



4Q & FY2020 Earnings Release GRUPO VIVA AEROBUS

*LEADING THE RECOVERY WITH CUSTOMER SERVICE,
INNOVATION AND LOW COSTS*

**QUEREMOS
QUE VIVAS MÁS**



IN THE 4Q VIVA AEROBUS LED THE REBOUND IN DOMESTIC AIR TRAVEL DEMAND, POSTING THE STRONGEST RECOVERY IN OPERATING VOLUME

Mexico City, February 22, 2021 - Grupo Viva Aerobus, S.A. de C.V. ("Grupo Viva") holding of Aeroenlaces Nacionales S.A. de C.V. ("Viva Aerobus"), the carrier with the lowest costs in Latin America and affordable fares for all Mexico, today announced its fourth-quarter and full-year 2020 financial results. The figures presented in this report have been prepared in accordance with IFRS (considering the USD as functional currency and MXN as reporting currency), they are expressed in millions of current nominal Mexican pesos, unless otherwise stated, and may vary slightly due to rounding.

The Safety of our Passengers and 'Gente Viva' Remains Our Top Priority

- Since the start of the pandemic we outlined, adopted, and remained fully committed to the initiatives of our 'Viva Contigo' program, which comprises well-defined protocols that are strictly aligned to the recommendations of the World Health Organization, Secretaria de Salud and Agencia Federal de Aviacion Civil. Such protocols are implemented without any exception at each aircraft, airport counters and kiosks, as well as workspaces. This rock-solid compliance of health protocols allowed us to be recipient of 2 important distinctions: (1) the Tourism Safety Stamp, granted by the Minister of Tourism of the Mexico City Government; and (2) the Health Safety Stamp, afforded by the Mexican System of Welfare 'IMSS'
- Our sanitation and hygiene safety measures include: (1) daily cleaning procedures for aircrafts, using technologies endorsed by aircraft manufacturers, and local and international agencies (outstanding the strategic partnership with CLORALEX®); (2) installation of medical-grade HEPA filtration systems for the entire fleet, which purify cabin air every 3 minutes; (3) air recycling between flights; (4) reduced personal interaction at each contact point; (5) mandatory use of face masks, gloves and application of antibacterial gel, by the crew and counter staff; and, most recently (6) the depth review of all due protocols for flights between Mexico and the U.S. (as it is the thorough documentation of COVID-19 tests for all travelers and crew). For further details, please visit our website: <https://www.vivaaerobus.com/en/info/viva-actions-covid-19>
- Following the recent mandates issued by the US Department of Health and Human Services (HHS), as of January 26th, 2021, all passengers, from abroad, traveling by air into the U.S. are required to have a negative COVID-19 test result (rapid antigen test or PCR test) before boarding. Consequently, Viva Aerobus, through agreements closed with multiple medical laboratories, will be providing an affordable and swift (results ready in less than 30 minutes) viral test service (antigen test) in the airports of Cancun, Mexico City, Guadalajara and Monterrey, where Viva Aerobus has both operational hubs and frequent flights to the U.S. In addition, Viva Aerobus offers to its passengers the option of being tested days ahead of their flights. With these solutions, we seek to duly comply with the regulation, in a way that is also comfortable for our passengers. For further details, please check the following link: <https://www.vivaaerobus.com/en/info/test-covid-19-passengers-usa>

We Continue Protecting our Cash Balance and Enhancing our Liquidity

- To care of our Company's financial position, we continued attending the recommendations of our committee for cash preservation, that meets on a weekly basis and decide on the most significant transactions of the Company
- Low capital expenditures are expected for 2021, given that no significant aircraft maintenances are scheduled, drawing from the average age of our fleet (the most modern in Mexico)
- At year-end, Viva Aerobus recorded a cash balance of Ps.2,967 million, a similar figure to that posted in 3Q20 (-Ps.102 million or -3.3%, mostly following the amortizations on short-term local notes and first settlements on the 2020 deferred operating liabilities), proof of the progress achieved at cash burn that follows our swift operating normalization (outstanding the >10% YoY growth in operating volume during December 2020), as well as the initiatives deployed to eliminate non-essential and discretionary expenses

Our Initiatives have Resulted in a Leaner and More Flexible Cost Structure

- Driven by the support of our suppliers and staff, we have successfully advanced in the execution of our plan to streamline the cost and expense structure, seeking to match it with the growing business activity (driven by our steady recovery from the effects of the pandemic), outstanding: (1) the agreements reached with our lessors; (2) the successful negotiations with airports' concessionaires; (3) the deferral of aircraft predelivery payments ("PDPs") with Airbus, implying a ~USD\$78 million decrease in the estimated bank debt for 2021; (4) a lower cost of jet fuel following a wider base of suppliers and closing of favorable deals; and (5) the temporary freeze of non-essential services and hires



- In 4Q20, operating expenses, excluding depreciation and amortization, reached Ps.2,895 million, a 4.3% YoY growth, in line with the increased operating volume (+3.6% YoY in capacity measured by Available Seat Kilometers or ASKs). On a quarterly basis, the operating expenses growth rate was lower than that of operating revenue (60.8, vs. 76.8%)

Innovative Ancillary Services Aimed at Protecting our Passenger's Wallet and Delivering the Widest Flexibility

- First airline in Mexico to permanently eliminate all change fees (effective as of November 3, 2020, applicable to Viva Smart, Viva Basic and Viva Light combos). Therefore, passengers travelling in one of the applicable modalities would only pay a possible fare difference for any flight change
- We remain successfully advancing in the alignment of operations to current trends (outstanding the optimization of fleet capacity and strategic stimulation of air travel demand) with the thorough deployment of comprehensive initiatives, such as: 'Tarifa Zero', preferential fare for waiving the right to carry handy bags and/or documented baggage; 'TU Aliado', buying mode that defer the payment of the Airport Departure Fee, from the time of purchase until check-in; and, the launching of 'VIP Priority' and 'Space+' seats, which are oriented to provide a more comfortable travel experience. Likewise, we continue strengthening our cargo and charter services
- Amongst recent developments of the quarter outstands the partnership closed with Cross Border Xpress (CBX), the pedestrian bridge that connects Mexico and the U.S. through the International Airports of Tijuana and San Diego, as we seek to enhance the experience of passengers, primarily towards the installation of Viva Aerobus' counters in the CBX terminal. Consequently, our passengers now may speed up their luggage documentation and ease printing of boarding passes and seat selection, while having an attractive option to enjoy an international travel experience at a domestic flight fare (savings ranging from 30% to 50% compared to landings in Californian airports), since our passengers travelling to Tijuana now are able to buy CBX tickets directly from our platforms

Recovery and Expansion of our Route Network

- Providing solid evidence of our reactivation, in November we became the first airline in the Americas to 100% resume the operating capacity. And, driven by the progressive launching of routes and reopening of flights, over December we posted a 11.8% YoY growth in ASKs (+3.6% YoY for 4Q20), allowing us to be the first Mexican airline to expand its capacity during the pandemic; ending 2020 with 131 routes in operation (103 domestic and 28 international), 12 more than 2019
- Over 2020, we launched 28 new routes, 13 domestic and 15 international (mostly towards year-end), tapping, in this way, into the reactivation of the air connectivity and overall economic activity (outstanding our performance during year-end's holiday season). It is also relevant to note that some of these routes are from/to Mexico City, as we have been able to seize a more prominent position from struggling airlines

Supporting our Community

- Over year 2020, Viva Aerobus deployed a wide variety of endeavors to proactively address the needs from the health contingency, highlighting: (1) the offering of free flights for health professionals; (2) the launching of 'Heroes Viva', campaign oriented to find, nominate, and reward (with all-expense-paid trips) those people who have stood out for their supporting spirit; (3) the deployment of "Juntos Despegaremos", oriented to advertise at zero cost (through our social networks and digital media) the services of tourism-oriented SMEs; (4) the cargo flight from Toulouse, France to Monterrey, in which up to 200,000 face masks were carried, and later donated to Cruz Roja Mexicana, by the Airbus Foundation; and (5) dedicated flights for repatriation purposes, while also addressing the needs related to essential activities. In this sense, Viva Aerobus has aided citizens of different countries, besides Mexico and the U.S. (Argentina, Brazil, Cuba, Chile, Ecuador, Honduras, Peru, and Uruguay)
- Towards the end of October, as part of the 'Semana Nacional de Conservacion', and to commemorate the 38th anniversary of the World Charter for Nature of the United Nations, Viva Aerobus reaffirmed its position as the greenest airline in Mexico, by presenting its environmental culture 'El Futuro es Verde'
- 'El Futuro es Verde' embraces a number of strategic initiatives, such as: (1) the separation of waste for recycling (snack wrappers, aluminum cans and plastic bottles) during flights (first Mexican airline to follow this practice). Having for this purpose a strategic partnership with ECOCE, an environmental civil association with ~20 years of experience in waste management and packaging; (2) the reduction of CO₂ emissions per seat and kilometer, and CO₂ per passenger and kilometer, expecting a 15% reduction by 2025. For this endeavor, Viva Aerobus set a multidisciplinary committee on Fuel Efficiency, and reinforced its compliance to the best practices (optimization of air routes to reduce distance traveled and reallocation of aircraft at each route); and (3) the approval for the acquisition, in 2021, of a portfolio of carbon credits, in accordance with the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), for a better air quality



4Q20 Highlights

- While, on an annual basis, 4Q20 booked passengers contracted 10.3%, given the effects of the pandemic, quarter-over-quarter it climbed 59.2% (+1,095,067), to 2,944,593; reflecting 2 full-months of operation at maximum capacity (November and December). Against this background outstands that, during December 2020, booked passengers was only 3.0% down year-over-year
- The quarterly operating revenue dropped 13.2%, from Ps.3,728 million in 4Q19 to Ps.3,237 million this quarter, as flight demand is yet to reach its pre-pandemic levels (4Q20 Load Factor was 79.0%, vs. 87.7% in 4Q19). Nevertheless, on a sequential basis, 4Q20 operating revenue was up 76.8%, following an expanded offering of routes and positive effects of the holiday season. Out of the Ps.3,237 million recorded, Ps.1,589 million (>100.0% QoQ) corresponds to Fare revenue and Ps.1,647 million (+57.6% QoQ) to Ancillary revenue, accounting for 49.1% and 50.9%, respectively. This performance reflects the sound execution of the endeavors to stimulate demand by offering highly competitive fares and a strong focus on ancillary services (core element of our ultra-low-cost model)
- For the second quarter in a row, 4Q20 EBITDAR was positive, reaching Ps.531 million, supported by the QoQ recovery of operating revenue, which outpaced the growth rate of operating expenses. Separately, and following the recording of certain non-cash valuation effects, the Company recorded a quarterly net loss of Ps.558 million in 4Q20
- On the financial front, amortizations on local notes (short-term notes issued in March 2020), together with the cash & cash equivalents balance of almost Ps.3,000 million, allowed Viva Aerobus to post a negative net debt of Ps.915 million; showing the success attained at the Company's liquidity management. In contrast, the demand drop of 1H20 weighed on the LTM EBITDAR, thus pushing the leverage ratio to 19.98x, from 13.69x in 3Q20

4Q20 Operational Considerations

- From January to December 2020, the Agencia Federal de Aviacion Civil reported a YoY contraction of ~47.3%, in total passengers carried in the domestic market. Before this challenging backdrop, but supported by the swift deployment of a comprehensive strategy to face the pandemic, Viva Aerobus managed to increase its participation in the domestic market, by 4.2 percentage points, from 20.2% as of December 2019 to 24.4% in December 2020
- In 4Q20, the average reference cost per gallon of jet fuel decreased to USD\$1.03, from USD\$1.85 (-44.3% YoY) in the same quarter last year
- The USD/MXN average exchange rate depreciated 6.5% YoY, to Ps.20.54/USD in 4Q20
- As of year-end, the Company's fleet was comprised of 43 aircraft (20 Airbus 320ceo, 20 Airbus 320neo and 3 Airbus 321neo), remaining as the most modern in Mexico due to its average age of 4.4 years. It is worth noting that the technology edge of its state-of-the-art fleet allows Viva Aerobus to have a preeminent position, being the Mexican airline with lowest CO₂ emissions per passenger, which in turn enables it to operate under a more efficient cost structure than the industry

Change in Functional Currency

- As of January 1, 2020, the Company determined that its functional currency was the US Dollar (USD). Until December 31, 2019, Viva Aerobus adopted the Mexican Peso (MXN) as its functional currency. The change in functional currency applies prospectively in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates". Consequently, full-year 2020 non-audited financial statements are not comparable with those of 2019



Financial Information

Financial Indicators (MXN Million)	4Q20	4Q19	Ch. %	2020	2019	Ch. %
Total Revenue	3,237	3,728	(13.2%)	8,221	12,874	(36.1%)
EBITDAR*	531	1,122	(52.7%)	946	3,875	(75.6%)
EBITDAR Margin*	16.4%	30.1%	(13.7 p.p.)	11.5%	30.1%	(18.6 p.p.)
Operation (loss) income [EBIT]*	(427)	315	(>100.0%)	(2,619)	935	(>100.0%)
EBIT Margin*	(13.2%)	8.4%	(21.6 p.p.)	(31.9%)	7.3%	(39.1 p.p.)
Earnings Before Taxes (EBT)*	(791)	658	(>100.0%)	(3,881)	579	(>100.0%)
EBT Margin*	(24.4%)	17.7%	(42.1 p.p.)	(47.2%)	4.5%	(51.7 p.p.)
Net (loss) income*	(558)	420	(>100.0%)	(2,727)	469	(>100.0%)
Net Margin*	(17.2%)	11.3%	(28.5 p.p.)	(33.2%)	3.6%	(36.8 p.p.)

*Items not comparable with 2019 due to change in the functional currency conducted in 2020.

Operational Information

Operational Indicators	4Q20*	4Q19	Ch. %	2020*	2019	Ch. %
ASKs (million)	4,303	4,153	3.6%	11,670	15,080	(22.6%)
RPks (million)	3,400	3,642	(6.6%)	9,393	13,374	(29.8%)
Booked Passengers (thousands)	2,945	3,282	(10.3%)	8,123	12,019	(32.4%)
Load Factor (%)	79.0%	87.7%	(8.7 p.p.)	80.5%	88.7%	(8.2 p.p.)
RASK (MXN)	0.76	0.90	(15.1%)	0.71	0.85	(17.1%)
Adjusted** RASK (MXN)	0.64	0.74	(14.0%)	0.60	0.71	(15.8%)
Fare Revenue per Passenger (MXN)	540	606	(10.9%)	479	590	(18.7%)
Ancillary Revenue per Passenger (MXN)	574	530	8.2%	538	482	11.7%
Operating Revenue per Passenger (MXN)	1,113	1,136	(2.0%)	1,017	1,071	(5.0%)
CASK* (MXN)	0.86	0.82	4.8%	0.93	0.79	17.8%
CASK* ex-fuel (MXN)	0.64	0.52	22.6%	0.70	0.48	44.6%
Adjusted** CASK* (MXN)	0.72	0.68	6.2%	0.78	0.66	19.5%
Adjusted** CASK* ex-fuel (MXN)	0.54	0.43	24.2%	0.59	0.40	46.8%
Stage Length (km)	1,137	1,108	2.7%	1,138	1,105	3.0%

*Considering USD as functional currency for 4Q20; and, MXN as recording currency.

**Adjusted to 1,609 km

Financial Ratios

Financial Ratios*	4Q20	4Q19
Liquidity Ratio**	0.40x	0.73x
Current Ratio***	0.42x	0.75x
Cash as % of LTM Revenue****	36.1%	33.8%
Gross Debt / Shareholders' Equity*	4.75x	1.07x
Adjusted Net Leverage***** / EBITDAR*	19.98x	3.81x

*Considering USD as functional currency for 4Q20; and, MXN as recording currency

**Liquidity Ratio = (Current Assets - inventory) / Current Liabilities

***Current Ratio = Current Assets / Current Liabilities

****Includes Restricted Cash

***** Adjusted Net Leverage: Net Debt (Total Financial Debt minus Cash) plus Operational Leases



Message from the CEO

2020 was an unprecedented year for the global economy that saw significant disruptions in different industries, such as the commercial aviation and whole tourism sector, driven by the drop in the passengers and tourists demand due to mobility restrictions set by different governments to contain the Covid-19 pandemic. The aviation industry is facing its worst crisis ever and experts predict that recovery to pre-pandemic levels of demand and passengers carried may take from 3 to 5 years.

In this context, since the beginning of the health contingency last year, our *Gente Viva* and management team have shown both resilience and adaptability and have effectively organized and undertaken the required strategic initiatives to achieve an efficient recovery, as well as protected our staff, reassured our customers, and worked close with our suppliers and strategic partners, to arise stronger from this challenge.

Meanwhile, Viva Aerobus not only became the first airline in the Americas to resume a 100% of its operational capacity, in November, but also relaunched flights to all the markets it served, in December. In addition, steadfast in our mission to provide affordable air connectivity (in line with the market trends, and all along the key destinations of the Mexican market), we opened 28 new routes over 2020 (13 domestic and 15 international) closing the year with 131 routes in operation, 12 more than the 119 recorded in 2019.

In this sense, the cornerstone of our operational recovery lies in a full compliance of the highest hygiene and safety standards, through our *Viva Contigo* program. It is worth noting that our protocols, endorsed by authorities, have allowed us to earn the Tourist Safety Stamp granted by the Government of Mexico City. And, with the purpose of meeting all passengers' needs amid the new normal and remaining at the forefront of choices, we further enhanced our flexibility, thus becoming the most flexible airline in Mexico, as we opted to permanently cancel all change fees; now, our passengers only need to cover a fare difference (if applicable) if their travel plans change.

These decisions are aimed to protect the safety and wallets of our passengers and are aligned to our world class ultra-low-cost carrier business model. This value proposition has been translated into a rock-solid preference for our services and allowed us to close December with over one million booked passengers, a similar figure than that reported in December 2019 (before the pandemic).

The challenge has not been easy, as even with the passengers' confidence, the effects of COVID-19 on the air travel demand have made it imperative for us to swiftly implement a timely and effective response to market changes. As a result, we assembled different task teams to implement initiatives aimed to protect our liquidity, and whose comprehensive recommendations have allowed us to end this quarter with a positive cash and cash equivalents balance of Ps.2,967 million, similar to the figure reported in 3Q20. This financial stability would not have been possible without the invaluable support of all our stakeholders and strategic partners. Without any doubt, the current situation calls for a team effort of all the involved in the air travel and tourism industries, to join forces for the recovery. For this reason, over the 4Q20, we closed a partnership with Visit Mexico, to support the tourism industry.

In addition to this partnership, we also pursued to reinforce our practices of corporate social responsibility, mainly through the announcement of our sustainability culture '*El Futuro es Verde*'. In this sense, we became the first airline in Mexico to separate waste for recycling during flights. Although, we are already the airline of lowest CO₂ emissions, thanks to our efficient operation and state-of-the-art fleet (the most modern in Mexico), now our goal is to achieve a 15% reduction of our CO₂ emissions per seat kilometer and CO₂ per passenger kilometer, toward 2025. With this endeavor, we reaffirm our position as the greenest airline in Mexico: having the sustainability at the core of our operations.

I can only conclude by thanking the remarkable work of all our staff, whose professionalism is reflected at our solid results despite the headwinds: enough liquidity, positive EBITDAR for the second consecutive quarter, and a stable operation. Backed by this great team and a robust business model, we are looking ahead with renewed hope and optimism, confident that we will emerge stronger from this challenge, to continue consolidating our leadership in the Mexican air travel industry and striving all days to accomplish our very mission of being: "always safe, always reliable, and always low prices".

Juan Carlos Zuazua
CEO



Message from the CFO

Amid an environment marked by the unprecedented headwinds of the COVID-19 pandemic, Viva Aerobus ended 2020 consolidating the recovery trend initiated over the last quarter, by recording once again, steady and promising results. Behind this positive performance lies the endeavors to build a lean cost structure and preserve the cash position (aligned to our current needs for the comprehensive reactivation of the operation and supported by the agreements reached with all suppliers and lessors), together with a strict expense control. In addition, we count on the steady growth of booked passengers recorded over 4Q20, which was largely driven by an increased flexibility, the launching of new products (to deliver a tailor-made flight experience) and efforts oriented to generate awareness of the prevention and hygiene measures that we have adopted at all our operations, thus providing our passengers with the assurance they need when flying with us.

The abovementioned, coupled with the strength of our business model, boosted the Operating Revenue to reach Ps.3,237 million, in 4Q20, representing a 76.8% QoQ growth and an annual decline of only 13.2%, vs. that recorded in the 3Q20 (-53.8% YoY). For the full-year 2020, Operating Revenue totaled Ps.8,221 million (-36.1% YoY), as most of the headwinds from the pandemic were experienced over 1H20.

Breaking down 4Q20 Operating Revenue, Fare Revenue and Ancillary Revenue, were Ps.1,589 million (a sequential surge of 102%) and Ps.1,647 million (+57.6% QoQ), respectively, both growth rates followed our swift operating recovery (which is trending at a faster rate than the average recorded at the domestic market).

It is Important to mention that quarterly EBITDAR was again in positive zone (+Ps.531 million), recording a strong sequential increase of 95.0%. The favorable evolution of this metric reflects not only the dynamics behind the Operating Revenue growth, such as the wider flexibility oriented to stimulate the passengers' trust to fly, but also the traction gained by the initiatives deployed since the beginning of the pandemic, to optimize the cost structure and preserve the cash flow stream (supported by the confidence and flexibility of all our suppliers).

For the full-year 2020, EBITDAR totaled Ps.946 million (-75.6% YoY) mostly following the performance attained at 1H20, same that was primarily marked by 2Q20 (at the beginning of the pandemic), as over this period was posted a significant EBITDAR drop. Nevertheless, we anticipate a gradual normalization of EBITDAR over 2021, hand in hand, with the progress of our operations dynamics (as the health conditions allow it).

Turning to our financial position, particularly remarkable was our liquidity preservation, as attested in the cash and cash equivalents balance recorded of Ps.2,967 million, only posting a sequential contraction of 3.3% that was primary explained by the settlements on short-term local notes. This breakthrough reflects a prudent use of cash, drawing from a swift decision-making process before high market fluctuations and our iron will to eliminate non-essential expenses.

Consequently, we deem to count on an adequate liquidity to fully meet our financial liabilities and face the challenges posed by COVID-19, while having the option to conduct further placements of debt under our local notes program, of which up to Ps.3,375 million remain to be issued (59% long-term and 41% short-term).

Looking ahead to 2021, our primary objectives are the strength of our balance sheet, a tight control of costs, a prudent financial management and a healthy cash flow, as we seek to capitalize on the gradual recovery of the demand and market opportunities.

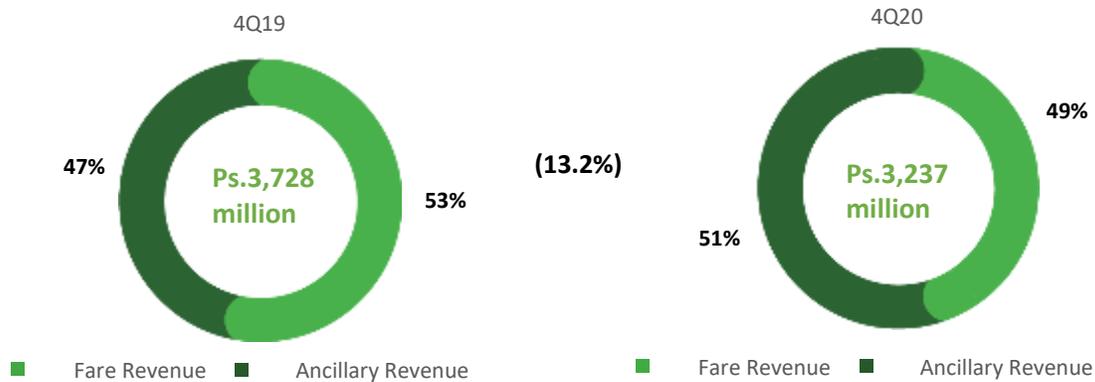
Please, rest assured that we will continue striving to satisfy our passengers' needs through an attractive offering that prioritizes the safety of all travelers and our staff; aiming to maintain Viva Aerobus at the forefront of responsibility, stability, soundness, and leadership, in the reactivation of the air travel industry.

José Golfier
CFO



Income Statement Analysis (P&L)

Total Revenue

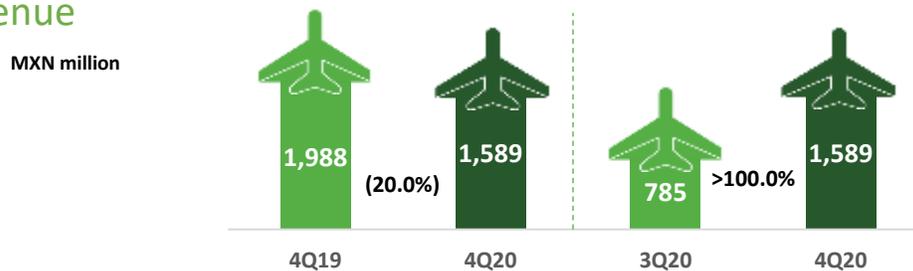


Despite the 4Q20 Total Revenue fall of 13.2% (from Ps.3,728 million in 4Q19 to Ps.3,237 million this quarter), the recorded figure of 4Q20 outstands as our second highest revenue for a fourth quarter and represents a strong sequential recovery of 76.8% (reflecting the success of our endeavors to comprehensively meet the current demand trends of the new normal).

In contrast, before the drastic demand drop of 1H20, Total Revenue for the full-year 2020 was Ps.8,221 million, recording a 36.1% annual contraction.

Over the pandemic, Viva Aerobus has heavily relied on the strength of its ultra-low-cost model, leveraging on its robust scope on ancillary revenue, which has been further reinforced with the introduction of effective demand-stimulating promotions. In this context, the ancillary revenues have reached an outstanding share of 50.9% and 52.6%, for the 4Q20 and FY2020, respectively, with a 49.1% and 47.4% share of fares, for 4Q20 and FY2020.

Fare Revenue



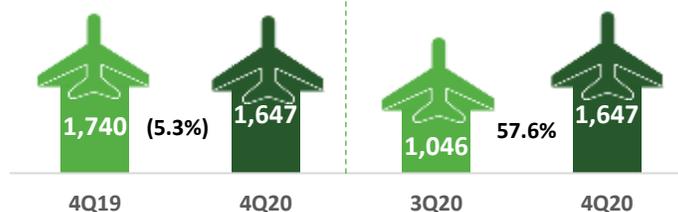
4Q20 fare revenue decreased 20.0% YoY, totaling Ps.1,589 million, following the combined effect of a strengthened network of routes (+12 new routes YoY) and a slight growth in operating capacity (+3.6% YoY in ASKs), by the one hand; and, a softened demand amid COVID-19, reflected on a load factor of 79.0% for 4Q20 (~9 p.p. YoY contraction), on the other. On a quarterly basis, fare revenue posted a >100% expansion.

For the twelve-month period ended December 31st, 2020, fare revenue was Ps.3,894 million, down 45.0% on annual basis, given a constraint operation before the contingency (22.6% annual drop in ASKs), coupled with a softer demand, given the lockdown measures (load factor went down to 80.5% in the 2020, from 88.7% in 2019).



Ancillary Revenue

MXN Million



4Q20 ancillary revenue decreased 5.3% or Ps.92 million YoY, to Ps.1,647 million, as the headwinds experienced in fare revenue were partially offset towards: i) the swift absorption of our new products; ii) our unbundling strategy that allows passengers to pay only for required services, thanks to our customer-centered options; and iii) the freight operations of Viva Cargo.

The above mentioned, alongside the fast recovery in operating volume, also contributed for 4Q20 ancillary revenue, that surged 57.6% on a sequential basis. In contrast, FY2020 ancillary Revenue decreased 25.2%, reaching Ps.4,327 million, as a result of the drop recorded in booked passengers (mostly reflecting the impact of 1H20).

Operating Expenses

MXN Million



4Q20 Operating Expenses were Ps.3,664 million, 7.3% above than the Ps.3,413 million of 4Q19, due to: i) the increase in overall capacity (+7 Aircraft YoY and +12 routes YoY); ii) a higher depreciation and amortization, consistent with the expansion of the fleet; and iii) higher expenses related to the operation recovery (+Ps.33 million or 5.2% in SG&A; +Ps.63 million or 84.0% in rights of usage of air space; and +Ps.53 million or 12.5% in Salaries). These effects were partly offset by the Ps.290 million or 23.1% contraction in Jet Fuel, in line with the strategies implemented to secure a lower cost of this input through and incremental acquisition of imports. For the full-year 2020, operating expenses decreased 9.2% YoY, thanks to the support of all our suppliers that provided us with the required flexibility to comprehensively align our expenses structure to current revenue.

It is worth noting that to mitigate fuel price fluctuation risks, Viva Aerobus maintains a risk management policy that uses a portfolio of instruments composed by forwards, call and call spread options, hedging approximately 50% of its forecasted jet fuel requirements for the following two months, 40% for the third month, 30% for the fourth month, continuing iteratively until reaching 5% of the forecasted consumption for the twelfth month.

(MXN million)	4Q20*	4Q19	Ch. %	2020*	2019	Ch. %
Jet Fuel	966	1,256	(23.1%)	2,745	4,667	(41.2%)
Maintenance	264	265	(0.3%)	711	664	7.2%
Supplemental rents	189	169	12.2%	623	416	49.8%
Salaries, wages and other benefits	479	426	12.5%	1,530	1,423	7.5%
Depreciation and amortization	768	638	20.4%	2,942	2,524	16.6%
Rights for the usage of air space	138	75	84.0%	385	483	(20.1%)
Selling, administrative & advertising expenses	680	646	5.2%	1,800	1,977	(9.0%)
Other operating expenses	180	(62)	(>100.0%)	103	(215)	(>100.0%)
Total Operating Expenses	3,664	3,413	7.3%	10,840	11,939	(9.2%)
Operating-expenses-to-revenue ratio (%)	113.2%	91.6%	21.6 p.p.	131.7%	92.7%	39.1 p.p.

*Not compared to 2019 due to the change in functional currency conducted.



EBITDAR

MXN million



The quarterly EBITDAR reached Ps.531 million, compared to Ps.1,122 million recorded in 4Q19. As the other lines of the P&L, the EBITDAR, once again, posted a sound sequential recovery (+95.0%).

(MXN million)	4Q20	4Q19	2020	2019
Operating (Loss) Income*	(427)	315	(2,619)	935
Depreciation and Amortization*	768	638	2,942	2,524
Rents	189	169	623	416
EBITDAR*	531	1,122	946	3,875
EBITDAR Margin*	16.4%	30.1%	11.5%	30.1%

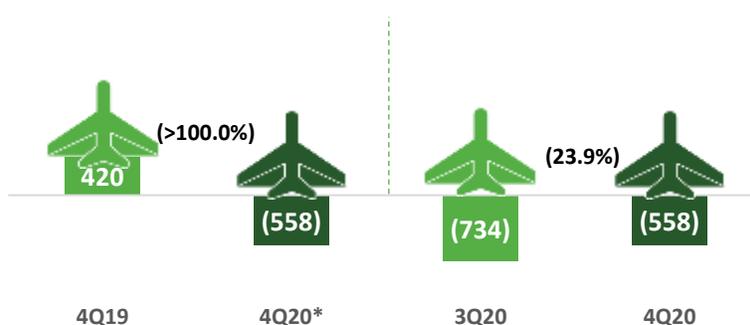
*Items not compared with 2019 due to the change in functional currency conducted in 2020.

Income Tax

A tax benefit of Ps.232 million was registered in 4Q20, positively compared to the Ps.238 million tax payable registered in 4Q19.

Net (Loss) Income

MXN million



In the 4Q20, a Net Loss of Ps.558 million was recorded, mostly following the recordings of non-cash valuation effects related to virtual accounting effects.

(MXN million)	4Q20	4Q19	2020	2019
Net (Loss) Income*	(558)	420	(2,727)	469
Net Margin*	(17.2%)	11.3%	(33.0%)	3.6%

*Items not compared with 2019 due to the change in functional currency conducted in 2020.



Financial Position

Cash & Cash Equivalents

The Cash & cash equivalents balance as of quarter-end reached Ps.2,967 million, a 3.3% (Ps.102 million) decrease when compared to the Ps.3,070 million in 3Q20, mainly explained by the amortizations on debt securities. It is important to remark that cash burn rate has been landed and the Company is getting closer to cash flow neutrality.

In addition, it is worth to remind that the Company counts on a preapproved local notes program, which represents a key instrument to access additional funding (we have up to Ps.3,375 million pending to be issued, Ps.2,000 million in long-term securities and Ps.1,375 million in short-term securities).



Financial Debt

(MXN million)	Dec-20	Dec-19	Ch. %
Bank Debt (mostly for PDP financing)	972	1,206	(19.4%)
Debt Securities	1,080	1,985	(45.6%)
Short-term	652	1,973	(67.0%)
Long-term	1,401	1,217	15.1%
Gross Debt	2,052	3,191	(35.7%)
Net Debt*	(915)	(1,163)	(21.3%)

* Net Debt: Total Financial Debt - Cash (including Restricted Cash).

The Gross Debt decreased 35.7%, from Ps.3,191 million at the end of 2019 to Ps.2,052 million as of December 31, 2020, primarily following the amortizations on short-term local notes.

Regarding the debt breakdown, 47.4% is subscribed with banks for pre-delivery payments "PDP" of aircraft, same that will be repaid upon reception; and the remaining 52.6% belonged to outstanding securities, composed of short-term local notes issued at the BIVA and BMV, and the long-term notes program established with the Mexican Stock Exchange.

Driven by a relatively unchanged Cash Balance and a lower Gross Debt, Net Debt closed again at negative zone, recording -Ps.915 million for 4Q20. It is important to remind that net debt was positive in the first half of 2020 (in 1Q20, due to an increase in debt securities; and, in 2Q20, from a high cash burn rate, given the strong revenue erosion stemming from the pandemic).

Separately, the leverage ratio (net debt plus operational leases to LTM EBITDAR) reached 19.98X as of year-end, primarily explained by the fall in LTM EBITDAR due to the negative EBITDAR recorded in 2Q20 and in a lesser extent to the double-digit contraction recorded in 3Q20.

It is worth noting that Adjusted Net Leverage, calculated under IFRS 16, reflects the Company's leverage more accurately than the previously applied standard that used a lease capitalization ratio of 7x.

	Dec-20	Dec-19
Adjusted net debt / EBITDAR*	19.98x	3.81x

*Items not compared with 2019 due to the change in the functional currency conducted in 2020.



Fleet

Aircraft		December 2020	September 2020	December 2019
	Airbus 320ceo	20	18	18
	Airbus 320neo	20	20	18
	Airbus 321neo	3	1	0

In 4Q20 we received 2 of the 37 Airbus 321neo aircraft pending of delivery from the order of 80 aircraft announced in July 2018, model that is featured by its high efficiency in jet fuel consumption. As of December 31, 2020, Viva Aerobus' fleet was composed of 20 Airbus 320ceo, 20 Airbus 320neo and 3 Airbus 321neo, with an average age of 4.4 years (the most modern in Mexico). Other 5 A321neo aircraft are scheduled for delivery in 2021.

It is important to note that the Company's most important priority lies in facing the pandemic with a wide stability. Therefore, it will continue prioritizing its cash balance and financial position, leveraging into its operational flexibility to meet the prevailing demand trends of the new normal.



Additional Noteworthy Accomplishments

During the fourth quarter of 2020, pursuant to its commitment with the responsible reactivation of the air travel industry, Viva Aerobus became the first Airline in the Americas to resume 100% of its operating capacity (in November 2020). Similarly, in the next month (December 2020) Viva Aerobus was the first Mexican airline to expand its operating capacity (in an annual basis). This period was featured by the swift capability of the Company in the launching of new routes.

Moreover, Viva Aerobus closed important commercial partnerships towards the protection of its passengers' wallet and safety, while also seeking to strengthen the Mexican tourism sector. In this context, over the quarter, Viva Aerobus reaffirmed its commitment to a sustainable operation and was recognized by the Mexico City authorities for its strict adherence to prevention and hygiene protocols.

- On October 1, 2020, our second Airbus A321neo landed in Monterrey, thus becoming the 40th aircraft of the Viva Aerobus' fleet
- On October 2, 2020, Viva Aerobus, the Governor of Durango, Mr. Jose Rosas Aispuro Torres, and Durango's Minister of Tourism, Mr. Eleazar Gamboa de la Parra, announced, through a virtual conference, the opening of the new route Durango - Mexico City
- On October 2, 2020, Viva Aerobus, alongside the Governor of Campeche, Mr. Carlos Miguel Aysa Gonzalez, and the state's Minister of Tourism, Mr. Jorge Manos, announced its new routes Mexico City - Campeche and Mexico City - Ciudad del Carmen
- On October 2, 2020, Viva Aerobus announced the opening of its new route: Mexico City - Los Mochis, having kick-off on December 17, 2020
- On October 2, 2020, Viva Aerobus announced that, as part of the responsible reactivation of the tourism and air travel sector, it would operate 97 routes for the month, outstanding the reopening of the routes Mexico City - Oaxaca, Chihuahua - Guadalajara and Hermosillo - Los Cabos. It was also outstanding the strengthened connectivity from/to Mexico's capital, with 14 new routes
- On October 6, 2020, Viva Aerobus and Mr. Humberto Javier Montero de Alba, Minister of Tourism of Aguascalientes, announced that the updated kick-off date for the Aguascalientes - Cancun route will be on November 2. The first arrival of Viva Aerobus to this state, which had been announced early this year and was expected to start in July, as it was postponed due to the pandemic
- On October 16, 2020, Viva Aerobus announced that the Cancun - Camaguey route will resume operations on October 20 and Cancun - Santiago de Cuba would be having its inaugural flight on October 22. With these routes, Viva Aerobus became the first Mexican airline to resume flights to Cuba
- On October 26, 2020, Viva Aerobus signed a commercial agreement with Cross Border Xpress (CBX), the exclusive pedestrian bridge for passengers of the Tijuana International Airport who crosses the border between Mexico and the U.S., in order to soften and enhance the travel experience offered by Viva Aerobus. In this sense, Viva Aerobus' counters were setup within the CBX terminal, thus enabling its passengers to speed up their luggage documentation, printing of boarding passes, seats selection, among others
- On October 28, 2020, as part of the *Semana Nacional para la Conservación*, and to celebrate the 38th anniversary of the approval of the World Charter for Nature, the Company presented its environmental culture program '*El Futuro es Verde*', which is comprised of a number of initiatives oriented to reaffirm the position of Viva Aerobus as the greenest airline in Mexico
- On October 30, 2020, as a result of its responsible operating reactivation, Viva Aerobus reported that, over November, it would operate 109 routes: 96 domestic and 13 international. It was noting that, with a similar offering of seats than November 2019, Viva Aerobus became the first airline in the Americas to successfully resume 100% of its capacity (on an annual basis)
- On November 3, 2020, Viva Aerobus permanently cancelled all change fees, thus ratifying its commitment to flexibility and customer service
- On November 5, 2020, Viva Aerobus inaugurated the new Cancun - San Luis Potosi route, with an opening event held by the Secretary of Tourism of San Luis Potosi, Mr. Arturo Esper Sulaiman
- On November 12, 2020, Viva Aerobus, together with the Governor of Campeche, Mr. Carlos Miguel Aysa Gonzalez, launched its new route, Mexico City - Campeche
- On November 12, 2020, Viva Aerobus started operations of its new Mexico City - Acapulco route
- On November 12, 2020, Viva Aerobus kicked-off its new route, Mexico City - Chetumal, opening event that was held by Mr. Dario Flota, Head of the Consejo de Promoción Turística de Quintana Roo



- On November 13, 2020, Viva Aerobus started operations of its new routes from Mexico City to Ciudad del Carmen and Dallas Fort Worth
- On November 20, 2020, Viva Aerobus announced that it would be providing to authorities, civil associations and non-governmental organizations, its cargo flights, free of charge, to Villahermosa (from Cancun, Mexico City, Guadalajara and Monterrey), aiming to support Tabascos' victims of floods
- On November 30, 2020, under the framework of its 14th anniversary, Viva Aerobus became the first Mexican airline to grow its operating capacity, on an annual basis, over the pandemic (+10% YoY, December 2020 vs. December 2019), ahead in the recovery of the Mexican commercial aviation industry
- On December 1, 2020, Viva Aerobus resumed operations at the Mexicali International Airport, over its routes to Guadalajara and Monterrey
- On December 3, 2020, Viva Aerobus reactivated its operations in the Toluca International Airport, resuming the flights to Cancun and Monterrey
- On December 4, 2020, the Ministry of Tourism of Aguascalientes, Mr. Humberto Javier Montero de Alba, and Viva Aerobus, celebrating, together, the strengthening of Aguascalientes' air connectivity, with the opening of the Cancun - Aguascalientes route, that started operations in November 2020
- On December 9, 2020, Viva Aerobus, together with Visit Mexico, announced the signing of a new agreement aimed to the reactivation of the tourism industry towards a comprehensive marketing campaign of key destinations and new flight routes, in Mexico
- On December 10, 2020, Viva Aerobus informed a positive amendment to its partnership with CBX (signed in October), with the implementation of purchasing options for the CBX tickets over Viva Aerobus' website, Call Center and Viva Tiendas
- On December 14, 2020, Viva Aerobus launched the Tijuana - Morelia 'Combo', a comprehensive air and ground transportation bundle that provides the passengers with exclusive benefits. Under this initiative, all passengers flying, between December 8, 2020 and May 30, 2021, from Tijuana to Morelia, or vice versa, will enjoy: i) a free round-trip transportation on a Viva Bus, from the airport to the bus station; ii) an increase in the total weight of carry-ons and checked baggage (from 10 kg to 15 kg); iii) a 90% off on the bus tickets to the final destination; and, iv) a 30% off for next flight
- On December 15, 2020, Viva Aerobus announced the launching of 4 new routes to/from Mexico City to: Los Mochis, Durango, Ciudad Obregon and Chicago (O'hare Airport)
- On December 15, 2020, Viva Aerobus was awarded with the 'Seguridad Turistica' Stamp, granted by the Minister of Tourism of the Mexico City Government, for its rock-solid compliance of local and international protocols on prevention and hygiene
- On December 17, 2020, Viva Aerobus, alongside the Deputy Minister of Development of the Mexican Department of Tourism, Mr. Juan Jose Ruiz Gonzalez, launched its new Mexico City - Los Mochis route
- On December 17, 2020, Viva Aerobus resumed operations of its seasonal route, Leon - Chicago (O'Hare airport)
- On December 18, 2020, Viva Aerobus launched its new route, Mexico City - Ciudad Obregón, with an opening ceremony held by Mr. Luis Nuñez Noriega, General Coordinator of the 'Comisión de Fomento al Turismo' of Sonora
- On December 18, 2020, Viva Aerobus and Mr. Pedro Castelan Reyna, Executive Director of the Ixtapa Zihuatanejo Conventions and Visitors Department, celebrated the kick-off of the new Ixtapa Zihuatanejo - Mexico City route
- On December 18, 2020, Viva Aerobus reactivated the operations of its seasonal route, Morelia - Chicago (O'Hare airport)
- On December 19, 2020, Viva Aerobus resumed its seasonal route, Zacatecas - Chicago (O'Hare airport)
- On December 21, 2020, Viva Aerobus announced 3 new routes to Havana from/to Cancun, Merida and Monterrey (flights starting on December)



Developments After the Reporting Period

- On January 8, 2021, Viva Aerobus became a sponsor of Club America and its official airline. Consequently, Viva Aerobus will be providing safe and reliable air transportation, to all its squads, for all travels scheduled on the 2021 Club America's matches' calendar
- On January 13, 2021, as a result of the new mandates issued by the U.S. Department of Health, applicable to all passengers traveling by air to the U.S., Viva Aerobus informed that it is working, hand in hand, with authorities and airports' concessionaires, to ease and support its passengers' compliance to the new regulations. In this sense, Viva Aerobus is centering efforts to offer a low-cost antigen testing service for those passengers who arrive at the airports without the required test of COVID-19

About Grupo Viva Aerobus

Grupo Viva Aerobus is a holding Company of several businesses, among those is the airline Viva Aerobus.

About Viva Aerobus

Viva Aerobus is Mexico's low-cost airline. It started operations in 2006 and today operates one of the most modern Latin American fleet with 40 Airbus 320 and 3 Airbus 321. With a clear vision of giving all people the opportunity to fly, Viva Aerobus has democratized the airline industry with the lowest rates in Mexico, making their flights the best value offer, which in 2018 enabled Viva Aerobus to carry more than 10 million passengers in one year for the first time since its foundation and during all months of 4Q19 to carry more than 1 million passengers, exceeding the 12 million mark for 2019.

Fixed-income Analysts

Institution	Credit Rating	Analyst	E-mail
HR Ratings	HR A+ (E) – HR3	Samuel Egure-Lascano	samuel.egurelascano@hrratings.com
Verum	A/M (e) – 4/M	Jonathan Felix	jonathan.felix@verum.mx

Passengers Segment

The passengers segment targets the large Mexican market of price-sensitive leisure passengers and passengers visiting friends and relatives ("VFRs"), as well as business travelers from small and medium enterprises ("SMEs") and have a particular focus on travelers currently traveling by bus, to create opportunities for travelers to trade up from long distance bus travel to air travel. For this purpose, we leverage our long-term, strategic relationship with Grupo IAMSA, which serves millions of bus passengers each year, since Viva Aerobus is the only airline in Mexico that has within its distribution channels over 300 bus stations which sell flight tickets.

Ancillary Revenue

The ancillary revenue seeks to maximize the satisfaction level of passengers traveling with Viva Aerobus by offering a broad portfolio of products and services adaptable to the unique needs of each passenger, while also being an important source of revenue for the Company.

Forward-looking Statements

This earnings release may contain forward looking statements that reflect the vision of the Company's management and are not based on historical facts. Grupo Viva Aerobus cautions readers that the statements or estimations herein contained, or stated by the Company's management team, are subject to risks and uncertainties that might change from time to time as a result of a number of factors that are out of the Company's control.



Glossary

ASKs: Stands for "available seat kilometers" and represents aircraft seating capacity multiplied by the number of kilometers the seats are flown.

CASK: Stands for "cost per available seat kilometer" and represents operating expenses divided by available seat kilometers (ASKs).

CASK ex-fuel: Represents operating expenses other than fuel divided by available seat kilometers (ASKs).

EBITDAR: Stands for "Earnings before interest, taxes, depreciation, amortization and restructuring and rent costs" and it is calculated as revenue minus expenses, excluding interests, depreciation, amortization, restructuring and rental cost.

Load Factor: Represents the percentage of aircraft seating capacity that is currently used and is calculated by dividing revenue passenger kilometers (RPKs) by available seat kilometers (ASKs).

RASK: Stands for "operating revenue per available seat kilometer" and represents operating revenue divided by available seat kilometers.

RPKs: Stands for "revenue passenger kilometers" and represents the number of kilometers flown by passengers.

Investor Relations Contact

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Financial Statements

Income Statement

Grupo Viva Aerobus, S.A. de C.V. and Subsidiaries

Consolidated Statement of Comprehensive Income
Three-and-twelve-months period ended December 31, 2020 and 2019
(Thousands of Mexican Pesos)

MXN Thousand	4Q20*	4Q19	Ch. %.	2020*	2019	Ch. %.
Operating Revenue						
Passengers	1,589,312	1,987,871	(20.0%)	3,894,132	7,086,481	(45.0%)
Ancillary Revenue	1,647,458	1,739,693	(5.3%)	4,327,037	5,787,573	(25.2%)
Total Revenue	3,236,770	3,727,564	(13.2%)	8,221,169	12,874,054	(36.1%)
Operating Expenses						
Fuel	965,900	1,256,278	(23.1%)	2,744,567	4,667,459	(41.2%)
Maintenance	263,904	264,589	(0.3%)	711,401	663,847	7.2%
Salaries, wages and other benefits	478,597	425,559	12.5%	1,529,946	1,423,242	7.5%
Rights for the usage of air space	138,114	75,061	84.0%	385,430	482,563	(20.1%)
Selling, administrative and advertising expenses	679,823	646,362	5.2%	1,800,450	1,977,481	(9.0%)
Other operating (income) expenses	179,580	(61,982)	(>100.0%)	103,189	(215,162)	(>100.0%)
Total Operating (Income) Expenses	2,705,918	2,605,867	3.8%	7,274,983	8,999,430	(19.2%)
EBITDAR	530,852	1,121,697	(52.7%)	946,186	3,874,624	(75.6%)
EBITDAR Margin	16.4%	30.1%	(13.7 p.p.)	11.5%	30.1%	(18.6 p.p.)
Rents	189,271	168,689	12.2%	623,124	416,084	49.8%
EBITDA	341,581	953,008	(64.2%)	323,062	3,458,540	(90.7%)
EBITDA Margin	10.6%	25.6%	(15.0 p.p.)	3.9%	26.9%	(22.9 p.p.)
Depreciation and amortization	768,491	638,492	20.4%	2,942,130	2,523,802	16.6%
Operating (Loss) Income [EBIT]	(426,910)	314,516	(>100.0%)	(2,619,068)	934,738	(>100.0)
EBIT Margin	(13.2%)	8.4%	(21.6 p.p.)	(31.9%)	7.3%	(39.1 p.p.)
Net Interest Expenses (Income)	(374,193)	(187,570)	99.5%	(1,139,296)	(945,906)	>100.0%
Net FX (Loss) Gain	10,428	531,124	(98.0%)	(123,091)	590,066	(>100.0%)
Earnings Before Taxes (EBT)	(790,675)	658,070	(>100.0%)	(3,881,455)	578,898	(>100.0%)
EBT Margin	(24.4%)	17.7%	(42.1 p.p.)	(47.2%)	4.5%	(51.7 p.p.)
Income Taxes	(232,483)	238,410	(>100.0%)	(1,154,878)	109,736	(>100.0%)
Net (Loss) Income	(558,192)	419,660	(>100.0%)	(2,726,577)	469,162	(>100.0%)
Net Margin	(17.2%)	11.3%	(28.5 p.p.)	(33.2%)	3.6%	(36.8 p.p.)

*Items not comparable with 2019 due to the change in functional currency to US Dollar conducted in 2020.



Balance Sheet
Grupo Viva Aerobus, S.A. de C.V. and Subsidiaries

Consolidated Statement of Financial Position

As of December 31, 2020 and 2019

(Thousands of Mexican Pesos)

MXN Thousand	As of December 31, 2020*	As of December 31, 2019	Ch. %.
Assets			
Cash and Cash Equivalents	2,967,319	4,353,959	(31.8%)
Accounts Receivable and Others	444,369	238,451	86.4%
Inventories	199,565	160,528	24.3%
Prepayments for Maintenance	1,181,454	947,638	24.7%
Guarantee Deposits and Prepaid Expenses	2,924,241	3,307,767	(11.6%)
Operating Equipment, Furniture and Equipment, net	1,316,194	1,266,853	3.9%
Derivative Financial Instruments	27,886	209,402	(86.7%)
Deferred Income Taxes	1,752,903	586,413	>100.0%
Right-of-Use-Assets	16,678,913	14,530,049	14.8%
Other Assets	2,490,695	866,895	>100.0%
Total Assets	29,983,539	26,467,955	13.3%
Liabilities			
Short-term Financial Debt	651,531	1,973,409	(67.0%)
Accounts Payable	1,597,313	826,633	93.2%
Accrued Liabilities	1,488,806	258,788	>100.0%
Provisions	3,138,487	2,203,811	42.4%
Air Traffic Liability	708,846	741,965	(4.5%)
Long-term Financial Debt	1,400,891	1,217,336	15.1%
Prepayment for Services	438,878	306,114	43.4%
Leasing Liabilities	19,818,297	15,907,982	24.6%
Other Liabilities	308,474	52,119	>100.0%
Total Liabilities	29,551,523	23,488,157	25.8%
Stockholders' Equity			
Capital Stock	933,875	933,875	0.0%
Other Capital Accounts	258,922	71,570	>100.0%
Retained Profits	(760,781)	1,974,353	(>100.0%)
Total Stockholders' Equity	432,016	2,979,798	(85.5%)
Total Liabilities and Stockholders' Equity	29,983,539	26,467,955	13.3%

*Items not comparable with 2019 due to the change in functional currency to US Dollar conducted in 2020.

