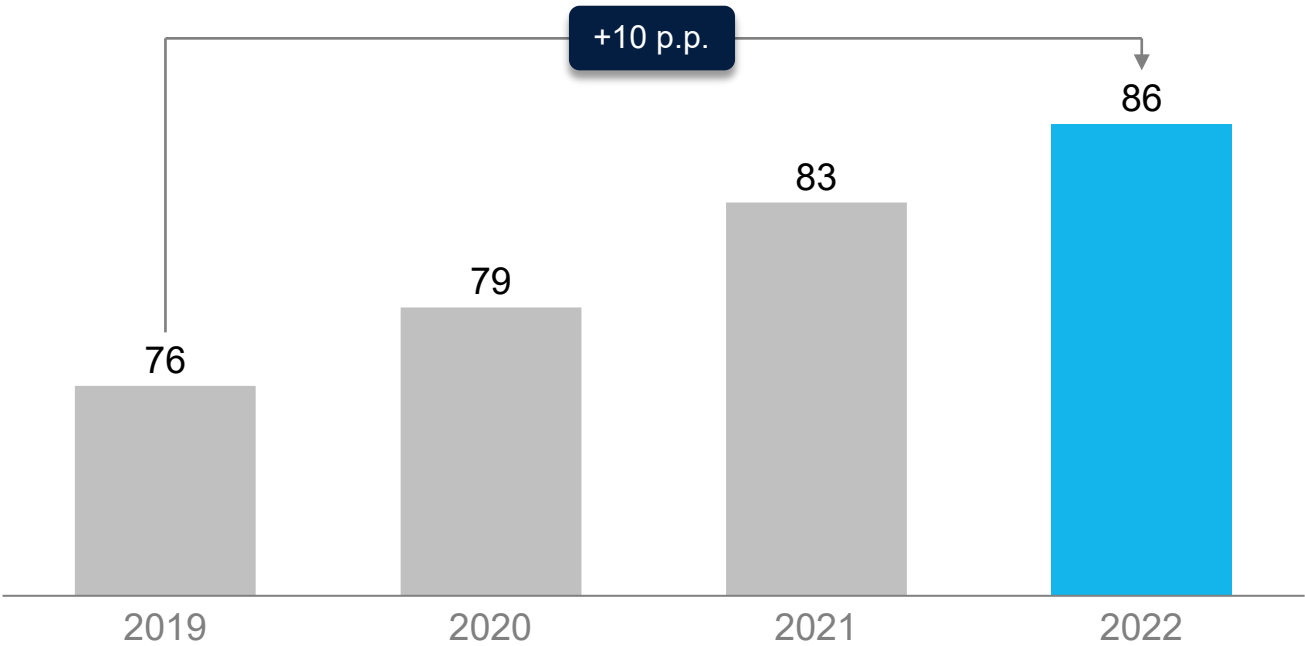
Indirect jobs

+90,000

Induced jobs

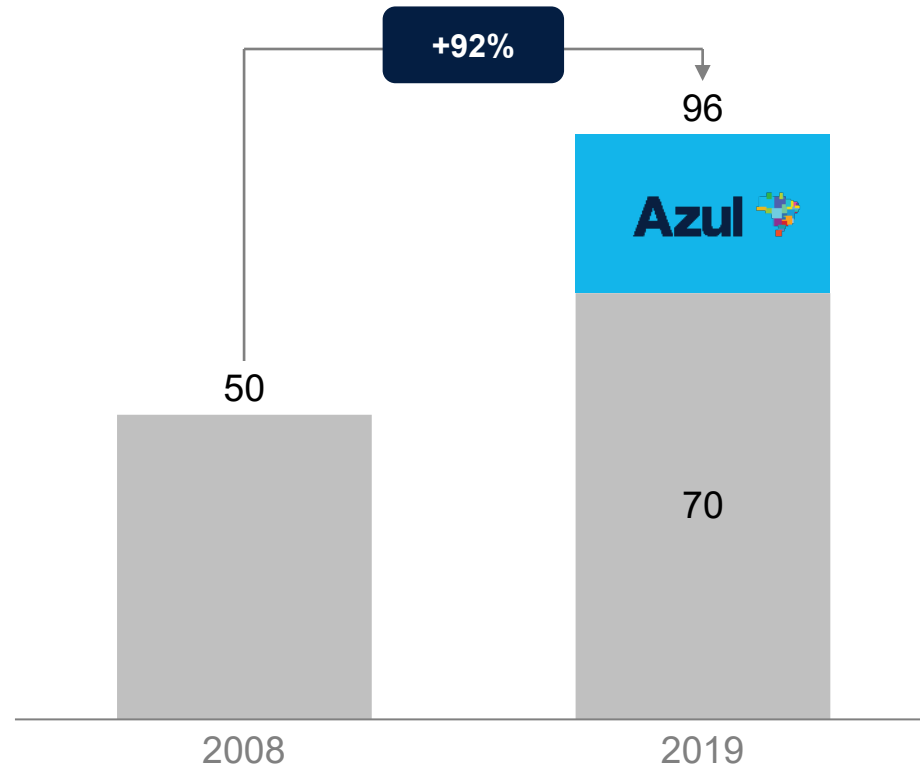
Crewmember Survey Results 2022

Favorability (%)



Azul Grows Demand

Azul's Domestic Passengers per Year
(millions)

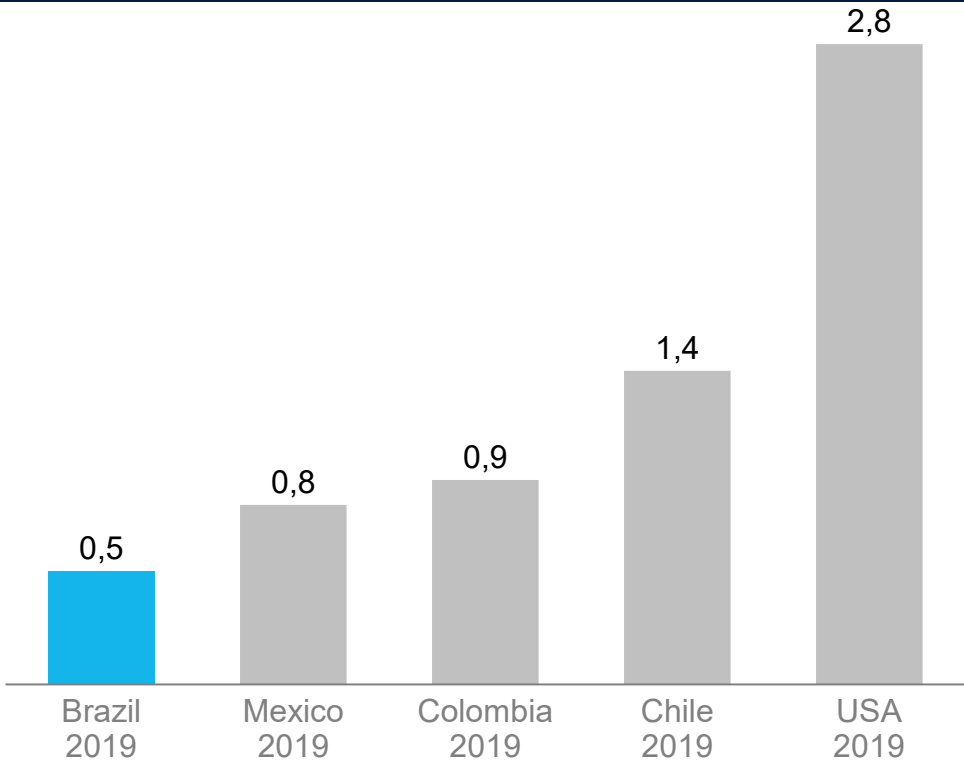


Aviation in Brazil
DOUBLED over ten years

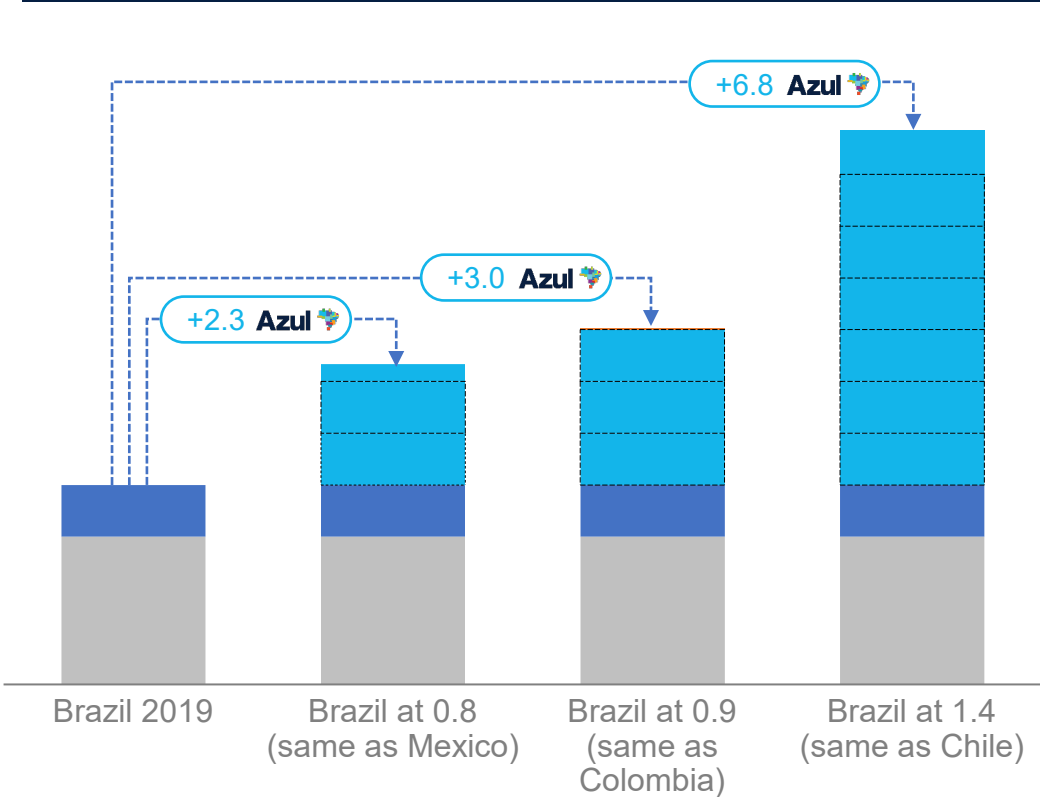
Azul was responsible for
over half of market growth

Brazilian Aviation Market Growth Opportunity

Flights Per Capita



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

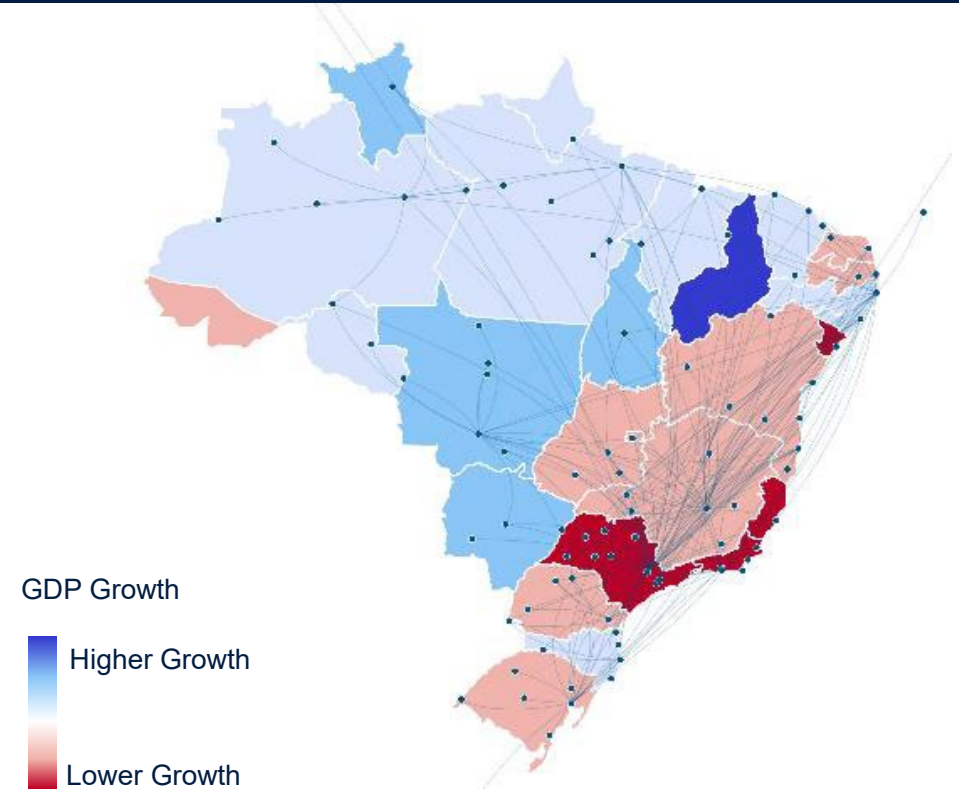
Unique Network With Strategically Located Hubs

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

Strong Presence in the Amazon Region

30%

of Azul's network is in Brazil's Legal Amazon (Amazonia Legal)¹

21%

of Azul Cargo revenue comes from Amazon region

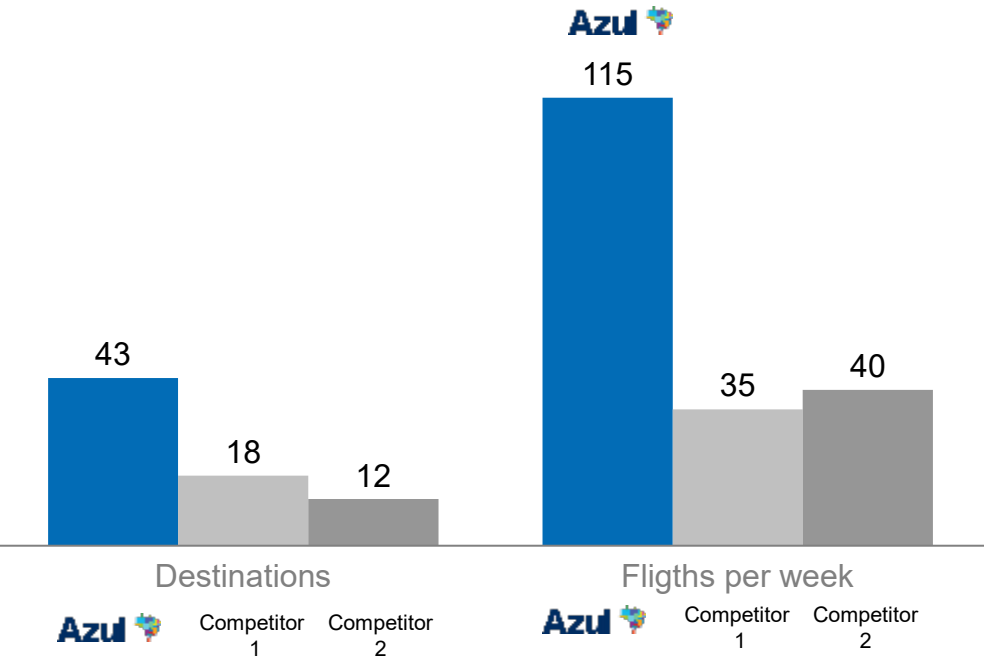
16%

of Azul's network is in Amazonas state

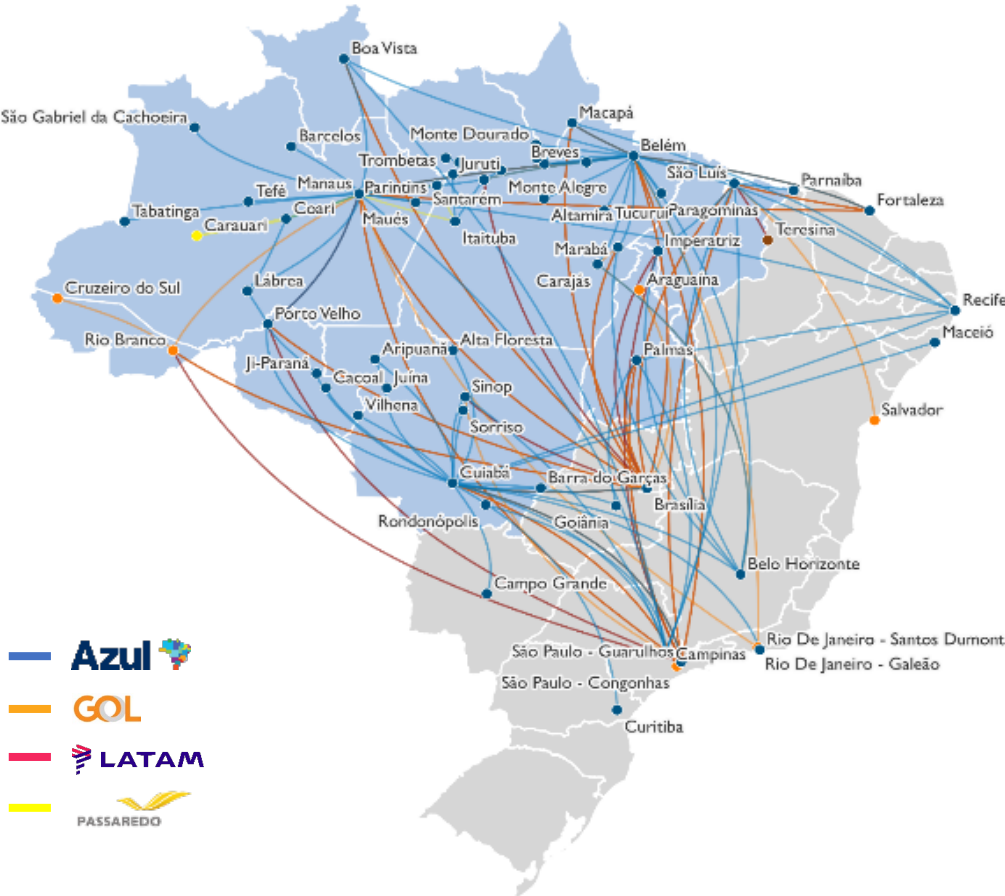
12%

of belly space is used for Cargo in Amazon region

Destinations and Flights to Legal Amazon



Legal Amazon Network



¹ Amazonia Legal (Brazil's Legal Amazon) containing nine states (Acre, Amapá, Amazonas, Maranhão, Mato Grosso, Pará, Rondônia, Roraima, Tocantins)

Record Number of Destinations

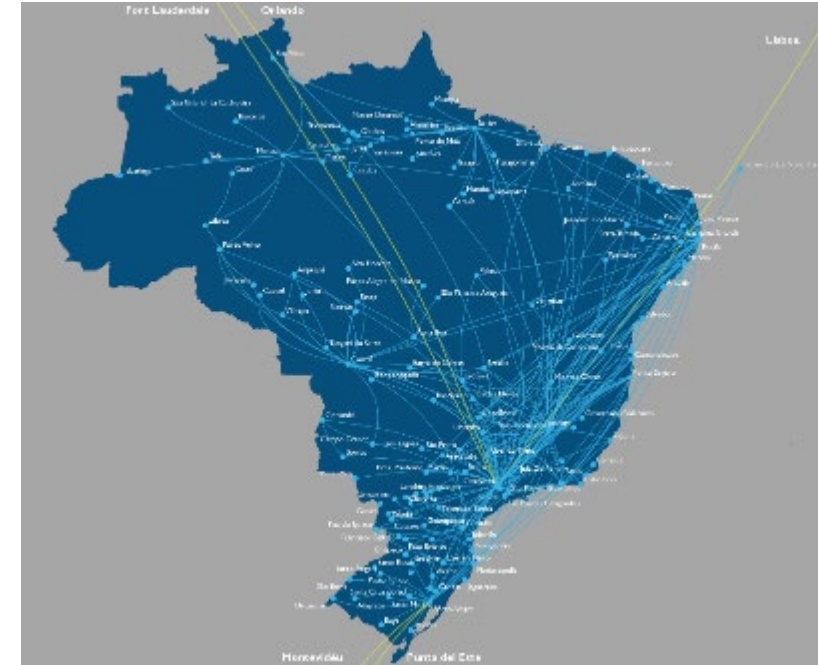
2019



116 Destinations

40+ Destinations Added

2022

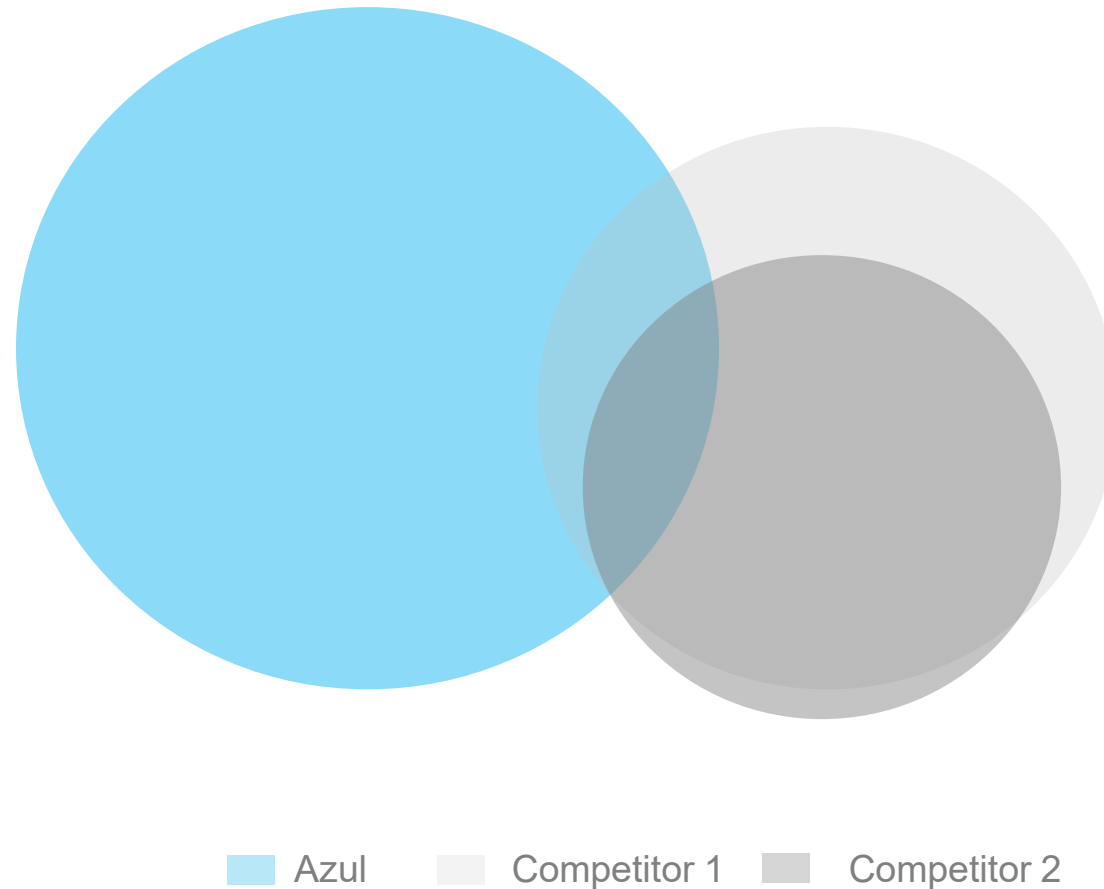


📍 **158+** destinations served

📍 **300+** non-stop routes

📍 **1,000+** daily flights

Continued Limited Overlap With Competitors

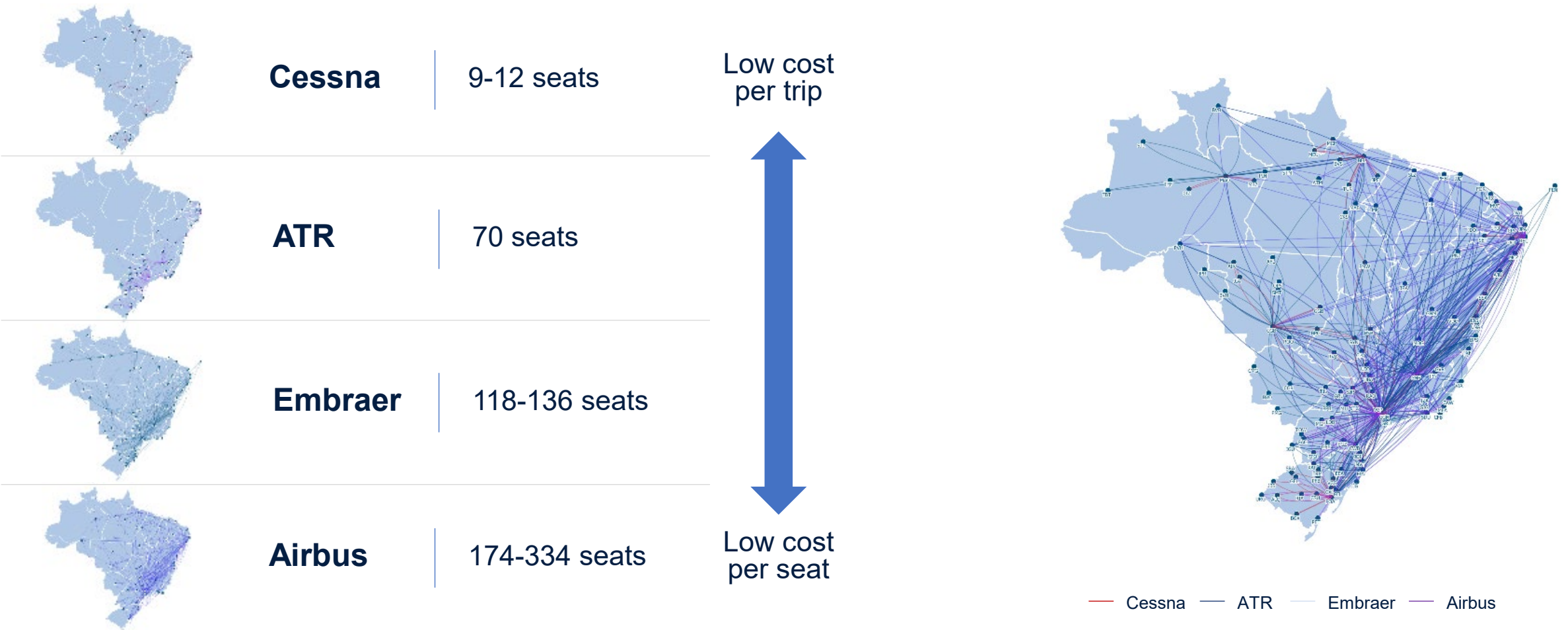


Domestic Brazil Route Overlap
(2021)

Diversified, Flexible Fleet to Serve all of Brazil



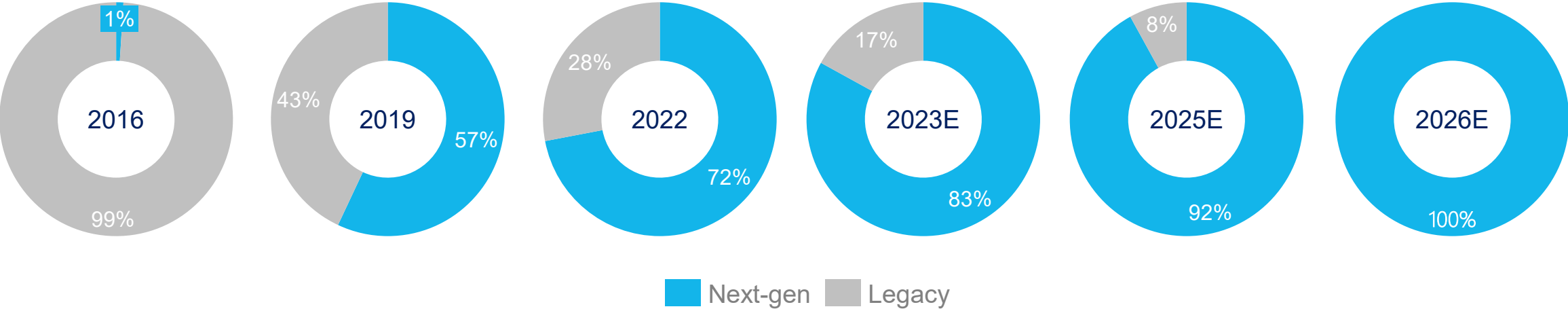
Matching Supply And Demand



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

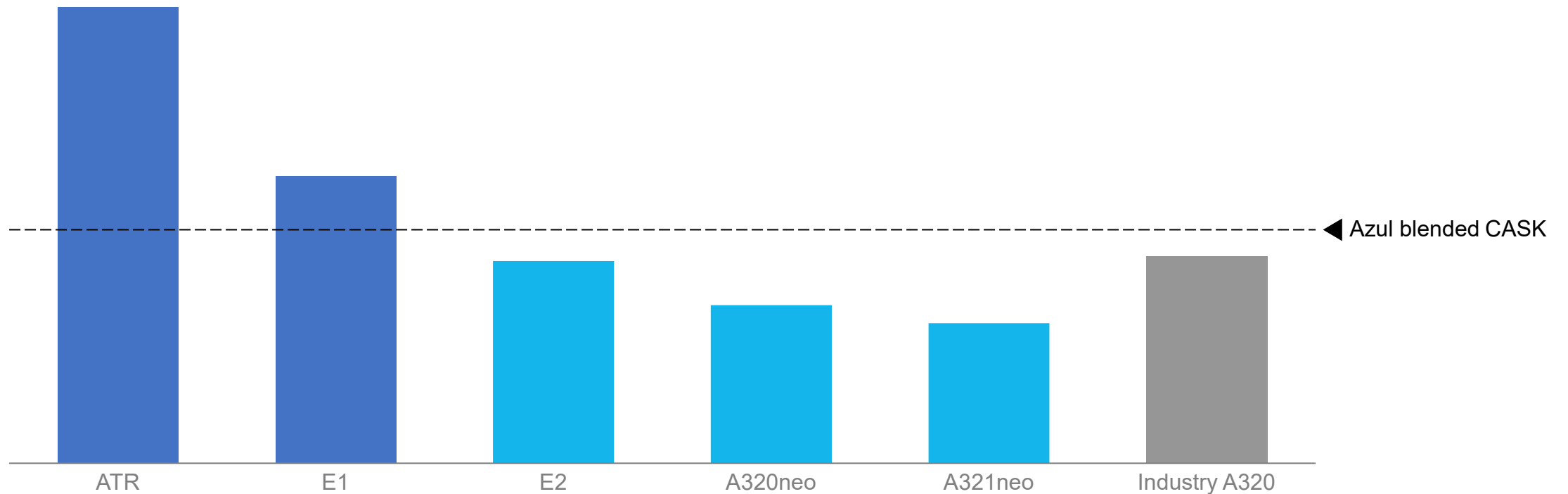
Projected Fleet Transformation Progress

Next-Generation Aircraft
(% of ASKs)



The Real Low-cost Carrier

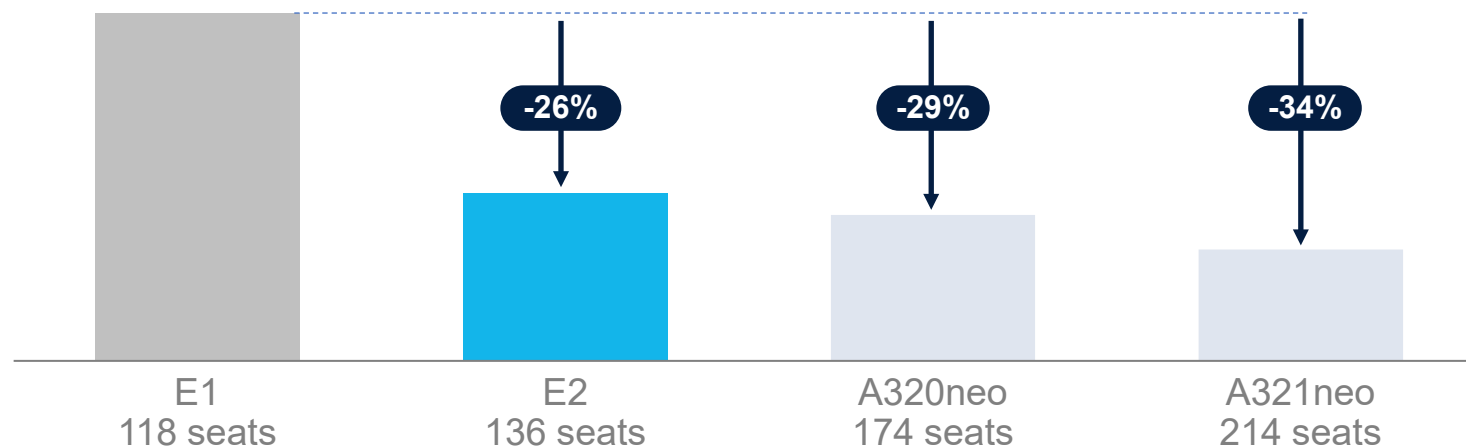
CASK by Fleet Type



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%

E1s Still Represent Large Number Of Flights

Fleet	Daily Flights	High Fuel Efficiency
A320 e A321neo	304	✓
Embraer E2	88	✓
ATRs	221	✓
Embraer E1	298	x
Total	900*	

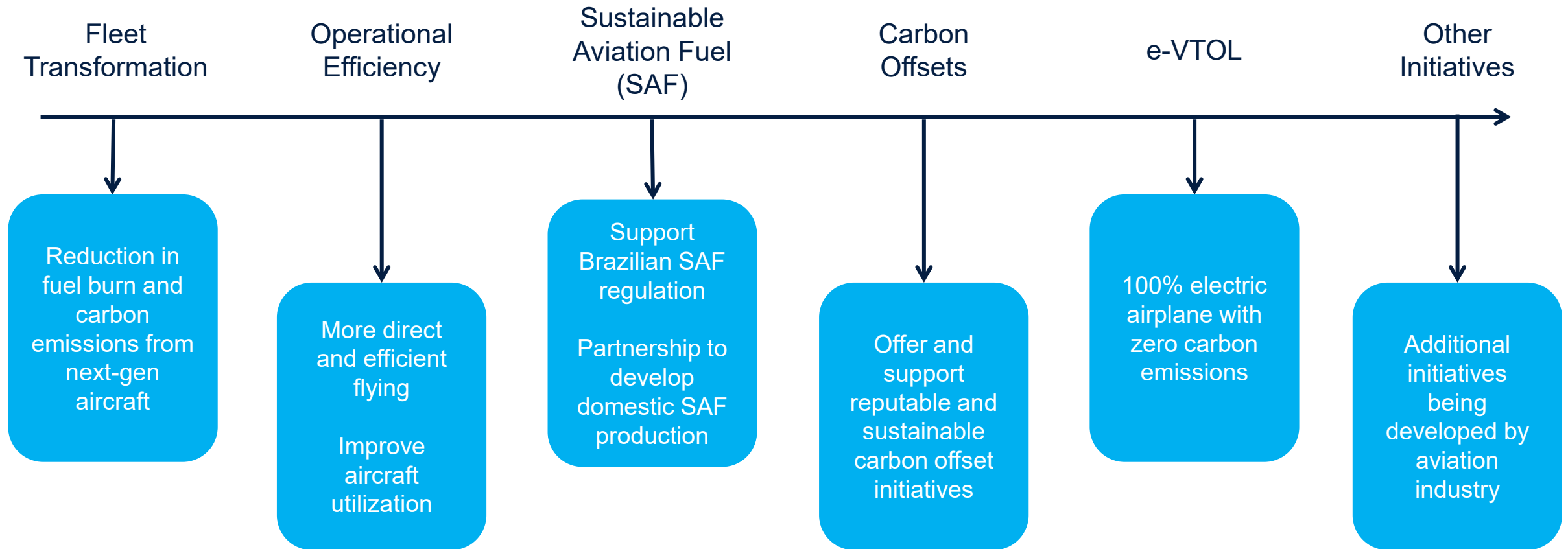


Further cost-reduction
opportunity by
converting to
next generation aircraft

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

Carbon Net Zero Key Drivers

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



Sustainable Competitive Advantages

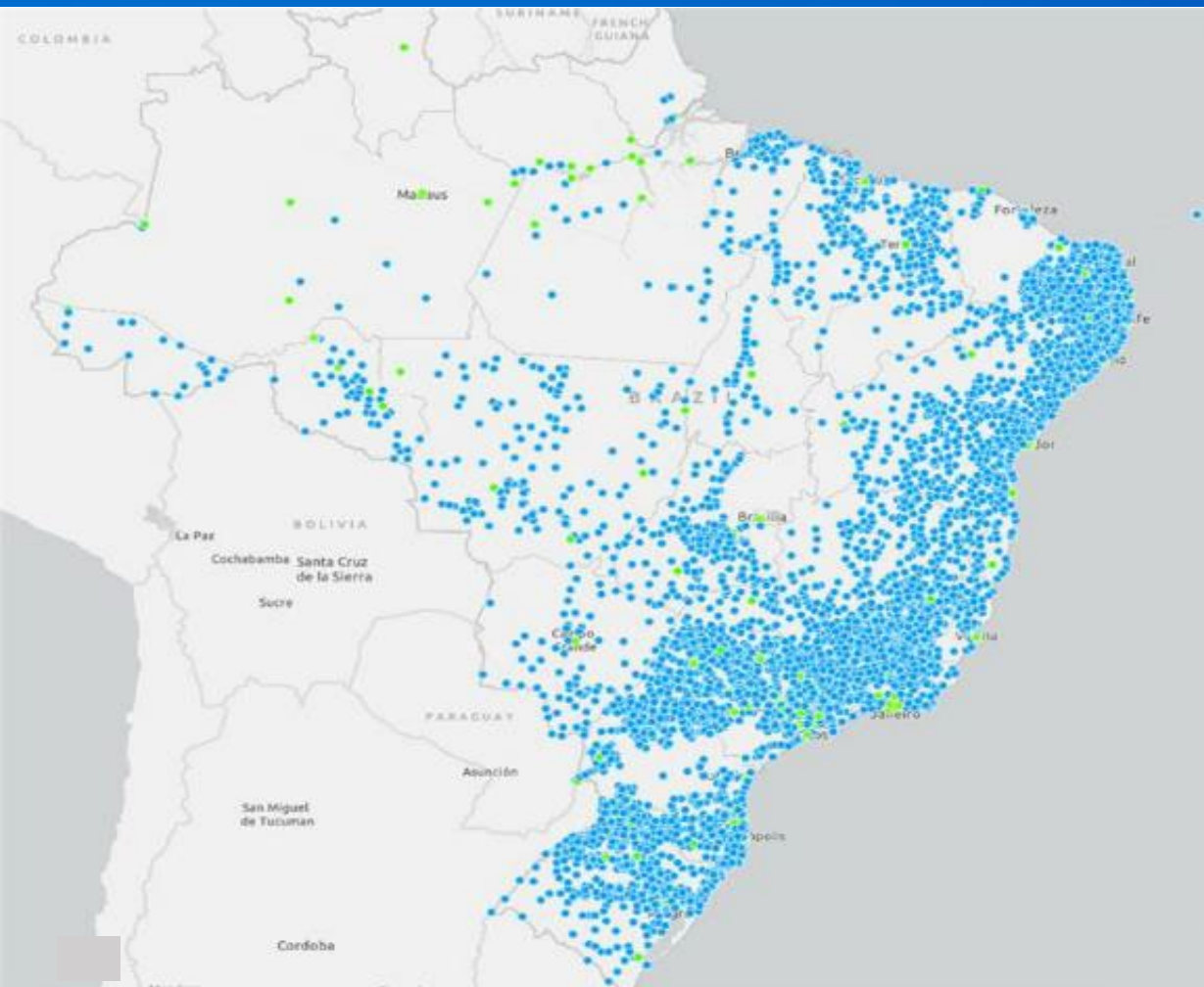
**Fast-growing,
high-margin
businesses**

Azul cargo
Express

Tudo **Azul**

Azul
viagens

Azul Cargo Unparalleled Reach



#1 in Brazil



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

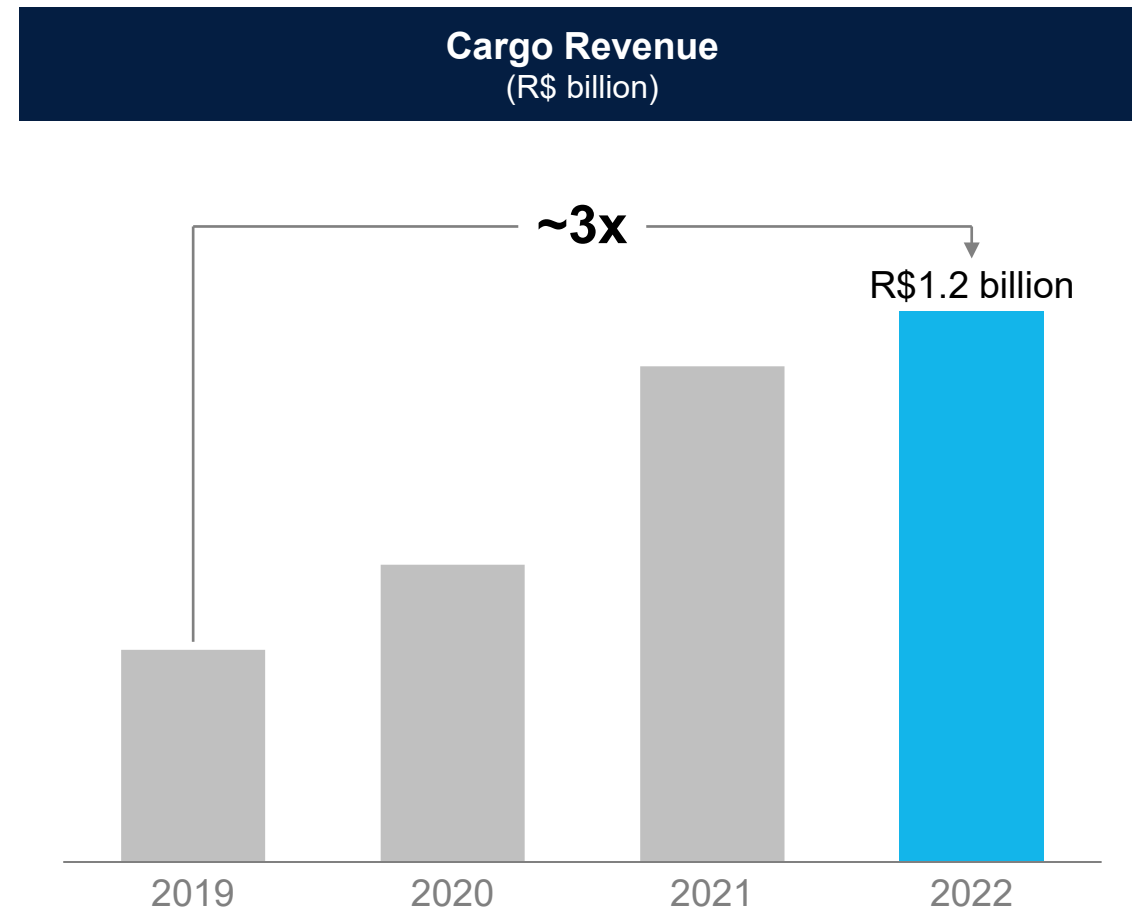


~6.4 million packages delivered in 4Q22

Network covers over 95% of Brazil's population

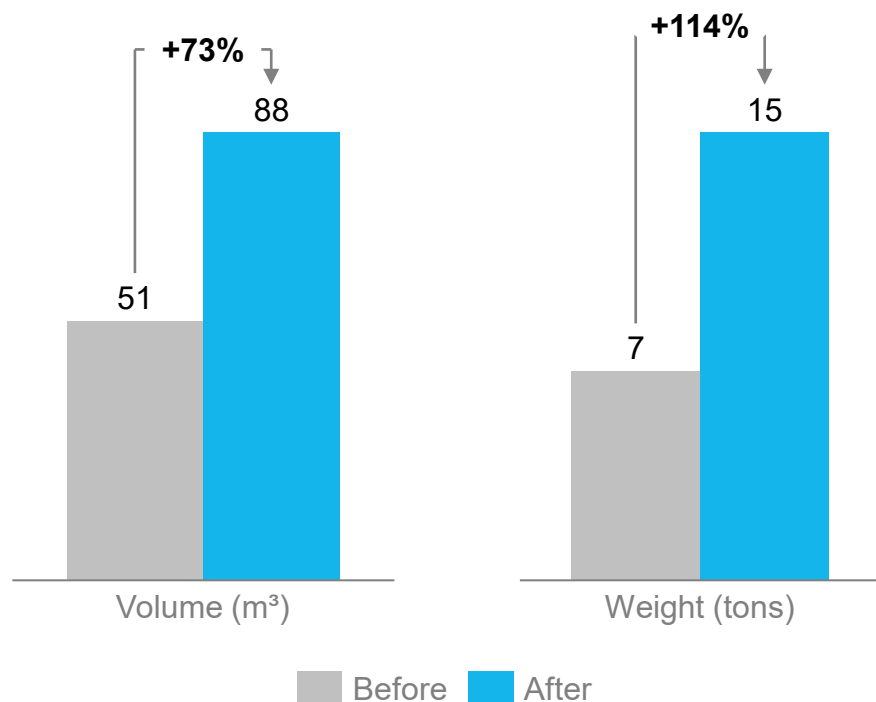
Continued Expansion of Logistics Business

- Leveraging Azul's unparalleled network and marginal cost from belly space
- Revenue almost tripled in 2022 vs. 2019
- ~9 million packages shipped in 2022, around 60% above 2019



World's First Embraer F-Class Freighter

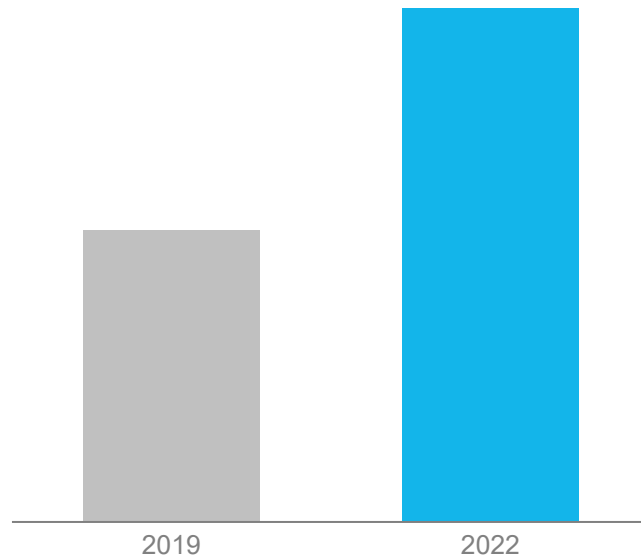
Increased Cargo Capacity



Additional cargo capacity and high growth to continue in 2023 and beyond

TudoAzul Providing Customer Options

Active Users Within Month



Loyalty program offers options for customers to maximize purchase power
Customer engagement almost double 2019 levels

- Sustained growth in TudoAzul members: 15 million
- Record customer engagement: over 1 million monthly active users
- Gross billings up 80% vs. 2019, over R\$2.0 billion in 2022
- Fast recovery in redemptions, up 113% x 2019
- Ability to raise capital through advance sales or securitization

Leveraging Network to Also Grow Travel Business

📍 **2,000+**

Flights Dedicated to Azul Viagens in high season

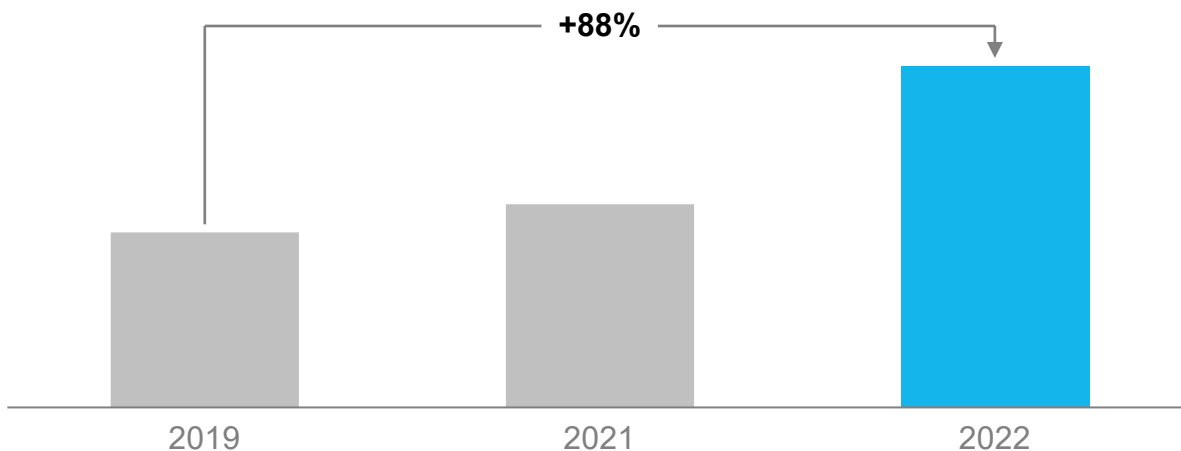
📍 **Record**

Domestic Sales And Operating Margin

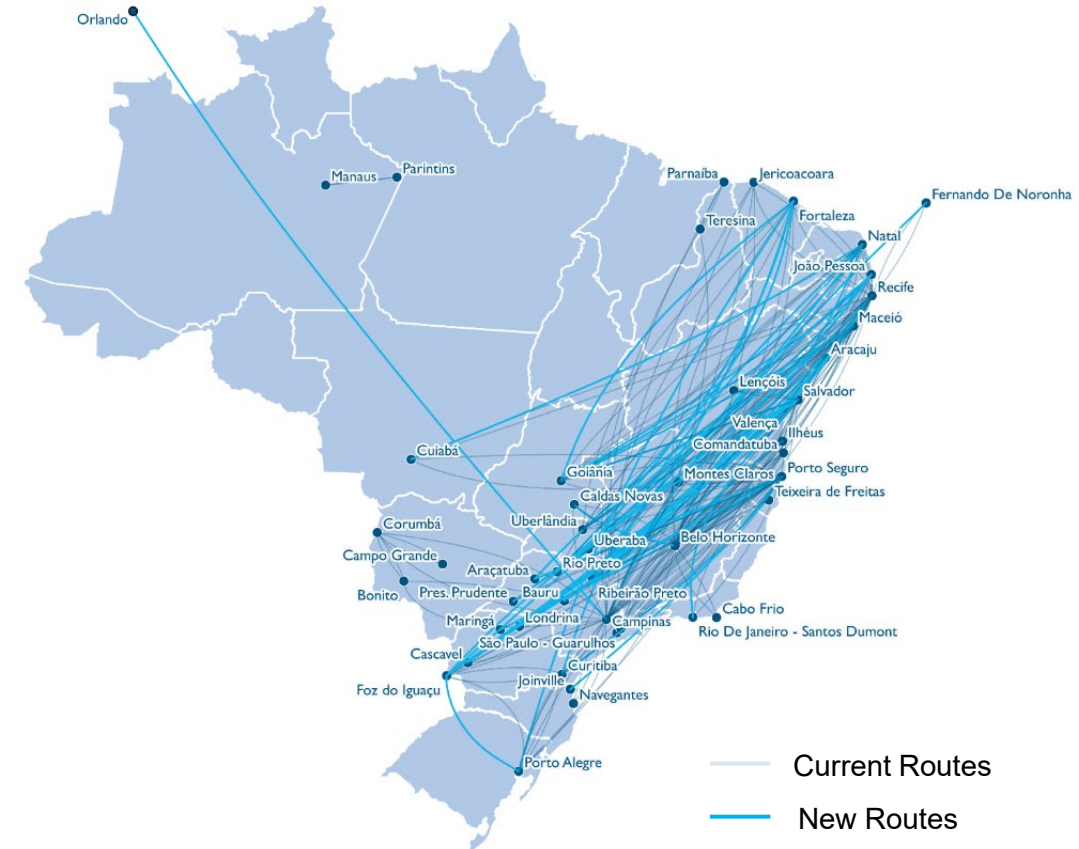
📍 **Return**

of international market

Total Bookings



Flights Dedicated to Azul Viagens

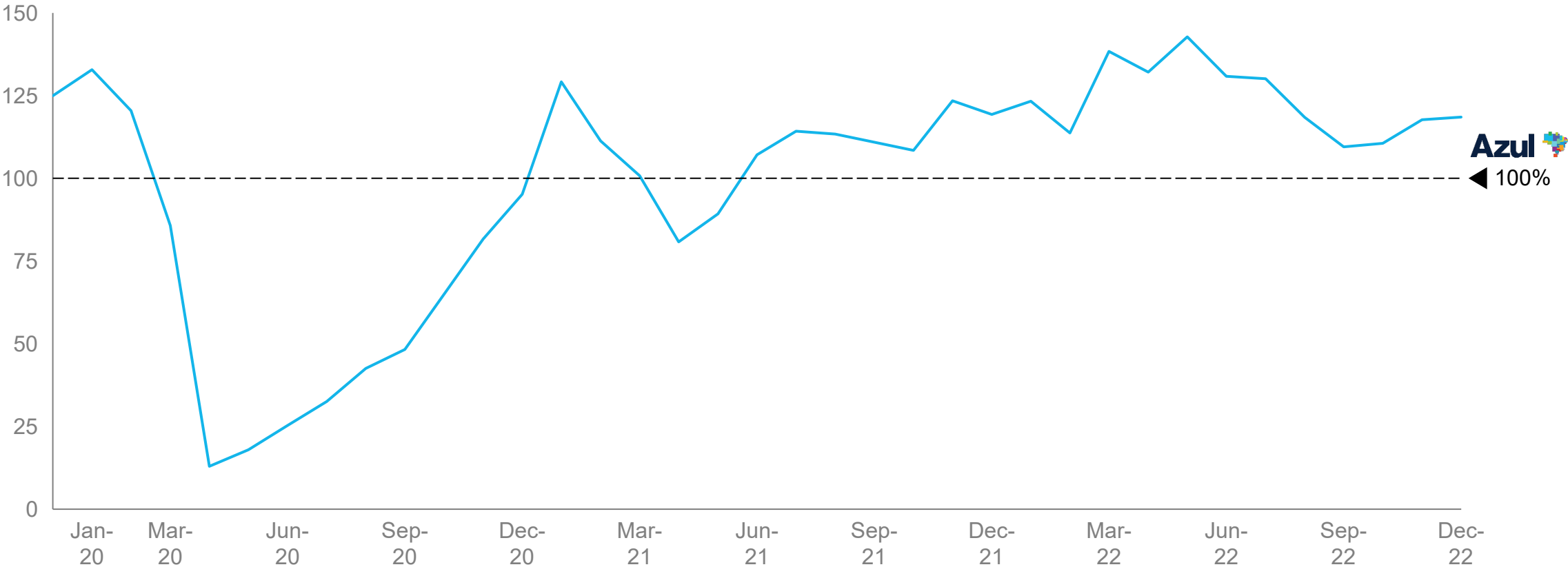


One of the Fastest Recoveries in the World



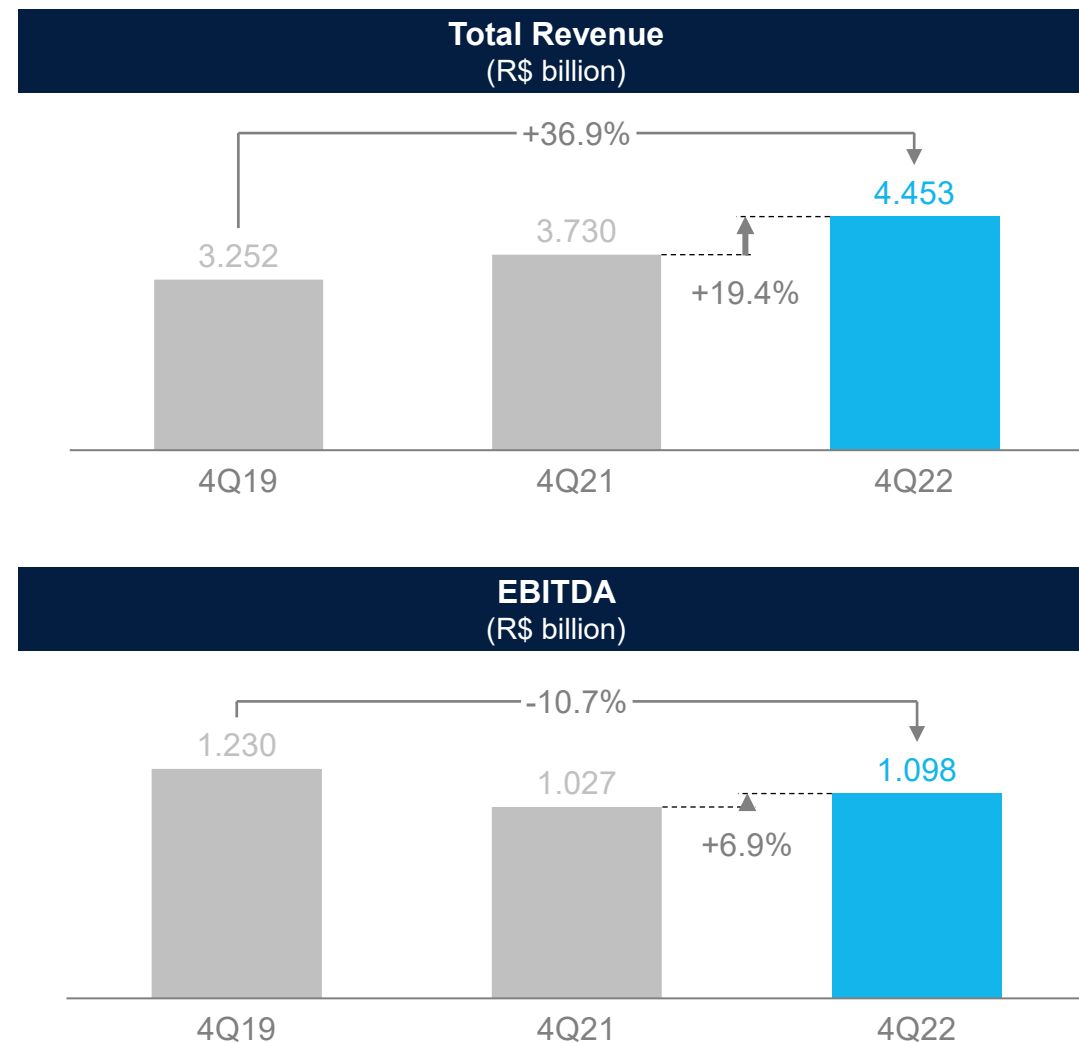
Strongest Recovery In Domestic Demand

Domestic Capacity Recovery
(% of 2019)

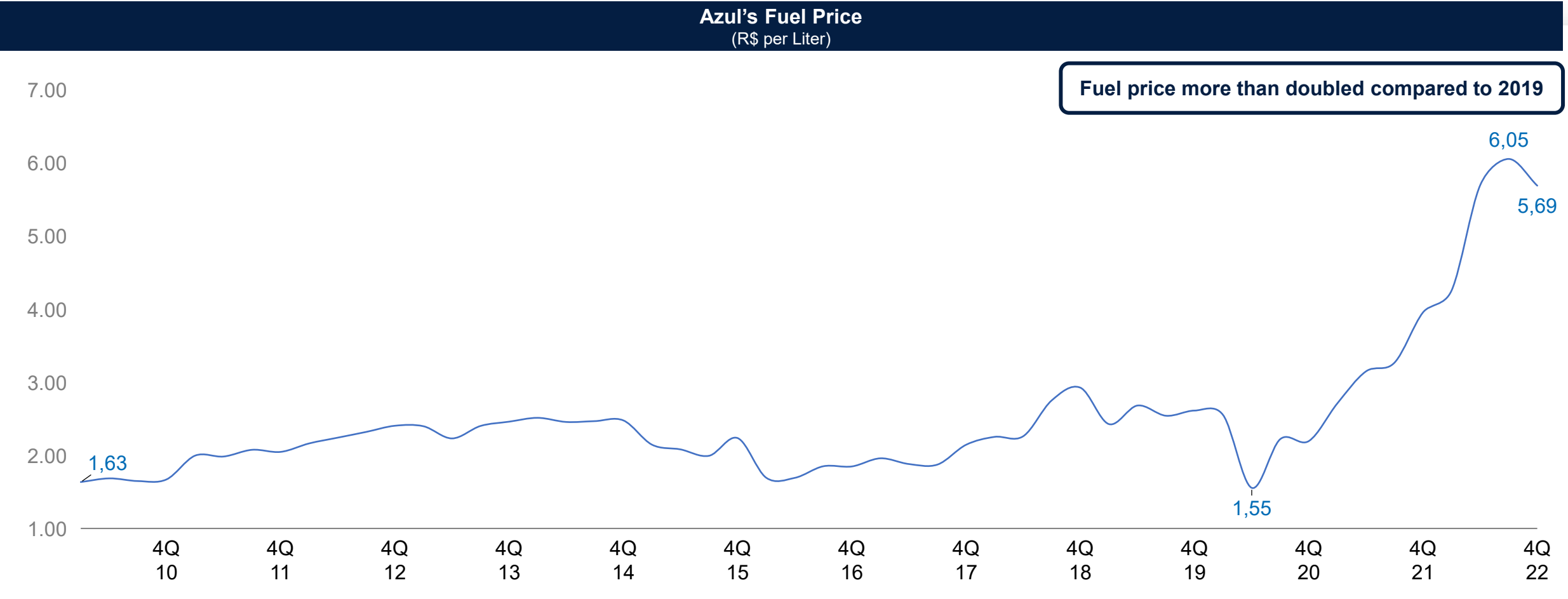


All-Time Record Revenue

- All-time record revenues of R\$4.5 billion in 4Q22, 36.9% above 4Q19 and 19.4% higher than 4Q21
- PRASK and RASK also at record levels
- EBITDA of R\$1.1 billion, in the 4Q22 6.9% higher compared to 4Q21. Compared to 4Q19, even with a 115.8% increase in fuel prices, 27.7% devaluation of the Brazilian real and more than 20% inflation in Brazil over the past three years, EBITDA was only 10.7% lower.
- Total cash position of R\$2.5 billion in line with 4Q19

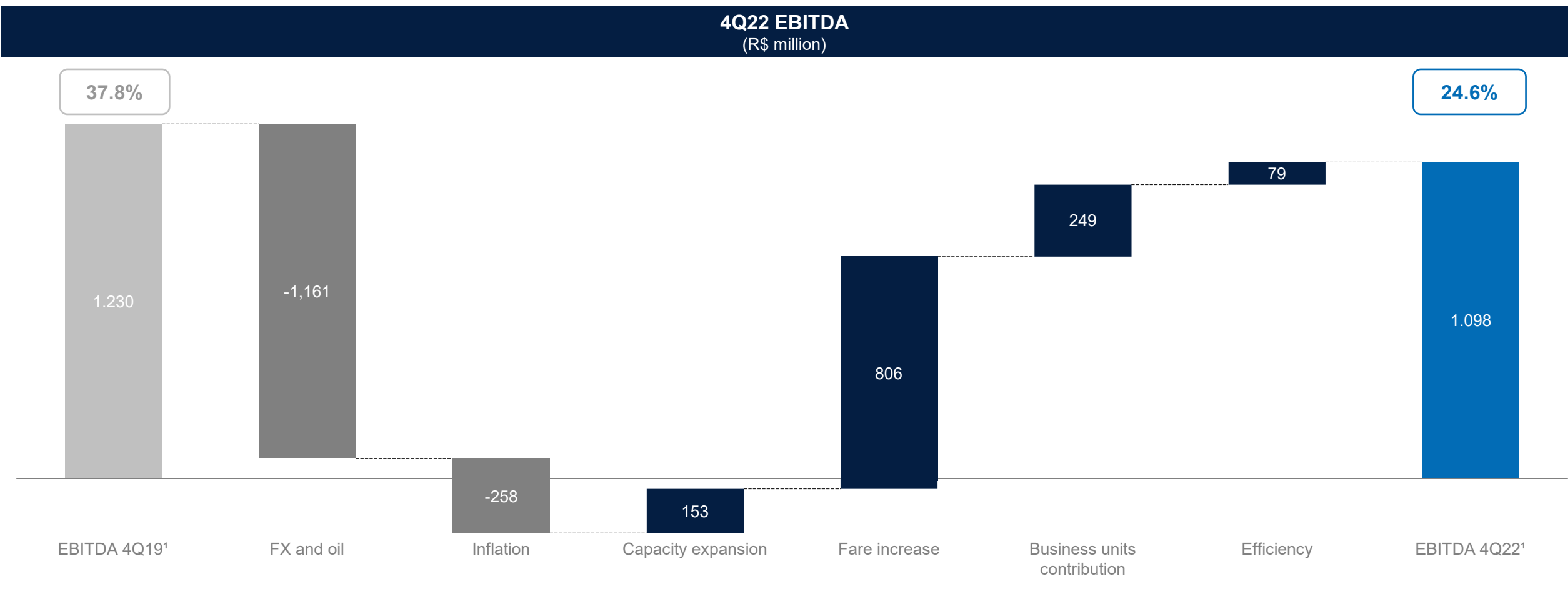


Recovering Profitability even with Record Fuel Prices



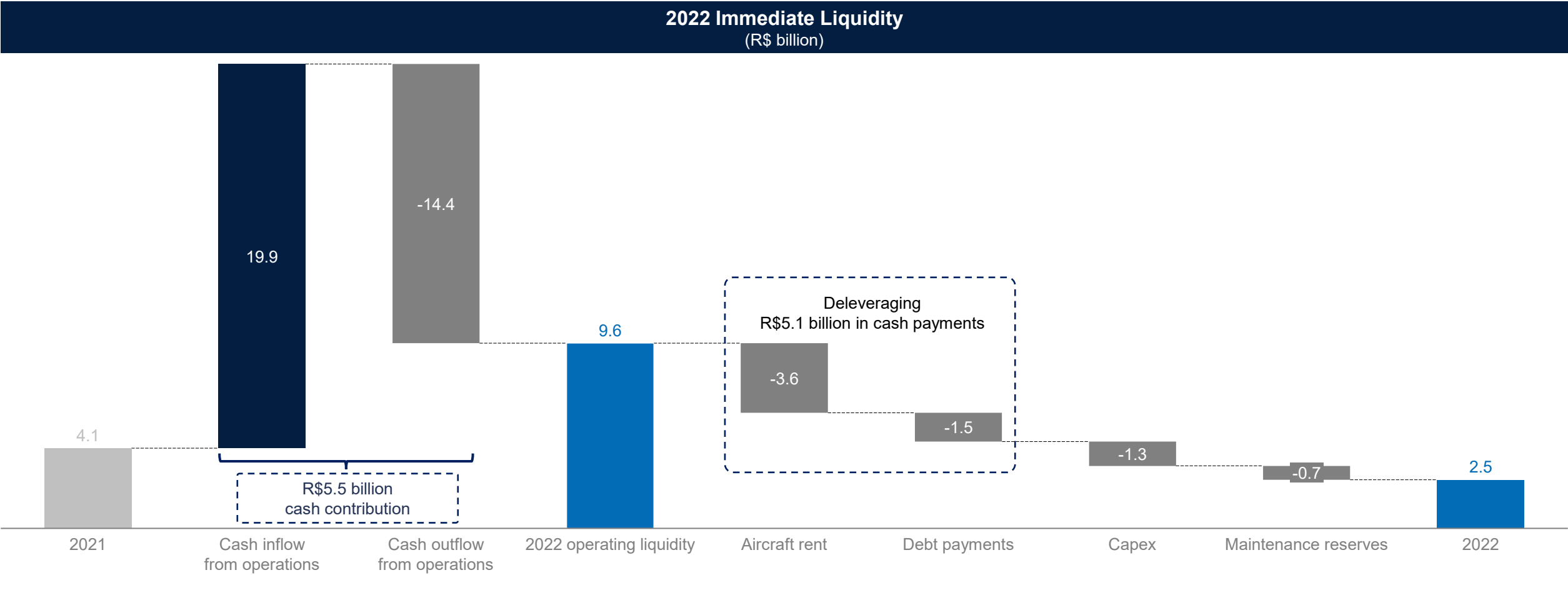
Recovered EBITDA to pre-pandemic levels even with significant increase in fuel prices and devaluation of real

Proven Strength from Business Model



Recovering profitability even with record fuel prices and currency devaluation

Consistent Cash Contribution From Operations

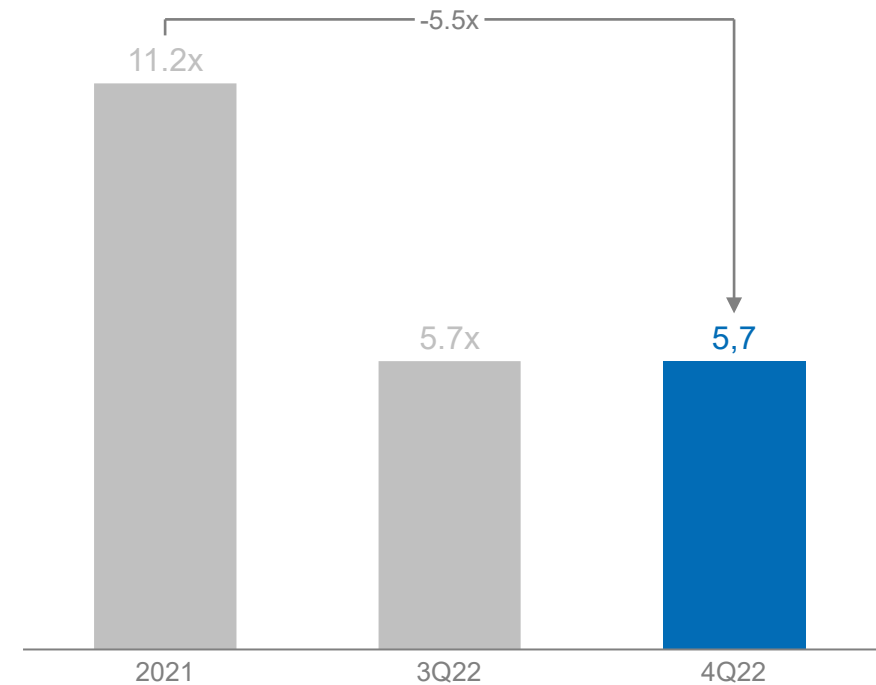


Strong operational results enabling organic deleveraging

Sequentially Improving Leverage

- Sustainable competitive advantages leading to lowest leverage and lowest cost of capital among peers
- Delivered guidance of leverage below 6x one quarter ahead of schedule

Net Debt/LTM EBITDA¹

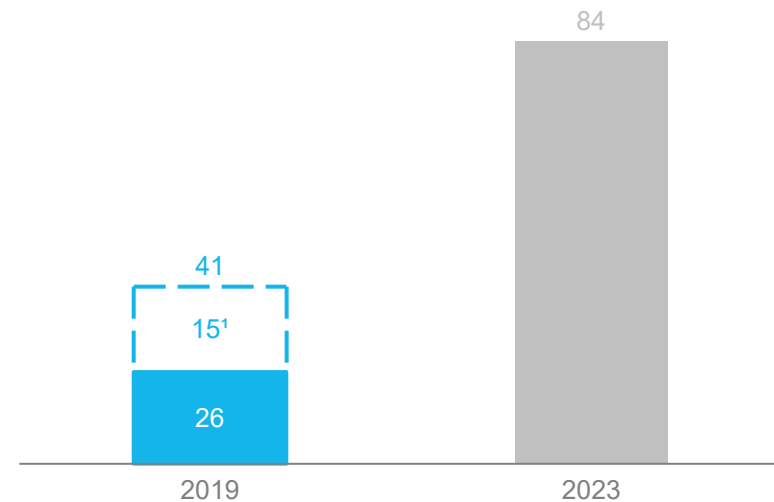


Lowest leverage among our peers, even under different methodologies such as using 7x rent to capitalize leases

Congonhas Slots

- New slot distribution rule for downtown São Paulo airport, one of the busiest airports in Latin America
- Azul fits in new category of non-dominant incumbent, to receive highest number of incremental slots
- Azul's presence in Congonhas will more than double

Azul Slots in Congonhas Airport



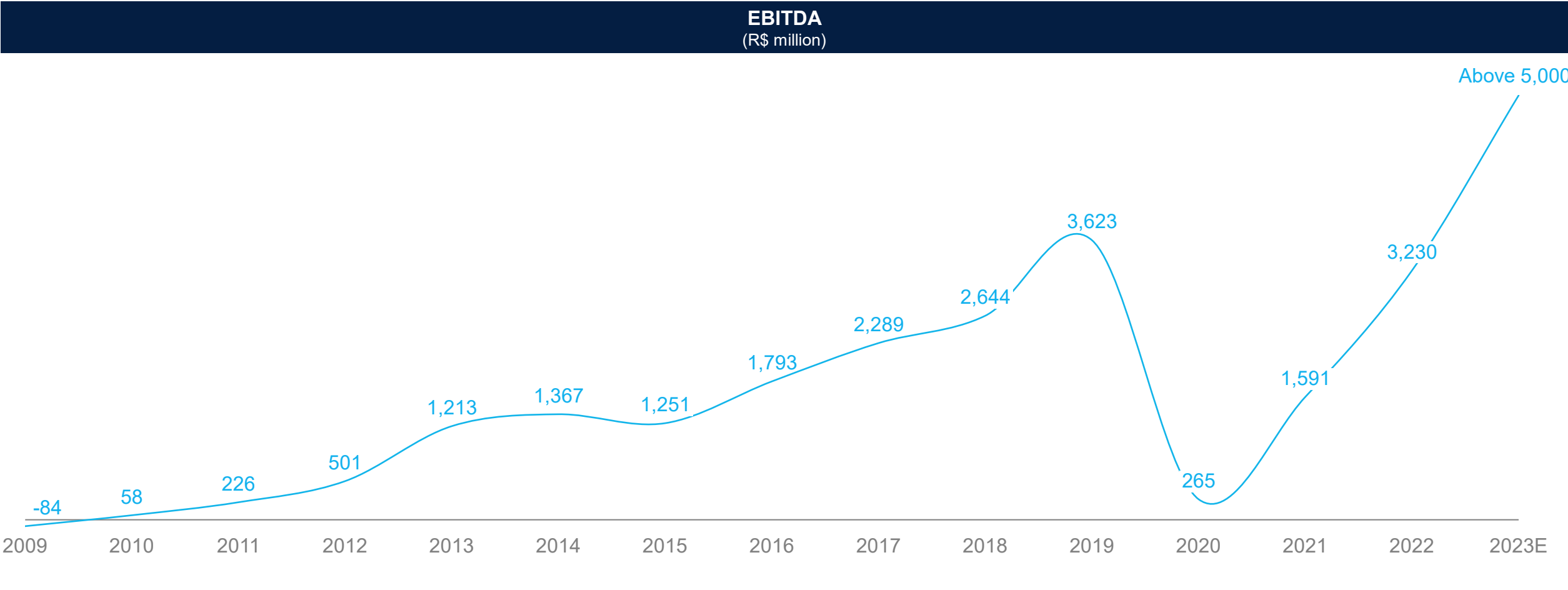
Strong Connectivity from Congonhas Airport



In addition to Rio-São Paulo shuttle, slots will connect Azul to fly to hubs and large cities:

- Belo Horizonte, Recife, Curitiba, Porto Alegre, Brasília
- 90 domestic and international destinations with one stop
- 38 exclusive destinations

Sustainable and Strong Business Model



2023 EBITDA consensus around R\$5 billion

Commitment to Sustainable Growth and Building Long-Term Value



70%

ASK coming from next-gen,
low-emission fleet



150+

destinations served,
offering economic development
all over Brazil



13,400+

direct jobs, plus
over 60,000 indirect and
100,000 induced jobs



4,400+

volunteers participating in
over 140 actions benefitting
more than 7,000 people



Achievements, Commitments and Ratings

ISEB3
ICO2 B3



TCFD



MSCI
ESG RATINGS



MOVIMENTO
AMBIÇÃO NET ZERO



Key Drivers of Higher Profitability





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