



## Volaris, the Lowest Cost Publicly Traded Airline in the Americas reports Strong Liquidity Position of Ps.8.7 billion as of March 31, 2021

Mexico City, Mexico, April 22, 2021 – Volaris\* (NYSE: VLRS and BMV: VOLAR), the ultra-low-cost airline serving Mexico, the United States of America and Central America, today announces its financial results for the first quarter 2021.

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

### First Quarter 2021 Highlights

The main results for the first quarter are described as follows:

- Total operating revenues were Ps.6,403 million for the first quarter, a decrease of 18.2% year over year.
- Total ancillary revenues were Ps.3,279 million for the first quarter, an increase of 10.1% year over year. Total ancillary revenues per passenger for the first quarter reached Ps.768, an increase of 36.0% year over year. Total ancillary revenues represented 51.2% of total operating revenues for the first quarter 2021, increasing 13.1 percentage points with respect to the same period of last year.
- Total operating revenues per available seat mile (TRASM) were Ps.121.1 cents for the first quarter, a decrease of 6.0% year over year.
- Operating expenses per available seat mile (CASM) were Ps.134.0 cents for the first quarter, an increase of 8.0% year over year; with an average economic fuel cost per gallon of Ps.39.1 for the first quarter, a decrease of 5.5% year over year.
- Operating expenses per available seat mile excluding fuel, (CASM ex fuel) reached Ps.97.0 cents for the first quarter, an increase of 18.2% year over year; with an average exchange rate depreciation of the Mexican peso against the U.S. dollar by 2.2% year over year.
- Operating loss was Ps.739 million for the first quarter, a decrease compared with the operating income of Ps.308 million for the same period of last year. Operating loss margin for the first quarter was (11.5%), compared with an operating income margin of 3.9% for the same period of last year.
- Net loss was Ps.733 million (Ps.0.63 loss per share / U.S.\$0.31 loss per ADS), a negative net margin of (11.4%) for the first quarter.
- At the close of the first quarter, the Mexican peso depreciated 3.3% against the U.S. dollar (Ps.20.60 per U.S. dollar) with respect to the exchange rate at the close of the previous quarter (Ps.19.95 per



U.S. dollar). The Company booked a net foreign exchange gain of Ps.247 million derived from our U.S. dollar net monetary liability position.

- During the first quarter of 2021, the net cash flow generated by operating activities was Ps.752 million. The net cash flow used in investing activities reached Ps.191 million. The net cash flow used in financing activities was Ps.2,181 million, which included Ps.2,136 million of aircraft rental payments. The positive net foreign exchange difference was Ps.234 million, thus having a net decrease of cash and cash equivalents in the first quarter of Ps.1,620 million. As of March 31, 2021, cash and cash equivalents were Ps.8,718 million.
- Since the COVID-19 pandemic started, the Company has implemented multiple actions under a "liquidity preservation plan", with significant results achieved during 2020. In the first quarter of 2021, the focus has been to combine further payment deferrals with an optimization of the fleet plan for the post COVID-19 traffic requirements. During the first quarter of 2021, the Company targeted an additional working capital relief of US\$100 million. As of today, Volaris has reached agreements for US\$87 million for the period of 2021 to 2023.
- The Company plans to incorporate 8 additional A320NEO aircraft in 2021 through straight operating leases. These will be in addition to the three aircraft that are still to be received in 2021 from Volaris order book with Airbus.
- On April 16th, 2021, the Company received the Famous Brand Declaration from the Mexican Institute of Industrial Property ("IMPI") for the "Volaris" brand, which is the first trademark within the Mexican aviation industry declared as a Famous Brand by IMPI.

## Fuel Price reduction and Peso Depreciation

- **Fuel price reduction:** The average economic fuel cost per gallon decreased 5.5% in the first quarter of 2021, year over year, reaching Ps.39.1 per gallon (U.S.\$1.9).
- **Peso depreciation:** The Mexican peso depreciated 2.2% against the U.S. dollar year over year, from an average exchange rate of Ps.19.88 per U.S. dollar in the first quarter of 2020 to Ps.20.32 per U.S. dollar during the first quarter of 2021. At the end of the first quarter of 2021, the Mexican peso (Ps.20.60 per U.S. dollar) appreciated 12.4% with respect to the exchange rate at the end of the same period of the last year (Ps.23.51 per U.S. dollar).

## Passenger Traffic Contraction and Ancillary Revenue Growth

- **Passenger traffic contraction:** Volaris booked 4.3 million passengers in the first quarter of 2021, a decrease of 19.1% year over year. Volaris traffic (measured in terms of revenue passenger miles, or RPMs) decreased 18.7% year over year. System load factor during the first quarter decreased 6.6 percentage points year over year, reaching 78.1%.



- **Total ancillary revenue growth:** For the first quarter of 2021, total ancillary revenue increased 10.1% year over year. Total ancillary revenue per passenger in the first quarter of 2021 increased 36.0% year over year. The total ancillary revenue continues to grow with new and mature products, appealing to customers' needs, representing 51.2% of total operating revenue of the first quarter, an increase of 13.1 percentage points year over year.
- **TRASM decrease:** For the first quarter of 2021, TRASM decreased 6% year over year. During the first quarter of 2021, the total capacity, in terms of ASMs, decreased 11.7% year over year.

## Total Unit Cost Control

- CASM and CASM ex fuel in the first quarter of 2021 reached Ps.134.0 cents (U.S.\$6.59 cents) and Ps.97.0 cents (U.S.\$4.78 cents), respectively. This represented an increase of 8.0% and an increase of 18.2%, respectively, year over year; mainly driven by the decrease in the capacity in terms of ASMs and the average exchange rate depreciation of the Mexican peso against the U.S. dollar of 2.2%.

## Young and Fuel-Efficient Consumption Fleet

- During the first quarter of 2021, the Company incorporated one new A320 NEO aircraft to its fleet. As of March 31, 2021, Volaris' fleet was composed of 87 aircraft (6 A319s, 65 A320s and 16 A321s), with an average age of 5.5 years. At the end of the first quarter of 2021, Volaris' fleet had an average of 188 seats per aircraft, 79% of our aircraft were sharklet-equipped, and 36% were NEO.

## Solid Balance Sheet and Liquidity with Net Cash Flow Generated by Operating Activities

- As of March 31, 2021, cash and cash equivalents were Ps.8,718 million, representing 42% of last twelve months operating revenue. Volaris registered a negative net debt (or a positive net cash position) of Ps.3,240 million (excluding the lease liability recognized under IFRS16) and total equity of Ps.1,154 million.
- During the first quarter of 2021, the net cash flow generated by operating activities was Ps.752 million. The net cash flow used in investing activities reached Ps.191 million. The net cash flow used in financing activities was Ps.2,181 million, which included Ps.2,136 million of aircraft rental payments. The positive net foreign exchange difference was Ps.234 million, thus having a net decrease of cash and cash equivalents in the first quarter of Ps.1,620 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, Chief Financial Officer

Date:

Friday, April 23, 2021

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/vlrs210219KKfUd2nS.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 170 and its fleet from four to 87 aircraft. Volaris offers more than 410 daily flight segments on routes that connect 43 cities in Mexico and 25 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](http://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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## Controladora Vuela Compañía de Aviación, S.A.B. de C.V. y Subsidiarias

### Financial and Operating Indicators

Unaudited (In Mexican pesos, except otherwise indicated)	Three months ended March 31, 2021 (US Dollars)*	Three months ended March 31, 2021	Three months ended March 31, 2020	Variance (%)
Total operating revenues (millions)	311	6,403	7,824	(18.2%)
Total operating expenses (millions)	347	7,142	7,517	(5.0%)
EBIT (millions)	(36)	(739)	308	NA
EBIT margin	(11.5%)	(11.5%)	3.9%	(15.5) pp
Depreciation and amortization (millions)	75	1,555	1,442	7.8%
Aircraft and engine variable lease expenses (millions)	23	468	375	24.8%
Net loss (millions)	(36)	(733)	(1,493)	(50.9%)
Net loss margin	(11.4%)	(11.4%)	(19.1%)	7.7pp
<b>Loss per share:</b>				
Basic (pesos)	(0.03)	(0.63)	(1.48)	(57.4%)
Diluted (pesos)	(0.03)	(0.63)	(1.48)	(57.4%)
<b>Loss per ADS:</b>				
Basic (pesos)	(0.31)	(6.29)	(14.76)	(57.4%)
Diluted (pesos)	(0.31)	(6.29)	(14.76)	(57.4%)
<b>Weighted average shares outstanding:</b>				
Basic	-	1,165,976,677	1,011,876,677	15.2%
Diluted	-	1,165,976,677	1,011,876,677	15.2%
Available seat miles (ASMs) (millions) <sup>(1)</sup>	-	5,380	6,095	(11.7%)
Domestic	-	4,038	4,253	(5.0%)
International	-	1,342	1,843	(27.2%)
Revenue passenger miles (RPMs) (millions) <sup>(1)</sup>	-	4,202	5,166	(18.7%)
Domestic	-	3,256	3,660	(11.0%)
International	-	946	1,506	(37.2%)
Load factor <sup>(2)</sup>	-	78.1%	84.7%	(6.6) pp
Domestic	-	80.6%	86.1%	(5.4) pp
International	-	70.5%	81.7%	(11.2) pp
Total operating revenue per ASM (TRASM) (cents) <sup>(1) (5)</sup>	5.9	121.1	128.8	(6.0%)
Total ancillary revenue per passenger <sup>(4) (5)</sup>	37.3	768	564	36.0%
Total operating revenue per passenger <sup>(5)</sup>	74.0	1,526	1,488	2.5%
Operating expenses per ASM (CASM) (cents) <sup>(1) (5)</sup>	6.50	134.0	124.1	8.0%
Operating expenses per ASM (CASM) (US cents) <sup>(1) (3) (5)</sup>	-	6.59	6.24	5.6%
CASM ex fuel (cents) <sup>(1) (5)</sup>	4.71	97.0	82.1	18.2%
CASM ex fuel (US cents) <sup>(1) (3) (5)</sup>	-	4.78	4.13	15.7%
Booked passengers (thousands) <sup>(1)</sup>	-	4,271	5,277	(19.1%)
Departures <sup>(1)</sup>	-	28,962	33,661	(14.0%)
Block hours <sup>(1)</sup>	-	73,171	86,637	(15.5%)
Fuel gallons consumed (millions)	-	50.8	61.9	(17.9%)
Average economic fuel cost per gallon <sup>(5)</sup>	1.9	39.1	41.4	(5.5%)
Aircraft at end of period	-	87	82	6.1%
Average aircraft utilization (block hours)	-	10.6	12.8	(17.3%)
Average exchange rate	-	20.32	19.88	2.2%
End of period exchange rate	-	20.60	23.51	(12.4%)

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

<sup>(1)</sup> Includes scheduled and chartered.

<sup>(2)</sup> Includes scheduled.

<sup>(5)</sup> Excludes non-derivatives financial instruments.

<sup>(3)</sup> Dollar amounts were converted at average exchange rate of each period.

<sup>(4)</sup> 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 March 31, 2021 (US Dollars) *	Three months ended March 31, 2021	Three months ended March 31, 2020	Variance (%)
<b>Operating revenues:</b>				
<b>Passenger revenues</b>	<b>298</b>	<b>6,130</b>	<b>7,548</b>	<b>(18.8%)</b>
Fare revenues	157	3,238	4,874	(33.6%)
Other passenger revenues	140	2,893	2,675	8.2%
<b>Non-passenger revenues</b>	<b>19</b>	<b>386</b>	<b>304</b>	<b>27.1%</b>
Other non-passenger revenues	16	331	247	33.8%
Cargo	3	55	56	(2.2%)
Non-derivatives financial instruments	(5)	(113)	(27)	>100%
<b>Total operating revenues</b>	<b>311</b>	<b>6,403</b>	<b>7,824</b>	<b>(18.2%)</b>
Other operating income	(3)	(59)	(121)	(51.6%)
Fuel expense, net <sup>(1)</sup>	93	1,922	2,513	(23.5%)
Depreciation of right of use assets	63	1,302	1,234	5.5%
Landing, take-off and navigation expenses	59	1,212	1,478	(18.0%)
Sales, marketing and distribution expenses	17	355	363	(2.2%)
Salaries and benefits	47	972	940	3.5%
Aircraft and engine variable lease expenses	23	468	375	24.8%
Maintenance expenses	21	423	234	81.0%
Other operating expenses	14	295	293	0.4%
Depreciation and amortization	12	253	209	21.3%
<b>Operating expenses</b>	<b>347</b>	<b>7,142</b>	<b>7,517</b>	<b>(5.0%)</b>
<b>Operating (loss) income</b>	<b>(36)</b>	<b>(739)</b>	<b>308</b>	<b>NA</b>
Finance income	1	12	49	(75.8%)
Finance cost	(28)	(567)	(656)	(13.6%)
Exchange gain (loss), net	12	247	(1,834)	NA
<b>Comprehensive financing result</b>	<b>(15)</b>	<b>(308)</b>	<b>(2,441)</b>	<b>(87.4%)</b>
<b>Loss before income tax</b>	<b>(51)</b>	<b>(1,047)</b>	<b>(2,133)</b>	<b>(50.9%)</b>
Income tax benefit	15	314	640	(50.9%)
<b>Net loss</b>	<b>(36)</b>	<b>(733)</b>	<b>(1,493)</b>	<b>(50.9%)</b>

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

<sup>(1)</sup> 1Q 2021 and 1Q 2020 figures include a benefit from non-derivatives financial instruments by an amount of Ps.66 million and Ps.48 million, respectively.

**Controladora Vuela Compañía de Aviación, S.A.B. de C.V. y Subsidiarias**  
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 March 31, 2021 (US Dollars)*	Three months ended March 31, 2021	Three months ended March 31, 2020	Variance (%)
Other passenger revenues	140	2,893	2,675	8.2%
Non-passenger revenues	19	386	304	27.1%
<b>Total ancillary revenues</b>	159	3,279	2,979	10.1%
Booked passengers (thousands)	-	4,271	5,277	(19.1%)
<b>Total ancillary revenue per passenger</b>	37	768	564	36.0%

\* 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. y Subsidiarias  
Consolidated Statement of Financial Position

(In millions of Mexican pesos)	March 31, 2021 Unaudited (US Dollars)*	March 31, 2021 Unaudited	December 31, 2020 Audited
<b>Assets</b>			
Cash and cash equivalents	423	8,718	10,103
Accounts receivable	106	2,181	2,027
Inventories	13	276	279
Prepaid expenses and other current assets	53	1,090	850
Financial instruments	-	-	-
Guarantee deposits	61	1,257	1,142
<b>Total current assets</b>	<b>656</b>	<b>13,522</b>	<b>14,402</b>
Rotable spare parts, furniture and equipment, net	354	7,288	7,281
Right of use assets	1,631	33,603	34,316
Intangible assets, net	9	182	192
Financial instruments	-	1	-
Deferred income taxes	167	3,440	3,129
Guarantee deposits	441	9,086	8,425
Other assets	5	100	119
Other long- term assets	16	334	325
<b>Total non-current assets</b>	<b>2,622</b>	<b>54,033</b>	<b>53,787</b>
<b>Total assets</b>	<b>3,279</b>	<b>67,555</b>	<b>68,189</b>
<b>Liabilities</b>			
Unearned transportation revenue	306	6,310	5,851
Accounts payable	73	1,500	2,365
Accrued liabilities	125	2,571	2,356
Lease liabilities	327	6,743	6,484
Other taxes and fees payable	120	2,469	2,236
Income taxes payable	-	2	4
Financial instruments	-	-	10
Financial debt	134	2,759	1,559
Other liabilities	9	179	101
<b>Total short-term liabilities</b>	<b>1,094</b>	<b>22,534</b>	<b>20,966</b>
Financial debt	132	2,718	3,796
Accrued liabilities	3	56	67
Lease liabilities	1,837	37,858	37,646
Other liabilities	145	2,980	2,668
Employee benefits	3	54	51
Deferred income taxes	10	200	200
<b>Total long-term liabilities</b>	<b>2,129</b>	<b>43,867</b>	<b>44,427</b>
<b>Total liabilities</b>	<b>3,223</b>	<b>66,401</b>	<b>65,393</b>
<b>Equity</b>			
Capital stock	166	3,426	3,426
Treasury shares	(11)	(224)	(224)
Contributions for future capital increases	-	-	-
Legal reserve	14	291	291
Additional paid-in capital	228	4,706	4,720
Retained losses	(223)	(4,588)	(3,855)
Accumulated other comprehensive losses <sup>(1)</sup>	(119)	(2,457)	(1,562)
<b>Total equity</b>	<b>56</b>	<b>1,154</b>	<b>2,796</b>
<b>Total liabilities and equity</b>	<b>3,279</b>	<b>67,555</b>	<b>68,189</b>
<b>Total shares outstanding fully diluted</b>		<b>1,165,976,677</b>	<b>1,165,976,677</b>

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

(1) As of March 31, 2021 and December 31, 2020 the figures include a negative foreign exchange effect of Ps.2,483 million and negative foreign exchange effect of Ps.1,577, respectively, related to non-derivative financial instruments.





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

Unaudited (In millions of Mexican pesos)	Three months ended March 31, 2021 (US Dollars)*	Three months ended March 31, 2021	Three months ended March 31, 2020
Net cash flow generated by operating activities	37	752	2,819
Net cash flow used in investing activities	(9)	(191)	(37)
Net cash flow used in financing activities**	(106)	(2,181)	(1,869)
<b>(Decrease) increase in cash and cash equivalents</b>	<b>(79)</b>	<b>(1,620)</b>	<b>913</b>
Net foreign exchange differences	11	234	1,765
Cash and cash equivalents at beginning of period	490	10,103	7,980
<b>Cash and cash equivalents at end of period</b>	<b>423</b>	<b>8,718</b>	<b>10,658</b>

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

\*\*Includes aircraft rental payments of Ps.2,136 million and Ps.1,819 million for the three months ended period March 31, 2021 and 2020, respectively.