

**Conference Call Transcript
1Q26 Results****Operator:**

Hello everyone and welcome to Azul's first quarter earnings conference call. My name is Zach and I will be your operator for today.

This event is being recorded, and all participants will be in listen mode until we conduct a Q&A session following the Company's presentation. If you have a question, click on the Q&A icon at the bottom of your screen and write your name and company. When your name is announced, please turn your microphone on and proceed. For those who are listening to the conference on the phone, press 9 to join the Q&A and 6 to accept the audio when requested.

Now, I would like to turn the presentation over to Thais Haberli, Head of Investor Relations. Please proceed with Thais.

Thais Haberli:

Thank you Zach and welcome all to Azul's first quarter earnings call. The results that we announced this morning, the audio of this call and the slides that we referenced are available on our IR website.

Before I turn the call over to John, I'd like to caution you regarding our forward-looking statements. Any matters discussed today that are not historical facts, particularly comments regarding the Company's future plans, objectives and expected performance, constitute forward-looking statements. These statements are based on a range of assumptions that the Company believes are reasonable but are subjected to uncertainties and risks. They are discussed in detail in our CVM and SEC filings. Also, during the course of the call, we will discuss non-IFRS performance measures which should not be considered in isolation.

Presenting today will be John Rodgerson, CEO and Antonio Garcia, our CFO. Abhi Shah, the President of Azul, is also here for the Q&A session.

With that, I will turn the call over to John.

John Rodgerson:

Thank you Thais. Welcome everyone and thank you for joining us today. We're pleased to present Azul's first quarter results. This quarter is particularly important because it reflects the early outcomes of decisions we made proactively on capacity, cost and capital structure in anticipation of a more volatile macro environment.

Despite operating with lower capacity in the quarter, we delivered record first quarter results across revenue, RASK, EBITDA and EBIT, reinforcing the strength and flexibility of our business model. As we go through the presentation, we'll focus on three core themes, disciplined revenue generation, structural cost efficiency and the continued de-

risking of our balance sheet, all of which position Azul well for the remainder of the year. Before we dive into the details, I would like to begin by thanking our more than 14,000 crew members for their hard work, dedication, and commitment to excellence. Their focus on safety, service quality and operational reliability is the foundation of Azul's success and the record performance we delivered this quarter is a direct reflection of their passion, resilience and professionalism.

These strengths were also essential in establishing our partnership with the Brazilian Football Confederation, reinforcing Azul's position as the official airline of the Brazil national football teams. We are extremely proud of this partnership and I'm especially excited about this announcement given that we're heading into the World Cup. It's a powerful moment to be alongside the Brazilian teams supporting a symbol that unites the entire country. I also want to remind everyone that the Women's World cup will be in Brazil next year and of course, we'll be supporting the Brazil Women's team.

This partnership goes beyond brand visibility. It reinforces Azul's emotional connection with Brazilian consumers, strengthens our presence across leisure and corporate travel segments, and supports long term demand generation. Importantly, it aligns our brand with national pride and premium service. We are the true Brazilian carrier that serves all of Brazil and as we continue building this stronger, more resilient Azul, I'm pleased to welcome our new Chief Financial Officer, Antonio Garcia, whose leadership will be instrumental in the next phase of our financial and strategic evolution.

His depth of industrial and financial expertise strengthens our leadership team as we focus on deleveraging cash generation and long term value creation.

With that, I'll turn the call over to Antonio.

Antonio Garcia:

Thank you John. I'm truly excited to be joining Azul at such a special moment. I have worked closely with the company for many years as supplier. I have always admired Azul's culture, its commitment to customers and its unique ability to execute with discipline and consistency.

Join the team now right after the successful financial restructuring and at the start of the new chapter, giving me first, tremendous sense of responsibility and second, optimism on the way forward. Azul has a strong foundation, a clear strategy and exceptional group of leaders and crew members. I look forward to contributing to Azul next stage, strengthening our financial position even further and helping deliver long term value for our customers, partners and shareholders. Why I'm Here at Azul I do see a lot of value creation.

I do believe slide 4 explain exactly why Azul is a unique airline in every dimension. We have a customer centric culture that consistently delivers the best traveler's experience. We operate a flexible NextGen fleet that gives us unmatched efficiency and adaptability.

Our strategic capacity management and deep understanding of demands allowed us to maximize profitability even in volatile environments.

And we have a robust, unrivaled network that reaches every region of Brazil with minimal competitive overlap. All of this supported by strengthening capital structuring following our successful restructuring, putting Azul on the strong financial foundation in its history. These fundamentals are people with great culture. Our strategy and our competitive advantage are exactly why I chose to join Azul.

Azul is perfectly positioned for the next phase of the leverage and long-term value creation. With that, let me turn back to John, who will show you the strong results we deliver in the first quarter. Thank you.

John Rodgerson:

Thank you, Antonio. We're truly excited to have you with us and we're confident that your experience and leadership will add tremendous value to Azul. Turning to our first quarter results, slide 5 shows the strong performance we delivered this quarter. The metrics shown here underscore both resilience of our business model and the effectiveness of our strategic initiatives.

We reported operating revenues of 5.5 billion reais, a first quarter record. This was supported by healthy demand, disciplined capacity deployment, strong ancillary revenue and continued growth from our business units. With RASK increasing 4.3% year over year. Our EBITDA reached 1.7 billion reais, up 22.6% year over year, with a 31.1% margin, which translates to an expansion of 5.4 margin points year over year.

EBIT totaled 1 billion, up 83% versus first quarter 2025 with a 19.1% margin. These results reflect consistent execution and disciplined capacity, as you can see on slide 6. As we outlined it in our plan, Azul made a deliberate decision to reduce capacity and focus on the markets where we generate the highest profitability. This disciplined approach is now clearly reflected in our results.

We delivered an impressive 83% increase in operating results in the quarter. But while we reduced our capacity by 2.7% year over year, this performance demonstrates that our strategy is working exactly as we intended. By proactively adjusting our network and prioritizing profitability over market share, we are capturing stronger margins, improving cash flow generation and reinforcing the structural resilience of our business model. This is the outcome we planned for, and the results speak for themselves. Beyond the strong profitability impact of our capacity discipline, we also continue to deliver meaningful progress on the cost side.

Turning to Slide 7, you can see that our financial restructuring was about more than just debt and fleet. We use this moment as an opportunity to streamline the company, reduce structural costs and become an even more efficient and resilient airline. In the

first quarter, our CASK decreased 5.7% year over year, primarily driven by our cost initiatives.

We implemented throughout the restructuring, supported by lower fuel prices and a stronger Brazilian Real against the dollar. When compared to one of our regional peers, Azul continues to maintain the lowest CASK in the region, an even more remarkable accomplishment considering our diversified and more complex fleet. This performance underscores our structural cost advantage and demonstrates the effectiveness of the measures implemented during the restructuring process. I just want to say we have the lowest unit cost in the region. Beyond the improvements in our cost structure, we also continued to strengthen one of the most important foundations of our business, our fleet.

Turning to slide 8, you will see the significant progress we made in modernizing and optimizing our fleet mix. We reduced our E1 fleet by 31% year over year, while increasing our E2 fleet by more than 40%. As a result, we ended the first quarter with almost 93% of our domestic capacity coming from next gen aircraft, considerably higher than any competitor in the region.

This modern and efficient fleet is what enables us to serve all of Brazil with minimal overlap and unmatched network breadth. Even with the youngest and most modern fleet in the region, we permanently reduced lease payments by more than 30%. Youngest fleet with a 30% reduction in lease payments, which will provide meaningful and recurring support to Azul's cash flow generation going forward. Alongside the modern fleet, we also strengthened the foundation of our Network.

On slide 9, you can see how we continue to reinforce our strategic hubs while reducing our exposure to low margin routes. Our main hubs, Campinas, Recife and Belo Horizonte, are located in regions with strong business demand, higher income populations and a significant concentration of corporate travelers. These markets deliver more stable demand patterns, support higher yields and provide a stronger mix of premium customers compared with leisure focused hubs. In addition, our flexible and diversified fleet allows us to match capacity to the right markets, deploy the ideal aircraft for each demand profile and maximize connectivity and operational efficiency across the network.

This flexibility is even more important in this volatile fuel environment. This hub focused strategy enhances connectivity, improves aircraft utilization and strengthens yields while enabling more rational deployment of capacity. Ultimately, this disciplined approach allows us to maximize profitability and further increase the efficiency of our network. Our disciplined network strategy is just one part of the story. We also benefit from the portfolio of business units that consistently generate premium revenue and highly predictable cash flows.

On slide 10, you will see the businesses that we have as an additional layer of strength and stability to Azul, continuing to make meaningful contributions to our results and representing 23% of our RASK in the quarter.

Moving on to Slide 11, I'm proud to report that we have already over delivered on our restructuring commitments. We executed a disciplined and comprehensive deleveraging process that has already materially strengthened our balance sheet.

Lease liabilities down 42% year over year, reflecting the structural improvements achieved in our lease payment profile. Loans and financing decreased almost 40%, driven by consistent debt reduction throughout the period. As a result, leverage improved by over three turns, reaching 2.4 when using cash plus credit card receivables or 2.3 times when using cash plus all short-term receivables. This represents a substantial improvement from the five and a half times leverage we were in first quarter of 25.

Lower leverage significantly reduces financial risk and interest burden while positioning Azul for sustainable long-term value creation supported by strong operating cash flow generation. With our leverage improving significantly in our balance sheet now much stronger, we also made important progress in reshaping our debt profile.

Turning to slide 12, you can see that we now have an attractive financial debt maturity schedule supported by almost \$1 billion in immediate liquidity with no meaningful repayments expected until 2031 when our exit financing comes due. Exit financing is the only major debt in our capital structure, giving us exceptional visibility and stability over the long term.

I also want to remind everybody of the coupon that was significantly better than our two peers in the region. We are we were able to permanently reduce interest payments by more than 50% which supports us on a trajectory to generate consistent free cash flow. On slide 13, you'll see that in the first quarter we generated 217 million in recurring free cash flow, and this was achieved in a period that is seasonally weaker. In other words, Azul was free cash flow positive even after paying CAPEX aircraft rent and interest in the quarter.

Our cash flow was negatively impacted by a decrease in ATL as a result of the lower capacity in our growth driven by the war. This impact should be one time in nature occurring only as we adjust our capacity levels. As capacity normalizes, ATL should also return to more typical levels. This performance clearly shows that our restructuring was effective and that we are already capturing its benefits.

Looking ahead, the ability to generate cash consistently at this level is a strong indication of the sustainability of our business. This cash will continue to be used to deliver the company and to invest in Azul's long-term strategic priorities. Having demonstrated the

strength of our restructuring, our improved debt profile and our consistent cash generation, we'd like to close by looking ahead.

Turning to the last slide. As we mentioned in our 4Q results, all the actions we implemented over the past year have made Azul much stronger and more resilient airline and we're uniquely positioned to navigate any macro-Volatility. At the center of our success is our strong service-oriented culture, a key competitive advantage that consistently differentiates Azul in the Brazilian market.

We remain firmly committed to deleveraging and generating cash. At the same time, we are closely monitoring the impact of higher fuel prices. Our strong fundamentals allow us to navigate this environment from a position of strength. We implemented strategic pricing actions across our network. We also adjusted capacity and optimized our network to focus on the most profitable markets. This is only possible because of our diversified and flexible fleet.

In parallel, we're maintaining strict cost control and reinforcing strong cash management discipline to protect liquidity. Together, these actions help ensure that Azul can protect margins and navigate the current fuel and macro volatility. I want to once again thank all of our crew members, partners, investors and customers for their support and trust in Azul.

With that, Antonio, Abhi and I are available to take any of your questions.

Operator:

Ladies and gentlemen, thank you. We will now begin the Q&A session. Remember that if you have a question, click on the Q&A icon at the bottom of the screen and write your name and company. When your name is announced, please activate your microphone and proceed. For those who are listening to the conference on the phone, press 9 to join the queue and 6 to accept the audio when requested.

Let's go to the first question. First question will come from Savi Syth. Raymond James. Savi. We're going to open your microphone so that you can make a question. Please proceed.

Savi Syth- Raymond James:

Hey, good morning, everybody. Thank you. And Antonio, welcome to this side of the aviation business. Maybe for, for Abhi. You know, obviously the focus here is fuel is higher even though it's volatile day to day. So, just curious, you know, what you're seeing in terms of success in kind of fare increases both in the domestic and international markets.

Abhi Shah:

Yeah. Hey, Savi, Thanks. Yeah, so obviously we anticipate this question, so I'll give a slightly longer answer and I'll try to cover everything here because obviously one of the

most important questions today. So, first, it starts with network and capacity. As John and Antonio said, we continue to focus on our network close to 90% of our capacity. We are either alone or dominant.

So, we already have a very privileged network position. And I'll talk a little bit later how that translates into fare resilience because there is a difference in the fare resilience and the demand resilience in our network versus what we are seeing in the competitive markets. That's first, number one. Second, as you know, we already had a very conservative growth profile for this year. Plus, one overall, 1Q was minus 2.7. And in addition to that, we've already made capacity adjustments for May and June. We've taken about 5% capacity out for May and June and we will strategically roll that forward as needed. So that plus one, that was the public plan on exit most likely is now going to be negative for the whole year.

So, we've already been very, very proactive and I think we were the first to move overall in that space. Also helping us right now is our international fleet replacement. The timing could not have been better. So, that's reducing our fuel exposure kind of over the next three to six months, which should be the peak of the fuel prices. So, from a first point on a capacity perspective, we are well positioned, and I think we don't have to do anything stupid. We don't have to take airplanes that we don't want. The fleet is very, very disciplined as well.

So, that really gives us a lot of confidence. On the next topic, which is the most important, which is average fares, the industry has done, I think, a good job in showing a lot of urgency. Nine fares have increased since February 28, eight of them 10%, one of them 15% compared to last year. Only three fares increased last year versus nine. So, clearly there is a lot of urgency, which is good. That's taken average fares up. Last time when we talked, I said we were over 20% booked average fares. Right now, we're over 30% booked average fares.

Domestic is higher than that. International is lower than that makes sense. Domestic you have a lot more close in demand. Corporate demand, the booking curve is much, much closer so you can effectuate the higher fares much quicker.

International takes longer with the booking curve and the absolute numbers are a lot higher. That's taking a little bit more time. So, right now we're at plus 30% booked average higher domestic, lower international in terms of revenue performance. Some interesting cuts here to give you some perspective. Close in travel agency bookings, doing well, being able to absorb these fare increases. We are pushing 30% corporate revenue share in Brazil. Our capacity share is a lot lower than that. So, we're doing well in that space.

Our business units, vacations especially, are doing quite well. Positive year over year even with the fare increases. So that's doing good. Fidelidade loyalty is doing well.

Where we are struggling, and I think that's probably common overall is the further out AP's leisure demand, that's booking Directly into our web and our app. Last time I said those customers were waiting. They're still kind of waiting, to be honest. But we're able to make up specifically with our business units. So, overall, we're positive revenue and remember, we are having a negative capacity. So, that bodes really, well for our unit revenue expansion going forward. One last slice of the bookings.

Azul's markets versus competitive markets. A lot of fairer resilience in our markets again, obviously, because we control. We decide that. So, we're seeing a much steadier curve in our hubs and our markets. In the competitive market, São Paulo and Rio, we're seeing a lot more oscillations in the fares. They spiked up and then we gave it back. And then they spiked up again. We give it back again.

It's kind of happened two or three times already. And you can kind of notice this. If you just search Google flights or anything on any weekday afternoon, you kind of see those changes. So, look, the way we are positioned in our network, with our fleet, with our capacity posture, we couldn't be better positioned for this. And looking ahead, we see kind of strong unit revenue expansion going forward.

Savi Syth- Raymond James:

Thanks, Abhi. I think you answered like five or six questions there, but I'll turn it back. Appreciate it.

Abhi Shah:

Thank you.

Operator:

Thank you. The next question now comes from Guilherme Mendes, Sell side analyst from JP Morgan. We're going to open your microphone so you may ask your question.

Guilherme Mendes- JP Morgan:

Yes, good morning, all. Thank you for the space and best wishes, Antonio, for your new role.

My first one, it's kind of a follow up. It was already very clear. Thank you, Abhi. But in the fourth quarter call, you mentioned about 8% target to increase unit revenues to kind of offset the fuel curve that you saw back then. Can you provide kind of updated figure that would Compare to this 8% increase on RASK for the year, please?

And the second point is on, let's call it shareholder structure. If there's an update on the ADR release and also, on the cancellation of the warrants that were announced in April. Thank you.

John Rodgerson:

Let me start with the unit revenues. What I mentioned on the fourth quarter call was we need to have about 8% above plan, right. To recapture fully the fuel cost increase year over year, because there was already a year over year RASK improvement built into the plan. The number that you should be looking for in terms of year over year RASK increases kind of going forward. And I think this is similar to most airlines given the fuel curve, which is a very, very high curve right now in 2Q and the curve comes down in 3Q and 4Q is going to be about year over year, about 12%. 12 To 15% is what I think airlines will require. I think we have good visibility right now in 2Q to achieve that number. A little bit of caveat with World cup because World cup is a huge distraction in Brazil. We'll see how that goes. And then 3Q 4Q I think everybody's going to need around that number. So, when you combine the fuel curve right now it's a peak. It's coming down 3Q 4Q. If we're able to maintain about a 12ish to 15% year over year unit revenue, then we will be able to recapture exit rate 2026, 90% plus of the impact. And that puts us in a very, very good position for actually higher earnings in 2027.

Antonio Garcia:

Antonio speaking here in regards to the re listing, we are preparing ourselves here to release with your ADR programs in the coming weeks. Probably the end of May is what we are foreseeing right now. Can be changed one week before or later, but it's the time window that we are seeing right now. And you got a warranty, John.

John Rodgerson:

Yeah. Let me just add to what Antonio said. Antonio and I will both be in New York next week. It's Brazil week. We're going to be out talking to investors, telling the story prior to our preparatory listing. As for the warrants, we'll be updating the market shortly. But with news on that.

Guilherme Mendes- JP Morgan:

Very clear. Thank you all.

Operator:

Thank you. Moving on to the next question comes from Lucas Barboza, sell side analyst for Santander. Lucas, you may ask your question.

So, let's move on to the next question. We'll come from Matheus Santanna, sell side analysts, Bradesco BBI. Matheus, we're going to open your order, so you may ask your question, please.

Matheus Santanna- Bradesco BBI:

So, hello, good morning. Thank you for choosing my question and welcome to Antonio, your first call here. So, I just want to ask one here about the fleet plan. You know, you see the capacity is going to be, the growth is going to be lower than expected a reduction. So, are you planning on changing anything related to the fleet plan and what

are the changes expected? Thank you.

John Rodgerson:

As you remember from our exit plan, we, modified our fleet plan exactly for this reason. Of course, we didn't know what's going to happen. But you know that we kept talking about a resilient business model and one part of that was reducing our future orders to give us a lot of flexibility. We only have three E2s, four E2s coming this year.

One's going to be coming in June, three, the second half of the year. And then the fleet plan is only five E2s per year. That was the fleet plan post restructuring. So, we're very, very comfortable with that fleet plan. And as of now, there's no changes because it's very conservative compared to airlines that are taking dozens of aircraft per year, if you will. And that gives us a lot of flexibility and a lot of opportunity to take advantage of the market.

I don't think it's any secret. No airline wants to take 20, 30, or 40 aircraft this year. And what we learned over the past few years is you make a fleet decision well in advance and you don't know what's going to happen.

You don't know if Covid is going to hit. You don't know if there's going to be a war in the Ukraine. You don't know about a Middle east crisis that doubles fuel prices. And so, know our ability to adjust capacity. You know, we are very excited about how we're positioned in the market right now.

Matheus Santanna- Bradesco BBI:

Clear. Thank you.

Operator:

Thank you. Moving on to the next question coming from Pedro Tineo, Pedro sell side analyst from Itaú BBA. We will open your order so you may ask your question.

Pedro Tineo- Itaú BBA:

Hey, thanks for taking our question. And Antonio, we're wishing you the very best here at Azul. I just wondered if you guys could comment. We've seen a lot of meaningful price increases without a corresponding loss environment for the past years. Do you guys think that this trend could continue in a scenario of higher oil prices environment? That's it from our side. Thank you, guys.

John Rodgerson:

It must continue to be honest. And that's why our capacity position and our network position are so important. And that's why it gives us the confidence to allow us to do that, and we can already see the results in terms of fair resiliency, as I called it, in the discipline that's being maintained in our markets and versus the competitive markets. And this is not just us. Everybody is here and around the world.

So, I'd much rather be in our situation where we have such a privileged network position. We have already started with a low growth model, and we have a real kind of flexible fleet plan going forward. So, the answer is yes. If you asked me in 2019 would unit revenues, be at 45 cents?

That was not heard of. In fact, we've been able to generate a 7% CAGR over the last several years on a consistent basis while we were growing. So absolutely we should be able to do that with a lower growth model. So, I think customers might take some time to get used to it. That's why you need time to recover. But given our network position, given our capacity posture, I think we are in the best possible position to make that happen.

Antonio Garcia:

Pedro, just to complete. And sometimes crisis brings also opportunity. I do see the company here well prepared to navigate in this environment. We are right now comparing a few others that we see outside the Azul here.

Pedro Tineo- Itaú BBA:

That's perfect. Thanks guys.

Operator:

Okay, moving on to the next question will come from Michael Linenberg, sell side analyst for Deutsche Bank. Michael, we will open your microphone so you can ask your question, please.

Michael Linenberg- Deutsche Bank:

Oh, hi, good morning. This is Shannon Daugherty on for Mike. You know, the deleveraging has been great. Can you guys update us on what your leverage target is for the end of this year and have your liquidity and leverage ratio assumptions meaningfully change, you know, with the spike in fuel?

John Rodgerson:

Yeah, we have our plan that's public. And you're given the volatility in the market. You know, we're not coming out yet, but obviously we're going to be on the road in the next couple of weeks and we'll be providing guidance. But I think a couple of things.

You've had a fuel price increase, but you've also traded with the dollar at R\$4.98 today, you know, that's a significant improvement overall. And so, I think there's some puts and takes obviously take some time to get all of the revenue back. And when you look at the fuel curve, the fuel curve is a second quarter spike.

And everybody has a fuel curve coming down significantly. And so that's going to impact the second quarter. But our mission has not changed. We are going to deliver this business. We're going to significantly deliver the business over the last, over the next couple of years. And Antonio has a mission that he's committed to the board. We want to have the lowest leverage in the region.

Antonio Garcia:

That's it. I would say there is no decision to worsen the debt ratio to end of this year. We are fighting to get the same as we agreed.

Michael Linenberg- Deutsche Bank:

Great. And thank you for that. And maybe one for Abhi. You know, you gave us a lot of colors on Azul markets, but what are you seeing on the competitive capacity front, you know, do you expect to see some of your peer's cut capacity in the second half?

John Rodgerson:

I'm definitely watching it. Let me just say that. Do I think it's enough? No, obviously I don't think it's enough. But if you look around the world, you see some of the highest growth rates here in Latin America. To be honest, you have guys like United talking about cutting capacity and other airlines, even Delta cut like 3% in June or something like that. I think there's more work to be done in this region. I think we've led it obviously from our post restructuring plan and what we've already done. But we're not really looking sideways. I think we're really comfortable with where we are and the strengths that we have. And I think that our market is just a lot more resilient and the other markets are oscillating and I think that will drive the capacity cuts that are required. To be honest.

Antonio Garcia:

If I just add, the best run airlines in the world have cut capacity. That's a fact across the board. And a little bit back to the previous question that we had, which was we have flexibility and resilience in how we built the model. Unfortunately, airlines buy aircraft well in advance and they're delivering into a Middle Eastern crisis. And it's a bit harder to take capacity out when you're taking new metal with high ownership cost. Again, I want to reiterate, our ownership costs are down by 30% permanently and we have a much more flexible fleet plan going forward, allowing us to react. But as Abhi said, we're not looking to the left and to the right. We're looking forward to focusing on our markets where we can generate cash.

Michael Linenberg- Deutsche Bank:

Thank you.

Operator:

The next question comes from Nicholas, sell side analyst from Jefferies. Nicholas, you open your microphone so you may ask your question.

Nicolas Fabianic- Jefferies:

Yes. Good morning. Thank you for the call. Welcome, Antonio, to the team. I just wanted to ask here on, on liquidity, please if you could give us an update on the government credit lines. I believe there are three the FGE, the FNAC and the more recent fuel installments payment plan. If you can give us an update on, on those three sources of liquidity and then just on the American CADE approval process timeline. Any updates

and lastly on TAP So, it would be helpful just too. I have an update here on these liquidity measures as we think about liquidity through the end of this year. Thank you.

John Rodgerson:

Thanks, Nicholas. You hit them all right there. I'll start and then pass it over to Antonio, first of all, we ended the first quarter with more cash than we thought. We upsized the exit financing. So, we feel very comfortable where we are right now. We have just under a billion dollars in available liquidity and so immediate liquidity. So, we feel very good about our starting position going into things. Other things that I highlighted, our plan was at R\$5.50. The exchange rate now is R\$4.98. And so, you have seen the government be very proactive. They do not want to see capacity cuts in the market. So, the government has done a lot of things. There's a lot of different lines that we're looking at as an industry, we see that as a positive thing. They're acting in a very proactive manner. I think that's exciting.

As for TAP, they owe us the money. They know they owe us the money. Everybody knows they owe us the money. I think that there's a commercial relationship with TAP that we continue to have and they're in a privatization process as we speak. And so, you know, we're, we're excited to, you know, get that resolved later this year. And we know, we think that a friendly solution is always the best resolution to something, especially as they're in a privatization process and in many cities in Brazil, we are the number one connecting partner for them. But I'll pass it over to Antonio because, you know, there's the government, there's a lot of things happening and a delivered balance sheet just opens up tremendous opportunity for us.

Antonio Garcia:

Yeah, thanks, John. Nicholas, thanks for the welcome. And in regard to the lines of credit, we are back on the street after chapter 11 and it's not only the government line, but you have the other bankers also on discussion right now. And we are evaluating the best options for, for a zoo, to get this money either for the government or for the private banks. I would say I'm sure we will have access based on my previous experience for that line and still this year.

Operator:

Okay, this concludes the Q&A session for today. We will now turn the call to John so that we can make the closing remarks, please.

John Rodgerson:

Thanks everybody. And I just want to thank everybody, and we look forward to seeing people in New York and talking to the investors in the sell side as we prepare the company for our relisting in New York. Thanks everybody.

Operator:



Thank you. This concludes the Azul's audio conference call for today. Thank you very much for your participation and have a good day!