

Volaris reports third quarter 2020 results:

Increased capacity drives stronger revenues and lower CASM

Mexico City, Mexico, October 22, 2020 – Volaris* (NYSE: VLRS and BMV: VOLAR), the ultra-low-cost airline serving Mexico, the United States and Central America, today announces its financial results for the third quarter 2020.

The following financial information, unless otherwise indicated, is presented in accordance with the International Financial Reporting Standards (IFRS).

Third Quarter 2020 Highlights

During the third quarter 2020, Volaris continued to successfully navigate the uncertainties caused by the SARS-CoV-2 (COVID-19) pandemic. The Company has recovered much of the capacity resulting from COVID-19 as measured by available seat miles (ASMs), a result of its strong ultra-low-cost business model focused on the VFR (Visiting Friends and Relatives) and leisure segments in the domestic and US-transborder markets.

As the Company has been able to recover services and add new routes, management has remained focused on ensuring the well-being of its crews, personnel, and passengers. Volaris has carried more than 4.5 million passengers following its successful biosafety protocol implementation in April 2020. Volaris was recognized with the “Safe travels” stamp, by the World Travel and Tourism Council, as well as the certificates of biosecurity best practices by the governments of Yucatan and Mexico City.

The Company was able to ramp up service to 63% of prior year in July and expanded further to 79% of prior year in August. September is typically a low travel month so management cautiously increased capacity to 84% of prior year while focusing on increasing total revenue per available seat mile (TRASM). For the full period, Volaris operated 75% of ASMs compared to the same period in 2019. The domestic market led the capacity recovery, where Volaris operated 85% ASMs versus the same period in 2019. In the international market, Volaris operated 54% ASMs compared to the same period in 2019. Central American operations remained closed.

The main effects of the continuing recovery of demand and capacity at the end of the third quarter, are as follows:

- Total operating revenues were Ps.4,724 million for the third quarter, a decrease of 50.3% year over year.
- Total ancillary revenues were Ps.2,131 million for the third quarter, a decrease of 29.7% year over year. Total ancillary revenues per passenger for the third quarter reached Ps.614, an increase of 13.9% year over year. However, total ancillary revenues represented 45.1% of total operating revenues for the third quarter 2020, increasing 13.2 percentage points with respect to the same period of last year.
- Total operating revenues per available seat mile (TRASM) were Ps.102.8 cents for the third quarter, a decrease of 31.6% year over year.
- In the third quarter 2020, the Company recorded a one-time charge of Ps.746 million.



- Operating expenses per available seat mile (CASM) were Ps.149.2 cents for the third quarter, an increase of 20.9% year over year; with an average economic fuel cost per gallon of Ps.40.2 for the third quarter, a decrease of 10.5% year over year. Excluding the one-time charge, CASM was Ps.133.5 cents.
- Operating expenses per available seat mile excluding fuel, (CASM ex-fuel) were Ps.111.3 cents for the third quarter, an increase of 43.6% year over year; with an average exchange rate depreciation of the Mexican peso against the U.S. dollar of 13.9% year over year. Excluding the one-time charge, CASM ex-fuel was Ps.95.7 cents.
- Operating loss was Ps.2,227 million for the third quarter, a significant decrease compared with the operating income of Ps.1,703 million for the same period of last year. Operating margin for the third quarter was negative 47.1%, a deterioration of 65.0 percentage points year over year. Excluding the one-time charge, operating loss was Ps.1,481 million, a negative operating margin of 31.4%.
- Net loss was Ps.2,175 million (Ps.2.15 loss per share / U.S.\$0.96 loss per ADS), a negative net margin of 46.0% for the third quarter. Excluding the one-time charge, net loss was Ps.1,429 million (Ps.1.41 loss per share / U.S.\$0.63 loss per ADS), a negative net margin of 30.3%.
- At the close of the third quarter, the Mexican peso appreciated 2.2% against the U.S. dollar (Ps.22.46 per U.S. dollar) with respect to the exchange rate at the close of the previous quarter (Ps.22.97 per U.S. dollar). The Company booked a net foreign exchange gain of Ps.186 million derived from our U.S. dollar net monetary liability position.
- During the third quarter of 2020, the net cash flow used in operating activities was Ps.113 million. The net cash flow used in investing activities reached Ps.179 million. The net cash flow used in financing activities was Ps.1,357 million, which included Ps.1,724 million of aircraft rental payments. The negative net foreign exchange difference was Ps.163 million, thus leading to a net decrease of cash and cash equivalents in the third quarter of Ps.1,812 million. As of September 30, 2020, cash and cash equivalents were Ps.8,202 million.

Fuel Price reduction and Peso Depreciation

- Fuel price reduction: The average economic fuel cost per gallon decreased 10.5% in the third quarter of 2020, year over year, reaching Ps.40.2 per gallon (U.S.\$1.8).
- Peso depreciation: The Mexican peso depreciated 13.9% against the U.S. dollar year over year, from an average exchange rate of Ps.19.42 per U.S. dollar in the third quarter of 2019 to Ps.22.11 per U.S. dollar during the third quarter of 2020. At the end of the third quarter of 2020, the Mexican peso (Ps.22.46 per U.S. dollar) depreciated 14.4% with respect to the exchange rate at the end of the same period of the last year (Ps.19.64 per U.S. dollar).

Passenger Traffic Contraction, Ancillary Revenue Reduction, and TRASM decrease

- Passenger traffic contraction: Volaris had 3.4 million passengers booked in the third quarter of 2020, a decrease of 38.3% year over year. Volaris traffic (measured in terms of revenue passenger miles, or RPMs) decreased 35.2% year over year. System load factor during the third quarter decreased 11.7 percentage points year over year to a level of 73.4%.



- Total ancillary revenue reduction: For the third quarter of 2020, total ancillary revenue decreased 29.7% year over year. However, total ancillary revenue per passenger in the third quarter of 2020 increased 13.9% year over year. The total ancillary revenue generation continues to grow with new and mature products, appealing to customers' needs, representing 45.1% of total operating revenue of the third quarter, an increase of 13.2 percentage points year over year.
- TRASM decrease: For the third quarter of 2020, TRASM decreased 31.6% year over year. During the third quarter of 2020, the total capacity, measured by ASMs, decreased 24.9% year over year.

Total Unit Cost Increase and Peso Depreciation

- CASM and CASM ex fuel in the third quarter of 2020 reached Ps.149.2 (U.S.\$6.64 cents) and Ps.111.3 cents (U.S.\$4.96), respectively. This represented an increase of 20.9% for CASM and an increase of 43.6% for CASM ex fuel, year over year; mainly driven by the capacity reduction as measured by available seat miles (ASMs), and the depreciation of the Mexican peso against the U.S. dollar by 13.9%. Excluding the one-time charge, CASM was Ps.133.5 cents and CASM ex-fuel was Ps.95.7 cents.

Young and Fuel-Efficient Fleet

- During the third quarter of 2020, the Company returned one A320 aircraft and incorporated three new A320 NEO aircraft to its fleet. As of September 30, 2020, Volaris' fleet comprised 84 aircraft (7 A319s, 61 A320s and 16 A321s), with an average age of 5.4 years. At the end of the third quarter of 2020, Volaris' fleet had an average of 187 seats per aircraft 77% of our aircraft were sharklet-equipped, and 32% were NEOs.

Liquidity Preservation Plan with a Net Cash Flow Generated by Operating Activities

- Since the COVID-19 pandemic started, the Company's main objective has been to preserve its liquidity position. Specifically, for the third quarter, our liquidity preservation plan brought \$1.9 billion pesos in benefits; of which \$406 million pesos were cost reductions.
- During the third quarter of 2020, the net cash flow used in operating activities was Ps.113 million. The net cash flow used in investing activities was Ps.179 million. The net cash flow used in financing activities was Ps.1,357 million, which included Ps.1,724 million of aircraft rental payments. The negative net foreign exchange difference was Ps.163 million. As a result, there was a net decrease of cash and cash equivalents in the third quarter of Ps.1,812 million. As of September 30, 2020, cash and cash equivalents were Ps.8,202 million, representing 34.5% of last twelve months of the operating revenue. Volaris registered a negative net debt (or a positive net cash position) of Ps.2,387 million (excluding lease liability recognized under the IFRS16 adoption).



Non-Derivative Financial Instruments

- During 2019, the Company established hedges on its U.S. dollar denominated revenues through a non-derivative financial instrument, using the lease liabilities denominated in U.S. dollar as a hedge instrument. This hedging relationship was designated as a cash flow hedge of forecasted revenues to mitigate the volatility of the foreign exchange variation arising from the revaluation of the lease liabilities. During the third quarter 2020, the impact of these hedges was Ps.171 million, which has been included as part of the total operating revenue.
- Additionally, during 2019, the Company established hedges on a portion of its forecasted fuel expense, through a non-derivative financial instrument, using as a hedge instrument a portion of its U.S. dollar denominated monetary assets. This hedging relationship was designated as a cash flow hedge of forecasted fuel expense to mitigate the volatility of the foreign exchange variation arising from the revaluation of this portion of U.S. dollar denominated monetary asset. During the third quarter 2020, the impact of these hedges was Ps.154 million, which has been presented as part of the total fuel expense.
- For the hedging relationships described, the effective portion of the hedging instrument's change in fair value is recognized in Other Comprehensive Income or OCI. The accounting records corresponding to the recycling of the OCI are made in accordance with IFRS 9. Under this Standard, the portion recorded in OCI is recognized in the results in the same period in which the expected hedging for cash flows affect the result of the period. As of September 30, 2020, OCI includes a negative foreign exchange effect of Ps.5,265 million. As of December 31, 2019, OCI includes a positive foreign exchange effect of Ps.14 million.

Investors are urged to carefully read the Company's periodic reports filed with or provided to the Securities and Exchange Commission, for additional information regarding the Company.



Conference Call/Webcast Details:

Presenters for the Company: Mr. Enrique Beltranena, President & CEO
Mr. Holger Blankenstein, Airline Commercial and Operation EVP
Mr. Jaime Pous, Senior Vice President Chief Legal Officer and
Corporate Affairs and Interim CFO

Date: Friday, October 23, 2020

Time: 10:00 am U.S. EDT (9:00 am Mexico City Time)

United States dial in (toll free): 1-877-830-2576

Mexico dial in (toll free): 001-800-514-6145

Brazil dial in (toll free): 0800-891-6744

International dial in: + 1-785-424-1726

Participant passcode: VOLARIS

Webcast will be available at: <https://services.choruscall.com/links/vlrs201023S5hzhfKIM.html>

About Volaris:

*Controladora Vuela Compañía de Aviación, S.A.B. de C.V. ("Volaris" or the "Company") (NYSE: VLRS and BMV: VOLAR), is an ultra-low-cost carrier, with point-to-point operations, serving Mexico, the United States and Central America. Volaris offers low base fares to build its market, providing quality service and extensive customer choice. Since the beginning of operations in March 2006, Volaris has increased its routes from five to more than 142 and its fleet from four to 84 aircraft. Volaris offers more than 300 daily flight segments on routes that connect 44 cities in Mexico and 20 cities in the United States and Central America with the youngest fleet in Mexico. Volaris targets passengers who are visiting friends and relatives, cost-conscious business and leisure travelers in Mexico, the United States and Central America. Volaris has received the ESR Award for Social Corporate Responsibility for eleven consecutive years. For more information, please visit: www.volaris.com.

Forward-looking Statements:

Statements in this release contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which represent the Company's expectations, beliefs or projections concerning future events and financial trends affecting the financial condition of our business. When used in this release, the words "expects," "intends," "estimates," "predicts," "plans," "anticipates," "indicates," "believes," "forecast," "guidance," "potential," "outlook," "may," "continue," "will," "should," "seeks," "targets" and similar expressions are intended to identify forward-looking statements. Similarly, statements that describe the Company's objectives, plans or goals, or actions the Company may take in the future, are forward-looking statements. Forward-looking statements include, without limitation, statements regarding the Company's intentions and expectations regarding the delivery schedule of aircraft on order, announced new service routes and customer savings programs. Forward-looking statements should not be read as a guarantee or assurance of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Forward-looking statements are subject to a number of factors that could cause the Company's actual results to differ materially from the Company's expectations, including the competitive environment in the airline industry; the Company's ability to keep costs low; changes in fuel costs; the impact of worldwide economic conditions on customer travel behavior; the Company's ability to generate non-ticket revenues; and government regulation. Additional information concerning these, and other factors is contained in the Company's Securities and Exchange Commission filings. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth above. Forward-looking statements speak only as of the date of this release. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

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Unaudited (In Mexican pesos, except otherwise indicated)	Three months ended September 30, 2020 (US Dollars)*	Three months ended September 30, 2020	Three months ended September 30, 2019	Variance (%)
Total operating revenues (millions)	210	4,724	9,502	(50.3%)
Total operating expenses (millions)	310	6,951	7,799	(10.9%)
EBIT (millions)	(99)	(2,227)	1,703	NA
EBIT margin	(47.1%)	(47.1%)	17.9%	(65.0) pp
Depreciation and amortization	67	1,509	1,363	10.7%
Aircraft and engine variable lease expenses	24	537	226	>100%
Net (loss) income (millions)	(97)	(2,175)	713	NA
Net (loss) income margin	(46.0%)	(46.0%)	7.5%	(53.5) pp
(Loss) income per share:				
Basic (pesos)	(0.10)	(2.15)	0.70	NA
Diluted (pesos)	(0.10)	(2.15)	0.70	NA
(Loss) income per ADS:				
Basic (pesos)	(0.96)	(21.50)	7.05	NA
Diluted (pesos)	(0.96)	(21.50)	7.05	NA
Weighted average shares outstanding:				
Basic	-	1,011,876,677	1,011,876,677	0.0%
Diluted	-	1,011,876,677	1,011,876,677	0.0%
Available seat miles (ASMs) (millions) ⁽¹⁾	-	4,763	6,341	(24.9%)
Domestic	-	3,685	4,328	(14.9%)
International	-	1,078	2,014	(46.5%)
Revenue passenger miles (RPMs) (millions) ⁽¹⁾	-	3,496	5,398	(35.2%)
Domestic	-	2,711	3,785	(28.4%)
International	-	785	1,613	(51.3%)
Load factor ⁽²⁾	-	73.4%	85.1%	(11.7) pp
Domestic	-	73.6%	87.5%	(13.9) pp
International	-	72.8%	80.1%	(7.3) pp
Total operating revenue per ASM (TRASM) (cents) ^{(1) (5)}	4.6	102.8	150.3	(31.6%)
Total ancillary revenue per passenger ^{(4) (5)}	27.3	614	539	13.9%
Total operating revenue per passenger ⁽⁵⁾	62.8	1,411	1,696	(16.8%)
Operating expenses per ASM (CASM) (cents) ^{(1) (5)}	6.64	149.2	123.4	20.9%
Operating expenses per ASM (CASM) (US cents) ^{(1) (3) (5)}	-	6.75	6.36	6.1%
CASM ex fuel (cents) ^{(1) (5)}	4.96	111.3	77.5	43.6%
CASM ex fuel (US cents) ^{(1) (3) (5)}	-	5.03	3.99	26.1%
Booked passengers (thousands) ⁽¹⁾	-	3,470	5,620	(38.3%)
Departures ⁽¹⁾	-	24,721	35,777	(30.9%)
Block hours ⁽¹⁾	-	62,678	90,323	(30.6%)
Fuel gallons consumed (millions)	-	44.9	64.9	(30.8%)
Average economic fuel cost per gallon ⁽⁵⁾	1.8	40.2	44.9	(10.5%)
Aircraft at end of period	-	84	80	5.0%
Average aircraft utilization (block hours)	-	10.6	13.2	(19.8%)
Average exchange rate	-	22.11	19.42	13.9%
End of period exchange rate	-	22.46	19.64	14.4%

*Peso amounts were converted to U.S. dollars at end of period exchange rate for convenience purposes only.

⁽¹⁾ Includes schedule and charter.

⁽³⁾ Dollar amounts were converted at average exchange rate of each period.

⁽²⁾ Includes schedule.

⁽⁴⁾ Includes "Other passenger revenues" and "Non-passenger revenues".

⁽⁵⁾ Excludes non-derivatives financial instruments.

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries
Financial and Operating Indicators

Unaudited (In Mexican pesos, except otherwise indicated)	Nine months ended September 30, 2020 (US Dollars)*	Nine months ended September 30, 2020	Nine months ended September 30, 2019	Variance (%)
Total operating revenues (millions)	627	14,074	25,023	(43.8%)
Total operating expenses (millions)	814	18,287	22,635	(19.2%)
EBIT (millions)	(188)	(4,213)	2,388	NA
EBIT margin	(29.9%)	(29.9%)	9.5%	(39.4) pp
Depreciation and amortization	196	4,402	3,990	10.3%
Aircraft and engine variable lease expenses	60	1,338	769	74.1%
Net (loss) income (millions)	(231)	(5,191)	1,352	NA
Net (loss) income margin	(36.9%)	(36.9%)	5.4%	(42.3) pp
(Loss) income per share:				
Basic (pesos)	(0.23)	(5.13)	1.34	NA
Diluted (pesos)	(0.23)	(5.13)	1.34	NA
(Loss) income per ADS:				
Basic (pesos)	(2.28)	(51.30)	13.36	NA
Diluted (pesos)	(2.28)	(51.30)	13.36	NA
Weighted average shares outstanding:				
Basic	-	1,011,876,677	1,011,876,677	0.0%
Diluted	-	1,011,876,677	1,011,876,677	0.0%
Available seat miles (ASMs) (millions) ⁽¹⁾	-	12,295	18,199	(32.4%)
Domestic	-	9,140	12,549	(27.2%)
International	-	3,156	5,650	(44.2%)
Revenue passenger miles (RPMs) (millions) ⁽¹⁾	-	9,800	15,511	(36.8%)
Domestic	-	7,307	10,983	(33.5%)
International	-	2,493	4,528	(44.9%)
Load factor ⁽²⁾	-	79.7%	85.3%	(5.6) pp
Domestic	-	79.9%	87.5%	(7.6) pp
International	-	79.0%	80.2%	(1.2) pp
Total operating revenue per ASM (TRASM) (cents) ^{(1) (5)}	5.2	116.4	137.7	(15.5%)
Total ancillary revenue per passenger ^{(4) (5)}	26.3	591	524	12.8%
Total operating revenue per passenger ⁽⁵⁾	64.7	1,453	1,544	(5.9%)
Operating expenses per ASM (CASM) (cents) ^{(1) (5)}	6.7	151.4	124.6	21.5%
Operating expenses per ASM (CASM) (US cents) ^{(1) (3) (5)}	-	6.9	6.5	7.4%
CASM ex fuel (cents) ^{(1) (5)}	5.0	111.2	76.8	44.8%
CASM ex fuel (US cents) ^{(1) (3) (5)}	-	5.10	3.99	27.9%
Booked passengers (thousands) ⁽¹⁾	-	9,852	16,237	(39.3%)
Departures ⁽¹⁾	-	66,167	102,823	(35.6%)
Block hours ⁽¹⁾	-	168,789	260,858	(35.3%)
Fuel gallons consumed (millions)	-	119.9	186.6	(35.7%)
Average economic fuel cost per gallon ⁽⁵⁾	1.8	41.2	46.6	(11.6%)
Aircraft at end of period	-	84	80	5.0%
Average aircraft utilization (block hours)	-	11.1	13.0	(14.7%)
Average exchange rate	-	21.79	19.26	13.1%
End of period exchange rate	-	22.46	19.64	14.4%

*Peso amounts were converted to U.S. dollars at end of period exchange rate for convenience purposes only.

⁽¹⁾ Includes schedule and charter.

⁽²⁾ Includes schedule.

⁽⁵⁾ Excludes non-derivatives financial instruments.

⁽³⁾ Dollar amounts were converted at average exchange rate of each period.

⁽⁴⁾ Includes "Other passenger revenues" and "Non-passenger revenues".

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries
Consolidated Statement of Operations

Unaudited (In millions of Mexican pesos)	Three months ended September 30, 2020 (US Dollars) *	Three months ended September 30, 2020	Three months ended September 30, 2019	Variance (%)
Operating revenues:				
Passenger revenues	207	4,640	9,271	(50.0%)
Fare revenues	123	2,764	6,501	(57.5%)
Other passenger revenues	84	1,876	2,770	(32.3%)
Non-passenger revenues	11	255	260	(1.8%)
Other non-passenger revenues	9	206	208	(1.3%)
Cargo	2	49	51	(3.8%)
Non-derivatives financial instruments	(8)	(171)	(29)	>100%
Total operating revenues	210	4,724	9,502	(50.3%)
Other operating income	(12)	(267)	(141)	89.5%
Fuel expense, net ⁽¹⁾	73	1,648	2,884	(42.8%)
Depreciation of right of use assets	57	1,278	1,186	7.7%
Landing, take-off and navigation expenses	46	1,028	1,304	(21.2%)
Sales, marketing and distribution expenses	43	964	417	>100%
Salaries and benefits	39	865	909	(4.8%)
Aircraft and engine variable lease expenses	24	537	226	>100%
Maintenance expenses	14	315	406	(22.4%)
Other operating expenses	16	352	432	(18.4%)
Depreciation and amortization	10	231	177	30.8%
Operating expenses	310	6,951	7,799	(10.9%)
Operating (loss) income	(99)	(2,227)	1,703	NA
Finance income	1	17	79	(79.0%)
Finance cost ⁽²⁾	(32)	(730)	(591)	23.5%
Exchange gain (loss), net	8	186	(173)	NA
Comprehensive financing result	(23)	(527)	(684)	(22.9%)
(Loss) income before income tax	(123)	(2,754)	1,019	NA
Income tax benefit (expense)	26	579	(306)	NA
Net (loss) income	(97)	(2,175)	713	NA

* Peso amounts were converted to U.S. dollars at end of period exchange rate for convenience purposes only.

⁽¹⁾ 3Q 2020 and 3Q 2019 figures include a benefit from non-derivatives financial instruments by an amount of Ps.153.5 million and Ps.26.4 million, respectively.

⁽²⁾ During third quarter 2020, as a result of the capacity reduction due to COVID-19, the Company recorded the ineffective portion related to the derivative financial instruments by an amount of Ps.19.6 million, which is presented as part of the financial costs.

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries
Consolidated Statement of Operations

Unaudited	Nine months ended September 30, 2020	Nine months ended September 30, 2020	Nine months ended September 30, 2019	Variance
(In millions of Mexican pesos)	(US Dollars) *			(%)
Operating revenues:				
Passenger revenues	607	13,624	24,286	(43.9%)
Fare revenues	378	8,491	16,562	(48.7%)
Other passenger revenues	229	5,133	7,724	(33.5%)
Non-passenger revenues	31	688	778	(11.6%)
Other non-passenger revenues	25	555	613	(9.4%)
Cargo	6	132	165	(19.8%)
Non-derivatives financial instruments	(11)	(237)	(40)	>100%
Total operating revenues	627	14,074	25,023	(43.8%)
Other operating income	(25)	(568)	(264)	>100%
Fuel expense, net ⁽¹⁾	205	4,614	8,654	(46.7%)
Depreciation of right of use assets	167	3,752	3,522	6.5%
Landing, take-off and navigation expenses	131	2,943	3,725	(21.0%)
Salaries and benefits	110	2,470	2,648	(6.7%)
Sales, marketing and distribution expenses	67	1,506	1,038	45.0%
Aircraft and engine variable lease expenses	60	1,338	769	74.1%
Maintenance expenses	32	714	1,128	(36.7%)
Other operating expenses	39	869	948	(8.3%)
Depreciation and amortization	29	650	468	38.9%
Operating expenses	814	18,287	22,635	(19.2%)
Operating (loss) income	(188)	(4,213)	2,388	NA
Finance income	4	93	153	(39.0%)
Finance cost ⁽²⁾	(112)	(2,523)	(1,594)	58.3%
Exchange (loss) gain, net	(19)	(419)	985	NA
Comprehensive financing result	(127)	(2,849)	(457)	>100%
(Loss) income before income tax	(314)	(7,062)	1,931	NA
Income tax benefit (expense)	83	1,872	(579)	NA
Net (loss) income	(231)	(5,191)	1,352	NA

* Peso amounts were converted to U.S. dollars at end of period exchange rate for convenience purposes only.

⁽¹⁾ 3Q YTD 2020 and 3Q YTD 2019 figures include a benefit from non-derivatives financial instruments by an amount of Ps.324.9 million and Ps.40.4 million, respectively.

⁽²⁾ During third quarter 2020, as a result of the capacity reduction due to COVID-19, the Company recorded the ineffective portion related to the derivative financial instruments by an amount of Ps.448.6 million, which is presented as part of the financial costs.

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries Reconciliation of total ancillary revenue per passenger

The following table shows quarterly additional detail about the components of total ancillary revenue:

Unaudited (In millions of Mexican pesos)	Three months ended September 30, 2020 (US Dollars)*	Three months ended September 30, 2020	Three months ended September 30, 2019	Variance (%)
Other passenger revenues	84	1,876	2,770	(32.3%)
Non-passenger revenues	11	255	260	(1.8%)
Total ancillary revenues	95	2,131	3,030	(29.7%)
Booked passengers (thousands)	-	3,470	5,620	(38.3%)
Total ancillary revenue per passenger	27	614	539	13.9%

* Peso amounts were converted to U.S. dollars at end of period exchange rate for convenience purposes only.

The following table shows the September YTD additional detail about the components of total ancillary revenue:

Unaudited (In millions of Mexican pesos)	Nine months ended September 30, 2020 (US Dollars)*	Nine months ended September 30, 2020	Nine months ended September 30, 2019	Variance (%)
Other passenger revenues	229	5,133	7,724	(33.5%)
Non-passenger revenues	31	688	778	(11.6%)
Total ancillary revenues	259	5,820	8,502	(31.5%)
Booked passengers (thousands)	-	9,852	16,237	(39.3%)
Total ancillary revenue per passenger	26	591	524	12.8%

* Peso amounts were converted to U.S. dollars at end of period exchange rate for convenience purposes only.

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries
Consolidated Statement of Financial Position

(In millions of Mexican pesos)	September 30, 2020	September 30, 2020	December 31, 2019
	Unaudited (US Dollars)*	Unaudited	Audited
Assets			
Cash and cash equivalents	365	8,202	7,980
Accounts receivable	108	2,416	2,320
Inventories	11	254	302
Prepaid expenses and other current assets	36	803	781
Financial instruments	-	1	134
Guarantee deposits	64	1,444	600
Total current assets	584	13,120	12,117
Rotable spare parts, furniture and equipment, net	334	7,498	7,385
Right of use assets	1,512	33,957	34,129
Intangible assets, net	7	167	167
Financial instruments	-	1	3
Deferred income taxes	160	3,596	1,543
Guarantee deposits	388	8,709	7,644
Other assets	5	106	166
Other long- term assets	12	278	141
Total non-current assets	2,418	54,311	51,178
Total assets	3,003	67,430	63,295
Liabilities			
Unearned transportation revenue	293	6,572	3,680
Accounts payable	120	2,700	1,656
Accrued liabilities	105	2,359	2,532
Lease liabilities	334	7,498	4,721
Other taxes and fees payable	106	2,383	2,102
Income taxes payable	-	2	141
Financial instruments	19	429	-
Financial debt	104	2,328	2,086
Other liabilities	3	75	407
Total short-term liabilities	1,084	24,346	17,324
Financial debt	155	3,486	2,890
Accrued liabilities	3	70	91
Lease liabilities	1,875	42,096	35,797
Other liabilities	117	2,638	1,470
Employee benefits	2	46	38
Deferred income taxes	7	156	156
Total long-term liabilities	2,159	48,493	40,441
Total liabilities	3,243	72,839	57,765
Equity			
Capital stock	132	2,974	2,974
Treasury shares	(9)	(198)	(170)
Contributions for future capital increases	-	-	-
Legal reserve	13	291	291
Additional paid-in capital	82	1,839	1,880
Retained (losses) earnings	(212)	(4,752)	438
Accumulated other comprehensive income (losses) ⁽¹⁾	(248)	(5,562)	116
Total equity	(241)	(5,409)	5,530
Total liabilities and equity	3,003	67,430	63,295
Total shares outstanding fully diluted		1,011,876,677	1,011,876,677

* Peso amounts were converted to U.S. dollars at end of period exchange rate for convenience purposes only.

⁽¹⁾ As of September 30, 2020 and as of December 31, 2019 the figures include a negative foreign exchange effect of Ps.5,265 million and a positive foreign exchange effect of Ps.14 million, respectively, related to non-derivatives financial instruments.

Controladora Vuela Compañía de Aviación, S.A.B. de C.V. and Subsidiaries
Consolidated Statement of Cash Flows – Cash Flow Data Summary

Unaudited (In millions of Mexican pesos)	Three months ended September 30, 2020 (US Dollars)*	Three months ended September 30, 2020	Three months ended September 30, 2019
Net cash flow (used in) generated by operating activities	(5)	(113)	2,207
Net cash flow used in investing activities	(8)	(179)	(1,072)
Net cash flow used in financing activities**	(60)	(1,357)	(1,606)
Decrease in cash and cash equivalents	(73)	(1,649)	(470)
Net foreign exchange differences	(7)	(163)	156
Cash and cash equivalents at beginning of period	446	10,013	8,124
Cash and cash equivalents at end of period	365	8,202	7,810

* Peso amounts were converted to U.S. dollars at end of period exchange rate for convenience purposes only.

**Includes aircraft rental payments of Ps.1,724 million and Ps.1,657 million for the three months ended period September 30, 2020 and 2019, respectively.

Unaudited (In millions of Mexican pesos)	Nine months ended September 30, 2020 (US Dollars)*	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Net cash flow generated by operating activities	146	3,290	7,465
Net cash flow used in investing activities	(6)	(145)	(1,280)
Net cash flow used in financing activities**	(196)	(4,405)	(4,239)
(Decrease) increase in cash and cash equivalents	(56)	(1,260)	1,946
Net foreign exchange differences	66	1,482	453
Cash and cash equivalents at beginning of period	355	7,980	5,863
Cash and cash equivalents at end of period	365	8,202	7,810

* Peso amounts were converted to U.S. dollars at end of period exchange rate for convenience purposes only.

**Includes aircraft rental payments of Ps.4,350 million and Ps.4,787 million for the nine months ended period September 30, 2020 and 2019, respectively.